

**AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2002**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY**

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**AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2002**

<b>Federal Agency</b>		Pass-through				
Pass-through Agency		Agency Awarding			Non-Cash	
<u>Federal Program</u>	<u>CFDA #</u>	<u>Number</u>	<u>Receipts</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Non-Cash Expenditures</u>
<b>United States Department Of Education</b>						
Passed-through Ohio Department of Education						
Special Education Cluster:						
Special Education - Grants to States	84.027	048124 6B-SF	\$ 176,718		\$ 183,134	
Special Education - Preschool	84.173	048124 PG-S1	<u>17,418</u>		<u>32,787</u>	
Total Special Education Cluster			<u>194,136</u>		<u>215,921</u>	
Title 1 Grants to Local Educational Agencies	84.010	048124 C1-S1	101,854		34,869	
Innovative Education Program Strategies	84.298	048124 C2-S1	17,839		16,049	
Class Size Reduction Subsidy	84.340	048124 CR-S1	62,757		72,320	
Eisenhower Professional Development State Grant	84.281	048124 MS-S1	12,065		7,779	
Safe and Drug-Free Schools and Communities-State Grants	84.186	048124 DR-S1	<u>14,096</u>		<u>3,302</u>	
<b>Total United States Department of Education</b>			<b><u>402,747</u></b>		<b><u>350,240</u></b>	
<b>United States Department Of Agriculture</b>						
Passed-through Ohio Department of Education						
Child Nutrition Cluster:						
National School Lunch Program	10.555	048124 LL-P1	3,264		3,264	
National School Lunch Program	10.555	048124 LL-P4	<u>60,710</u>		<u>60,710</u>	
Total National School Lunch Program			<u>63,974</u>		<u>63,974</u>	
Food Distribution Program	10.550	048124 04-PU		\$ 34,881		\$ 42,605
<b>Total Nutrition Cluster/Total United States Department of Agriculture</b>			<b><u>63,974</u></b>	<b><u>34,881</u></b>	<b><u>63,974</u></b>	<b><u>42,605</u></b>
<b>Total Federal Financial Assistance</b>			<b><u>\$ 466,721</u></b>	<b><u>\$ 34,881</u></b>	<b><u>\$ 414,214</u></b>	<b><u>\$ 42,605</u></b>

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

**AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
JUNE 30, 2002**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (Schedule) includes the federal grant activity of the District and is presented on the basis of cash receipts and disbursements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the general-purpose financial statements.

**NOTE B - NATIONAL SCHOOL LUNCH PROGRAM**

Federal receipts from the U.S. Department of Agriculture are commingled with State grants and local revenues. It is assumed that federal monies are expended first.

**NOTE C - FOOD DISTRIBUTION**

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the schedule at the fair market value of the commodities received and consumed. At June 30, 2002, the District had food commodities valued at \$6,962 in inventory.

CFDA – Catalog of Federal Domestic Assistance.



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JIM PETRO, AUDITOR OF STATE

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL 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 the financial statements of the Avon Lake City School District, Lorain County, Ohio, (the District) as of and for the year ended June 30, 2002, and have issued our report thereon dated November 1, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated November 1, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to management of the District in a separate letter dated November 1, 2002.

This report is intended for the information and use of management, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

**Jim Petro**  
Auditor of State

November 1, 2002





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR  
FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

To The Board of Education:

**Compliance**

We have audited the compliance of Avon Lake City School District, Lorain County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2002. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, Avon Lake City School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2002.

We noted an instance of noncompliance that does not require inclusion in this report that we have reported to the management of the District in a separate letter dated November 1, 2002.

**Internal Control Over Compliance**

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

**Internal Control Over Compliance  
(Continued)**

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

**Schedule of Federal Awards Expenditures**

We have audited the general-purpose financial statements of Avon Lake City School District as of and for the year ended June 30, 2002, and have issued our report thereon dated November 1, 2002. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended for the information and use of management, Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



**Jim Petro**  
Auditor of State

November 1, 2002

**AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505**

**JUNE 30, 2002**

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

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Special Education Cluster: Special Education Grants to States – CFDA# 84.027 Special Education – Preschool Grants – CFDA# 84.173
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A/B Programs</b>	\$ 300,000
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	Yes

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

None

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

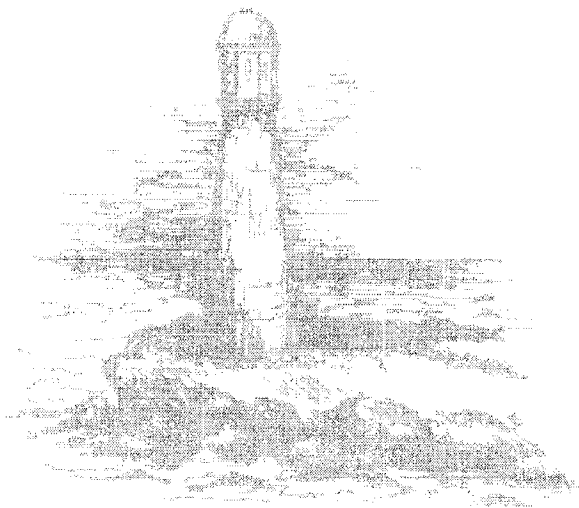
None



**Avon Lake  
City School District  
Avon Lake, Ohio**

**Comprehensive Annual  
Financial Report**

**For the Fiscal Year Ended  
June 30, 2002**



**Issued by: Treasurer's Office**

**Denise J. Armour  
Treasurer**



**Avon Lake City School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2002*  
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# Avon Lake City Schools

175 Avon Belden Road  
Avon Lake, OH 44012-1698  
Phone (440) 933-6210 – Fax (440) 933-6711

## Board of Education

Michael J. Mannino, President  
Nancy A. Stoneburner, Vice President  
Mark W. Bennet  
Charles M. Froehlich  
Michael J. Holleran  
Denise J. Armour, Treasurer  
(440) 933-5163

## Superintendent of Schools

Daniel B. Ross, Ph.D.

