



OHIO AUDITOR OF STATE  
**KEITH FABER**





**AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY**

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**AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal AL Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
<i>Passed Through Ohio Department of Education</i>		
COVID-19 SNAP State/Local PEBT	10.649	\$ 628
Child Nutrition Cluster:		
National School Lunch Program - Commodities	10.555	99,823
National School Lunch Program	10.555	646,103
COVID-19 Nutrition Supply Chain - National School Lunch Program	10.555	65,775
Total Child Nutrition Cluster		<u>811,701</u>
<b>Total U.S. Department of Agriculture</b>		<u>812,329</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>		
<i>Passed Through Ohio Department of Education</i>		
Title I, Grants to Local Educational Agencies	84.010A	139,980
Title II-A, Supporting Effective Instruction State Grants	84.367A	78,281
Title IV-A Student Support and Academic Enrichment	84.424A	12,222
Special Education Cluster:		
Special Education Part B Grants	84.027A	758,768
Special Education Preschool Grant	84.173A	19,908
COVID-19 ARP IDEA Part B Special Education	84.027X	10,681
Total Special Education Cluster		<u>789,357</u>
ESSER Fund		
COVID-19 ESSER II	84.425D	23,976
COVID-19 ESSER II State Activity Supplement	84.425D	823,975
COVID-19 ARP ESSER	84.425U	474,027
COVID-19 ARP ESSER State Activity Supplement	84.425U	176,311
Total ESSER Funds		<u>1,498,289</u>
<b>Total U.S. Department of Education</b>		<u>2,518,129</u>
<b>U.S. DEPARTMENT OF TREASURY</b>		
<i>Passed Through Ohio School Facilities Commission</i>		
COVID-19 Ohio K-12 School Safety Grant through SLFRF	21.027	84,640
<b>Total U.S. Department of Treasury</b>		<u>84,640</u>
<b>Total Expenditures of Federal Awards</b>		<u><u>\$ 3,415,098</u></u>

*The accompanying notes are an integral part of this schedule.*

**AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Avon Lake City School District (the District) under programs of the federal District for the year ended June 30, 2023. 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 entitlement value. The District allocated donated food commodities to the respective programs that benefitted from the use of those donated food commodities.

**NOTE F - MATCHING REQUIREMENTS**

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

**AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE G - TRANSFERS BETWEEN PROGRAM YEARS**

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2023 to 2024 programs:

<u>Program Title</u>	<u>Assistance Listing Number</u>	<u>Amount Transferred</u>
Title II-A Grant	84.367	\$ 2,878
ARP ESSER Grant	84.425U	\$ 522,875
ARP ESSER State Activity Supplement Grant	84.425U	\$ 597,474

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# OHIO AUDITOR OF STATE KEITH FABER



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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

Avon Lake City School District  
Lorain County  
175 Avon Belden Road  
Avon Lake, Ohio 44012

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, each major fund, and the aggregate remaining fund information of the Avon Lake City School District, Lorain County, (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 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 purposes 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.

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***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

January 31, 2024

# OHIO AUDITOR OF STATE KEITH FABER



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

Avon Lake City School District  
Lorain County  
175 Avon Belden Road  
Avon Lake, Ohio 44012

To the Board of Education:

### **Report on Compliance for the Major Federal Program**

#### ***Opinion on the Major Federal Program***

We have audited Avon Lake City School District's (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 Avon Lake City School District's major federal program for the year ended June 30, 2023. Avon Lake City School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Avon Lake 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 major federal program for the year ended June 30, 2023.

#### ***Basis for Opinion on the Major Federal Program***

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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

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### ***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 the 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.

### ***Report on Internal Control Over Compliance***

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

Our consideration of internal control over compliance was for the limited purpose described in the *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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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, each major fund and the aggregate remaining fund information of Avon Lake City School District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated January 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 the 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 taken as a whole.



Keith Faber  
Auditor of State  
Columbus, Ohio

January 31, 2024

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**AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2023**

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

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

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.





**AVON LAKE  
CITY SCHOOL DISTRICT  
AVON LAKE, OHIO**



**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**AVON LAKE CITY SCHOOL DISTRICT  
AVON LAKE, OHIO**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Prepared by**

**Autumn Reed  
Treasurer**

**Avon Lake City School District**  
*Annual Comprehensive Financial Report*  
*For the Fiscal Year Ended June 30, 2023*  
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# INTRODUCTORY SECTION



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# AVON LAKE CITY SCHOOLS

175 Avon Belden Road  
Avon Lake, Ohio 44012  
[www.avonlakecityschools.org](http://www.avonlakecityschools.org)



## **Board of Education**

James A. Stobe, President  
Michael P. Sherban, Vice President  
Kendra M. Gardiner  
Ronald D. Jantz Jr.  
Jenefer S. Machovina

## **Superintendent**

Robert D. Scott  
440.933.6210  
440.933.6711 fax

## **Treasurer**

Autumn Reed  
440.933.5163  
440.933.7540 fax

January 31, 2024

Board of Education Members and Residents of  
Avon Lake City School District

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Avon Lake City School District for the fiscal year ended June 30, 2023. This ACFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the Avon Lake City School District with the comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the Avon Lake Public Library, major taxpayers, financial rating services and other interested parties.

## **The School District**

The Avon Lake City School District is located in a residential/commercial suburban community in eastern Lorain County, twenty-five miles west of Cleveland. In 1850, the first log cabin school was built, and as the need arose, four brick one-room school buildings were built. In 1921, a \$ 125,000 bond issue was passed to build a centralized school that is now a section of Avon Lake High School.

In order to meet the needs of a growing community, the high school was expanded several times. In the mid-1970's instructional classrooms and a physical education complex were added and the Learwood Middle School, Erievew Elementary, Eastview Elementary, Westview Elementary, Redwood Elementary and Troy Junior High School were constructed. Troy Junior High School was closed for educational purposes in 1982 because of the energy crisis and decreased enrollment. In 1988, Troy Junior High was reopened as the Avon Lake Community Education Center. The Community Education Center ceased to operate in the Troy Building as of July, 1991 due to the economy of operations. The Troy Intermediate School building was reopened for instruction beginning in the fall of 1995. In 1999, Avon Lake City Schools began a building project that added classrooms to all six (6) buildings. Avon Lake High School completed a major renovation, which included additional physical education facilities and an auditorium that hosted the Cleveland Pops Orchestra for the dedication of the facilities. In 2009, two (2) additional bond issues were passed totaling \$ 18,500,000. These renovations and additions began in March 2010 on the stadium portion of the project with completion of the stadium renovations by August 2010. Classroom additions to five (5) buildings began in May 2010 and completed August 2011. A new Transportation Center opened in the summer of 2011 and currently houses 33 buses and 2 vans. These projects were necessary to keep up with the growing enrollment. Today the citizens have an investment of \$ 105,282,812 in the School District land, land improvements, buildings, furniture and equipment, and vehicles (excludes accumulated depreciation).

The legislative power of the School District is vested in the Board of Education. Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide services authorized by charter and further mandated by State and Federal agencies.

## **Reporting Entity**

The School District has reviewed its reporting entity definition in order to ensure conformance with Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No.14 and No.34". In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the Avon Lake City School District (the primary government) and its potential component units. The School District has no component units.

The School District participates in five jointly governed organizations and is associated with one related organization. These organizations are Connect, the Lorain County Joint Vocational School District, the Ohio Schools Council, Suburban Health Consortium and the Avon Lake Public Library. These organizations are presented in Notes 15 and 16 to the basic financial statements.

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

## **Organizational Structure**

The Avon Lake City School District (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally elected Board of Education consisting of five members elected at-large for staggered four year terms. The School District provides educational services as mandated by State and federal agencies.

The School District is located in Avon Lake, Lorain County, Ohio, and includes an area extending roughly twelve square miles around the City. It is staffed by 242 non-certified personnel, 260 certified full-time teaching personnel (includes tutors) and 19 administrative employees to provide services to 3,546 students and other community members. The School District operates 4 elementary schools (K-4), 1 intermediate school (5-6), 1 middle school (7-8) and 1 high school (9-12).

## **Economic Condition and Outlook**

The School District's tax base for tax year 2022 is primarily residential at 84% of the tax base followed by 11% commercial/industrial and 5% public utility personal property. House Bill 920 (H.B. 920), passed by the Ohio legislature in 1976, prohibits the inflationary growth of revenue generated by most voted tax issues. When the value of taxable property in the school district changes, the tax rates are adjusted so income, or voted dollars, will remain about the same. Historically, millage rates have been adjusted or rolled back due to a positive reappraisal. The School District's millage rates were rolled back for many years; however, the City of Avon Lake experienced a negative reappraisal and triennial update in 2009 and 2015 respectively; therefore, the inverse occurred and millage rates were rolled up (never exceeding the original voted rate).

The financial future of the School District is not without its challenges locally. The School District is home to several businesses, but since 2013 has focused discussion around its largest taxpayer a coal fired power plant located along the shoreline of Lake Erie. The power plant has contested both its real property and public utility personal property (PUPP) valuations for several of the previous tax years. Under Ohio law, a school district may file a counter complaint against a real property appeal; however, there is no recourse or due process for a school district to dispute PUPP values set by the Ohio Department of Taxation (ODT). The County Auditor determines the value of all real property; whereas, PUPP values are assessed by ODT. The power plant was shut down on April 4, 2022 and the property sold to a company that will remediate and redevelop the site. The School District's reliance on local property taxes will continue to be a challenge locally for the District. Externally, the State funding model continues to create apprehension for the School District. Unfunded State and Federal mandates will also continue to present challenges for the School District.

The City established the Community Reinvestment Area (CRA) to maintain and expand businesses located within the City limits. The CRA created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate.

## **Major Initiatives**

### **Ohio Report Card**

The State of Ohio's School District Report Card is issued in early fall of most school years depending on ODE's (the Ohio Department of Education) ability to gather and aggregate the testing data. The report uses state test data from the previous school year to inform the public of the School District's performance and to supply the school district with data for planning and programming. The Avon Lake City School District demonstrated 10 years of Excellence with Distinction through the 2011-2012 Ohio Local Report Card. The rating system used by the Ohio State Board of Education changed beginning with the 2012-2013 school year. The Local Report Card from 2014 to 2021 was comprised of different components with letter grades assigned within each component.

Since the change the School District has received an A or B in the Achievement component for both Performance Index and Indicators Met. Starting in 2019 Districts were assigned a "District Grade." Avon Lake's last District Grade is an A. The lowest letter grade received on the State Report Card by Avon Lake City School District is a C in Improving At-Risk K-3 Readers. Even though the State of Ohio did not assign "District Grades" in 2021 due to the Coronavirus crisis, Avon Lake continues to improve and has a variety of initiatives in place to raise or maintain our scores.

The 2022 State Report Card has again been modified. The State of Ohio now uses a "star" system. 5 stars being the top rating and 1 star being the lowest. In the categories reported for the 2022 school year, Avon Lake City School District received all 5's. Avon Lake is dedicated to the success of all of our students and uses a variety of assessments (testing, non-testing, co-curricular, extra-curricular, academic and non-academic) which allow staff to focus on the success of the whole child. Starting in 2021-2022 the State Report Card will use a star system. The School District received 5 stars on the 2022-2023 report card.

### **Federal Projects**

The School District files applications for federal funds electronically utilizing the Comprehensive Continuous Improvement Planning Application. This allows the Superintendent to coordinate the applications to the goals of the Continuous Improvement Plan. The School District continues to apply for all federal funds for which the School District is eligible. This includes the Class-Size Reduction Grant under Title II-A allowing for additional teachers in the primary grades. Student readiness for advancement in each grade has been the primary focus of these services. The School District's largest federal award generally is related to the Special Education, Part B-IDEA grant. Through the use of federal stimulus funding, the School District added two special education classrooms at Redwood Elementary in fiscal year 2012.

Additional federal funding was provided to school districts related to the COVID-19 pandemic. Avon Lake City School District used Federal ARP funds to safely have school in person, 5 days a week, for 82% of the Avon Lake Students. 18% of our students were on-line with regular schedules.

### **Educational Programs and Facilities Improvement**

In May 1999, the voters of Avon Lake City School District passed a \$ 41,800,000 bond issue for the purpose of various improvements to school buildings. Expansions of six of the School District's buildings and renovations to seven of the Avon Lake City School District buildings are complete. In January 2002, the high school expanded into the newly completed classrooms, cafeteria and commons area, and additional physical education areas. In the fall of 2003, newly renovated music areas were opened for student use. The auditorium was complete in the fall of 2003 and is being used by our students and our public. In November 2009, the voters of Avon Lake City School District passed two bond issues. The first bond issue was for \$ 5,500,000 to renovate the athletic stadium and build a Transportation Center to house 40 buses. The second bond issue passed in November 2009 for \$ 13,000,000 was used to renovate classroom space at five of seven educational campuses.

In addition to the above renovation projects, the Avon Lake City School District has continued to remain proactive in both maintaining and improving all district facilities. Some of these improvements include security enhancements, such as, the 2013 project that redesigned the entrance to Troy Intermediate School to assure a more secure and streamlined access way into the building. The Avon Lake City School District has also remained committed to the technology required to enhance and expand the use of security cameras across the school district. This along with roof replacements/repairs, replacement of both driveways and sidewalks, along with purchases of new classroom desks and chairs provides our students with a safe and comfortable learning environment.

In 2021 the Avon Lake City School District convened a “facilities committee” to evaluate future School District facility needs. The Ohio Facilities Construction Commission audited the current facilities, which was completed in December 2020. With the audit results the Facility Committee proposed replacement versus renovation of the 6 buildings that currently house Pre-K to 8<sup>th</sup> grade students. The Avon Lake School Board placed a \$170,000,000 Bond Issue on the November 2023 ballot. The Bond Issue was defeated by 421 votes with 5,878 for the Bond Issue and 6,299 against the Bond Issue.

Avon Lake City School District continues to maintain, modify and establish educational programs that are rigorous and prepare students for success after graduation. Excellent pre-kindergarten through 12<sup>th</sup> grade program alignment is key as annually 92% of Avon Lake graduates attend 2 year colleges, 4 year colleges or enter the military. On the average more than 60% of our students receive college credit without leaving our campus.

### **Website**

The School District website is a comprehensive source of information about the School District. Users of the site can access information on news from the schools and various departments, teacher web sites, athletic information, and upcoming events. Parents are granted access to the District’s PowerSchool program for online access to student grades and other information posted by teachers. Avon Lake City School District’s website is updated annually.

Social Media plays an important part in the district communication plan. The School District has a Facebook page and Twitter account, which are utilized to communicate current events. In 2020 the School District adopted “School Messenger” as its single source for communicating with parents.

### **Financial Information**

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

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

The School District utilizes a fully automated accounting system as well as an automated system of control for capital assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation measure is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year.

Annual appropriations may not exceed the County Budget Commission’s official estimate of resources. The County Auditor must certify that the Board of Education’s appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board of Education. Budgets are controlled at the fund level. All purchase order requests must be approved by the Purchasing Agent and certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests that exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the School District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date.

The basis of accounting and the various funds utilized by Avon Lake City Schools are fully described in Note 1 of the basic financial statements.

## **Financial Condition**

The School District's basic financial statements consist of the following:

**Government-wide financial statements** - These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The School District has no business-type activities.

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

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

Management is responsible for preparing a Management Discussion and Analysis (MD&A) of the School District. This discussion follows the Independent Auditor's Report, providing an assessment of the School District's finances for fiscal year 2023 and a discussion of current issues affecting the School District in the future. The MD&A should be read in conjunction with this letter of transmittal.

## **Long-Term Financial Planning**

Annually, the School District prepares a five-year financial forecast. The financial forecast is the foundation for the School District's operations and is used as a financial planning tool to assist the School District in determining its ability to meet certain financial obligations and plan future funding needs. The five-year forecast of revenue and expenditures serves as a financial planning tool, which provides a snapshot of historical and projected revenues and expense over the next five years and is accompanied by financial assumption notes. The assumptions are an integral part of the forecast and represent what the School District believes are significant factors impacting the forecast. Through a collaborative process, the administration assists the Board of Education in determining and prioritizing the needs of the School District. In accordance with State law, the Board of Education approves the financial forecast and submits it to the Ohio Department of Education prior to November 30 and approves an updated version prior to May 31. The financial forecast can be found on the School District's web site at [www.avonlakecityschools.org](http://www.avonlakecityschools.org).

## **Independent Audit**

State statute requires the School District to be audited at least every two fiscal years by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent Auditor Keith Faber, Auditor of State, rendered an opinion on the School District's financial statements as of and for the year ended June 30, 2023. The opinion appears at the beginning of the financial section of this report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all school districts in Ohio. The School District adopted and has been in conformance with the automated version of that system beginning with its financial report for the 1979 year.

## **Awards**

GFOA Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Avon Lake City School District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in the area of governmental financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to the Certificate of Achievement program requirements and we are submitting it to GFOA for consideration.

ASBO Certificate - The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2022 to the Avon Lake City School District. This award certifies that the Annual Comprehensive Financial Report substantially conformed to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials.

Management believes that the Annual Comprehensive Financial Report for fiscal year ended June 30, 2023, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

The Auditor of State's Office presents awards to public entities that meet the requirements of a "clean" audit. The Avon Lake City Schools has been the recipient of the Auditor of State's award for the following years: 1999, 2000, 2002, 2006, 2007, 2008, 2009, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022. The district considers this the highest of all honors.

## **Acknowledgments**

The publication of this Annual Comprehensive Financial Report is a significant step toward elevating the professional standards for Avon Lake City School District's financial reporting. It enhances the School District's accountability to the residents and provides all interested parties with a broad historical perspective of the Avon Lake City School District's financial and demographic information. Assistance from the County Auditor's staff and outside agencies made possible the fair presentation of statistical data.

Special appreciation is expressed to Costin and Kendall, CPA's for assistance in the planning, designing and reviewing, of this financial report.

Finally, sincere appreciation is extended to the members of the Board of Education for their ongoing support.

Respectfully submitted,



Autumn Reed, Treasurer



Joelle Magyar, Superintendent

Avon Lake Board of Education

Principal Officials June  
30, 2023

**Board of Education**

Mr. James A. Stobe.....	President
Mr. Michael P. Sherban.....	Vice - President
Mrs. Kendra M. Gardiner.....	Member
Mr. Ronald D. Jantz, Jr.....	Member
Mrs. Jenefer S. Machovina.....	Member

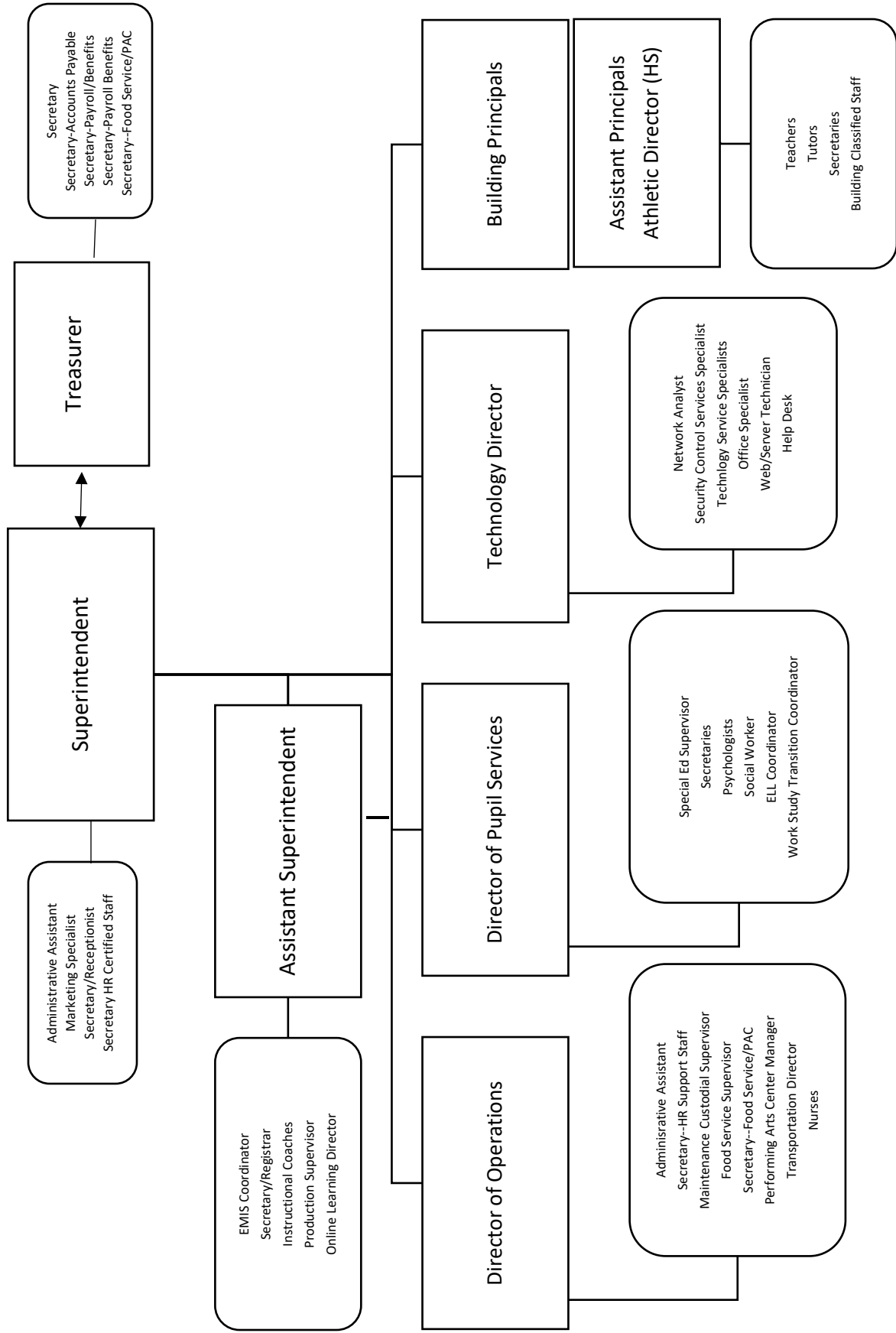
**Treasurer**

Ms. Autumn Reed

**Administration**

Mr. Robert D. Scott .....	Superintendent
Dr. Ned W. Lauver.....	Director of Operations

# Avon Lake City Schools Organizational Chart







Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Avon Lake City School District  
Ohio**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

## Avon Lake City School District

for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2022.

The district report meets the criteria established for  
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style and is positioned above a horizontal line.

John W. Hutchison  
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style and is positioned above a horizontal line.

Siobhán McMahon, CAE  
Chief Operations Officer/  
Interim Executive Director

**FINANCIAL  
SECTION**



Back of divider page

# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
(800) 282-0370

## INDEPENDENT AUDITOR'S REPORT

Avon Lake City School District  
Lorain County  
175 Avon Belden Road  
Avon Lake, Ohio 44012

To the Board of Education:

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Avon Lake City School District, Lorain County, Ohio (the District), as of and for the year ended June 30, 2023, 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, each major fund, and the aggregate remaining fund information of the Avon Lake City School District, Lorain County, Ohio as of June 30, 2023, and the respective changes in financial position thereof and the budgetary comparison for the General 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 January 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 of 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

January 31, 2024



**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*

The management's discussion and analysis of the Avon Lake City School District's (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the transmittal letter, basic financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

### **Financial Highlights**

Key financial highlights for fiscal year 2023 are as follows:

- In total, net position for governmental activities increased by \$ 1,341,443 in 2023.
- Revenues for governmental activities totaled \$ 57,769,266 for fiscal year 2023. Of this total \$ 50,950,004 or 88.20 percent consisted of general revenues while program revenues accounted for the balance of \$ 6,819,262 or 11.80 percent.
- Program expenses totaled \$ 56,427,823. Instructional expenses made up \$ 33,839,988 or 59.97 percent of this total while support services accounted for \$ 18,027,652 or 31.96 percent. Other expenses of \$ 4,560,183 rounded out the remaining 8.08 percent.
- Total outstanding debt had a net decrease of \$ 3,836,586 to \$ 19,928,156 in fiscal year 2023.

### **Using this Annual Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School District as a financial whole, an entire operating entity. The statements begin at a summary level and expand to detailed financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements present how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. The General Fund and Bond Retirement Fund are the most significant governmental funds.

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

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

While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as an entity looks at all financial transactions and asks the question, "How did we do financially during the 2023 fiscal year?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. Accrual basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*

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

In the Statement of Net Position and the Statement of Activities, all of the School District's activities are classified as governmental. The School District's programs and services are reported here including instruction, supporting services, operation of non-instructional services, extracurricular activities, and interest and fiscal charges.

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

#### **Fund Financial Statements**

The analysis of the School District's major funds begins on page 12. Fund financial statements provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions; however, these fund financial statements concentrate on the School District's most significant funds. The School District's major governmental funds are the General Fund and Bond Retirement Fund.

#### **Governmental Funds**

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

#### **The School District as a Whole**

The Statement of Net Position provides the perspective of the School District as a whole.

Total assets increased by \$ 5,518,487. This increase can be attributed primarily to an increase of \$ 5,862,599 in taxes receivable.

Deferred outflows of resources related to pensions, other post-employment benefits (OPEB) and deferrals on debt refundings decreased by \$ 1,285,359. The decrease is primarily due to a decrease in deferred outflows related to pensions.

Total liabilities increased \$ 15,036,888 to \$ 84,578,789 in 2023. The increase is primarily due to an increase in net pension liability of \$ 18,826,999.

Deferred inflows of resources related to property taxes decreased by \$ 6,254,386 and deferred inflows of resources related to pensions and OPEB had a decrease of \$ 18,279,982.

Over time, net position can serve as an indicator of a government's financial position. At June 30, 2023, the School District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$ 8,877,661. Of this total, \$ 9,568,844 is restricted in use.

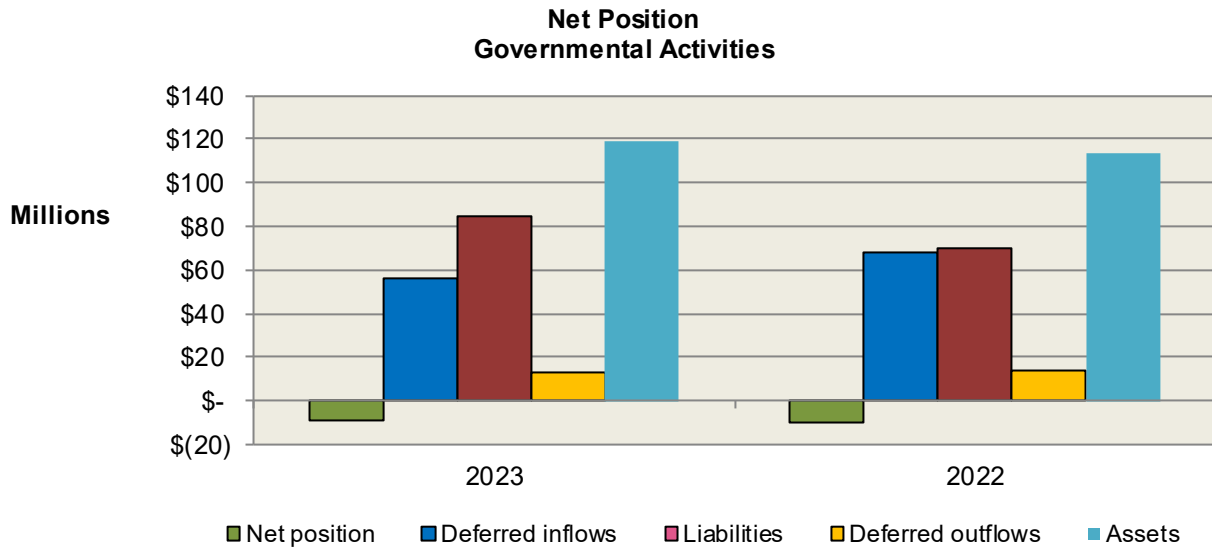
**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*

Table 1 provides a summary of the School District's net position for fiscal year 2023 compared to fiscal year 2022:

**TABLE I**  
 Total Net Position  
 Governmental Activities

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current and other assets	\$ 71,462,831	\$ 66,673,202
Net OPEB asset	4,404,251	3,618,969
Total capital assets, net	42,965,829	43,022,253
Total assets	<u>118,832,911</u>	<u>113,314,424</u>
<b>Deferred outflows of resources</b>		
Deferred charge on refunding	32,065	42,753
Pension	11,755,491	12,699,627
OPEB	1,230,740	1,561,275
Total deferred outflows of resources	<u>13,018,296</u>	<u>14,303,655</u>
<b>Liabilities</b>		
Current liabilities	6,666,678	6,469,277
Long term liabilities		
Due within one year	5,875,296	5,265,134
Due in more than one year		
Net pension liability	48,158,310	29,331,311
OPEB liability	2,753,173	3,912,904
Other amounts	21,125,332	24,563,275
Total liabilities	<u>84,578,789</u>	<u>69,541,901</u>
<b>Deferred inflows of resources</b>		
Property taxes levied for next year	44,098,792	37,844,406
Deferred revenue	38,657	42,109
Deferral on refunding	464,619	580,774
Pension	4,555,668	23,329,442
OPEB	6,992,343	6,498,551
Total deferred inflows of resources	<u>56,150,079</u>	<u>68,295,282</u>
<b>Net position</b>		
Net investment in capital assets	22,883,215	18,944,832
Restricted	10,354,126	9,810,476
Unrestricted	(42,115,002)	(38,974,412)
Total net position	<u>\$ (8,877,661)</u>	<u>\$ (10,219,104)</u>

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*



The net pension and OPEB liabilities combined are the largest liabilities reported by the School District at June 30, 2023 and are reported pursuant to GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27” and GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.” For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District’s actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting net OPEB asset, and deferred outflows related to pension and OPEB.

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

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

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

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*

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

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

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

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

Table 2 shows total revenues, expenses and changes in net position for fiscal year 2023 compared to fiscal year 2022. Total revenues for 2023 were \$ 377,635 higher than in 2022, primarily due to an increase in charges for services and sales. Total expenses were \$ 5,649,415 higher than in 2022 primarily due to an increase in pension expense.

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*

**TABLE 2**  
**Net Position**  
**Governmental Activities**

	2023	2022
Revenues		
Program revenues		
Charges for services and sales	\$ 2,780,608	\$ 1,803,971
Operating grants, interest and contributions	4,038,654	4,043,241
Total program revenues	6,819,262	5,847,212
General revenues		
Property taxes	40,801,045	42,075,787
Grants and entitlements not restricted to specific purposes	9,264,857	9,009,491
Investment earnings	314,399	103,570
Miscellaneous	569,703	355,571
Total general revenues	50,950,004	51,544,419
Total revenues	57,769,266	57,391,631
Program expenses		
Instruction	33,839,988	28,580,411
Supporting services		
Pupil and instructional staff	5,709,051	5,091,735
Board of education, administration, fiscal services and business	5,318,636	5,564,034
Operation and maintenance	4,710,844	4,516,856
Pupil transportation	1,896,819	2,011,825
Central services	392,302	271,812
Operation of non-instructional services		
Food service operation	1,433,480	1,415,731
Community services	353,809	300,716
Extracurricular activities	1,767,072	1,207,469
Interest and fiscal charges	1,005,822	1,817,819
Total expenses	56,427,823	50,778,408
Change in net position	1,341,443	6,613,223
Net position at beginning of year	(10,219,104)	(16,832,327)
Net position at end of year	\$ (8,877,661)	\$(10,219,104)

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
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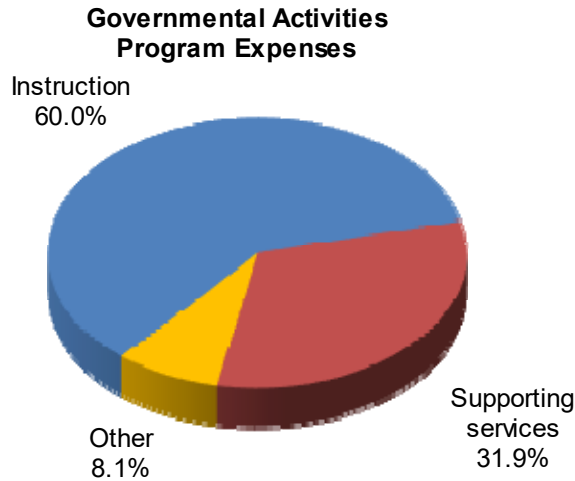
The vast majority of revenue supporting all Governmental Activities is general revenues, which accounted for \$ 50,950,004 or 88.20 percent of the total revenue. General revenues decreased \$ 594,415 in 2023 from 2022. The decrease is primarily due to a decrease of \$ 1,274,742 in property tax revenue, which is the result of a decrease in the amount available for advance from the county auditor. The other type of revenue that accounts for 11.80 percent of total revenue is called program revenues. Program revenues are derived directly from the program or entities outside the School District, and can help to reduce the net cost of services provided by the School District. Program revenues increased by \$ 972,050 in 2023 from 2022. This increase can primarily be attributed to increases of \$ 976,637 in charges for services and sales.

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

**TABLE 3**  
 Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
Program expenses				
Instruction	\$ 33,839,988	\$ 28,580,411	\$(30,642,664)	\$(26,274,299)
Supporting services				
Pupil and instructional staff	5,709,051	5,091,735	(5,307,111)	(4,764,936)
Board of education, administration, fiscal services and business	5,318,636	5,564,034	(5,221,980)	(5,462,565)
Operation and maintenance	4,710,844	4,516,856	(4,448,155)	(4,477,854)
Pupil transportation	1,896,819	2,011,825	(1,674,908)	(2,011,825)
Central services	392,302	271,812	(392,302)	(271,812)
Operation of non-instructional services				
Food service operation	1,433,480	1,415,731	136,504	636,632
Community services	353,809	300,716	(134,291)	(48,088)
Extracurricular activities	1,767,072	1,207,469	(917,832)	(438,630)
Interest and fiscal charges	1,005,822	1,817,819	(1,005,822)	(1,817,819)
Total expenses	\$ 56,427,823	\$ 50,778,408	\$(49,608,561)	\$(44,931,196)

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*



As one can see 60.0 percent of the School District's expenses were used to fund instructional expenses. Additional support services for pupils, staff, and business operation expenses were 31.9 percent. The remaining 8.1 percent of program expenses was used to facilitate other obligations of the School District such as interest and fiscal charges, the food service program, community services and various extracurricular activities. Interest expense was primarily attributable to the outstanding bonds.

The dependence upon tax revenues for governmental activities is apparent. Tax revenue comprised 70.6 percent of total revenue. The community, as a whole, is the primary support for the School District students.

**The School District's Funds**

Information about the School District's major funds starts on page 19. These governmental funds are accounted for using the modified accrual basis of accounting. Excluding other financing sources and uses, all governmental funds had total revenues of \$ 59,990,607 and expenditures of \$ 59,515,259. In total, the net change in fund balance was an increase of \$ 475,348.

In 2023, the General Fund's total revenue was \$ 3,457,171 higher than 2022. The largest increase was in taxes revenue. The increase in taxes revenue is due to an increase in the amount available for advance from the county auditor. Expenditures of the General Fund were \$ 277,176 higher than the prior year. The increase in General Fund expenditures is primarily due to increases in wages and related items.

The following schedule shows the significant changes between fiscal year 2023 and 2022 for the General Fund.



**Avon Lake City School District**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2023

	General Fund		
	2023	2022	Change
Revenue			
Taxes	\$ 38,749,652	\$ 35,775,336	\$ 2,974,316
Tuition and fees	966,474	1,023,122	(56,648)
Interest	280,119	101,753	178,366
Intergovernmental	8,042,980	7,725,742	317,238
Extracurricular	12,721	33,169	(20,448)
Donations and contributions	46,160	-	46,160
Miscellaneous	234,868	216,681	18,187
Total revenues	<u>48,332,974</u>	<u>44,875,803</u>	<u>3,457,171</u>
Expenditures			
Current			
Instruction	28,970,822	28,536,962	433,860
Supporting services	17,742,090	18,001,690	(259,600)
Operation of non-instructional services	65,012	60,019	4,993
Extracurricular activities	981,783	919,610	62,173
Capital outlay	35,750	-	35,750
Total expenditures	<u>47,795,457</u>	<u>47,518,281</u>	<u>277,176</u>
Other financing sources (uses)			
Transfers in	41,000	-	41,000
Transfers out	(2,548)	(3,055)	507
Proceeds from sale of capital assets	-	5,034	(5,034)
Total other financing sources (uses)	<u>38,452</u>	<u>1,979</u>	<u>36,473</u>
Net change in fund balances	575,969	(2,640,499)	3,216,468
Fund balances, beginning of year	<u>12,905,994</u>	<u>15,546,493</u>	<u>(2,640,499)</u>
Fund balances, end of year	<u>\$ 13,481,963</u>	<u>\$ 12,905,994</u>	<u>\$ 575,969</u>

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*

The following schedule shows the significant changes between fiscal year 2023 and 2022 for the Bond Retirement Fund.

	Bond Retirement Fund		
	2023	2022	Change
Revenue			
Taxes	\$ 3,584,506	\$ 3,448,354	\$ 136,152
Intergovernmental	1,411,783	1,421,437	(9,654)
Total revenues	4,996,289	4,869,791	126,498
Expenditures			
Current			
Supporting services			
Fiscal services	58,094	55,634	2,460
Debt service			
Principal	3,685,000	1,654,934	2,030,066
Interest	1,301,575	3,505,900	(2,204,325)
Total expenditures	5,044,669	5,216,468	(171,799)
Excess (deficiency) of revenues over expenditures	(48,380)	(346,677)	298,297
Net change in fund balances	(48,380)	(346,677)	298,297
Fund balances, beginning of year	3,222,231	3,568,908	(346,677)
Fund balances, end of year	\$ 3,173,851	\$ 3,222,231	\$ (48,380)

Total revenues in the Bond Retirement Fund increased due to an increase in the amount of taxes available for advance from the Lorain County Auditor.

**General Fund Budgeting Highlights**

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

During the course of fiscal year 2023, the School District amended its General Fund budget to reflect changes in estimated receipts and amended appropriations. For the General Fund, the final budget basis revenue estimate, excluding other financing sources, was \$ 47,080,650 which was \$ 541,960 higher than actual revenue. The final budget basis expenditures estimate, excluding other financing uses, totaled \$ 49,144,752 which was \$ 748,968 higher than the original budget estimate. Actual expenditures were \$ 1,593,912 less than final budget basis expenditures. The unencumbered ending cash balance totaled \$ 12,984,594.

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal 2023, the School District, net of depreciation, had \$ 42,965,820 invested in land, construction in process, land improvements, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2023 values compared to fiscal year 2022. More detailed information is presented in Note 8 of the notes to the basic financial statements.

**Table 4**  
 Capital Assets  
 (Net of Accumulated Depreciation)

	2023	2022
Land	\$ 6,050,145	\$ 6,050,145
Land improvements	1,550,591	1,089,588
Buildings and improvements	33,339,309	34,327,826
Furniture and equipment	916,864	857,745
Vehicles	1,108,911	696,949
Total net capital assets	\$ 42,965,820	\$ 43,022,253

All capital assets, except land are reported net of depreciation.

**Debt**

At June 30, 2023, the Avon Lake School District had \$ 19,928,156 in debt related to bonds payable, a decrease of \$ 3,836,586 from fiscal year 2022. \$ 3,650,000 of the bonds are due within one year. Table 5 below summarizes the School District's bonds. More detailed information is presented in Note 14 of the notes to the basic financial statements.

**Table 5**  
 Outstanding Debt Year-End

	2023	2022
Term and serial bonds	\$ 18,765,000	\$ 22,450,000
Capital appreciation bonds	25,866	25,866
Accretion on capital appreciation bonds	278,096	225,342
Unamortized bond premiums	859,194	1,063,534
Total outstanding debt	\$ 19,928,156	\$ 23,764,742

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*

**Current Issues**

The Avon Lake Board of Education and administration closely monitor revenues and expenditures in accordance with its financial forecast. This monitoring process was affirmed by Moody's Investors Services in December 2022.

The School District has continued to struggle with many of the same economic issues as other school districts including increasing operating costs, unfunded mandates and decreasing revenue sources. The financial future of the School District is not without its internal, as well as, external challenges. In the foreseeable future, the internal challenge will remain as long as the School District is required to rely on local property taxes to fund its operations.

On January 9, 2018, the School District entered into an 8 year Settlement Agreement with NRG Power Midwest LP the owner of the power plant which resides in the City of Avon Lake. The Agreement settled real estate litigation that had been ongoing and set valuations for tax year 2013 through 2020. In addition to the real estate litigation, the School District also realized losses related to the power plant's Public Utility Personal Property (PUPP) values for tax years 2014, 2015 and 2016. The Ohio Department of Taxation rendered a Final Determination, which reduced NRG's PUPP values for each of these respective years. As a result, the School District owed NRG a refund of \$ 1,649,505, which was repaid through real and PUPP tax credits in fiscal years 2018 and 2019. On July 19, 2021, Charah Solutions, Inc. announced its purchase of the former power plant property. The power plant ceased generation operation in April 2022. The Avon Lake Environmental Redevelopment Group, LLC (ALERG) is an indirect subsidiary of Charah Solutions, Inc. according to Charah Solutions website. ALERG has begun environmental remediation of the property. ALERG filed a complaint with the Lorain County Board of Revision (BOR) seeking to reduce the real estate value for tax year 2022 of the former power plant property. The BOR rendered a \$12,000,000 reduction in value in June 2023. ALERG is seeking further reduction; therefore, filed an appeal with the Ohio State Board of Tax Appeals (BTA). The case is scheduled to be heard in 2024.

The School District has received the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting award and Association of School Business Officials International (ASBO) Certificate of Excellence awards since 1994.

**Contacting the School District's Fiscal Management**

This financial report was designed to comply with the most current reporting requirements and is intended to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for money it receives. Autumn Reed, Treasurer, can be contacted at the Avon Lake City School District, 175 Avon Belden Rd., Avon Lake, Ohio 44012 or by email at [Autumn.Reed@avonlakecityschools.org](mailto:Autumn.Reed@avonlakecityschools.org).

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

STATEMENT OF NET POSITION

JUNE 30, 2023

	Governmental Activities
<b>Assets</b>	
Equity in pooled cash	\$ 18,957,495
Intergovernmental receivables	352,860
Inventories and supplies	81,207
Taxes receivable	52,071,269
Net OPEB asset	4,404,251
Capital assets	
Nondepreciable assets	6,050,145
Depreciable capital assets, net of depreciation	36,915,684
<b>Total assets</b>	<b>118,832,911</b>
<b>Deferred outflow s of resources</b>	
Deferral on refunding	32,065
Pension	11,755,491
OPEB	1,230,740
<b>Total deferred outflow s of resources</b>	<b>13,018,296</b>
<b>Liabilities</b>	
Accounts and contracts payable	174,627
Accrued salaries, wages and benefits	5,459,855
Accrued interest payable	105,000
Intergovernmental payable	927,196
Long-term liabilities	
Due w ithin one year	5,875,296
Due in more than one year	
Net pension liability	48,158,310
Net OPEB liability	2,753,173
Other amounts due in more than one year	21,125,332
<b>Total liabilities</b>	<b>84,578,789</b>
<b>Deferred inflow s of resources</b>	
Property taxes levied for next year	44,098,792
Cafeteria receipts	38,657
Deferral on refunding	464,619
Pension	4,555,668
OPEB	6,992,343
<b>Total deferred inflow s of resources</b>	<b>56,150,079</b>
<b>Net position</b>	
Net investment in capital assets	22,883,215
Restricted for:	
Net OPEB asset	4,404,251
Debt service	3,191,207
Capital projects	1,219,373
Food service	701,810
Student activities	198,972
Athletics	254,200
State grants	5,563
Federal grants	178,049
Donations	200,701
Unrestricted	(42,115,002)
<b>Total net position</b>	<b>\$ (8,877,661)</b>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Charges for Services and Sales	Operating Grants, Interest and Contributions	
Governmental activities:				
Instruction				
Regular	\$ 26,971,818	\$ 938,705	\$ 1,309,515	\$ (24,723,598)
Special	6,312,497	-	810,075	(5,502,422)
Adult/continuing	8,851	-	-	(8,851)
Other instruction	546,822	-	139,029	(407,793)
Supporting services				
Pupil	3,694,496	74,321	42,910	(3,577,265)
Instructional staff	2,014,555	-	284,709	(1,729,846)
Board of education	24,234	-	-	(24,234)
Administration	3,711,374	-	96,656	(3,614,718)
Fiscal services	1,230,015	-	-	(1,230,015)
Business	353,013	-	-	(353,013)
Operation and maintenance	4,710,844	-	262,689	(4,448,155)
Pupil transportation	1,896,819	-	221,911	(1,674,908)
Central services	392,302	-	-	(392,302)
Operation of non-instructional services				
Food service operation	1,433,480	1,003,556	566,428	136,504
Community services	353,809	1,269	218,249	(134,291)
Extracurricular activities	1,767,072	762,757	86,483	(917,832)
Interest and fiscal charges	1,005,822	-	-	(1,005,822)
Total	<u>\$ 56,427,823</u>	<u>\$ 2,780,608</u>	<u>\$ 4,038,654</u>	<u>(49,608,561)</u>

General revenues	
Property taxes levied for:	
General purposes	36,759,152
Debt service	3,392,306
Capital improvements	649,587
Grants and entitlements not restricted to specific purposes	9,264,857
Investment earnings	314,399
Miscellaneous	569,703
Total general revenues	<u>50,950,004</u>
Change in net position	1,341,443
Net position at beginning of year	(10,219,104)
Net position at end of year	<u>\$ (8,877,661)</u>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2023

	General Fund	Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in pooled cash	\$ 13,215,638	\$ 2,608,218	\$ 3,019,649	\$ 18,843,505
Restricted cash	113,990	-	-	113,990
Receivables, net of allowance				
Taxes, current	45,751,122	4,316,902	793,845	50,861,869
Taxes, delinquent	1,089,600	100,900	18,900	1,209,400
Intergovernmental receivables	-	-	352,860	352,860
Interfund receivables	411,699	-	-	411,699
Inventories and supplies	68,507	-	12,700	81,207
<b>Total assets</b>	<b>\$ 60,650,556</b>	<b>\$ 7,026,020</b>	<b>\$ 4,197,954</b>	<b>\$ 71,874,530</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 111,208	\$ -	\$ 63,419	\$ 174,627
Accrued salaries, wages and benefits	5,298,349	-	161,506	5,459,855
Intergovernmental payable	903,660	-	23,536	927,196
Interfund payable	-	-	411,699	411,699
Matured compensated absences	103,194	-	-	103,194
<b>Total liabilities</b>	<b>6,416,411</b>	<b>-</b>	<b>660,160</b>	<b>7,076,571</b>
<b>Deferred inflows of resources</b>				
Property taxes levied for next year and unavailable resources	40,752,182	3,852,169	742,498	45,346,849
<b>Total deferred inflows of resources</b>	<b>40,752,182</b>	<b>3,852,169</b>	<b>742,498</b>	<b>45,346,849</b>
<b>Fund balances (deficits)</b>				
Nonspendable	68,507	-	12,700	81,207
Restricted	-	3,173,851	2,851,506	6,025,357
Committed	113,990	-	-	113,990
Assigned	1,361,313	-	-	1,361,313
Unassigned	11,938,153	-	(68,910)	11,869,243
<b>Total fund balances (deficits)</b>	<b>13,481,963</b>	<b>3,173,851</b>	<b>2,795,296</b>	<b>19,451,110</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 60,650,556</b>	<b>\$ 7,026,020</b>	<b>\$ 4,197,954</b>	<b>\$ 71,874,530</b>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES

JUNE 30, 2023

Total governmental fund balances		\$ 19,451,110
Amount reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.		42,965,829
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes receivable and unavailable revenue		1,209,400
Net OPEB asset is not recognized in the funds.		4,404,251
Unamortized premiums on bonds issued are not recognized in the funds.		(859,194)
Unamortized deferred charges on refundings are not recognized in the funds.		(432,554)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(105,000)
The net pension and OPEB liability is not due and payable in the current period; therefore; the liability and related deferred inflow s/outflow s are not reported in the funds.		
Deferred outflow s - pension	\$ 11,755,491	
Deferred inflow s - pension	(4,555,668)	
Net pension liability	(48,158,310)	
Deferred outflow s - OPEB	1,230,740	
Deferred inflow s - OPEB	(6,992,343)	
Net OPEB liability	(2,753,173)	(49,473,263)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences payable	(6,969,278)	
Bonds payable	(19,068,962)	(26,038,240)
Net position of governmental activities		\$ (8,877,661)

See accompanying notes to the basic financial statements.



AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
Revenue				
Taxes	\$ 38,749,652	\$ 3,584,506	\$ 684,887	\$ 43,019,045
Tuition and fees	966,474	-	-	966,474
Interest	280,119	-	34,280	314,399
Intergovernmental	8,042,980	1,411,783	3,848,748	13,303,511
Extracurricular	12,721	-	736,944	749,665
Charges for services	-	-	1,003,556	1,003,556
Donations and contributions	46,160	-	208,117	254,277
Miscellaneous	234,868	-	144,812	379,680
Total revenues	<u>48,332,974</u>	<u>4,996,289</u>	<u>6,661,344</u>	<u>59,990,607</u>
Expenditures				
Current				
Instruction				
Regular	23,118,880	-	1,219,740	24,338,620
Special	5,461,332	-	792,104	6,253,436
Adult/continuing	8,851	-	-	8,851
Other instruction	381,759	-	139,029	520,788
Supporting services				
Pupil	3,520,304	-	118,754	3,639,058
Instructional staff	1,906,452	-	164,919	2,071,371
Board of education	25,092	-	-	25,092
Administration	3,551,264	-	96,656	3,647,920
Fiscal services	1,187,988	58,094	12,291	1,258,373
Business	358,328	-	-	358,328
Operation and maintenance	4,869,091	-	762,528	5,631,619
Pupil transportation	1,919,875	-	485,034	2,404,909
Central services	403,696	-	-	403,696
Operation of non-instructional services				
Food service operation	-	-	1,484,828	1,484,828
Community services	65,012	-	293,971	358,983
Extracurricular activities	981,783	-	758,758	1,740,541
Capital outlay	35,750	-	346,521	382,271
Debt service				
Principal	-	3,685,000	-	3,685,000
Interest and fiscal charges	-	1,301,575	-	1,301,575
Total expenditures	<u>47,795,457</u>	<u>5,044,669</u>	<u>6,675,133</u>	<u>59,515,259</u>
Excess (deficiency) of revenues over expenditures	<u>537,517</u>	<u>(48,380)</u>	<u>(13,789)</u>	<u>475,348</u>
Other financing sources (uses)				
Transfers in	41,000	-	2,548	43,548
Transfers out	(2,548)	-	(41,000)	(43,548)
Total other financing sources (uses)	<u>38,452</u>	<u>-</u>	<u>(38,452)</u>	<u>-</u>
Net change in fund balances	575,969	(48,380)	(52,241)	475,348
Fund balances, beginning of year	12,905,994	3,222,231	2,847,537	18,975,762
Fund balances, end of year	<u>\$ 13,481,963</u>	<u>\$ 3,173,851</u>	<u>\$ 2,795,296</u>	<u>\$ 19,451,110</u>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds		\$ 475,348
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation/amortization expense. This is the amount by which depreciation / amortization exceeded net capital outlay in the current period.		
	Capital outlay	\$ 1,820,773
	Depreciation / amortization expense	<u>(1,873,856)</u>
		(53,083)
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets, net of proceeds received.		
		(3,341)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
	Property taxes	(2,218,000)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and other similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences, including accrued interest, in the treatment of long-term debt and related items.		
		3,980,753
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
	Compensated absences	(963,559)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
	Pension	4,170,740
	OPEB	<u>138,764</u>
		4,309,504
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/(asset) are reported as pension/OPEB expense in the statement of activities		
	Pension	(5,168,101)
	OPEB	<u>981,922</u>
		<u>(4,186,179)</u>
Change in net position of governmental activities		<u>\$ 1,341,443</u>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BASIS) AND ACTUAL – GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2023

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Taxes	\$ 37,511,616	\$ 37,511,616	\$ 37,079,808	\$ (431,808)
Tuition and fees	949,637	949,637	938,705	(10,932)
Interest	280,660	280,660	277,429	(3,231)
Intergovernmental	8,136,643	8,136,643	8,042,980	(93,663)
Miscellaneous	202,094	202,094	199,768	(2,326)
Total revenues	<u>47,080,650</u>	<u>47,080,650</u>	<u>46,538,690</u>	<u>(541,960)</u>
Expenditures				
Current				
Instruction				
Regular	22,682,254	22,833,594	22,778,344	55,250
Special	5,830,254	5,869,153	5,854,952	14,201
Other	371,802	374,282	373,377	905
Supporting services				
Pupil	3,425,626	3,448,482	3,440,138	8,344
Instructional staff	1,961,300	1,974,386	1,969,608	4,778
Board of education	25,868	26,041	25,978	63
Administration	3,610,775	3,634,867	3,626,072	8,795
Fiscal services	1,187,531	1,195,456	1,192,563	2,893
Business	374,173	376,670	375,758	912
Operation and maintenance	5,450,111	5,486,476	5,473,201	13,275
Pupil transportation	2,061,330	2,075,084	2,070,063	5,021
Central services	407,297	410,015	409,023	992
Operation of non-instructional services				
Community services	57,495	58,071	57,738	333
Extracurricular activities	971,649	978,131	975,765	2,366
Capital outlay	35,599	35,837	35,750	87
Total expenditures	<u>48,461,879</u>	<u>48,785,419</u>	<u>48,667,182</u>	<u>118,237</u>
Excess (deficiency) of revenues over expenditures	<u>(1,381,229)</u>	<u>(1,704,769)</u>	<u>(2,128,492)</u>	<u>(423,723)</u>
Other financing sources				
Transfers-in	-	41,000	41,000	-
Advances in	-	151,003	151,003	-
Refund of prior year expenditures	-	36,456	36,456	-
Transfers-out	-	(2,548)	(2,548)	-
Advances out	-	(424,103)	(424,103)	-
Total other financing sources	<u>-</u>	<u>(198,192)</u>	<u>(198,192)</u>	<u>-</u>
Net change in fund balance	<u>(1,381,229)</u>	<u>(1,902,961)</u>	<u>(2,326,684)</u>	<u>(423,723)</u>
Prior year encumbrances	1,278,164	1,278,164	1,278,164	-
Fund balances, beginning of year	<u>12,923,248</u>	<u>12,923,248</u>	<u>12,923,248</u>	<u>-</u>
Fund balances, end of year	<u>\$ 12,820,183</u>	<u>\$ 12,298,451</u>	<u>\$ 11,874,728</u>	<u>\$ (423,723)</u>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023

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	<u>Custodial Fund</u>
Additions	
Collections for other organizations	<u>\$ 5,811</u>
Total additions	<u>5,811</u>
Deductions	
Distributions to other organizations	<u>5,811</u>
Total deductions	<u>5,811</u>
Net change in fiduciary net position	-
Net position beginning of year	<u>-</u>
Net position end of year	<u><u>\$ -</u></u>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

The Avon Lake City School District (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally elected Board of Education consisting of five members elected at-large for staggered four year terms. The School District provides educational services as mandated by State and Federal agencies.

The School District is located in Avon Lake, Lorain County, Ohio, and includes an area extending roughly twelve square miles around the City. It is staffed by 228 non-certified personnel, 265 certified full-time teaching personnel, and 21 administrative employees to provide services to 3,561 students and other community members. The School District operates 4 elementary schools (K-4), 1 intermediate school (5-6), 1 middle school (7-8), and 1 high school (9-12).

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District 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.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or levying of taxes. The School District does not have any component units.

The School District participates in four jointly governed organizations and is associated with a related organization. The organizations are Connect, the Lorain County Joint Vocational School District, the Ohio Schools Council Association, the Suburban Health Consortium, and the Avon Lake Public Library. These organizations are presented in Notes 15 and 16 of the basic financial statements.

**B. BASIS OF PRESENTATION**

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION (continued)

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

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

Fund Financial Statements

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

C. FUND ACCOUNTING

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

Governmental Funds

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. FUND ACCOUNTING (continued)

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

Bond Retirement Fund - The Bond Retirement Fund is used to account for tax levies that are utilized for the repayment of general obligation bonds of the School District.

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

Fiduciary Fund Type

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 custodial fund accounts for collection of fees to be distributed to the Ohio High School Athletic Association (OHSAA) for athletic tournaments.

D. MEASUREMENT FOCUS

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

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. 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. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences between the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and 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 fiscal year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal 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 in 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 represent 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 on the government-wide statement of net position for deferred charges on refunding, for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 10 and 11.



AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. 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 until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB, deferral on debt refunding and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, cafeteria receipts and grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities fund on page 20. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 10 and 11).

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized when they are incurred.

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 the governmental funds.

F. BUDGETARY PROCESS

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

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. BUDGETARY PROCESS (continued)

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

G. CASH AND CASH EQUIVALENTS

Cash received by the School District is deposited in one central bank account with individual fund balance integrity maintained through School District records. Monies for all funds are maintained in this account or temporarily transferred to the State Treasurer's investment pool (STAR Ohio) or other short term investments. Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. . During fiscal year 2023, interest revenue credited to the General Fund amounted to \$ 280,119, of which \$ 132,052 was assigned from other funds.

Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at fair value, which is based on quoted market prices. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

During fiscal year 2023, investments were limited to STAR Ohio, commercial paper, U.S. government money market mutual funds, Federal securities and municipal securities.

The School District has invested in the State Treasury Asset Reserve of Ohio (STAR Ohio) during the year. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$ 100 million. STAR Ohio reserves the right to limit the transaction to \$ 250 million per day, 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.

Investments with an original maturity of three months or less at the time of purchase are considered to be cash equivalents.

H. RESTRICTED ASSETS

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets in the General Fund include amounts required by State Statute to be set-aside for the creation of a reserve for budget stabilization. See Note 18 for additional information regarding set-asides.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are reported as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

J. INVENTORY

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of donated food, purchased food and school supplies held for resale and materials and supplies for consumption.

K. CAPITAL ASSETS

All capital assets of the School District are classified as general capital assets. These assets generally result from expenditures in the governmental funds. They 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 are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not.

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

<u>Asset</u>	<u>Estimated Useful Life</u>
Land improvements	3 - 25 years
Buildings and improvements	5 - 90 years
Furniture and equipment	3 - 40 years
Vehicles	7 - 13 years

L. INTERFUND BALANCES

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. COMPENSATED ABSENCES

Compensated absences are absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

Sick leave benefits are accrued as a liability using the vesting method.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the General Fund.

N. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

O. NET POSITION

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net positions are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The government-wide statement of net position reports \$ 9,568,844 of restricted net position, none of which is restricted by enabling legislation.

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education, which policies includes giving the Treasurer the authority to constrain monies for intended purposes. The Board has, by resolution, authorized the Treasurer to assign fund balances for encumbrances outstanding at year-end.

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

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

Q. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

AVON LAKE CITY SCHOOL DISTRICT  
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. PENSIONS/OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

S. EXTRAORDINARY AND SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2023.

T. ESTIMATES

The preparation of the 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.

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2023, the School District has implemented GASB Statement No. 91, “Conduit Debt Obligations”, GASB Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”, GASB Statement No. 96, “Subscription-Based Information Technology Arrangements”, and GASB Statement No. 99 “Omnibus 2022”.

GASB Statement No. 91 is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the School District.

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements and provides guidance for accounting and financial reporting for availability payment arrangements. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the School District.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the School District.

AVON LAKE CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES (continued)

A. CHANGE IN ACCOUNTING PRINCIPLES (continued)

GASB Statement No. 99 provides clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives; clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset; and clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the School District.

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

Net Change in Fund Balance - General Fund	
Budget basis	\$ (2,326,684)
Adjustments, increase (decrease)	
Revenue accruals	1,482,385
Expenditure accruals	2,510,437
Funds budgeted elsewhere **	19,697
Encumbrances	(1,109,866)
GAAP basis, as reported	\$ 575,969

\*\*As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting", certain funds that are legally budgeted in separate special revenue funds are considered part of the General Fund on a GAAP basis.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 – FUND BALANCES**

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

<u>Fund balances</u>	<u>General Fund</u>	<u>Bond Retirement Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable				
Inventory	\$ 68,507	\$ -	\$ 12,700	\$ 81,207
Restricted for:				
Debt service	-	3,173,851	21,456	3,195,307
Capital projects	-	-	1,200,473	1,200,473
Food service	-	-	792,092	792,092
Student activities	-	-	198,972	198,972
Athletics	-	-	254,200	254,200
State grants	-	-	5,563	5,563
Federal grants	-	-	178,049	178,049
Donations	-	-	200,701	200,701
Other purposes	-	-	-	-
Total restricted	<u>-</u>	<u>3,173,851</u>	<u>2,851,506</u>	<u>6,025,357</u>
Committed				
Budget reserve	113,990	-	-	113,990
Assigned to				
Scholarships	104,931	-	-	104,931
Field trips and assemblies	239,117	-	-	239,117
Student instruction	323,216	-	-	323,216
Student and staff support	694,049	-	-	694,049
Total assigned	<u>1,361,313</u>	<u>-</u>	<u>-</u>	<u>1,361,313</u>
Unassigned	11,938,153	-	(68,910)	11,869,243
Total fund balances	<u>\$ 13,481,963</u>	<u>\$ 3,173,851</u>	<u>\$ 2,795,296</u>	<u>\$ 19,451,110</u>



AVON LAKE CITY SCHOOL DISTRICT  
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**NOTE 5 - DEPOSITS AND INVESTMENTS**

**A. LEGAL REQUIREMENTS**

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 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 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 invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Commercial paper and bankers' acceptances (if authorized by the Board of Education), and;
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

A. LEGAL REQUIREMENTS (continued)

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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

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

At fiscal year end, the School District had \$ 3,301 in cash on hand which is included on the balance sheet of the School District as part of "Equity in Pooled Cash".

B. DEPOSITS

At June 30, 2023, the carrying amount of all School District deposits was \$ 7,505,063 and the bank balance of all School District deposits was \$ 8,897,834. Of the bank balance, \$ 250,000 was covered by the FDIC and \$ 8,647,834 was potentially exposed to custodial credit risk discussed below because those deposits were uninsured and could be uncollateralized.

Custodial credit risk is the risk that, in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The School District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2023, the School District's financial institutions were approved for a reduced collateral rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

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NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

C. INVESTMENTS

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 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. As of June 30, 2023, the School District had the following investments:

	Fair Value	Percentage of Investments	Investment Maturities	
			Less than 1 year	1 - 2 years
STAR Ohio	\$ 310,167	2.71%	\$ 310,167	\$ -
Federal securities	10,928,355	95.45%	6,766,843	4,161,512
Money market	210,609	1.84%	210,609	-
	<u>\$ 11,449,131</u>	<u>100.00%</u>	<u>\$ 7,287,619</u>	<u>\$ 4,161,512</u>

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the School District's recurring fair value measurements as of June 30, 2023. As discussed further in Note 1G, STAR Ohio is reported at its share price. All other investments of the School District are valued using quoted market prices (Level 1 inputs).

D. INTEREST RATE RISK

The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date.

E. CREDIT RISK

The School District follows the Ohio Revised Code that limits its investment choices, as disclosed in Note 5 A. As of June 30, 2023, the School District's investment in Star Ohio and the U.S. government money market mutual fund were rated AAAM by Standard & Poor's. The investments in commercial paper were rated A1 and A1+ by Standard & Poor's and P1 by Moody's.

F. CONCENTRATION OF CREDIT RISK

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

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT  
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**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2023 represents collections of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed value listed as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid 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 2023 represents collections of calendar year 2022 taxes. Public utility real and tangible personal property taxes received in calendar year 2023 become a lien December 31, 2021, were levied after April 1, 2022 and are collected in 2023 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Lorain County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2023 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only delinquent settlement of tangible personal property taxes and 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 inflow of resources.

The amount available as an advance at June 30, 2023 was \$ 6,088,540 in the General Fund, \$ 565,633 in the Bond Retirement Debt Service Fund and \$ 108,904 in the Permanent Improvements Capital Projects Fund. The amount available as an advance at June 30, 2022 was \$ 4,418,696 in the General Fund, \$ 444,246 in the Bond Retirement Debt Service Fund and \$ 73,922 in the Permanent Improvements Capital Projects Fund.

On a 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 deferred.

The assessed values upon which the fiscal year 2023 taxes were collected are:

	2022 Second Half Collections		2023 First Half Collections	
	Amount	%	Amount	%
Agricultural/ Residential and Other Real Estate	\$ 978,333,350	82.58 %	\$ 1,114,331,330	94.55 %
Public Utility Personal	206,335,550	17.42	64,184,560	5.45
	<u>\$1,184,668,900</u>	<u>100.00 %</u>	<u>\$1,178,515,890</u>	<u>100.00 %</u>
Tax Rate per \$ 1,000 of Assessed Valuation:	<u>\$ 67.00</u>		<u>\$ 67.00</u>	

AVON LAKE CITY SCHOOL DISTRICT  
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**NOTE 7 – RECEIVABLES**

Receivables at June 30, 2023, consisted of property taxes, interfund receivables and due from other governments. All receivables are considered substantially collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables are expected to be collected within one year.

**NOTE 8 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

Governmental Activities	Balance June 30, 2022	Additions	Disposals	Balance June 30, 2023
Nondepreciable capital assets				
Land	\$ 6,050,145	-	-	\$ 6,050,145
Total nondepreciable capital assets	<u>6,050,145</u>	<u>-</u>	<u>-</u>	<u>6,050,145</u>
Depreciable capital assets				
Land improvements	3,196,929	563,441	-	3,760,370
Buildings and improvements	81,094,383	562,419	-	81,656,802
Furniture and equipment	11,906,252	155,645	37,022	12,024,875
Vehicles	3,035,103	539,268	225,023	3,349,348
Total capital assets being depreciated	<u>99,232,667</u>	<u>1,820,773</u>	<u>262,045</u>	<u>100,791,395</u>
Less accumulated depreciation				
Land improvements	2,107,341	102,438	-	2,209,779
Buildings and improvements	46,766,557	1,550,927	-	48,317,484
Furniture and equipment	11,048,507	96,526	37,022	11,108,011
Vehicles	2,338,154	123,965	221,682	2,240,437
Total accumulated depreciation	<u>62,260,559</u>	<u>1,873,856</u>	<u>258,704</u>	<u>63,875,711</u>
Depreciable capital assets, net of accumulated depreciation	<u>36,972,108</u>	<u>(53,083)</u>	<u>3,341</u>	<u>36,915,684</u>
Governmental activities capital assets, net	<u>\$ 43,022,253</u>	<u>\$ (53,083)</u>	<u>\$ 3,341</u>	<u>\$ 42,965,829</u>

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NOTE 8 - CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental activities as follows:

Instruction	
Regular	\$ 1,597,085
Supporting services	
Administration	1,076
Business	625
Operation and maintenance of plant	98,415
Pupil transportation	137,463
Operation of non-instructional services	
Food service	4,389
Extracurricular activities	
Sports oriented	34,803
Total depreciation expense	\$ 1,873,856

NOTE 9 - 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 2022, the School District contracted with Liberty Mutual Insurance for property and liability insurance. Professional liability is protected by the Liberty Mutual Fire Insurance Company with a \$ 1,000,000 aggregate limit. General Liability has a \$ 2,000,000 aggregate limit and the Umbrella limit is \$ 3,000,000. Vehicles are covered by the LM Insurance Corp and hold a \$ 1,000 deductible for comprehensive and \$ 1,000 deductible for collision. Automobile liability has a \$ 1,000,000 combined single limit of liability.

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has not been a significant reduction in coverage from last year.

The School District maintains a \$ 100,000 position bond for the Treasurer. There is a \$ 20,000 employee dishonesty policy for the Board of Education President, and a \$ 100,000 employee dishonesty policy for the Superintendent and for the Director of Operations. The School District maintains a \$ 500,000 employee dishonesty policy for all other employees with a \$ 500 deductible with Liberty Mutual Insurance.

The School District pays the Ohio Bureau of Workers' Compensation a premium based on a rate per \$ 100 of salaries. This rate is calculated based on accident history, administrative costs and payroll.

B. EMPLOYEE MEDICAL COVERAGE

The School District is a member of the Suburban Health Consortium (SHC), a shared risk pool to provide employee medical, prescription drug and dental benefits. Rates are set through an annual calculation process prepared by the Consortium's health insurance consultant and recommended to the SHC Board of Directors. The SHC Board of Directors votes on the rate renewal annually. The School District pays a monthly contribution and a pro-rata share of their "buy-in" contribution to existing plan reserves which is placed in a common fund from which the claim payments are made for all participating districts. For 2023, the School District paid 85% of the cost of the monthly premium for all eligible employees who elected coverage.

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT  
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NOTE 10 - DEFINED BENEFIT PENSION PLANS

A. NET PENSION LIABILITY

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability (asset)* 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.

B. PLAN DESCRIPTION - SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS)

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

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NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

B. PLAN DESCRIPTION - SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) (continued)

Age and service requirements for retirement are as follows:

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

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 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. Beginning April 1, 2018, 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. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. In 2022, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund. The School District's contractually required contribution to SERS was \$ 1,007,036 for fiscal year 2023, of which \$ 112,451 is reported as an intergovernmental payable.

C. PLAN DESCRIPTION - STATE TEACHERS RETIREMENT SYSTEM (STRS)

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



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NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

C. PLAN DESCRIPTION - STATE TEACHERS RETIREMENT SYSTEM (STRS) (continued)

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% 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 35 years of service credit and at least age 60.

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 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 and after termination of employment.

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

A DB or Combined Plan member with five or more years of credited service, who is determined to be disabled, may qualify for a disability benefit. New members, on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. 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. The fiscal year 2023 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

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NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

C. PLAN DESCRIPTION - STATE TEACHERS RETIREMENT SYSTEM (STRS) (continued)

The School District's contractually required contribution to STRS was \$ 3,163,704 for fiscal year 2023. Of this amount \$ 601,986 is reported as an intergovernmental payable.

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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate share of the net pension liability	\$ 10,346,624	\$ 37,811,686	\$ 48,158,310
Pension expense	\$ 523,957	\$ 4,644,144	\$ 5,168,101
Proportion of the net pension liability - prior measurement date	0.200154100%	0.171643821%	
Proportion of the net pension liability - current measurement date	0.191293200%	0.170092090%	
	<u>-0.008860900%</u>	<u>-0.001551731%</u>	

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NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

D. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES  
AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)

At June 30, 2023, 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	\$ 405,323	\$ 484,038	\$ 889,361
Net difference between projected and actual earnings on pension plan investments	-	1,315,764	1,315,764
Change in assumptions	100,555	4,524,923	4,625,478
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	121,163	632,985	754,148
School District contributions subsequent to the measurement date	1,007,036	3,163,704	4,170,740
Total deferred outflows of resources	\$ 1,634,077	\$ 10,121,414	\$ 11,755,491
Deferred inflows of resources			
Differences between expected and actual experience	\$ 67,923	\$ 144,642	\$ 212,565
Change in assumptions	-	3,405,966	3,405,966
Net difference between projected and actual earnings on pension plan investments	361,050	-	361,050
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	275,036	301,051	576,087
Total deferred inflows of resources	\$ 704,009	\$ 3,851,659	\$ 4,555,668

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NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

D. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)

\$ 4,170,740 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, 2024. 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
2024	\$ 25,557	\$ 214,056	\$ 239,613
2025	(186,763)	66,187	(120,576)
2026	(515,768)	(822,780)	(1,338,548)
2027	600,006	3,648,588	4,248,594
	\$ (76,968)	\$ 3,106,051	\$ 3,029,083

E. ACTUARIAL ASSUMPTIONS - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2022, are presented below:

Valuation date	June 30, 2022
Actuarial cost method	Entry age normal (Level Percent of Payroll)
Actuarial assumptions experience study date	5 year period ended June 30, 2020
Investment rate of return	7.00 percent of net of investments expense, including inflation
COLA or Ad Hoc COLA	2.00 percent on and after April 1, 2018. COLA's for future retirees will be delayed for three years following commencement
Future salary increases, including inflation	3.25 percent to 13.58 percent
Inflation	2.40 percent

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NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

E. ACTUARIAL ASSUMPTIONS – SERS (continued)

In 2022, 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 disabled 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.

In the prior measurement date, 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 disabled 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 assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Cash	2.00%	-0.45%
U.S. equity	24.75%	5.37%
Non-U.S. equity developed	13.50%	6.22%
Non-U.S. equity emerging	6.75%	8.22%
Fixed income / global bonds	19.00%	1.20%
Private equity	11.00%	10.05%
Real estate / real assets	16.00%	4.87%
Multi-asset strategy	4.00%	3.39%
Private debt / private credit	3.00%	5.38%
	<u>100.00%</u>	

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 the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.00 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.

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NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

E. ACTUARIAL ASSUMPTIONS – SERS (continued)

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00 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	\$ 15,229,737	\$ 10,346,624	\$ 6,232,668

F. ACTUARIAL ASSUMPTIONS - STRS

The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	Varies by service from 2.50 percent to 8.50 percent
Payroll increases	3.00 percent
Investment rate of return	7.00 percent, net of investment expenses, including inflation
Discount rate of return	7.00 percent
Cost of living (COLA)	0 percent

For the June 30, 2022 actuarial valuation, 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.

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

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

F. ACTUARIAL ASSUMPTIONS – STRS (continued)

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

Asset Class	Target Allocation *	Long-term Expected Real Rate of Return **
Domestic equity	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%
	100.00%	

\* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

\*\*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2022. 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, 2022. 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, 2022.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00 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	\$ 57,119,692	\$ 37,811,686	\$ 21,483,090

Changes Between Measurement Date and Reporting Date -STRS approved a one-time 1.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2023. It is unknown what effect this change will have on the net pension liability.

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NOTE 11 – DEFINED BENEFIT OPEB PLANS

A. NET OPEB LIABILITY/(ASSET)

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

The net OPEB liability/(asset) represents the 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/(asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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/(asset). Resulting adjustments to the net OPEB liability/(asset) would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or 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.

B. PLAN DESCRIPTION - SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS)

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



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NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

B. PLAN DESCRIPTION - SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) (continued)

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, 0 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was \$ 25,000. 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. For fiscal year 2023, the School District's surcharge obligation was \$ 138,764.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$ 138,764 for fiscal year 2023. Of this amount \$ 138,764 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. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio 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 Ohio. 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, 2023, STRS Ohio did not allocate any employer contributions to post-employment health care.

The net OPEB liability/(asset) was measured as of June 30, 2022, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability/(asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

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NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

D. OPEB LIABILITIES/(ASSETS), OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

	SERS	STRS	Total
Proportionate share of the net OPEB liability/(asset)	\$ 2,753,173	\$ (4,404,251)	\$ (1,651,078)
OPEB expense	\$ (236,416)	\$ (745,506)	\$ (981,922)
Proportion of the net OPEB liability/(asset) - prior measurement date	0.20674950%	0.17164382%	
Proportion of the net OPEB liability/(asset) - current measurement date	0.19609350%	0.17009209%	
	<u>-0.01065600%</u>	<u>-0.00155173%</u>	

At June 30, 2023, 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	\$ 23,144	\$ 63,849	\$ 86,993
Change in assumptions	437,928	76,667	514,595
Net difference between projected and actual earnings on OPEB plan investments	14,309	187,605	201,914
Changes in proportionate share and differences between School District contributions and proportionate share of contributions	213,508	74,966	288,474
School District contributions subsequent to the measurement date	138,764	-	138,764
Total deferred outflows of resources	<u>\$ 827,653</u>	<u>\$ 403,087</u>	<u>\$ 1,230,740</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 1,761,132	\$ 661,438	\$ 2,422,570
Change in assumptions	1,130,198	-	1,130,198
Net difference between projected and actual earnings on OPEB plan investments	-	3,123,043	3,123,043
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	311,213	5,319	316,532
Total deferred inflows of resources	<u>\$ 3,202,543</u>	<u>\$ 3,789,800</u>	<u>\$ 6,992,343</u>

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NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

D. OPEB LIABILITIES/(ASSETS), AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB (continued)

\$ 138,764 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/(asset) in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2024	\$ (534,384)	\$ (961,981)	\$ (1,496,365)
2025	(554,828)	(977,587)	(1,532,415)
2026	(495,095)	(473,564)	(968,659)
2027	(313,185)	(195,945)	(509,130)
2028	(241,511)	(256,675)	(498,186)
Thereafter	(374,651)	(520,961)	(895,612)
	\$ (2,513,654)	\$ (3,386,713)	\$ (5,900,367)

E. ACTUARIAL ASSUMPTIONS – SERS

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

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

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

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NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

E. ACTUARIAL ASSUMPTIONS – SERS (continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2022, are presented below:

Valuation date	June 30, 2021
Actuarial assumptions experience study date	5 year period ended June 30, 2020
Investment rate of return	7.00 percent of net of investment expense, including inflation
Inflation	2.40 percent
Wage increases	3.25 to 13.58 percent
Municipal bond index rate:	
Prior measurement date	1.92 percent
Measurement date	3.69 percent
Single equivalent interest rate, net of plan investment expense, including price inflation	
Prior measurement date	2.27 percent
Measurement date	4.08 percent
Medical trend assumptions	7.00 to 4.40 percent

In 2022, 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 disabled 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.

In the prior measurement date, mortality rates were based on the 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. Mortality among disabled 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 for the five year period ended June 30, 2020.

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NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

E. ACTUARIAL ASSUMPTIONS – SERS (continued)

The long-term expected rate of return on plan assets is reviewed as part of the actuarial 5-year experience study. The most recent study covers fiscal years 2016 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 long-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%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Cash	2.00%	-0.45%
U.S. equity	24.75%	5.37%
Non-U.S. equity developed	13.50%	6.22%
Non-U.S. equity emerging	6.75%	8.22%
Fixed income / global bonds	19.00%	1.20%
Private equity	11.00%	10.05%
Real estate / real assets	16.00%	4.87%
Multi-asset strategy	4.00%	3.39%
Private debt / private credit	3.00%	5.38%
	100.00%	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08%. The discount rate used to measure total OPEB liability prior to June 30, 2022, was 2.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2022 and the June 30, 2021 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 3.69% at June 30, 2022 and 1.92% at June 30, 2021.

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NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

E. ACTUARIAL ASSUMPTIONS – SERS (continued)

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

	1% Decrease 3.08%	Current Discount Rate 4.08%	1% Increase 5.08%
School District's proportionate share of the net OPEB liability	\$ 3,605,302	\$ 2,753,173	\$ 2,215,280
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB liability	\$ 2,123,191	\$ 2,753,173	\$ 3,576,032

F. ACTUARIAL ASSUMPTIONS – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022, actuarial valuation are presented below:

Salary increases	Varies by service from 2.50 percent to 8.50 percent	
Payroll increases	3.00 percent	
Investment rate of return	7.00 percent, net of investment expenses, including inflation	
Discount rate of return	7.00 percent	
Health care cost trends	Initial	Ultimate
Medical		
Pre-medicare	7.5 percent	3.94 percent
Medicare	-68.78 percent	3.94 percent
Prescription drug		
Pre-medicare	9.00 percent	3.94 percent
Medicare	-5.47 percent	3.94 percent

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NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

F. ACTUARIAL ASSUMPTIONS – STRS

For the June 30, 2022 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub2010 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.

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

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

Assumption Changes Since the Prior Measurement Date - The discount rate remained unchanged at 7.00% for the June 30, 2022 valuation.

Benefit Term Changes Since the Prior Measurement Date - Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based.

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

<u>Asset Class</u>	<u>Target Allocation *</u>	<u>Long-term Expected Real Rate of Return **</u>
Domestic equity	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%
	<u>100.00%</u>	

\* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

\*\*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of 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.

AVON LAKE CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

F. ACTUARIAL ASSUMPTIONS – STRS

Discount Rate - The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2022. 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 as of June 30, 2022. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

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, 2022, 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.

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
School District's proportionate share of the net OPEB asset	<u>\$ (4,071,613)</u>	<u>\$ (4,404,251)</u>	<u>\$ (4,689,182)</u>
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB asset	<u>\$ (4,568,279)</u>	<u>\$ (4,404,251)</u>	<u>\$ (4,197,204)</u>

NOTE 12 - OTHER EMPLOYEE BENEFITS

A. COMPENSATED ABSENCES

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Certified employees do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of 1.25 days per month. Sick leave accumulation is unlimited. Upon retirement or death, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 40 days for classified employees and 100 days for certified employees.

B. LIFE INSURANCE

The School District provides life insurance and accidental death and dismemberment insurance to its employees. Coverage is equal to employees' annual salary amount rounded to the nearest one thousand dollars. Life insurance is covered through the Prudential Life Insurance.



AVON LAKE CITY SCHOOL DISTRICT  
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NOTE 13 – INTERFUND BALANCES AND TRANSFERS

A. INTERFUND BALANCES

On the fund financial statements at June 30, 2023, interfund balances consisted of the following:

	<u>Due to General Fund</u>
Due from:	
Non-major governmental funds	\$ 411,700
	\$ 411,700

General Fund made loans to support programs and projects in the Special Revenue Funds and are scheduled to be repaid in the subsequent year.

B. TRANSFERS

Transfers of \$ 41,000 from the Athletic Fund were to the General Fund to reimburse for the cost of scoreboards that were to be paid for by the Athletic Fund and \$2,548 from the General Fund to the Student Activities Fund to cover expenditures .

NOTE 14 - LONG-TERM OBLIGATIONS

The original issue date, interest rate, original issuance and date of maturity for each of the School District's long-term obligations follows:

	<u>Original Issue Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
General obligation bonds				
School facilities term and serial	2010	1.0 - 6.05%	\$ 18,470,000	12/1/2031
School facilities capital appreciation	2010	20.00%	\$ 25,866	12/1/2027
Refunding				
Serial and term	2015	.35 - 4.00%	\$ 31,195,000	12/1/2031
Capital appreciation	2015	27.0%	\$ 399,934	12/1/2021
Refunding				
Serial	2021	1.0 - 4.00%	\$ 10,945,000	12/1/2026

AVON LAKE CITY SCHOOL DISTRICT  
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NOTE 14 - LONG-TERM OBLIGATIONS (continued)

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

	Outstanding 6/30/2022	Additions	Reductions	Outstanding 6/30/2023	Due in 1 year
General obligation bonds					
Various purpose construction bonds - 2010					
Term and serial bonds	\$ 5,440,000	\$ -	\$ 1,045,000	\$ 4,395,000	\$ 1,065,000
Capital appreciation bonds	25,866	-	-	25,866	-
Accretion on capital appreciation bonds	225,342	52,754	-	278,096	-
Refunding bonds - 2015					
Term and serial bonds	6,295,000	-	2,560,000	3,735,000	-
Refunding bonds - 2021					
Serial bonds	10,715,000	-	80,000	10,635,000	2,585,000
Unamortized bond premiums	1,063,534	-	204,340	859,194	-
Total general obligation bonds	<u>23,764,742</u>	<u>52,754</u>	<u>3,889,340</u>	<u>19,928,156</u>	<u>3,650,000</u>
Net pension liability					
STRS	21,946,205	15,865,481	-	37,811,686	-
SERS	7,385,106	2,961,518	-	10,346,624	-
Total net pension liability	<u>29,331,311</u>	<u>18,826,999</u>	<u>-</u>	<u>48,158,310</u>	<u>-</u>
Net OPEB liability					
SERS	3,912,904	-	1,159,731	2,753,173	-
Total net OPEB liability	<u>3,912,904</u>	<u>-</u>	<u>1,159,731</u>	<u>2,753,173</u>	<u>-</u>
Compensated absences	<u>6,063,667</u>	<u>2,588,939</u>	<u>1,580,134</u>	<u>7,072,472</u>	<u>2,225,296</u>
Total governmental activities	<u>\$ 63,072,624</u>	<u>\$ 21,468,692</u>	<u>\$ 6,629,205</u>	<u>\$ 77,912,111</u>	<u>\$ 5,875,296</u>

AVON LAKE CITY SCHOOL DISTRICT  
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NOTE 14 - LONG-TERM OBLIGATIONS (continued)

There is no repayment schedule for the net pension liability and net OPEB liability, however, employer pension and OPEB contributions are made from the General Fund. For additional information related to the net pension liability and net OPEB liability see Note 10 and 11.

General obligation bonds will be paid from property taxes received in the Bond Retirement Fund.

Compensated absences will be paid from the General Fund, and the Food Service and Title VI-B Special Revenue Funds, which are the funds from which the employees' salaries are paid.

Refunding Bonds, Series 2005

On June 23, 2005, the School District issued \$ 32,999,950 in voted general obligation bonds for the purpose to advance refund a portion of bonds issued in 1999. The bond issue included serial and capital appreciation bonds in the amount of \$ 32,415,000 and \$ 584,950 respectively. The bonds were issued at a premium of \$ 3,536,571. The bonds will be retired with a voted property tax levy from the Debt Service Fund. The capital appreciation bonds matured in fiscal years 2012 and 2013. A portion of these bonds were advance refunded in 2015.

Various Purpose Construction Bonds, 2010 Series

On July 29, 2010, the School District issued \$ 18,495,866 in voted general obligation bonds for the following purposes: (i) constructing, improving, furnishing, and equipping school facilities, with related site improvements and appurtenances thereto; and (ii) constructing, improving, furnishing, and equipping a high school athletics stadium, with related site improvements and appurtenances thereto; constructing, furnishing, and equipping a transportation facility, with related site improvements and appurtenances thereto; and acquiring interests in land necessary in connection therewith (collectively, the Project), and (iii) retiring outstanding bond anticipation notes of the School District previously issued for the purpose of funding the Project. The bond issue included: Series 2010A bonds consisting of \$ 665,000 current interest serial bonds and \$ 25,866 capital appreciation bonds, Series 2010B bonds consisting of \$ 3,780,000 current interest term bond, and Series 2010C bonds consisting of \$ 14,025,000 current interest serial bonds. The bonds were issued at a premium of \$ 287,087. The Series 2010A and 2010C bonds will be retired with a voted property tax levy from the Debt Service Fund. In 2015 the Series 2010B bonds were extinguished in a current refunding with the proceeds of Series 2014A serial and term bonds.

Refunding Bonds, Series 2015

On August 5, 2014, the School District issued \$ 31,594,934 in voted general obligation bonds consisting of \$ 3,760,000 Series 2014A and \$ 27,834,934 Series 2014B bonds. The Series 2014A bonds are unlimited tax general obligation bonds issued for the purpose of currently refunding the Refunded Series 2010B Bonds. The Series 2014B bonds are unlimited tax general obligation bonds issued for the purpose of advance refunding a portion of Refunded Series 2005 Bonds. Series 2014A include \$ 2,760,000 serial bonds, maturing in 2031 and \$ 1,000,000 term bonds, maturing in 2028. Series 2014B consist of \$ 27,435,000 serial bonds, maturing in 2026 and \$ 399,934 capital appreciation bond, maturing in 2021. The bonds were issued at a premium of \$ 1,732,429. The Series bonds will be retired with a voted property tax levy from the Debt Service Fund.

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NOTE 14 - LONG-TERM OBLIGATIONS (continued)

Refunding Bonds, Series 2021

On May 27, 2021, the School District issued \$ 10,945,000 in voted general obligation bonds consisting of \$ 890,000 Series 2021A and \$ 10,055,000 Series 2021B bonds. The Series 2021A were issued for the purpose of currently refunding the Refunded Series 2005 Bonds. The Series 2021B bonds were issued for the purpose of advance refunding a portion of Refunded Series 2014B Bonds. Series 2021A and series 2021B bonds mature in 2027. The bonds were issued at a premium of \$ 1,117,434. The bonds will be retired with a voted property tax levy from the Debt Service Fund.

At June 30, 2023, \$ 32,060,000 of bonds outstanding are considered to be defeased.

The School District's overall legal debt margin was \$ 86,922,320 and the unvoted legal debt margin was \$ 1,184,669 at June 30, 2023.

Principal and interest requirements to retire long-term obligations outstanding at June 30, 2023, are as follows:

June 30,	General Obligation Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 3,650,000	\$ 1,220,474	\$ -	\$ -	\$ 3,650,000	\$ 1,220,474
2025	3,745,000	1,168,474	-	-	3,745,000	1,168,474
2026	3,800,000	1,101,399	-	-	3,800,000	1,101,399
2027	3,835,000	593,787	-	-	3,835,000	593,787
2028	145,000	816,572	25,866	679,133	170,866	1,495,705
2029-2032	3,590,000	284,225	-	-	3,590,000	284,225
	<u>\$ 18,765,000</u>	<u>\$ 5,184,931</u>	<u>\$ 25,866</u>	<u>\$ 679,133</u>	<u>\$ 18,790,866</u>	<u>\$ 5,864,064</u>

AVON LAKE CITY SCHOOL DISTRICT  
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NOTE 15- JOINTLY GOVERNED ORGANIZATIONS

A. CONNECT

The North Coast Council became known as Connect effective April 1, 2016. The new governing Board of Directors, the Educational Service Centers of Northeast Ohio, Lorain and Medina County and the Ohio Schools Council, have accepted the ownership, responsibility and liability of Connect in order to provide exemplary service to member districts. The Superintendent/Executive Director of the three ESCs and Ohio Schools Council shall serve on Connect's Board of Directors. The purpose of Connect is applying modern technology (with the aid of computers and other electronic equipment) to administrative and instructional functions for member districts. Fiscal information for Connect is available from the Treasurer of the Educational Service Center of Northeast Ohio (fiscal agent), located at 6393 Oak Tree Boulevard, Independence, Ohio 44131. During the year the School District paid \$ 98,654 to Connect for basic service charges.

B. LORAIN COUNTY JOINT VOCATIONAL SCHOOL DISTRICT

The Lorain County Joint Vocational School District is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from the eight participating school district's elected board, which possesses its own budgeting and taxing authority. Financial information can be obtained by contacting the Treasurer at the Lorain County Joint Vocational School District at State Rt. 58, Oberlin, Ohio, 44074.

C. OHIO SCHOOLS COUNCIL ASSOCIATION

The Ohio Schools Council (Council) is a jointly governed organization among 254 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each 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 is the policy making authority of the Council. The Board meets monthly September to 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. Financial information can be obtained by contacting the Executive Director at the Ohio Schools Council at 6393 Oak Tree Blvd., Suite 377, Independence, Ohio 44131. During the year the School District paid \$ 31,336 to the Council

The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Compass Energy has been selected as the supplier and program manager. There are currently 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). Districts that paid more in estimated billings than their actual billings are issued credits on future billings in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

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NOTE 15- JOINTLY GOVERNED ORGANIZATIONS (continued)

D. SUBURBAN HEALTH CONSORTIUM

The Suburban Health Consortium (the "Consortium") is a shared health risk pool created on October 1, 2001, formed by the Boards of Education of several school districts in northeast Ohio, for the purposes of maximizing benefits and/or reducing costs of group health, life, dental and/or other insurance coverages for their employees and the eligible dependents and designated beneficiaries of such employees. The Consortium was formed and operates as a legally separate entity under Ohio Revised Code Section 9.833. The Board of Directors shall be the governing body of the Consortium.

The Board of Education of each Consortium Member shall appoint its Superintendent or such Superintendent's designee to be its representative of the Board of Directors. The officers of the Board of Directors shall consist of a Chairman, Vice-Chairman and Recording Secretary, who shall be elected at the annual meeting of Board of Directors and serve until the next annual meeting. All of the authority of the Consortium shall be exercised by or under the direction of the Board of Directors. The Board of Directors shall also set all premiums and other amounts to be paid by the Consortium Members, and the Board of Directors shall also have the authority to waive premiums and other payments. All members of the Board of Directors shall serve without compensation.

The Fiscal Agent shall be the Board of Education responsible for administering the financial transactions of the Consortium (Orange City School District). The Fiscal Agent shall carry out the responsibilities of the Consortium Fund, enter into contracts on behalf of the Consortium as authorized by the Directors and carry out such other responsibilities as approved by the Directors and agreed to by the Fiscal Agent. Each District Member enrolled in a benefit program may require contributions from its employees toward the cost of any benefit program being offered by such District Member, and such contributions shall be included in the payments from such District Member to the Fiscal Agent for such benefit program. Contributions are to be submitted by each District Member, to the Fiscal Agent, required under the terms of the Consortium Agreement and any benefit program in which such District Member is enrolled to the Fiscal Agent on a monthly basis, or as otherwise required in accordance with any benefit program in which such District Member is enrolled. All general administrative costs incurred by the Consortium that are not covered by the premium payments shall be shared equally by the Consortium Members as approved by the Directors, and shall be paid by each Consortium Member upon receipt of notice from the Fiscal Agent that such payment is due. It is the express intention of the Consortium Members that the Consortium Agreement and the Consortium shall continue for an indefinite term, but may be terminated as provided in the Consortium Agreement. Any Consortium Member wishing to withdraw from participation in the Consortium or any benefit program shall notify the Fiscal Agent at least one hundred eighty (180) days prior to the effective date of withdrawal.

Upon withdrawal of a Consortium Member, the Consortium shall pay the run out of all claims for such Consortium Member provided such Consortium Member has paid to the Consortium, prior to the effective date of withdrawal a withdrawal fee in the amount equal to two months' premiums at the Consortium Member's current rate. Payment of the withdrawal fee does not extend insurance coverage for two months. Upon automatic withdrawal, for non-payment of premiums required by the Consortium Agreement, the Consortium shall pay the run out of all claims for such Consortium Member provided that the Consortium has received from such Consortium Member all outstanding and unpaid premiums and other amounts and the withdrawal fee equal to two months' premiums at the Consortium Member's current rates. Any Consortium Member which withdraws from the Consortium pursuant to the Consortium Agreement shall have no claim to the Consortium's assets. Financial information for the Consortium can be obtained from the Treasurer of the Orange City School District (the "Fiscal Agent") at 32000 Chagrin Blvd, Pepper Pike, Ohio 44124. . During the year, the School District paid \$ 6,269,367 to the Consortium.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 16 - RELATED ORGANIZATION**

The Avon Lake 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 Avon Lake City School District Board of Education. The Board 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 does serve as the taxing authority and issues 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 Board of Trustees. Financial information can be obtained by contacting the Clerk/Treasurer at the Avon Lake Public Library at 32649 Electric Blvd., Avon Lake, Ohio, 44012.

**NOTE 17 – CONTINGENCIES**

The School District received financial assistance from federal and State agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2023.

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2023 have been finalized. The FTE adjustments made by ODE subsequent to year-end were not material to the financial statements.

**NOTE 18 - SET-ASIDES**

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end. These amounts must be carried forward to be used for the same purposes in future fiscal years. In prior fiscal years, the School District was also required to set aside money for budget stabilization. At June 30, 2023, only the unspent portion of certain worker's compensation refunds continues to be set aside for budget stabilization.

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

	Budget Stabilization Reserve	Capital Improvements Reserve
Set-aside reserve balance, June 30, 2022	\$ 113,990	\$ -
Current year set-aside requirements	-	806,016
Offsetting credits	-	(649,915)
Qualifying disbursements	-	(1,315,450)
Total	\$ 113,990	\$ (1,159,349)
Set-aside reserve balance as of June 30, 2023	\$ 113,990	\$ -

Although the School District had offsets and/or qualifying disbursements during the year that reduced the capital improvements reserve set-aside amount below zero, this amount cannot be carried forward to reduce the set-aside requirements for future years.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

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**NOTE 19 – TAX ABATEMENT**

In 1994, pursuant to Ohio Revised Code Sections 3735.60 to 3735.70 on Community Reinvestment Area (CRA), the City of Avon Lake (City) established “Community Reinvestment Area No. 2” (Reinvestment Area) with Resolution 132-94. In 2014, the city renewed the original legislation with Resolution 82-2014. The boundaries of the Reinvestment Area were the boundaries of the entire incorporated area of the City of Avon Lake. With that legislation, the City authorized tax abatements which equals an agreed upon percentage of the additional property tax resulting from the increase in an increased assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient’s property tax bill.

The establishment of the Reinvestment Area gave the City the ability to maintain and expand businesses located in the City and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate . For fiscal year 2023, the Avon Lake City School District has foregone approximately \$ 250,000 in tax revenue as a result of the abatements the City entered into.

**NOTE 20 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During fiscal year 2023, the School District received COVID-19 funding. The School District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**NOTE 22 – COMPLIANCE AND ACCOUNTABILITY**

Not apparent in the basic financial statement is a deficit fund balance of \$ 68,111 in the Auxiliary Service Fund. This deficit is the result from adjustments for accrued liabilities. The General Fund is liable for any deficits and provides transfers when cash is required, not when accruals occur.

**NOTE 23 – COMMITMENTS**

Encumbrances are commitments related to unperformed contracts for goods and services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control, accountability and to facilitate effective cash planning and control. At year-end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 1,278,164
Other Governmental Funds	1,360,149
	<u>\$ 2,638,313</u>



REQUIRED SUPPLEMENTARY INFORMATION

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS (1)

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	2023	2022	2021	2020
School District's proportion of the net pension liability	0.19129320%	0.20015410%	0.19181000%	0.19681150%
School District's proportionate share of the net pension liability	\$ 10,346,624	\$ 7,385,106	\$ 12,686,718	\$ 11,775,577
School District's covered payroll	\$ 7,651,856	\$ 7,032,452	\$ 6,541,934	\$ 7,019,779
School District's proportionate share of the net pension liability as a percentage of its covered payroll	135.22%	105.01%	193.93%	167.75%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%

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

See notes to required supplementary information.

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<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.20526990%	0.19551270%	0.20282300%	0.20439600%	0.20473100%	0.20473100%
\$ 11,756,187	\$ 11,681,452	\$ 14,844,772	\$ 11,663,057	\$ 10,361,320	\$ 12,174,695
\$ 6,678,752	\$ 6,735,593	\$ 6,015,535	\$ 6,183,455	\$ 5,721,082	\$ 5,925,975
176.02%	173.43%	246.77%	188.62%	181.11%	205.45%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS (1)

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	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
School District's proportion of the net pension liability	0.17009209%	0.17164382%	0.16513233%	0.16512790%
School District's proportionate share of the net pension liability	\$ 37,811,686	\$ 21,946,205	\$ 39,956,148	\$ 36,517,043
School District's covered payroll	\$ 22,650,056	\$ 20,972,391	\$ 19,416,042	\$ 19,365,543
School District's proportionate share of the net pension liability as a percentage of its covered payroll	166.94%	104.64%	205.79%	188.57%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%

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

See notes to required supplementary information.

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2019	2018	2017	2016	2015	2014
<u>\$ 2,711,176</u>	<u>\$ 2,632,769</u>	<u>\$ 2,541,279</u>	<u>\$ 2,340,443</u>	<u>\$ 2,338,684</u>	<u>\$ 2,248,672</u>
<u>(2,711,176)</u>	<u>(2,632,769)</u>	<u>(2,541,279)</u>	<u>(2,340,443)</u>	<u>(2,338,684)</u>	<u>(2,248,672)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 19,365,543</u>	<u>\$ 18,805,491</u>	<u>\$ 18,151,993</u>	<u>\$ 16,717,462</u>	<u>\$ 16,704,889</u>	<u>\$ 17,297,477</u>
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>

AVON LAKE CITY SCHOOL DISTRICT  
 LORAIN COUNTY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE SCHOOL DISTRICT CONTRIBUTIONS - PENSION  
 SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO  
 LAST TEN FISCAL YEARS

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	2023	2022	2021	2020
Contractually required contribution	\$ 1,007,036	\$ 1,071,260	\$ 984,543	\$ 915,871
Contributions in relation to the contractually required contribution	(1,007,036)	(1,071,260)	(984,543)	(915,871)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
School District covered payroll	\$ 7,193,111	\$ 7,651,856	\$ 7,032,452	\$ 6,541,934
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

See notes to required supplementary information.

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2019	2018	2017	2016	2015	2014
\$ 947,670	\$ 901,632	\$ 942,983	\$ 842,175	\$ 814,979	\$ 792,942
(947,670)	(901,632)	(942,983)	(842,175)	(814,979)	(792,942)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 7,019,779	\$ 6,678,752	\$ 6,735,593	\$ 6,015,535	\$ 6,183,455	\$ 5,721,082
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

AVON LAKE CITY SCHOOL DISTRICT  
 LORAIN COUNTY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE SCHOOL DISTRICT CONTRIBUTIONS - PENSION  
 STATE TEACHERS RETIREMENT SYSTEM OF OHIO  
 LAST TEN FISCAL YEARS

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	2023	2022	2021	2020
Contractually required contribution	\$ 3,163,704	\$ 3,171,008	\$ 2,936,135	\$ 2,718,246
Contributions in relation to the contractually required contribution	(3,163,704)	(3,171,008)	(2,936,135)	(2,718,246)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
School District covered payroll	\$ 22,597,887	\$ 22,650,056	\$ 20,972,391	\$ 19,416,042
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

See notes to required supplementary information.



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2019	2018	2017	2016	2015	2014
\$ 2,711,176	\$ 2,632,769	\$ 2,541,279	\$ 2,340,443	\$ 2,338,684	\$ 2,248,672
(2,711,176)	(2,632,769)	(2,541,279)	(2,340,443)	(2,338,684)	(2,248,672)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 19,365,543	\$ 18,805,491	\$ 18,151,993	\$ 16,717,462	\$ 16,704,889	\$ 17,297,477
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS (1)

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	2023	2022	2021	2020
School District's proportion of the net OPEB liability	0.19609350%	0.20674950%	0.1999635%	0.2020627%
School District's proportionate share of the net OPEB liability	\$ 2,753,173	\$ 3,912,904	\$ 4,345,861	\$ 5,081,452
School District's covered payroll	\$ 7,651,856	\$ 7,032,452	\$ 6,541,934	\$ 7,019,779
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	35.98%	55.64%	66.43%	72.39%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%

(1) Information prior to 2017 is not available. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

See notes to required supplementary information.

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<u>2019</u>	<u>2018</u>	<u>2017</u>
0.2078748%	0.1990394%	0.2058185%
\$ 5,767,008	\$ 5,341,695	\$ 5,866,610
\$ 6,678,752	\$ 6,735,593	\$ 6,015,535
86.35%	79.31%	97.52%
13.57%	12.46%	11.49%

AVON LAKE CITY SCHOOL DISTRICT  
 LORAIN COUNTY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF  
 THE NET OPEB LIABILITY/(ASSET)  
 STATE TEACHERS RETIREMENT SYSTEM OF OHIO  
 LAST SEVEN FISCAL YEARS (1)

	2023	2022	2021	2020
School District's proportion of the net OPEB liability/(asset)	0.17009209%	0.17164382%	0.16513233%	0.16512790%
School District's proportionate share of the net OPEB liability/(asset)	\$ (4,404,251)	\$ (3,618,969)	\$ (2,902,197)	\$ (2,734,914)
School District's covered payroll	\$ 22,650,056	\$ 20,972,391	\$ 19,416,042	\$ 19,365,543
School District's proportionate share of the net OPEB liability/(asset) as a percentage of its covered payroll	-19.44%	-17.26%	-14.95%	-14.12%
Plan fiduciary net position as a percentage of the total OPEB liability/(asset)	230.70%	174.73%	182.13%	174.74%

(1) Information prior to 2017 is not available. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

See notes to required supplementary information.

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<u>2019</u>	<u>2018</u>	<u>2017</u>
0.16697392%	0.16360304%	0.15954871%
\$ (2,683,101)	\$ 6,383,187	\$ 8,532,706
\$ 18,805,491	\$ 18,151,993	\$ 16,717,462
-14.27%	35.17%	51.04%
176.00%	47.10%	37.30%

AVON LAKE CITY SCHOOL DISTRICT  
 LORAIN COUNTY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS – OPEB  
 SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO  
 LAST TEN FISCAL YEARS

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	2023	2022	2021	2020
Contractually required contribution (1)	\$ 138,764	\$ 130,589	\$ 134,501	\$ 132,825
Contributions in relation to the contractually required contribution	(138,764)	(130,589)	(134,501)	(132,825)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
School District covered payroll	\$ 7,193,111	\$ 7,651,856	\$ 7,032,452	\$ 6,541,934
OPEB contributions as a percentage of covered payroll	1.93%	1.71%	1.91%	2.03%

(1) Includes Surcharge

See notes to required supplementary information.

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2019	2018	2017	2016	2015	2014
<u>\$ 160,164</u>	<u>\$ 144,047</u>	<u>\$ 111,438</u>	<u>\$ 105,345</u>	<u>\$ 156,213</u>	<u>\$ 118,686</u>
<u>(160,164)</u>	<u>(144,047)</u>	<u>(111,438)</u>	<u>(105,345)</u>	<u>(156,213)</u>	<u>(118,686)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,019,779	\$ 6,678,752	\$ 6,735,593	\$ 6,015,535	\$ 6,183,455	\$ 5,721,082
2.28%	2.16%	1.65%	1.75%	2.53%	2.07%

AVON LAKE CITY SCHOOL DISTRICT  
 LORAIN COUNTY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS – OPEB  
 STATE TEACHERS RETIREMENT SYSTEM OF OHIO  
 LAST TEN FISCAL YEARS

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	2023	2022	2021	2020
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	\$ 22,597,887	\$ 22,650,056	\$ 20,972,391	\$ 19,416,042
OPEB contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

See notes to required supplementary information.



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2019	2018	2017	2016	2015	2014
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 172,975
-	-	-	-	-	(172,975)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 19,365,543	\$ 18,805,491	\$ 18,151,993	\$ 16,717,462	\$ 16,704,889	\$ 17,297,477
0.00%	0.00%	0.00%	0.00%	1.00%	1.00%

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023

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NOTE 1 – NET PENSION LIABILITY

There were no changes in assumptions or benefit terms for the fiscal years reported unless otherwise stated below:

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in assumptions

For fiscal year 2022, the SERS Board adopted the following assumption changes:

- Assumed rate of inflation was reduced from 3.00 percent to 2.40 percent
- Payroll growth assumption was reduced from 3.50 percent to 1.75 percent
- Assumed real wage growth was reduced from 0.50 percent to 0.85 percent
- Discount rate was reduced from 7.50 percent to 7.00 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members, service retirees and beneficiaries, and disabled members were updated.

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

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

Changes in benefit terms

For fiscal year 2021, cost-of-living adjustments was reduced from 2.50 percent to 2.00 percent.

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

B. STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in assumptions

For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.

For fiscal year 2022, the long term expected rate of return was reduced from 7.45 percent to 7.00 percent.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023

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NOTE 1 – NET PENSION LIABILITY (continued)

B. STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in assumptions

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

Changes in benefit terms

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

NOTE 2 – NET OPEB LIABILITY (ASSET)

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in assumptions

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

Municipal Bond Index Rate:

Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

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

Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Pre-Medicare Trend Assumption

Fiscal year 2023	7.00 percent initially, decreasing to 4.40 percent
Fiscal year 2022	6.75 percent initially, decreasing to 4.40 percent
Fiscal year 2021	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2020	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2019	7.25 percent initially, decreasing to 4.75 percent
Fiscal year 2018	7.50 percent initially, decreasing to 4.00 percent

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023

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NOTE 2 – NET OPEB LIABILITY (ASSET) (continued)

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO (continued)

Changes in assumptions (continued)

Medicare Trend Assumption

Fiscal year 2023	6.75 percent initially, decreasing to 4.40 percent
Fiscal year 2022	5.125 percent initially, decreasing to 4.40 percent
Fiscal year 2021	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2020	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2019	5.375 percent initially, decreasing to 4.75 percent
Fiscal year 2018	5.50 percent initially, decreasing to 5.00 percent

Changes in benefit terms

There have been no changes to the benefit provisions.

B. STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in assumptions

For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial -4.00% ultimate to 7.50% initial -3.94% ultimate; medical Medicare from -16.18% initial -4.00% ultimate to -68.78% initial -3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial -4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

For fiscal year 2021, valuation year per capita health care costs were updated. Health care cost trend rates ranged from -5.20 percent to 9.60 percent initially for fiscal year 2020 and changed for fiscal year 2021 to a range of -6.69 percent to 11.87 percent, initially.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent. Valuation year per capita health care costs were updated. Healthcare cost trend rates ranged from 6.00 percent to 11 percent initially and a 4.50 percent ultimate rate for fiscal year 2018 and changed for fiscal year 2019 to a range of -5.20 percent to 9.60 percent, initially and a 4.00 ultimate rate.

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Changes in benefit terms

For fiscal year 2021, there were no changes to the claims costs process. Claim curves were updated to reflect the projected fiscal year 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023

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NOTE 2 – NET OPEB LIABILITY (ASSET) (continued)

B. STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO (continued)

Changes in benefit terms (continued)

For fiscal year 2020, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

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

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Combining  
and  
Individual Fund Statements  
and Schedules

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

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### **Nonmajor Special Revenue Funds**

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Special Revenue Funds account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes.

**Food Service Fund** To account for monies used for the food service operations of the School District.

**Local Grants Fund** To account for monies received to promote community involvement and volunteer activities between the school and community.

**Student Activities Fund** To account for those student activity programs which have student participation and have student management of the programs.

**Athletics Fund** To account for gate receipts and other revenues from athletic events and all costs (except personnel services) of the School District's athletic program.

**Auxiliary Services Fund** To account for monies which provide services and materials to pupils attending non-public schools within the School District.

**Miscellaneous State Grants** To account for various monies received from state agencies which are not classified elsewhere.

**Elementary and Secondary School Emergency Relief Fund (ESSER)** To account for restricted Federal grants for funding areas impacted by the disruption and closure of schools from COVID-19.

**Title VI-B Fund** To account for Federal monies used to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provisions of full educational opportunities to handicapped children at the preschool, elementary and secondary levels.

**Title I Fund** To account for Federal monies to provide financial assistance to state and local educational agencies to meet the needs of educationally deprived children.

**Drug Free Schools Fund** To account for Federal monies used to assist the School District in preventing violence in schools and to strengthen programs preventing the illegal use of alcohol, tobacco, and drugs.

**Early Childhood Education Development Fund** To account for Federal monies which partially support the preschool program focusing on the early education of handicapped children.

**Title II-A Fund** To account for Federal monies received to encourage and help fund smaller classroom size and additional staffing needs.

**Miscellaneous Federal Grants** To account for various monies received from Federal agencies which are not classified elsewhere.



**Fund Descriptions – Nonmajor Governmental Funds**

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**Nonmajor Special Revenue Funds (continued)**

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

**Scholarship Fund** To account for monies from local donations for the purpose of scholarships for students.

**Public School Support Fund** To account for school site sales revenue and expenditures for field trips, assemblies and other activity costs.

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**Nonmajor Debt Service Fund**

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Debt Service Funds are used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest, and related costs.

**Library Bond Retirement Fund** To account for the accumulation of tax monies and the payment of general obligation bond principal and interest for the bonds issued for the Avon Lake Public Library.

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**Nonmajor Capital Project Fund**

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Capital Projects Funds account for the acquisition, construction or improvement of capital facilities other than those financed by proprietary funds.

**Permanent Improvements Fund** To account for property taxes levied to be used for various capital projects within the School District.

AVON LAKE CITY SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2023

	Total Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in pooled cash	\$ 1,906,624	\$ 21,456	\$ 1,091,569	\$ 3,019,649
Receivables, net of allowance				
Taxes, current	-	-	793,845	793,845
Taxes, delinquent	-	-	18,900	18,900
Intergovernmental receivables	352,860	-	-	352,860
Inventories and supplies	12,700	-	-	12,700
<b>Total assets</b>	<b>\$ 2,272,184</b>	<b>\$ 21,456</b>	<b>\$ 1,904,314</b>	<b>\$ 4,197,954</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 63,419	\$ -	\$ -	\$ 63,419
Accrued salaries, wages and benefits	161,506	-	-	161,506
Intergovernmental payable	23,536	-	-	23,536
Interfund payable	411,699	-	-	411,699
<b>Total liabilities</b>	<b>660,160</b>	<b>-</b>	<b>-</b>	<b>660,160</b>
<b>Deferred inflows of resources</b>				
Property taxes levied for next year and unavailable resources	38,657	-	703,841	742,498
<b>Total deferred inflows of resources</b>	<b>38,657</b>	<b>-</b>	<b>703,841</b>	<b>742,498</b>
<b>Fund balances</b>				
Nonspendable	12,700	-	-	12,700
Restricted	1,629,577	21,456	1,200,473	2,851,506
Unassigned (deficit)	(68,910)	-	-	(68,910)
<b>Total fund balances</b>	<b>1,573,367</b>	<b>21,456</b>	<b>1,200,473</b>	<b>2,795,296</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 2,272,184</b>	<b>\$ 21,456</b>	<b>\$ 1,904,314</b>	<b>\$ 4,197,954</b>

AVON LAKE CITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2023

	Total Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenue				
Taxes	\$ -	\$ -	\$ 684,887	\$ 684,887
Interest	34,280	-	-	34,280
Intergovernmental	3,784,155	-	64,593	3,848,748
Extracurricular	736,944	-	-	736,944
Charges for services	1,003,556	-	-	1,003,556
Donations and contributions	208,117	-	-	208,117
Miscellaneous	25,812	-	119,000	144,812
Total revenues	<u>5,792,864</u>	<u>-</u>	<u>868,480</u>	<u>6,661,344</u>
Expenditures				
Current				
Instruction				
Regular	1,197,436	-	22,304	1,219,740
Special	792,104	-	-	792,104
Other instruction	139,029	-	-	139,029
Supporting services				
Pupil	118,754	-	-	118,754
Instructional staff	164,919	-	-	164,919
Administration	96,656	-	-	96,656
Fiscal services	-	-	12,291	12,291
Operation and maintenance	133,228	-	629,300	762,528
Pupil transportation	180,000	-	305,034	485,034
Operation of non-instructional services				
Food service operation	1,484,828	-	-	1,484,828
Community services	293,971	-	-	293,971
Extracurricular activities	758,758	-	-	758,758
Capital outlay	-	-	346,521	346,521
Total expenditures	<u>5,359,683</u>	<u>-</u>	<u>1,315,450</u>	<u>6,675,133</u>
Excess (deficiency) of revenues over expenditures	<u>433,181</u>	<u>-</u>	<u>(446,970)</u>	<u>(13,789)</u>
Other financing sources (uses)				
Transfers in	2,548	-	-	2,548
Transfers out	(41,000)	-	-	(41,000)
Total other financing sources (uses)	<u>(38,452)</u>	<u>-</u>	<u>-</u>	<u>(38,452)</u>
Net change in fund balances	394,729	-	(446,970)	(52,241)
Fund balances, beginning of year	<u>1,178,638</u>	<u>21,456</u>	<u>1,647,443</u>	<u>2,847,537</u>
Fund balances, end of year	<u>\$ 1,573,367</u>	<u>\$ 21,456</u>	<u>\$ 1,200,473</u>	<u>\$ 2,795,296</u>

AVON LAKE CITY SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2022

	Food Service	Local Grants	Student Activites	Athletics
<b>Assets</b>				
Equity in pooled cash	\$ 927,945	\$ 200,923	\$ 201,122	\$ 299,752
Intergovernmental receivables	-	-	-	-
Inventories and supplies	12,700	-	-	-
<b>Total assets</b>	<b>\$ 940,645</b>	<b>\$ 200,923</b>	<b>\$ 201,122</b>	<b>\$ 299,752</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 3,422	\$ -	\$ -	\$ 43,813
Accrued salaries, wages and benefits	82,452	-	-	-
Intergovernmental payable	11,322	-	-	-
Interfund payable	-	222	2,150	1,739
<b>Total liabilities</b>	<b>97,196</b>	<b>222</b>	<b>2,150</b>	<b>45,552</b>
<b>Deferred inflow s of resources</b>				
Property taxes levied for next year and unavailable resources	38,657	-	-	-
<b>Total deferred inflow s of resources</b>	<b>38,657</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>				
Nonspendable	12,700	-	-	-
Restricted	792,092	200,701	198,972	254,200
Unassigned (deficit)	-	-	-	-
<b>Total fund balances</b>	<b>804,792</b>	<b>200,701</b>	<b>198,972</b>	<b>254,200</b>
<b>Total liabilities, deferred inflow s of resources and fund balances</b>	<b>\$ 940,645</b>	<b>\$ 200,923</b>	<b>\$ 201,122</b>	<b>\$ 299,752</b>

Auxiliary Service	Miscellaneous State Grants	ESSER	Title VI-B	Title I	Drug Free Schools
\$ 38,542	\$ 5,563	\$ 54,678	\$ -	\$ -	\$ -
-	-	332,497	6,883	-	-
-	-	-	-	-	-
<u>\$ 38,542</u>	<u>\$ 5,563</u>	<u>\$ 387,175</u>	<u>\$ 6,883</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 15,385	\$ -	\$ 799	\$ -	\$ -	\$ -
79,054	-	-	-	-	-
12,214	-	-	-	-	-
-	-	387,175	6,883	-	-
<u>106,653</u>	<u>-</u>	<u>387,974</u>	<u>6,883</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	5,563	-	-	-	-
(68,111)	-	(799)	-	-	-
<u>(68,111)</u>	<u>5,563</u>	<u>(799)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 38,542</u>	<u>\$ 5,563</u>	<u>\$ 387,175</u>	<u>\$ 6,883</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

AVON LAKE CITY SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2022

	Early Childhood Education Development	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
<b>Assets</b>				
Equity in pooled cash	\$ -	\$ 50	\$ 178,049	\$ 1,906,624
Intergovernmental receivables	-	13,480	-	352,860
Inventories and supplies	-	-	-	12,700
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 13,530</b>	<b>\$ 178,049</b>	<b>\$ 2,272,184</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ 63,419
Accrued salaries, wages and benefits	-	-	-	161,506
Intergovernmental payable	-	-	-	23,536
Interfund payable	-	13,530	-	411,699
<b>Total liabilities</b>	<b>-</b>	<b>13,530</b>	<b>-</b>	<b>660,160</b>
<b>Deferred inflow s of resources</b>				
Property taxes levied for next year and unavailable resources	-	-	-	38,657
<b>Total deferred inflow s of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,657</b>
<b>Fund balances</b>				
Nonspendable	-	-	-	12,700
Restricted	-	-	178,049	1,629,577
Unassigned (deficit)	-	-	-	(68,910)
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>178,049</b>	<b>1,573,367</b>
<b>Total liabilities, deferred inflow s of resources and fund balances</b>	<b>\$ -</b>	<b>\$ 13,530</b>	<b>\$ 178,049</b>	<b>\$ 2,272,184</b>

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AVON LAKE CITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022

	Food Service	Local Grants	Student Activites	Athletics
Revenue				
Interest	\$ 31,429	\$ -	\$ -	\$ -
Intergovernmental	566,428	-	-	-
Extracurricular	-	-	218,939	518,005
Charges for services	1,003,556	-	-	-
Donations and contributions	-	121,634	17,621	68,862
Miscellaneous	-	-	-	25,812
Total revenues	<u>1,601,413</u>	<u>121,634</u>	<u>236,560</u>	<u>612,679</u>
Expenditures				
Current				
Instruction				
Regular	-	11,294	-	-
Special	-	-	-	-
Other instruction	-	-	-	-
Supporting services				
Pupil	-	(508)	-	-
Instructional staff	-	-	-	-
Administration	-	-	-	-
Operation and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
Operation of non-instructional services				
Food service operation	1,482,815	-	761	-
Community services	-	-	2,208	-
Extracurricular activities	-	-	175,882	582,876
Total expenditures	<u>1,482,815</u>	<u>10,786</u>	<u>178,851</u>	<u>582,876</u>
Excess (deficiency) of revenues over expenditures	<u>118,598</u>	<u>110,848</u>	<u>57,709</u>	<u>29,803</u>
Other financing sources (uses)				
Transfers in	-	-	2,548	-
Transfers out	-	-	-	(41,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,548</u>	<u>(41,000)</u>
Net change in fund balances	118,598	110,848	60,257	(11,197)
Fund balances, beginning of year	<u>686,194</u>	<u>89,853</u>	<u>138,715</u>	<u>265,397</u>
Fund balances, end of year	<u>\$ 804,792</u>	<u>\$ 200,701</u>	<u>\$ 198,972</u>	<u>\$ 254,200</u>



Auxiliary Service	Miscellaneous State Grants	ESSER	Title VI-B	Title I	Drug Free Schools
\$ 2,851	\$ -	\$ -	\$ -	\$ -	\$ -
214,999	221,911	1,498,288	769,449	139,980	12,222
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>217,850</u>	<u>221,911</u>	<u>1,498,288</u>	<u>769,449</u>	<u>139,980</u>	<u>12,222</u>
-	-	1,124,034	-	-	11,430
-	-	-	632,216	139,980	-
-	-	139,029	-	-	-
-	-	-	119,262	-	-
-	-	138,116	-	-	-
-	-	96,656	-	-	-
-	48,588	-	-	-	-
-	180,000	-	-	-	-
-	-	1,252	-	-	-
272,200	-	-	17,971	-	792
-	-	-	-	-	-
<u>272,200</u>	<u>228,588</u>	<u>1,499,087</u>	<u>769,449</u>	<u>139,980</u>	<u>12,222</u>
<u>(54,350)</u>	<u>(6,677)</u>	<u>(799)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(54,350)	(6,677)	(799)	-	-	-
(13,761)	12,240	-	-	-	-
<u>\$ (68,111)</u>	<u>\$ 5,563</u>	<u>\$ (799)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

AVON LAKE CITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022

	Early Childhood Education Development	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
<b>Revenue</b>				
Interest	\$ -	\$ -	\$ -	\$ 34,280
Intergovernmental	19,908	78,281	262,689	3,784,155
Extracurricular	-	-	-	736,944
Charges for services	-	-	-	1,003,556
Donations and contributions	-	-	-	208,117
Miscellaneous	-	-	-	25,812
<b>Total revenues</b>	<b>19,908</b>	<b>78,281</b>	<b>262,689</b>	<b>5,792,864</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Instruction</b>				
Regular	-	50,678	-	1,197,436
Special	19,908	-	-	792,104
Other instruction	-	-	-	139,029
<b>Supporting services</b>				
Pupil	-	-	-	118,754
Instructional staff	-	26,803	-	164,919
Administration	-	-	-	96,656
Operation and maintenance	-	-	84,640	133,228
Pupil transportation	-	-	-	180,000
<b>Operation of non-instructional services</b>				
Food service operation	-	-	-	1,484,828
Community services	-	800	-	293,971
Extracurricular activities	-	-	-	758,758
<b>Total expenditures</b>	<b>19,908</b>	<b>78,281</b>	<b>84,640</b>	<b>5,359,683</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>178,049</b>	<b>433,181</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	2,548
Transfers out	-	-	-	(41,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(38,452)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>178,049</b>	<b>394,729</b>
<b>Fund balances, beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,178,638</b>
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 178,049</b>	<b>\$ 1,573,367</b>

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AVON LAKE CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 37,511,616	\$ 37,511,616	\$ 37,079,808	\$ (431,808)
Tuition and fees	949,637	949,637	938,705	(10,932)
Interest	280,660	280,660	277,429	(3,231)
Intergovernmental	8,136,643	8,136,643	8,042,980	(93,663)
Miscellaneous	202,094	202,094	199,768	(2,326)
<b>Total revenues</b>	<b>47,080,650</b>	<b>47,080,650</b>	<b>46,538,690</b>	<b>(541,960)</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Instruction</b>				
<b>Regular</b>				
Salaries	14,769,110	14,867,653	14,831,678	35,975
Benefits	5,145,974	5,180,309	5,167,774	12,535
Purchased services	712,885	717,641	715,905	1,736
Materials and supplies	1,296,224	1,304,872	1,301,715	3,157
Capital outlay	758,061	763,119	761,272	1,847
<b>Total regular</b>	<b>22,682,254</b>	<b>22,833,594</b>	<b>22,778,344</b>	<b>55,250</b>
<b>Special</b>				
Salaries	2,851,257	2,870,281	2,863,336	6,945
Benefits	1,031,643	1,038,526	1,036,013	2,513
Purchased services	1,923,405	1,936,238	1,931,553	4,685
Materials and supplies	19,440	19,569	19,522	47
Capital outlay	4,509	4,539	4,528	11
<b>Total special</b>	<b>5,830,254</b>	<b>5,869,153</b>	<b>5,854,952</b>	<b>14,201</b>
<b>Adult/continuing</b>				
Salaries	7,635	7,686	7,667	19
Benefits	1,180	1,188	1,185	3
<b>Total adult/continuing</b>	<b>8,815</b>	<b>8,874</b>	<b>8,852</b>	<b>22</b>
<b>Other</b>				
Salaries	160,450	161,521	161,130	391
Benefits	69,173	69,634	69,466	168
Purchased services	118,276	119,065	118,777	288
Other	23,903	24,062	24,004	58
<b>Total other instruction</b>	<b>371,802</b>	<b>374,282</b>	<b>373,377</b>	<b>905</b>
<b>Total instruction</b>	<b>\$ 28,893,125</b>	<b>\$ 29,085,903</b>	<b>\$ 29,015,525</b>	<b>\$ 70,378</b>

(continued)

AVON LAKE CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Supporting services				
Pupil				
Salaries	\$ 2,010,422	\$ 2,023,836	\$ 2,018,939	\$ 4,897
Benefits	844,436	850,070	848,013	2,057
Purchased services	419,049	421,845	420,824	1,021
Materials and supplies	53,842	54,201	54,070	131
Capital outlay	97,877	98,530	98,292	238
Total pupil	<u>3,425,626</u>	<u>3,448,482</u>	<u>3,440,138</u>	<u>8,344</u>
Instructional staff				
Salaries	1,080,124	1,087,331	1,084,700	2,631
Benefits	416,180	418,957	417,943	1,014
Purchased services	199,048	200,376	199,891	485
Materials and supplies	28,182	28,370	28,301	69
Capital outlay	237,766	239,352	238,773	579
Total instructional staff	<u>1,961,300</u>	<u>1,974,386</u>	<u>1,969,608</u>	<u>4,778</u>
Board of education				
Salaries	7,468	7,518	7,500	18
Benefits	1,180	1,188	1,185	3
Purchased services	6,742	6,787	6,771	16
Other	10,478	10,548	10,522	26
Total board of education	<u>25,868</u>	<u>26,041</u>	<u>25,978</u>	<u>63</u>
Administration				
Salaries	2,049,776	2,063,453	2,058,460	4,993
Benefits	1,075,824	1,083,003	1,080,382	2,621
Purchased services	377,453	379,971	379,052	919
Materials and supplies	37,457	37,707	37,616	91
Capital outlay	4,831	4,863	4,851	12
Other	65,434	65,870	65,711	159
Total administration	<u>3,610,775</u>	<u>3,634,867</u>	<u>3,626,072</u>	<u>8,795</u>
Fiscal				
Salaries	374,356	376,854	375,942	912
Benefits	58,703	59,095	58,952	143
Purchased services	91,101	91,709	91,487	222
Materials and supplies	2,051	2,065	2,060	5
Other	661,320	665,733	664,122	1,611
Total fiscal	<u>\$ 1,187,531</u>	<u>\$ 1,195,456</u>	<u>\$ 1,192,563</u>	<u>\$ 2,893</u>

(continued)

AVON LAKE CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Business				
Salaries	\$ 226,514	\$ 228,026	\$ 227,474	\$ 552
Benefits	118,188	118,977	118,689	288
Purchased services	28,675	28,866	28,796	70
Capital outlay	796	801	799	2
Total business	<u>374,173</u>	<u>376,670</u>	<u>375,758</u>	<u>912</u>
Operation and maintenance				
Salaries	1,637,003	1,647,925	1,643,938	3,987
Benefits	680,296	684,835	683,178	1,657
Purchased services	2,667,970	2,685,772	2,679,273	6,499
Materials and supplies	344,551	346,850	346,011	839
Capital outlay	120,291	121,094	120,801	293
Total operation and maintenance	<u>5,450,111</u>	<u>5,486,476</u>	<u>5,473,201</u>	<u>13,275</u>
Pupil transportation				
Salaries	1,193,218	1,201,180	1,198,273	2,907
Benefits	314,372	316,470	315,704	766
Purchased services	200,483	201,820	201,332	488
Materials and supplies	351,928	354,276	353,419	857
Capital outlay	-	-	-	-
Other	1,329	1,338	1,335	3
Total pupil transportation	<u>2,061,330</u>	<u>2,075,084</u>	<u>2,070,063</u>	<u>5,021</u>
Central services				
Salaries	109,798	110,530	110,263	267
Benefits	166,809	167,922	167,516	406
Purchased services	118,676	119,468	119,179	289
Materials and supplies	1,105	1,113	1,110	3
Other	10,909	10,982	10,955	27
Total central services	<u>407,297</u>	<u>410,015</u>	<u>409,023</u>	<u>992</u>
Total supporting services	<u>18,504,011</u>	<u>18,627,477</u>	<u>18,582,404</u>	<u>45,073</u>
Community services				
Salaries	45,438	45,741	45,630	111
Benefits	5,861	5,900	5,886	14
Purchased services	3,869	3,894	3,885	9
Materials and supplies	2,327	2,343	2,337	6
Capital outlay	-	193	-	193
Total community services	<u>57,495</u>	<u>58,071</u>	<u>57,738</u>	<u>333</u>
Total operation of non-instructional services	<u>\$ 57,495</u>	<u>\$ 58,071</u>	<u>\$ 57,738</u>	<u>\$ 333</u>

(continued)

AVON LAKE CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Extracurricular activities				
Academic and subject oriented				
Salaries	\$ 73,914	\$ 74,407	\$ 74,227	\$ 180
Benefits	3,644	3,668	3,659	9
Purchased services	12,094	12,174	12,145	29
Materials and supplies	1,372	1,381	1,378	3
Total academic and subject oriented	<u>91,024</u>	<u>91,630</u>	<u>91,409</u>	<u>221</u>
Occupation oriented				
Salaries	1,446	1,456	1,452	4
Benefits	25	25	25	-
Total occupation oriented	<u>1,471</u>	<u>1,481</u>	<u>1,477</u>	<u>4</u>
Sports oriented				
Salaries	671,390	675,869	674,234	1,635
Benefits	142,144	143,092	142,746	346
Purchased services	7,726	7,778	7,759	19
Total sports oriented	<u>821,260</u>	<u>826,739</u>	<u>824,739</u>	<u>2,000</u>
Co-curricular activities				
Salaries	55,363	55,733	55,598	135
Benefits	2,531	2,548	2,542	6
Total co-curricular activities	<u>57,894</u>	<u>58,281</u>	<u>58,140</u>	<u>141</u>
Total extracurricular activities	<u>971,649</u>	<u>978,131</u>	<u>975,765</u>	<u>2,366</u>
Capital outlay	35,599	35,837	35,750	87
Total expenditures	<u>48,461,879</u>	<u>48,785,419</u>	<u>48,667,182</u>	<u>118,237</u>
Excess (deficiency) of revenues over expenditures	<u>(1,381,229)</u>	<u>(1,704,769)</u>	<u>(2,128,492)</u>	<u>(423,723)</u>
Other financing sources				
Transfers-in	-	41,000	41,000	-
Advances in	-	151,003	151,003	-
Refund of prior year expenditures	-	36,456	36,456	-
Transfers-out	-	(2,548)	(2,548)	-
Advances out	-	(424,103)	(424,103)	-
Total other financing sources	<u>-</u>	<u>(198,192)</u>	<u>(198,192)</u>	<u>-</u>
Net change in fund balance	(1,381,229)	(1,902,961)	(2,326,684)	(423,723)
Prior year encumbrances	1,278,164	1,278,164	1,278,164	-
Fund balances, beginning of year	<u>12,923,248</u>	<u>12,923,248</u>	<u>12,923,248</u>	<u>-</u>
Fund balances, end of year	<u>\$ 12,820,183</u>	<u>\$ 12,298,451</u>	<u>\$ 11,874,728</u>	<u>\$ (423,723)</u>

AVON LAKE CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023

	Bond Retirement Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 4,932,523	\$ 4,932,523	\$ 4,874,902	\$ (57,621)
Total expenditures and other uses	5,043,322	5,044,669	5,044,669	-
Net change in fund balance	(110,799)	(112,146)	(169,767)	(57,621)
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	2,777,985	2,777,985	2,777,985	(57,621)
Fund balances, end of year	<u>\$ 2,667,186</u>	<u>\$ 2,665,839</u>	<u>\$ 2,608,218</u>	<u>\$ (115,242)</u>



AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2023

	Food Service			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 1,772,660	\$ 1,493,651	\$ 1,498,137	\$ 4,486
Total expenditures and other uses	570,343	1,405,343	1,396,934	8,409
Net change in fund balance	1,202,317	88,308	101,203	12,895
Prior year encumbrances	14,843	14,843	14,843	-
Fund balances, beginning of year	794,660	794,660	794,660	-
Fund balances, end of year	910,706	910,706	910,706	-

AVON LAKE CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023

	Local Grants Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 128,081	\$ 121,857	\$ 121,857	\$ -
Total expenditures and other uses	14,100	21,695	21,623	72
Net change in fund balance	113,981	100,162	100,234	72
Prior year encumbrances	708	708	708	-
Fund balances, beginning of year	89,981	89,981	89,981	-
Fund balances, end of year	<u>\$ 190,923</u>	<u>\$ 190,923</u>	<u>\$ 190,923</u>	<u>\$ -</u>

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2023

	Student Activities			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 240,287	\$ 241,258	\$ 241,258	\$ -
Total expenditures and other uses	118,950	211,750	200,120	11,630
Net change in fund balance	121,337	29,508	41,138	11,630
Prior year encumbrances	15,980	15,980	15,980	-
Fund balances, beginning of year	122,735	122,735	122,735	-
Fund balances, end of year	<u>\$ 260,052</u>	<u>\$ 168,223</u>	<u>\$ 179,853</u>	<u>\$ 11,630</u>

AVON LAKE CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023

	Athletics Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 565,103	\$ 620,232	\$ 620,232	\$ -
Total expenditures and other uses	325,600	665,600	664,261	1,339
Net change in fund balance	239,503	(45,368)	(44,029)	1,339
Prior year encumbrances	25,600	25,600	25,600	-
Fund balances, beginning of year	240,103	240,103	240,103	-
Fund balances, end of year	<u>\$ 505,206</u>	<u>\$ 220,335</u>	<u>\$ 221,674</u>	<u>\$ 1,339</u>

AVON LAKE CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023

	Auxiliary Services Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 220,310	\$ 217,682	\$ 217,850	\$ 168
Total expenditures and other uses	208,275	225,743	223,278	2,465
Net change in fund balance	12,035	(8,061)	(5,428)	2,633
Prior year encumbrances	8,275	8,275	8,275	-
Fund balances, beginning of year	20,310	20,310	20,310	-
Fund balances, end of year	<u>\$ 40,620</u>	<u>\$ 20,524</u>	<u>\$ 23,157</u>	<u>\$ 2,633</u>

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2023

	Miscellaneous State Grants Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 180,000	\$ 233,511	\$ 233,511	\$ -
Total expenditures and other uses	282,240	335,751	335,751	-
Net change in fund balance	(102,240)	(102,240)	(102,240)	-
Prior year encumbrances	102,240	102,240	102,240	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2023

	Esser Grant Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 2,989,316	\$ 1,574,893	\$ 1,574,893	\$ -
Total expenditures and other uses	3,009,316	1,594,893	1,594,893	-
Net change in fund balance	(20,000)	(20,000)	(20,000)	-
Prior year encumbrances	20,000	20,000	20,000	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2023

	Title VI-B Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 776,397	\$ 769,449	\$ 769,449	\$ -
Total expenditures and other uses	776,397	769,449	769,449	-
Net change in fund balance	-	-	-	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -



AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2023

	Title I Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 140,411	\$ 139,980	\$ 139,980	\$ -
Total expenditures and other uses	140,411	139,980	139,980	-
Net change in fund balance	-	-	-	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2023

	Drug Free Schools Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 12,222	\$ 12,222	\$ 12,222	\$ -
Total expenditures and other uses	12,222	12,222	12,222	-
Net change in fund balance	-	-	-	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2023

	Early Childhood Education Development Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 19,973	\$ 19,908	\$ 19,908	\$ -
Total expenditures and other uses	19,973	19,908	19,908	-
Net change in fund balance	-	-	-	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2023

	Title II-A Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 58,903	\$ 82,027	\$ 82,027	\$ -
Total expenditures and other uses	58,903	82,027	82,027	-
Net change in fund balance	-	-	-	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

AVON LAKE CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023

	Miscellaneous Federal Grants Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ -	\$ 262,689	\$ 262,689	\$ -
Total expenditures and other uses	-	262,689	194,485	68,204
Net change in fund balance	-	-	68,204	68,204
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,204</u>	<u>\$ 68,204</u>

AVON LAKE CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023

	Scholarship Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 111,972	\$ 6,913	\$ 7,209	\$ 296
Total expenditures and other uses	6,000	8,250	8,250	-
Net change in fund balance	105,972	(1,337)	(1,041)	296
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	105,972	105,972	105,972	-
Fund balances, end of year	<u>\$ 211,944</u>	<u>\$ 104,635</u>	<u>\$ 104,931</u>	<u>\$ 296</u>

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2023

	Public School Support Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 282,654	\$ 117,970	\$ 118,034	\$ 64
Total expenditures and other uses	66,000	106,167	101,042	5,125
Net change in fund balance	216,654	11,803	16,992	5,189
Prior year encumbrances	4,167	4,167	4,167	-
Fund balances, beginning of year	216,654	216,654	216,654	-
Fund balances, end of year	<u>\$ 437,475</u>	<u>\$ 232,624</u>	<u>\$ 237,813</u>	<u>\$ 5,189</u>

AVON LAKE CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023

	Library Bond Retirement Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ -	\$ -	\$ -	\$ -
Total expenditures and other uses	-	-	-	-
Net change in fund balance	-	-	-	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	21,456	21,456	21,456	-
Fund balances, end of year	<u>\$ 21,456</u>	<u>\$ 21,456</u>	<u>\$ 21,456</u>	<u>\$ -</u>



AVON LAKE CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023

	Permanent Improvements Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 742,000	\$ 776,221	\$ 878,508	\$ 102,287
Total expenditures and other uses	1,013,587	2,173,587	1,561,199	612,388
Net change in fund balance	(271,587)	(1,397,366)	(682,691)	714,675
Prior year encumbrances	1,168,336	1,168,336	1,168,336	-
Fund balances, beginning of year	410,173	410,173	410,173	-
Fund balances, end of year	<u>\$ 1,306,922</u>	<u>\$ 181,143</u>	<u>\$ 895,818</u>	<u>\$ 714,675</u>



# STATISTICAL SECTION



Back of divider page.

## STATISTICAL SECTION

This part of the Avon Lake City School District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	<b>S 2</b>
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>S 16</b>
These schedules contain information to help the reader assess the affordability of the District's most significant local revenue source, the property tax.	
<b>Debt Capacity</b>	<b>S 25</b>
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>S 30</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
<b>Operating Information</b>	<b>S 32</b>
These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

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

AVON LAKE CITY SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Governmental activities				
Net investment in capital assets	\$ 22,883,215	\$ 18,944,832	\$ 18,375,711	\$ 17,000,885
Restricted	10,354,126	9,810,476	8,744,646	8,581,227
Unrestricted	(42,115,002)	(38,974,412)	(43,952,684)	(36,979,459)
Total primary government net position	<u>\$ (8,877,661)</u>	<u>\$ (10,219,104)</u>	<u>\$ (16,832,327)</u>	<u>\$ (11,397,347)</u>

**Note:**

Year 2014 has been restated due to the implementation of GASB Statement No. 68.  
Year 2016 has been restated due to a prior period adjustment related to deferred inflow s, deferred outflow s and net pension liability.  
Year 2017 has been restated due to the implementation of GASB Statement No. 75.

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<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 14,756,361	\$ 13,024,434	\$ 12,128,924	\$ 10,190,220	\$ 8,870,400	\$ 7,729,401
8,962,709	6,506,101	5,485,518	5,234,676	5,287,563	5,404,860
(34,944,782)	(33,642,110)	(60,426,094)	(43,716,896)	(47,987,935)	(52,447,820)
<u>\$ (11,225,712)</u>	<u>\$ (14,111,575)</u>	<u>\$ (42,811,652)</u>	<u>\$ (28,292,000)</u>	<u>\$ (33,829,972)</u>	<u>\$ (39,313,559)</u>

AVON LAKE CITY SCHOOL DISTRICT  
EXPENSES, PROGRAM REVENUES AND NET (EXPENSES) REVENUES  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	2023	2022	2021	2020
<b>Expenses</b>				
Governmental activities:				
Instruction				
Regular	\$ 26,971,818	\$ 22,003,758	\$ 25,584,021	\$ 23,456,762
Special	6,312,497	6,049,915	6,610,500	6,406,105
Adult/continuing	8,851	-	-	7,043
Other instruction	546,822	526,738	749,517	883,593
Supporting services				
Pupil	3,694,496	3,131,363	3,424,373	3,021,675
Instructional staff	2,014,555	1,960,372	2,088,089	1,784,274
Board of education	24,234	22,745	18,977	23,933
Administration	3,711,374	3,755,720	3,997,597	3,475,379
Fiscal services	1,230,015	1,359,939	1,249,255	1,091,973
Business	353,013	425,630	362,137	218,283
Operation and maintenance	4,710,844	4,516,856	4,434,688	4,289,916
Pupil transportation	1,896,819	2,011,825	1,796,924	1,863,969
Central services	392,302	271,812	450,250	432,598
Operation of non-instructional services				
Food service operation	1,433,480	1,415,731	1,197,400	1,298,033
Community services	353,809	300,716	335,204	263,514
Extracurricular activities	1,767,072	1,207,469	1,293,358	1,317,463
Interest and fiscal charges	1,005,822	1,817,819	2,694,600	1,926,538
Total primary government expenses	<u>56,427,823</u>	<u>50,778,408</u>	<u>56,286,890</u>	<u>51,761,051</u>
<b>Program revenues</b>				
Governmental activities:				
Charges for services and sales				
Instruction	938,705	819,998	307,055	585,273
Supporting services	74,321	65,266	34,992	68,261
Food service	1,003,556	261,545	122,117	672,815
Extracurricular activities	762,757	652,567	412,007	370,867
Operating grants, interest and contributions	4,038,654	4,043,241	3,032,625	1,769,655
Total primary government program revenues	<u>6,819,262</u>	<u>5,847,212</u>	<u>3,908,796</u>	<u>3,466,871</u>
<b>Net (expense) revenue</b>				
Total primary government net expense	<u>\$ (49,608,561)</u>	<u>\$ (44,931,196)</u>	<u>\$ (52,378,094)</u>	<u>\$ (48,294,180)</u>

**Note:**

The decrease in expenses in 2018 is due to net negative expense of \$17,926,372 related to the effects of GASB 68 and GASB 75.



2019	2018	2017	2016	2015	2014
\$ 18,873,401	\$ 7,818,029	\$ 20,522,649	\$ 20,312,398	\$ 18,710,477	\$ 19,441,025
5,322,915	2,633,328	5,176,972	4,760,004	4,264,727	4,135,900
8,937	7,757	9,751	9,562	9,972	11,580
660,789	651,549	911,223	887,928	809,304	1,126,292
2,537,561	1,562,912	2,780,478	2,762,880	2,239,083	2,572,330
1,694,975	1,187,636	1,901,395	1,608,512	1,326,965	1,123,271
26,392	22,218	19,701	19,446	20,544	24,029
3,255,267	2,088,751	3,635,512	3,560,633	3,102,611	3,049,875
1,228,626	1,079,161	1,212,368	1,257,474	1,134,761	992,046
451,251	300,319	360,590	318,233	283,355	198,081
4,474,810	4,672,811	5,085,469	4,329,269	4,476,025	4,802,518
2,074,319	1,728,198	1,956,379	1,817,520	1,805,718	1,724,228
1,034,013	242,029	237,835	290,224	293,523	232,342
1,328,217	1,176,719	1,252,674	1,254,263	1,174,997	1,237,815
233,452	187,543	511,931	649,046	369,498	410,932
1,165,364	624,601	1,281,536	1,261,581	1,132,041	1,266,615
1,885,612	1,863,852	1,995,629	1,660,446	2,059,216	2,788,163
<u>46,255,901</u>	<u>27,847,413</u>	<u>48,852,092</u>	<u>46,759,419</u>	<u>43,212,817</u>	<u>45,140,315</u>
696,240	966,891	857,411	703,726	733,885	684,434
86,596	141,455	146,448	214,753	146,927	232,665
933,262	921,460	849,356	957,348	917,497	966,715
524,505	282,118	362,840	624,206	371,928	412,092
1,734,026	1,638,082	1,671,614	1,720,987	1,457,351	1,596,335
<u>3,974,629</u>	<u>3,950,006</u>	<u>3,887,669</u>	<u>4,221,020</u>	<u>3,627,588</u>	<u>3,892,241</u>
<u>\$ (42,281,272)</u>	<u>\$ (23,897,407)</u>	<u>\$ (44,964,423)</u>	<u>\$ (42,538,399)</u>	<u>\$ (39,585,229)</u>	<u>\$ (41,248,074)</u>

AVON LAKE CITY SCHOOL DISTRICT  
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net (expense) revenue				
Total primary government net expense	\$ (49,608,561)	\$ (44,931,196)	\$ (52,378,094)	\$ (48,294,180)
General revenues and other changes in net position				
Governmental activities:				
Property taxes levied for:				
General purposes	36,759,152	37,769,736	33,011,285	34,348,711
Debt service	3,392,306	3,619,254	3,378,117	3,584,286
Capital improvements	649,587	686,797	623,394	634,878
Grants and entitlements				
not restricted to specific purposes	9,264,857	9,009,491	9,096,918	9,001,015
Investment earnings	314,399	103,570	219,686	488,680
Miscellaneous	569,703	355,571	482,308	64,975
Total primary government	<u>50,950,004</u>	<u>51,544,419</u>	<u>46,811,708</u>	<u>48,122,545</u>
Change in net position				
Total primary government	<u>\$ 1,341,443</u>	<u>\$ 6,613,223</u>	<u>\$ (5,566,386)</u>	<u>\$ (171,635)</u>

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>\$ (42,281,272)</u>	<u>\$ (23,897,407)</u>	<u>\$ (44,964,423)</u>	<u>\$ (42,538,399)</u>	<u>\$ (39,585,229)</u>	<u>\$ (41,248,074)</u>
31,048,943	37,265,363	29,868,528	31,534,627	29,777,599	26,118,293
3,367,851	4,247,695	3,360,889	3,596,979	3,486,624	3,584,698
582,244	682,101	549,918	576,943	524,131	522,441
9,272,952	9,728,165	10,234,739	10,650,510	10,764,213	10,162,477
376,506	265,039	213,539	149,799	42,117	41,298
518,639	409,121	505,036	498,082	474,132	531,290
<u>45,167,135</u>	<u>52,597,484</u>	<u>44,732,649</u>	<u>47,006,940</u>	<u>45,068,816</u>	<u>40,960,497</u>
<u>\$ 2,885,863</u>	<u>\$ 28,700,077</u>	<u>\$ (231,774)</u>	<u>\$ 4,468,541</u>	<u>\$ 5,483,587</u>	<u>\$ (287,577)</u>

AVON LAKE CITY SCHOOL DISTRICT  
 FUND BALANCES – GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General Fund				
Nonspendable	\$ 68,507	\$ 53,935	\$ 50,261	\$ 72,062
Committed	113,990	113,990	113,990	113,990
Assigned	1,361,313	1,395,394	1,224,556	1,463,528
Unassigned	11,938,153	11,342,675	14,157,686	17,052,028
Total General Fund	<u>\$ 13,481,963</u>	<u>\$ 12,905,994</u>	<u>\$ 15,546,493</u>	<u>\$ 18,701,608</u>
All other governmental funds				
Nonspendable	\$ 12,700	\$ 22,068	\$ 12,239	\$ 26,669
Restricted	6,025,357	6,061,461	5,931,043	5,872,063
Unassigned	(68,910)	(13,761)	(30,574)	-
Total all other governmental funds	<u>\$ 5,969,147</u>	<u>\$ 6,069,768</u>	<u>\$ 5,912,708</u>	<u>\$ 5,898,732</u>

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2019	2018	2017	2016	2015	2014
\$ 44,263	\$ 55,469	\$ 38,487	\$ 50,056	\$ 48,362	\$ 34,038
113,990	113,990	113,990	113,990	113,990	113,990
1,312,601	975,342	1,447,992	1,117,869	1,507,312	898,319
17,045,376	18,734,427	13,125,291	13,479,757	7,921,656	5,561,998
<u>\$ 18,516,230</u>	<u>\$ 19,879,228</u>	<u>\$ 14,725,760</u>	<u>\$ 14,761,672</u>	<u>\$ 9,591,320</u>	<u>\$ 6,608,345</u>
\$ 13,124	\$ 10,207	\$ 13,060	\$ 12,766	\$ 15,938	\$ 12,053
6,363,434	6,466,009	6,034,459	5,860,743	5,983,609	5,844,916
(1,099)	(27,607)	(16,106)	(15,384)	(18,753)	-
<u>\$ 6,375,459</u>	<u>\$ 6,448,609</u>	<u>\$ 6,031,413</u>	<u>\$ 5,858,125</u>	<u>\$ 5,980,794</u>	<u>\$ 5,856,969</u>

AVON LAKE CITY SCHOOL DISTRICT  
GENERAL GOVERNMENTAL REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

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	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Taxes	\$ 43,019,045	\$ 39,876,487	\$ 37,268,796	\$ 38,189,875
Tuition and fees	966,474	1,023,122	504,044	758,465
Interest	314,399	103,570	219,686	488,680
Intergovernmental	13,303,511	13,052,732	12,129,543	10,770,670
Extracurricular	749,665	480,125	197,421	251,618
Charges for services	1,003,556	261,545	122,117	672,815
Donations and contributions	254,277	202,310	221,677	97,203
Miscellaneous	<u>379,680</u>	<u>187,406</u>	<u>276,039</u>	<u>354,518</u>
Total	<u>\$ 59,990,607</u>	<u>\$ 55,187,297</u>	<u>\$ 50,939,323</u>	<u>\$ 51,583,844</u>

(1) Donations and contributions included in Miscellaneous.

Source: School District Financial Records, Total Governmental Funds.

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<u>2019</u>	<u>2018</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
\$ 35,925,838	\$ 41,180,759	\$ 33,997,635	\$ 35,197,349	\$ 34,128,554	\$ 32,684,832
885,725	953,897	878,384	764,372	462,453	617,658
371,088	251,970	202,399	143,850	42,400	42,567
10,993,921	11,354,275	11,906,353	12,371,497	12,221,564	11,758,812
364,649	320,617	406,907	581,284	545,476	557,933
933,262	947,402	849,356	957,348	917,497	966,715
114,500	37,953	-	-	-	-
<u>453,706</u>	<u>460,471</u>	<u>584,963</u>	<u>711,428</u>	<u>793,652</u>	<u>684,890</u>
<u>\$ 50,042,689</u>	<u>\$ 55,507,344</u>	<u>\$ 48,825,997</u>	<u>\$ 50,727,128</u>	<u>\$ 49,111,596</u>	<u>\$ 47,313,407</u>

AVON LAKE CITY SCHOOL DISTRICT  
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2023	2022	2021	2020
Expenditures				
Current				
Instruction				
Regular	24,338,620	\$ 22,839,161	\$ 21,882,743	\$ 20,679,314
Special	6,253,436	6,583,939	6,271,132	6,191,814
Vocational	-	-	-	-
Adult/continuing	8,851	-	-	6,418
Other instruction	520,788	562,976	721,240	847,904
Supporting services				
Pupil	3,639,058	3,419,777	3,313,635	2,888,204
Instructional staff	2,071,371	2,145,941	2,011,490	1,684,566
Board of education	25,092	24,159	18,977	23,933
Administration	3,647,920	4,154,768	3,745,032	3,320,308
Fiscal services	1,258,373	1,433,710	1,246,630	1,051,215
Business	358,328	463,992	382,404	195,186
Operation and maintenance	5,631,619	4,889,045	4,513,382	4,095,557
Pupil transportation	2,404,909	2,287,457	1,828,180	1,803,706
Central services	403,696	292,980	448,838	415,474
Operation of non-instructional services				
Food service operation	1,484,828	1,506,533	1,183,235	1,262,468
Community services	358,983	335,215	324,659	277,855
Extracurricular activities	1,740,541	1,345,764	1,283,130	1,405,655
Capital outlay	382,271	229,519	322,534	642,067
Debt service				
Principal	3,685,000	1,654,934	3,490,000	3,555,000
Interest	1,301,575	3,505,900	1,427,455	1,537,043
Total expenditures	<u>\$ 59,515,259</u>	<u>\$ 57,675,770</u>	<u>\$ 54,414,696</u>	<u>\$ 51,883,687</u>
Debt service as a percentage of noncapital expenditures	<u>8.64%</u>	<u>9.10%</u>	<u>9.16%</u>	<u>10.01%</u>

Source: School District Financial Records, Total Governmental Funds.



2019	2018	2017	2016	2015	2014
\$ 20,276,325	\$ 19,812,791	\$ 18,709,138	\$ 17,198,203	\$ 18,219,805	\$ 17,332,276
5,867,979	5,245,426	4,999,838	4,517,206	4,462,878	4,110,175
-	-	-	-	-	3,273
8,881	9,132	9,275	9,058	10,840	11,580
736,480	864,129	894,323	879,565	837,976	1,119,051
2,776,722	2,692,922	2,740,598	2,640,708	2,462,414	2,559,018
1,847,901	1,617,268	1,895,541	1,483,311	1,362,396	1,104,025
26,392	22,218	19,701	18,900	21,594	24,029
3,562,264	3,410,229	3,188,001	3,169,280	2,961,584	2,857,123
1,219,757	1,173,188	1,186,098	1,202,841	1,154,589	998,075
446,858	344,425	334,096	301,237	294,868	164,140
4,462,910	4,272,405	4,521,621	3,990,320	4,253,903	4,364,108
1,968,427	1,778,629	1,932,475	1,726,321	1,852,395	1,693,821
258,094	263,635	236,060	288,673	295,225	232,342
1,319,546	1,250,428	1,234,810	1,193,148	1,160,788	1,183,381
275,062	390,772	489,629	632,357	374,877	408,039
1,289,343	1,117,792	1,221,935	1,198,015	1,166,613	1,319,363
73,567	593,775	-	122,944	33,635	40,654
3,480,000	3,447,107	3,414,147	3,421,898	7,051,399	3,154,540
1,589,729	1,631,469	1,662,816	1,685,460	3,310,246	2,504,172
<u>\$ 51,486,237</u>	<u>\$ 49,937,740</u>	<u>\$ 48,690,102</u>	<u>\$ 45,679,445</u>	<u>\$ 51,288,025</u>	<u>\$ 45,183,185</u>
<u>9.89%</u>	<u>10.19%</u>	<u>10.65%</u>	<u>11.35%</u>	<u>20.44%</u>	<u>12.60%</u>

AVON LAKE CITY SCHOOL DISTRICT  
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Excess of revenues over (under) expenditures	\$ 475,348	\$ (2,488,473)	\$ (3,475,373)	\$ (299,843)
Other financing sources (uses)				
Proceeds of refunding bonds	-	-	10,945,000	-
Transfers-in	43,548	3,055	54,814	12,499
Premium on debt issuance	-	-	1,117,434	-
Proceeds from sale of assets	-	5,034	37,181	8,494
Capital lease proceeds	-	-	-	-
Transfers-out	(43,548)	(3,055)	(54,814)	(12,499)
Payment to bond escrow agent	-	-	(11,896,787)	-
Total other financing sources (uses)	<u>-</u>	<u>5,034</u>	<u>202,828</u>	<u>8,494</u>
Net change in fund balances	<u>\$ 475,348</u>	<u>\$ (2,483,439)</u>	<u>\$ (3,272,545)</u>	<u>\$ (291,349)</u>

Source: School District Financial Records, Total Governmental Funds.

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2019	2018	2017	2016	2015	2014
\$ (1,443,548)	\$ 5,569,604	\$ 135,895	\$ 5,047,683	\$ (2,176,429)	\$ 2,130,222
-	-	-	-	31,594,934	-
-	371	3,666	-	15,000	-
-	-	-	-	1,732,429	-
7,400	1,060	1,481	-	-	-
-	-	-	-	42,450	-
-	(371)	(3,666)	-	-	-
-	-	-	-	(27,835,000)	-
7,400	1,060	1,481	-	5,549,813	-
\$ (1,436,148)	\$ 5,570,664	\$ 137,376	\$ 5,047,683	\$ 3,373,384	\$ 2,130,222

AVON LAKE CITY SCHOOL DISTRICT  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS

Year	Agriculture, Residential and Other Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (2)
2023	\$ 1,114,331,330	\$ 3,183,803,800	\$ 64,184,560	\$ 72,937,000
2022	978,333,350	2,795,238,143	206,335,550	234,472,216
2021	963,685,100	2,753,386,000	74,951,190	85,171,807
2020	949,848,060	2,713,851,600	64,726,250	73,552,557
2019	937,185,980	2,677,674,229	65,134,520	74,016,500
2018	827,576,400	2,364,504,000	54,806,360	62,279,955
2017	815,545,460	2,330,129,886	51,256,120	58,245,591
2016	805,781,100	2,302,231,714	43,768,750	49,737,216
2015	748,573,960	2,138,782,743	39,187,470	44,531,216
2014	739,254,670	2,112,156,200	38,214,330	43,425,375

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

- (1) This amount is calculated based upon an assessed value of 35 percent of actual value.
- (2) This amount is calculated based upon the current assessed value of 88 percent of actual value.
- (3) Total assessed rate is per \$ 1,000 assessed valuation.

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Assessed Value	Total Estimated Actual Value	Total Assessed Rate (3)
\$1,178,515,890	\$ 3,256,740,800	66.99
1,184,668,900	3,029,710,359	66.98
1,038,636,290	2,838,557,807	69.07
1,014,574,310	2,787,404,157	69.24
1,002,320,500	2,751,690,729	69.41
882,382,760	2,426,783,955	72.28
866,801,580	2,388,375,477	72.41
849,549,850	2,351,968,930	72.69
787,761,430	2,183,313,959	74.57
777,469,000	2,155,581,575	75.10

AVON LAKE CITY SCHOOL DISTRICT  
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$ 1,000 ASSESSED VALUATION)

LAST TEN FISCAL YEARS

Year	Avon Lake City School District			Total Direct Tax Rate
	General Fund	Debt Service Fund	Capital Projects Fund	
2023	62.10	3.40	1.50	66.99
2022	62.08	3.40	1.50	66.98
2021	63.68	3.89	1.50	69.07
2020	63.84	3.90	1.50	69.24
2019	63.84	4.07	1.50	69.41
2018	66.15	4.63	1.50	72.28
2017	66.28	4.63	1.50	72.41
2016	66.54	4.65	1.50	72.69
2015	67.99	5.08	1.50	74.57
2014	68.15	5.45 (1)	1.50	75.10

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

(1) - Includes .76 mills for debt retirement for the Avon Lake Public Library.

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Library	County Levy	JVS Levy	City Levy	Total Direct and Overlapping Governments
2.80	15.43	2.45	7.98	95.65
2.80	15.30	2.45	7.98	95.51
2.80	15.58	2.45	8.02	97.92
2.80	15.08	2.45	8.03	97.60
2.80	15.08	2.45	8.04	97.78
2.80	15.58	2.45	8.08	101.19
2.80	15.08	2.45	8.08	100.82
2.80	15.08	2.45	8.10	101.12
2.80	14.49	2.45	8.12	102.43
2.80	14.48	2.45	8.13	102.96

AVON LAKE CITY SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS (1)  
LAST TEN YEARS

Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections (2)	Total Tax Collections (3)
2023	\$ 46,590,903	\$ 45,837,588	98.38%	\$ 2,654,361	\$ 48,491,949
2022	47,100,910	44,123,789	93.68%	458,742	44,582,531
2021	43,853,375	43,081,404	98.24%	919,434	44,000,838
2020	42,815,075	41,735,997	97.48%	383,158	42,119,155
2019	42,485,157	41,799,902	98.39%	530,181	42,330,083
2018	40,890,274	38,981,253	95.33%	603,341	39,584,594
2017	40,053,461	39,490,769	98.60%	788,154	40,278,923
2016	39,270,119	38,620,473	98.35%	711,613	39,332,086
2015	38,765,645	38,248,862	98.67%	969,829	39,218,691
2014	40,848,669	40,146,050	98.28%	839,757	40,985,807

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

(1) Includes Homestead/Rollback taxes assessed locally but distributed through the State and reported as Intergovernmental Revenue.

(2) The Lorain County Auditor does not identify delinquent tax collections by levy year.

(3) The Lorain County Auditor does not identify delinquent tax collections by levy year, accordingly, total tax collections could exceed 100% of total tax levy.



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<u>Ratio of Total Tax Collections to Total Tax Levy (3)</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
104.08%	\$ 1,209,419	2.60%
94.65%	3,427,470	7.28%
100.34%	1,218,109	2.78%
98.37%	1,484,104	3.47%
99.63%	1,106,041	2.60%
96.81%	2,032,945	4.97%
100.56%	1,018,493	2.54%
100.16%	1,236,811	3.15%
101.17%	725,637	1.87%
100.34%	1,125,547	2.76%

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AVON LAKE CITY SCHOOL DISTRICT  
 PRINCIPAL TAXPAYERS –  
 REAL ESTATE TAX  
 AS OF JUNE 30, 2022 AND JUNE 30, 2013 (1)

December 31, 2022		
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Great Lake Senior Living Communities LLC	\$ 10,956,440	0.92%
181 Somerset Realty LLC	5,804,930	0.49%
Ford Motor Company	5,306,540	0.45%
Echo Avon Lake LLC	5,013,360	0.42%
Towne Care Center LLC	4,341,500	0.37%
Delaware Aqua LLC	4,138,560	0.35%
PolyOne Coportation	3,680,930	0.31%
Hampshire Highlands One LLC	3,370,950	0.28%
Avon Lake City of	3,334,140	0.28%
Regatta Properties LLC	2,571,010	0.22%
Towne Independent Living LLC	2,036,670	0.17%
	\$ 50,555,030	4.26%
 Total assessed value	 \$ 1,184,668,900	

December 31, 2013		
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Ford Motor Company	4,739,550	0.61%
181 Smerset Realty I LLC	4,356,650	0.56%
PolyOne Corporation	4,163,470	0.54%
Health Care Reit Inc	3,756,040	0.48%
Legacy Pointe II Ltd	289,770	0.04%
Kopf Properties II Ltd	2,156,510	0.28%
Learwood Square Co LLC	2,103,260	0.27%
Towne Independent Living	1,892,090	0.24%
Landings Shops & Offices Ltd	1,563,560	0.20%
Pin Oak Holdings LLC	1,508,470	0.19%
	\$ 26,529,370	3.41%
 Total assessed value	 \$ 777,469,000	

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

(1) Assessed Values are for the 2022 and 2013 collection year, respectively.

AVON LAKE CITY SCHOOL DISTRICT  
 PRINCIPAL TAXPAYERS –  
 PUBLIC UTILITY TAX  
 AS OF JUNE 30, 2022 AND JUNE 30, 2013 (1)

December 31, 2022

Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
American Transmission Systems INC	\$ 40,865,860	3.45%
NRG Power Midwest LP	23,943,890	2.02%
Cleveland Electric Illuminating Co	13,520,490	1.14%
Orion Power Midwest LP	7,575,690	0.64%
Columbia Gas of Ohio INC	3,804,510	0.32%
	<u>\$ 89,710,440</u>	<u>7.57%</u>
 Total assessed value	 <u>\$ 1,184,668,900</u>	

December 31, 2013

Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Orion Power Midwest LP	\$ 18,858,560	2.43%
Genon Power Midwest	16,372,880	2.11%
Cleveland Electric	12,218,680	1.57%
American Transmission	7,441,190	0.96%
Columbia Gas of Ohio LLC	2,232,280	0.29%
	<u>57,123,590</u>	<u>7.36%</u>
 Total assessed value	 <u>\$ 777,469,000</u>	

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

(1) Assessed Values are for the 2022 and 2013 collection year, respectively.  
 Assessed Values include public utilities and real estate values, details of which are not available.

AVON LAKE CITY SCHOOL DISTRICT  
 COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT  
 AS OF JUNE 30, 2023

Jurisdiction	General Obligation Debt Outstanding	Total Assessed Value	Percentage Applicable to School District (1)	Amount Applicable to School District
<b>Direct</b>				
Avon Lake City School District	\$ 19,928,156	\$ 1,184,668,900	100.00%	\$ 19,928,156
<b>Overlapping</b>				
Lorain County (2)	45,690,000	6,634,584,090	17.86%	8,160,234
City of Avon Lake (2)	<u>30,466,006</u>	1,184,668,900	100.00%	<u>30,466,006</u>
Sub Total				<u>38,626,240</u>
<b>Total</b>	<u>\$ 96,084,162</u>			<u>\$ 58,554,396</u>

Source: Lorain County Auditor - Total Assessed Value is presented on a calendar year basis (including School District's) because that is the manner in which the information is maintained by the County Auditor.

(1) - Percentages are computed by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision.

(2) - Debt is as of December 31, 2023

AVON LAKE CITY SCHOOL DISTRICT  
 OUTSTANDING DEBT BY TYPE  
 LAST TEN FISCAL YEARS

Year	General Obligation Bonded Debt (1)	Notes Payable	Capital Leases	Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)	Per ADM (2)
2023	\$ 19,928,156	\$ -	\$ -	\$ 19,928,156	1.59%	\$ 791	\$ 5,396
2022	23,764,742	-	-	23,764,742	2.07%	\$ 943	\$ 6,435
2021	27,482,224	-	-	27,482,224	2.41%	1,090	7,370
2020	31,300,935	-	-	31,300,935	3.05%	1,386	8,300
2019	34,724,848	-	-	34,724,848	3.60%	1,538	9,001
2018	38,168,373	-	-	38,168,373	4.10%	1,690	9,958
2017	41,640,596	-	12,107	41,652,703	4.35%	1,845	10,935
2016	44,980,089	-	36,254	45,016,343	4.84%	1,994	11,818
2015 (3)	48,614,650	-	108,152	48,722,802	5.24%	2,158	12,798
2014	48,239,669	-	162,101	48,401,770	5.25%	2,143	12,959

Source:

(1) School District Financial Records

(2) See Schedule S-30 for personal income, population, and ADM data.

These ratios are calculated using data for the prior calendar year.

(3) Year 2015 has been restated to include unamortized premiums.

AVON LAKE CITY SCHOOL DISTRICT  
RATIOS OF GENERAL NET BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

Year	General Obligation Bonded Debt (1)	Debt Service Funds Available	Net Bonded Debt	Percentage of Actual Taxable Property Value (2)	Per Capita (3)
2023	\$ 19,928,156	\$ 2,608,218	\$ 17,319,938	0.53%	\$ 687
2022	23,764,742	2,777,985	20,986,757	0.69%	833
2021	27,482,224	2,994,232	24,487,992	0.86%	972
2020	31,300,935	2,794,309	28,506,626	1.02%	1,262
2019	34,724,848	2,992,445	31,732,403	1.15%	1,405
2018	38,168,373	3,163,317	35,005,056	1.44%	1,550
2017	41,640,596	3,231,269	38,409,327	1.63%	1,701
2016	44,980,089	3,378,037	41,602,052	1.77%	1,842
2015 (4)	44,980,089	3,491,165	41,488,924	2.07%	1,837
2014	48,614,650	3,154,171	45,460,479	2.09%	2,013

Source: (1) School District Financial Records.  
(2) See Schedule S-16 for assessed valuation of property.  
(3) See Schedule S-30 for population data.  
(4) Year 2015 has been restated to include unamortized premiums.

AVON LAKE CITY SCHOOL DISTRICT  
COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Assessed Valuation	\$ 1,178,515,890	\$ 1,184,668,900	\$ 1,038,636,290	\$ 1,014,574,310
Debt Limit -9% of Assessed Value (2)	106,066,430	106,620,201	93,477,266	91,311,688
Debt applicable to limitation				
Total voted general obligation debt	18,765,000	22,475,866	24,130,800	29,338,332
Total unvoted general obligation debt	-	-	-	-
Less amount available in debt service funds	(2,608,218)	(2,777,985)	(3,015,688)	(2,803,917)
Amount of debt subject to debt limit:	16,156,782	19,697,881	21,115,112	26,534,415
Overall debt margin	\$ 89,909,648	\$ 86,922,320	\$ 72,362,154	\$ 64,777,273
Legal Debt Margin as a Percentage of Debt Limit	84.77%	81.53%	77.41%	70.94%
Overall Limit - .10% of Assessed Value (1)	\$ 1,178,516	\$ 1,184,669	\$ 1,038,636	\$ 1,014,574
Amount of debt subject to debt limit:	-	-	-	-
Unvoted Debt Margin	\$ 1,178,516	\$ 1,184,669	\$ 1,038,636	\$ 1,014,574
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%
Additional Limit for Unvoted Energy Conservation Bonds and Notes:				
Debt Limit - .9% of Assessed Value	\$ 10,606,643	\$ 10,662,020	\$ 9,347,727	\$ 9,131,169
Amount of debt subject to debt limit:	-	-	-	-
Additional Unvoted Debt Margin	\$ 10,606,643	\$ 10,662,020	\$ 9,347,727	\$ 9,131,169
Energy Conservation Debt - Additional Unvoted Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%

Source: Lorain County Auditor and School District Financial Records.

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



2019	2018	2017	2016	2015	2014
\$ 1,002,320,500	\$ 882,382,760	\$ 866,801,580	\$ 849,549,850	\$ 787,761,430	\$ 777,469,000
90,208,845	79,414,448	78,012,142	76,459,487	70,898,529	69,972,210
32,463,791	39,445,801	44,390,801	44,390,801	46,830,800	48,210,866
-	-	-	-	-	-
(3,013,901)	(3,184,773)	(3,231,269)	(3,378,037)	(3,491,165)	(3,154,172)
29,449,890	36,261,028	41,159,532	41,012,764	43,339,635	45,056,694
\$ 60,758,955	\$ 43,153,420	\$ 36,852,610	\$ 35,446,723	\$ 27,558,894	\$ 24,915,516
67.35%	54.34%	47.24%	46.36%	38.87%	35.61%
\$ 1,002,321	\$ 882,383	\$ 866,802	\$ 849,550	\$ 787,761	\$ 777,469
-	-	-	-	-	-
\$ 1,002,321	\$ 882,383	\$ 866,802	\$ 849,550	\$ 787,761	\$ 777,469
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$ 9,020,885	\$ 7,941,445	\$ 7,801,214	\$ 7,645,949	\$ 7,089,853	\$ 6,997,221
-	-	-	-	-	-
\$ 9,020,885	\$ 7,941,445	\$ 7,801,214	\$ 7,645,949	\$ 7,089,853	\$ 6,997,221
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

AVON LAKE CITY SCHOOL DISTRICT  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS

Calendar Year	Population	Per Capita Income	Personal Income	Average Daily Student Enrollment (2)	Unemployment Rate (3)		
					Lorain County	Ohio	U.S.
2023	25,617 (1)	\$ 56,123	\$1,253,948,088	3,479	3.8%	3.4%	3.8%
2022	25,206 (1)	\$ 45,652	\$1,150,704,312	3,693	4.7%	3.7%	3.6%
2021	25,206 (1)	45,318	1,142,285,508	3,729	5.9%	5.1%	5.2%
2020	22,581 (1)	45,501	1,027,458,081	3,771	13.7%	10.9%	11.1%
2019	22,581 (1)	42,683	963,824,823	3,858	4.9%	4.2%	3.7%
2018	22,581 (1)	41,668	940,905,108	3,833	6.4%	4.1%	4.0%
2017	22,581 (1)	42,366	956,666,646	3,809	6.8%	5.4%	4.4%
2016	22,581 (1)	41,195	930,224,295	3,807	6.0%	4.9%	4.9%
2015	22,581 (1)	40,049	904,346,469	3,735	6.9%	5.2%	5.3%
2014	22,581 (1)	40,858	922,614,498	3,772	6.6%	5.9%	6.1%

Source:

(1) Based on the 2010 Census.

(2) Average Daily Student Enrollment is compiled as of the first week in October reported to the Ohio Department of Education for the fiscal year.

(3) Bureau of Labor Statistics.

AVON LAKE CITY SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
AS OF JUNE 30, 2022 AND 2013

December 31, 2022

Employer	Nature of Activity or Business	Approximate Number of Employees (1)	Percentage To Total Employment	Rank
Ford Motor Company	Van and truck assembly	1,846	Not available	1
Avient Corporation	Distributor of thermoplastics, compounds & resins	725	Not available	2
Avon Lake City Schools	Public Education	722	Not available	3
City of Avon Lake	Government	400	Not available	4
NVA Avon Lake Management LLC	Veterinary	297	Not available	5
Lubrizol Advances Materials	Manufactures polymers & specialties chemicals	275	Not available	6
Thogus Products	Manufactures plastic resins	208	Not available	7
The Cleveland Clinic Foundation	Medical center	193	Not available	8
Hinkley Lighting Inc.	Lighting Manufacturer and Distributer	183	Not available	9
Discount Drug Mart, Inc.	Discount store company	146	Not available	10

December 31, 2013

Employer	Nature of Activity or Business	Approximate Number of Employees (1)	Percentage To Total Employment	Rank
Ford Motor Company	Van and sport utility vehicle assembly	2,158	Not available	1
Avon Lake City School District	Public Education	799	Not available	2
PolyOne Corporation	Distributor of thermoplastics, compounds & resins	547	Not available	3
City of Avon Lake	Government	391	Not available	4
Lubrizol Advanced	Manufactures polymers & specialties chemicals	216	Not available	5
Grace Management	Retirement Village	190	Not available	6
Thogus Products	Manufactures plastic resins	184	Not available	7
Riser Foods Company	Grocery Store	168	Not available	8
Western/Scott Fetzer Company	Gas control technology	155	Not available	9
Watteredge LLC	Equipment manufacturer	129	Not available	10

Sources: The City of Avon Lake in cooperation with the Regional Income Tax Agency and School District Records.

(1) Number of employees is based on forms W-2 filed with the Regional Income Tax Agency and include seasonal and part-time employees.

(2) Data to compute the percentage of total employment that each listed employer represents is not available.

AVON LAKE CITY SCHOOL DISTRICT  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE  
 LAST TEN FISCAL YEARS

	2023	2022	2021	2020(4,5)
Professional Staff				
<u>Teaching Staff:</u>				
Elementary K-6	113.68	112.79	119.57	109.89
Middle	36.72	37.72	38.11	37.00
High	63.88	62.26	64.98	61.60
Mutiple Buidings	11.00	12.00	12.50	12.61
Tutors	14.00	19.00	15.39	17.31
<u>Administrators</u>				
District/Building	20.50	21.50	21.50	19.00
<u>Auxiliary Positions</u>				
Psychologist	3.16	2.12	2.12	2.00
Nurse	4.00	4.00	4.00	4.00
Speech & Language Therapist	2.60	2.44	2.03	2.03
Physical Therapist	1.00	1.00	1.00	1.00
Occupational Therapist/Assistant	2.00	1.00	1.00	2.00
<u>Support Staff</u>				
Counseling	8.97	9.90	8.82	8.62
Computer Tech	5.00	4.00	4.00	3.00
Printer	0.00	0.00	1.00	1.00
Librarian/Media	2.00	2.00	2.00	2.00
Library Aide	8.69	8.60	8.00	9.00
Clerical	29.19	28.71	28.71	29.71
Teaching Aide	45.00	48.00	43.00	45.04
Maintenance Supervisor	1.00	1.00	1.00	1.00
General Maintenance	4.00	4.00	4.00	4.00
Mechanic	2.00	2.00	2.00	2.00
Transportation Supervisor	1.00	1.00	1.00	1.00
Bus Drivers	29.21	28.21	28.32	28.70
Custodial	28.12	27.68	28.38	28.94
Food Service	21.60	22.20	22.10	22.90
Security	1.00	1.00	1.00	1.00
Groundskeeping	2.00	2.00	2.00	2.00
TV Production	1.50	1.00	1.00	1.00
Attendants & Monitors	39.46	41.09	39.90	44.52
Total	502.28	508.22	508.43	503.87

Source: School District records.

- (1) Reporting methodology changed due to new software integration in Fiscal Year 2012
- (2) Groundskeeping staff added , TV Production category added
- (3) FTE calculations were revised per ODE EMIS Guidelines
- (4) Maintenance Supervisor category added
- (5) Technology, Pupil Services, Food Service added to Administrators

<u>2019</u>	<u>2018 (2,3)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
108.89	109.79	110.90	105.75	105	106
37.50	39.31	37.50	38.50	35	37
61.21	61.09	57.51	58.50	56	59
10.61	10.60	6.00	13.00	13	11
18.31	19.30	15.69	14.02	18	10
15.50	15.80	14.14	14.00	14	14
2.00	2.00	2.00	2.00	1	1
5.00	4.00	4.00	5.00	5	5
1.94	1.93	4.62	4.32	3	3
1.00	1.00	1.00	1.00	1	1
2.00	2.00	2.00	2.00	2	2
7.83	7.78	7.50	8.70	8	8
3.00	3.00	3.00	4.00	3	3
1.00	1.00	1.00	1.00	1	1
2.00	2.00	2.00	2.00	2	2
9.96	9.00	7.63	6.63	8	6
29.57	29.21	25.65	26.05	26	27
46.09	46.79	49.11	44.17	41	42
5.00	5.00	5.00	5.00	5	6
2.00	2.00	2.00	2.00	2	2
1.00	1.00	1.00	1.00	1	1
28.76	29.54	23.45	24.65	26	24
29.32	28.88	29.62	28.25	29	30
23.76	23.16	18.27	18.12	19	19
1.00	1.00	1.00	1.13	1	1
2.00	2	-	-	-	-
1.00	1	-	-	-	-
45.47	45.60	20.43	22.48	22.03	22.16
<u>502.72</u>	<u>504.78</u>	<u>452.02</u>	<u>453.27</u>	<u>447.53</u>	<u>444.46</u>

AVON LAKE CITY SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS

Year	Average Daily Student Enrollment (a)	General Fund Expenditures	Cost Per Pupil (b)	Percent Change	Teaching Staff	Pupil Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2023	3,546	\$ 47,795,457	\$ 13,479	4.76%	227	15.62	13.05%
2022	3,693	\$ 47,518,281	\$ 12,867	6.04%	266	13.88	10.00%
2021	3,729	45,247,490	12,134	6.10%	267	13.97	20.42%
2020	3,771	43,123,675	11,436	2.86%	225	16.76	20.42%
2019	3,858	42,895,098	11,118	3.46%	223	17.30	17.00%
2018	3,833	41,188,686	10,746	1.91%	225	17.04	18.00%
2017	3,809	40,164,098	10,545	5.27%	228	16.71	20.00%
2016	3,807	38,134,195	10,017	-0.25%	225	16.92	19.00%
2015	3,735	37,506,457	10,042	5.09%	239	15.63	18.00%
2014	3,772	36,046,397	9,556	-6.60%	226	16.69	18.00%

Source: School District Financial Records.

(a) Ohio Department of Education - EFM Expenditure per Pupil Report.

(b) Cost per pupil is calculated based on General Fund Expenditures divided by average daily enrollment.

AVON LAKE CITY SCHOOL DISTRICT  
TEACHER BASE SALARIES  
LAST TEN FISCAL YEARS

Year	Minimum Salary (a)	Maximum Salary (a)	Avon Lake Average Salary (b)
2023	\$ 41,832	\$ 93,285	\$ 77,573
2022	41,418	92,362	75,119
2021	39,809	88,775	67,585
2020	39,415	87,896	70,565
2019	39,415	87,896	71,739
2018	39,219	87,459	68,228
2017	38,735	85,604	64,427
2016	37,790	83,516	61,856
2015	(c)	36,779	81,282
2014	(c)	36,779	81,282
			63,195

Sources:

(a) District salary schedules

(b) Ohio Department of Education (ODE)

(c) Various wage and/or step increases were frozen

(d) Not supplied on ODE website as of the date of this report.

AVON LAKE CITY SCHOOL DISTRICT  
TEACHER EDUCATION AND EXPERIENCE  
JUNE 30, 2023

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Degree	Number of Teachers	Percentage of Total
Bachelor's Degree	15	6.6%
Bachelor + 10	5	2.2%
Bachelor + 20	12	5.3%
Master's Degree	36	15.9%
Master's + 10	36	15.9%
Master's + 20	42	18.5%
Master's + 30	32	14.1%
Master's + 45	49	21.6%
	227	100.00%

Experience	Number of Teachers	Percentage of Total
0 - 5	24	10.6%
6-10	33	14.5%
11 and over	170	74.9%
	227	100.00%

Source: School District records.



AVON LAKE CITY SCHOOL DISTRICT  
AVERAGE ACT SCORES  
LAST TEN FISCAL YEARS

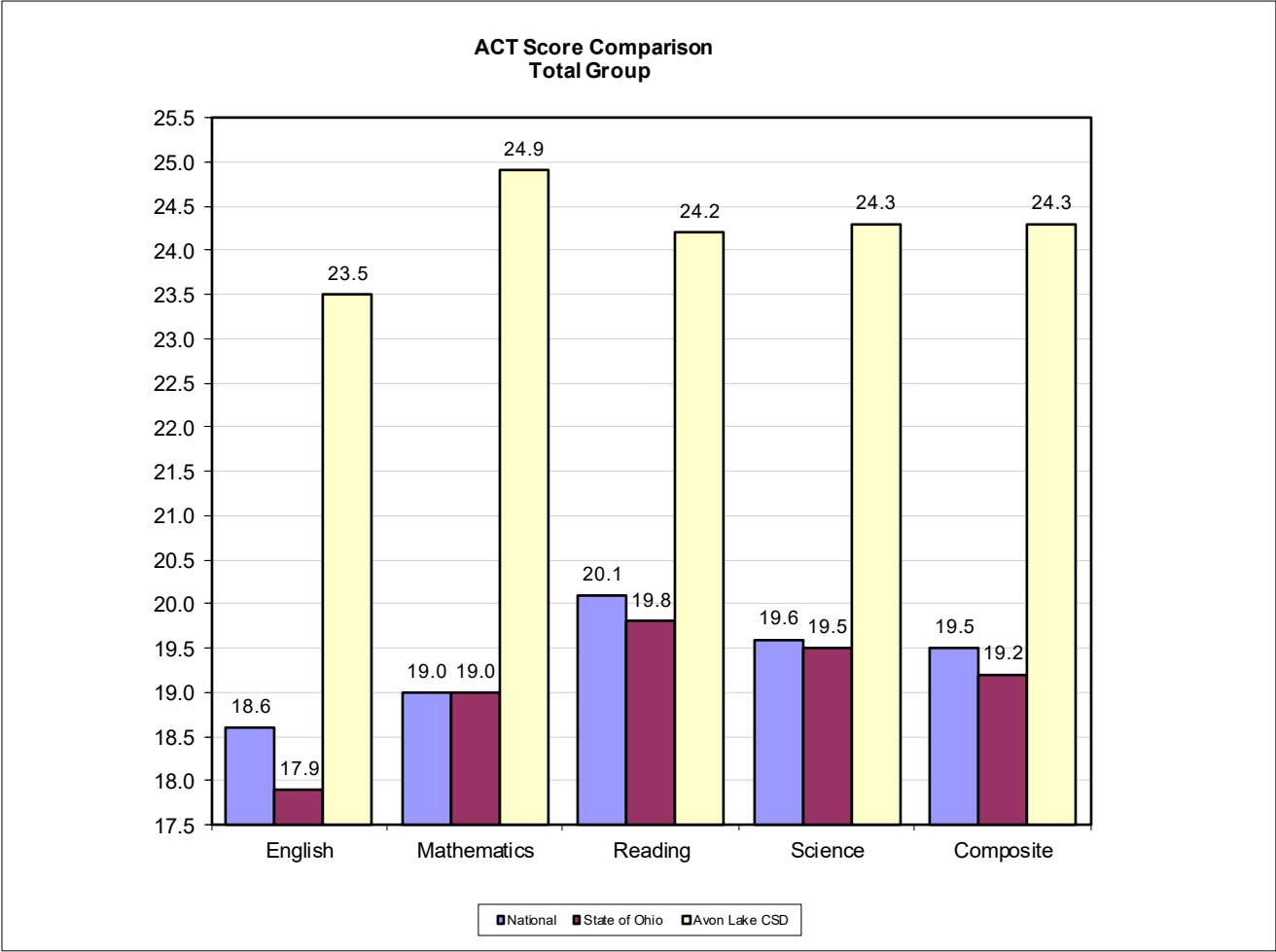
English:	Avon Lake	State of Ohio	National	Science:	Avon Lake	State of Ohio	National
2022 - 2023	23.5	17.9	18.6	2022 - 2023	24.3	19.5	19.6
2021 - 2022	23.9	18.2	19.0	2021 - 2022	24.2	19.7	19.9
2020 - 2021	23.7	18.5	19.6	2020 - 2021	23.9	19.8	20.4
2019 - 2020	24.8	18.8	19.9	2019 - 2020	24.9	20.0	20.6
2018 - 2019	25.5	19.0	20.1	2018 - 2019	25.3	20.1	20.6
2017 - 2018	24.4	19.3	20.2	2017 - 2018	24.3	20.4	20.7
2016 - 2017	24.6	21.2	20.3	2016 - 2017	25.3	22.0	21.0
2015 - 2016	24.4	21.2	20.1	2015 - 2016	24.9	22.0	20.8
2014 - 2015	24.1	21.4	20.4	2014 - 2015	24.4	22.0	20.9
2013 - 2014	24.0	21.4	20.3	2013 - 2014	24.7	22.0	20.8
2012 - 2013	25.0	21.2	20.2	2012 - 2013	24.6	21.8	20.7

Math:	Avon Lake	State of Ohio	National	Composite:	Avon Lake	State of Ohio	National
2022 - 2023	24.9	19.0	19.0	2022 - 2023	24.3	19.2	19.5
2021 - 2022	24.7	19.2	19.3	2021 - 2022	24.4	19.4	19.8
2020 - 2021	24.9	19.5	19.9	2020 - 2021	24.4	19.6	20.3
2019 - 2020	25.7	19.8	20.2	2019 - 2020	25.3	19.9	20.6
2018 - 2019	25.9	19.9	20.4	2018 - 2019	25.8	20.0	20.7
2017 - 2018	24.8	20.3	20.5	2017 - 2018	24.8	20.3	20.8
2016 - 2017	25.3	21.6	20.7	2016 - 2017	25.2	22.0	21.0
2015 - 2016	25.0	21.6	20.6	2015 - 2016	25.0	22.0	20.8
2014 - 2015	24.6	21.7	20.8	2014 - 2015	24.6	22.0	21.0
2013 - 2014	25.0	21.7	20.9	2013 - 2014	24.8	22.0	21.0
2012 - 2013	25.1	21.5	20.9	2012 - 2013	25.0	21.8	20.9

Reading:	Avon Lake	State of Ohio	National
2022 - 2023	24.2	19.8	20.1
2021 - 2022	24.4	20.0	20.4
2020 - 2021	24.3	20.2	20.9
2019 - 2020	25.1	20.4	21.2
2018 - 2019	25.8	20.5	21.2
2017 - 2018	25.3	20.8	21.3
2016 - 2017	25.0	22.5	21.4
2015 - 2016	23.4	22.1	21.3
2014 - 2015	24.8	22.5	21.4
2013 - 2014	24.7	22.4	21.3
2012 - 2013	25.1	22.2	21.1
2011 - 2012	23.4	22.1	21.3

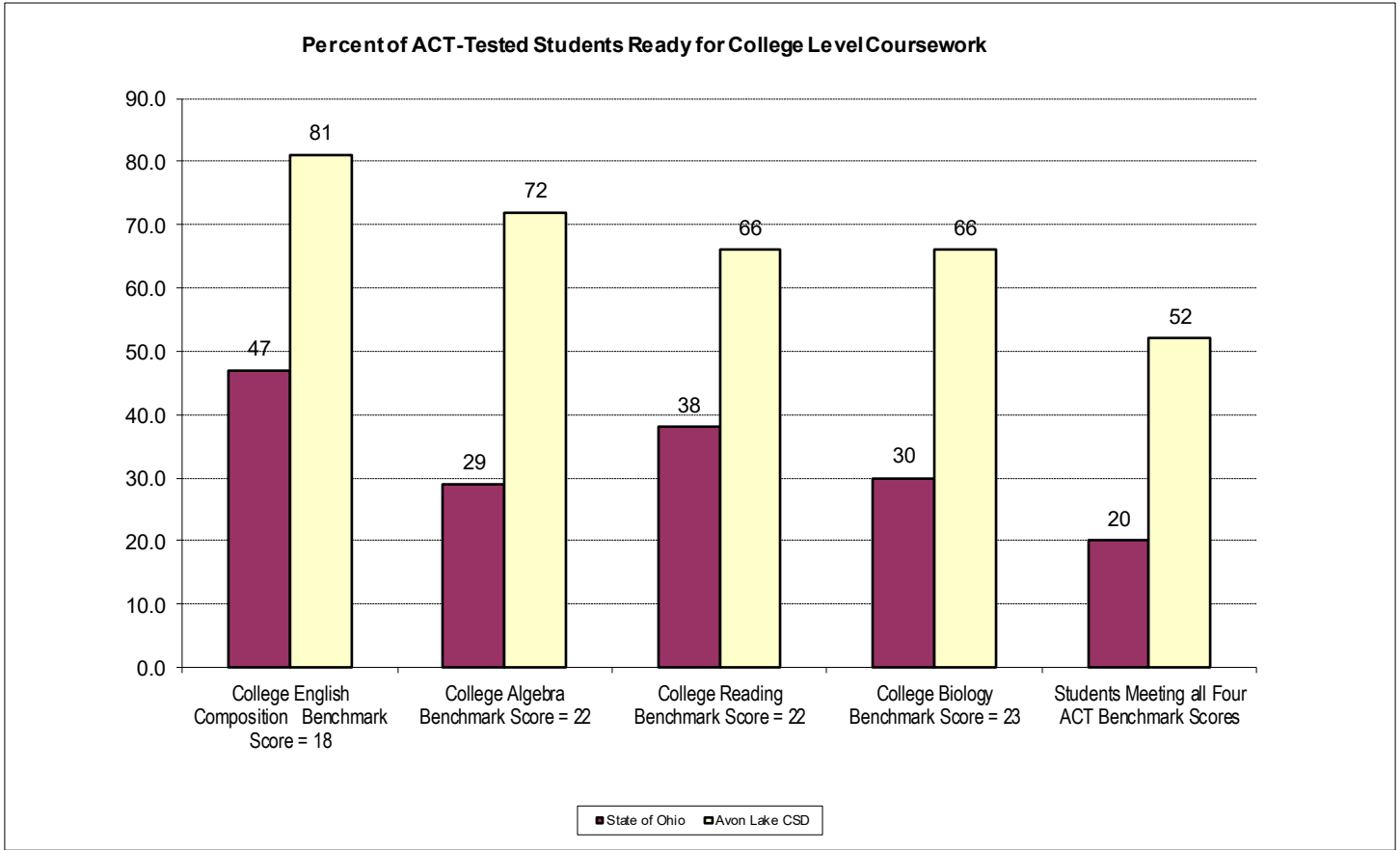
Source: American College Testing Program

AVON LAKE CITY SCHOOL DISTRICT  
2023 ACT SCORE COMPARISON  
JUNE 30, 2023



Source: American College Testing Program

AVON LAKE CITY SCHOOL DISTRICT  
PERCENT OF ACT TESTED STUDENTS READY FOR COLLEGE LEVEL COURSEWORK  
JUNE 30, 2023



Source: American College Testing Program

AVON LAKE CITY SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

	2023	2022	2021	2020
<b>Elementary Schools</b>				
Eastview (1950)				
Square feet	42,048	42,048	42,048	42,048
Enrollment	343	380	407	422
Erievew (1950)				
Square feet	34,593	34,593	34,593	34,593
Enrollment	280	294	289	293
Redw ood (1962)				
Square feet	58,780	58,780	58,780	58,780
Enrollment	418	402	430	441
Troy (1970)				
Square feet	86,150	86,150	85,150	85,150
Enrollment	541	553	529	540
Westview (1957)				
Square feet	41,961	41,961	41,961	41,961
Enrollment	277	255	257	240
<b>Middle School</b>				
Learw ood (1959)				
Square feet	110,911	110,911	110,911	110,911
Enrollment	551	516	607	615
<b>High School</b>				
Avon Lake High (1927)				
Square feet	314,612	314,612	314,612	314,612
Enrollment	1,069	1,142	1,210	1,220

Source: District records.

2019	2018	2017	2016	2015	2014
42,048	42,048	42,048	42,048	42,048	42,048
431	413	436	418	429	448
34,593	34,593	34,593	34,593	34,593	34,593
280	278	280	291	273	288
58,780	58,780	58,780	58,780	58,780	58,780
427	440	438	453	455	462
85,150	85,150	85,150	85,150	85,150	85,150
604	607	595	617	608	615
41,961	41,961	41,961	41,961	41,961	41,961
225	220	216	235	211	226
110,911	110,911	110,911	110,911	110,911	110,911
621	648	616	627	613	573
314,612	314,612	314,612	314,612	314,612	314,612
1,270	1,227	1,228	1,166	1,148	1,171

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# OHIO AUDITOR OF STATE KEITH FABER



**AVON LAKE CITY SCHOOL DISTRICT**

**LORAIN COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 2/27/2024**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)