## Assistant Superintendent

Cheryl L. Dubsy, Ed.D.

## Business Manager

Darrel L. Smallwood

## School Psychologist

Barbara J. Dalgleish

## Director of Athletics

Thomas R. Barone, CAA

## Director of Technology

Richard M. Lund, Ph.D.

## Principals

### Avon Lake High School

933-6290

Todd J. Alles, Sr.  
Michael J. Bradley, Assistant  
Thomas L. Szendrey, Assistant

### Learwood Middle School

933-8142

Jane M. Ramsay  
Paul S. Holland, Assistant

### Troy Intermediate School

933-2701

Mary I. O'Dec

### Eastview Elementary School

933-6283

Melissa I. Vojta

### Erievew Elementary School

933-6282

Anne M. Seighman

### Redwood Elementary School

933-5108

E. James Flanigan

### Westview Elementary School

933-8122

William J. Burkhardt

November 1, 2002

## Board of Education

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

We are pleased to submit to you Avon Lake City School District's Comprehensive Annual Financial Report (CAFR). This CAFR includes an opinion from Jim Petro, Auditor of State of Ohio, 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. We believe the data as presented are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Avon Lake City School District.

This report will provide the taxpayers of Avon Lake City School District with comprehensive financial data in a format that enables them to gain a clearer understanding of the School District's finances. Copies will be made available to the Avon Lake Public Library, major taxpayers, financial rating services and other interested parties. We are proud to be the first school district in Lorain County to receive both the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials Certification of Excellence in Financial Reporting. Avon Lake City School District was the sixth school district in the State of Ohio to receive these awards. There are presently 613 school districts in the State of Ohio. We intend to continue financial reporting improvements based on management experience and reader input. Comments on this report are respectfully requested.

The comprehensive annual financial report is presented in three sections as follows:

1. The Introductory Section contains a Table of Contents, Letter of Transmittal, GFOA Certificate of Achievement, ASBO Certificate of Excellence, List of Principal Officials and an Organizational Chart of the School District.

2. The Financial Section begins with the Report of Independent Accountants and includes the General Purpose Financial Statements and Notes that provide an overview of the School District's financial position and operating results, the Combining Statements by Fund Type, and other schedules that provide detailed information relative to the General Purpose Financial Statements.
3. The Statistical Section presents various tables reflecting social and economic information, financial trends and the fiscal capacity of the Avon Lake City School District.

### ***The School District***

Avon Lake City School District is located in a residential/commercial suburban community in 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 which 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, a physical education complex was added, and the Learwood Middle School, Erieview Elementary, Eastview Elementary, Westview Elementary, Redwood Elementary, and Troy Junior High School have been 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. Today, the citizens of Avon Lake have an investment of \$47,088,074 in School District land, buildings, equipment, vehicles and construction in progress (excludes textbooks and library books and accumulated depreciation). The Community Education Center ceased to operate in the Troy Building as of July, 1991 due to the economy of operations. The Troy building was reopened for instruction beginning in fiscal year 1996.

Statutorily, the School District operated 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 educational services mandated by State and Federal Agencies.

### ***The Reporting Entity and Services Provided***

Avon Lake City School District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." 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 is associated with the Lake Erie Education Computer Association, the Lake Erie Regional Council of Governments, the Lorain County Joint Vocational School District and the Ohio Schools Council, jointly governed organizations, and the Avon Lake Public Library, a related organization, as described in Notes 17 and 18 to the general purpose financial statements.

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

### ***Economic Condition and Outlook***

Ohio House Bill 920, passed in 1976, provides that the assessed value of property will not be changed more than once every three years, and that the property tax bill of the average homeowner for voted millage will not be increased as a result of reappraisal or readjustment. This legislation has the effect of seriously eroding the growth in revenue from the local property tax. It was enacted as a result of protests from citizens who were being served markedly higher bills following reappraisals. Because of this Ohio law, little additional revenue can be generated from the existing tax duplicate except through a vote of the people or from newly constructed commercial and residential property. If Ohio House Bill 920 had not

been passed, the Avon Lake School District would not have had to pass new millage as the growth in valuation would have been sufficient to adequately fund the Avon Lake City Schools. A direct result of this legislation is the fact that our School District will periodically have tax issues that will require voter approval.

House Bill 920 affects residential and commercial real estate tax. Ohio law makers have also passed legislation that has been reducing tangible taxes (the taxes paid by businesses on equipment and inventory) over the past decade. Each year, the assessment rate for this property and inventory was lowered one percent until 1993 when it reached twenty-five percent. Ohio law makers have again passed a law that is lowering the property and inventory tax by one percent a year. This is resulting in lost revenue for all Ohio schools.

Another economic factor impacting local revenue growth is tax abatements. Both Ford Motor Company and the Geon Corporation received major abatements in recent years. While the expansion of these local corporate giants into the City of Avon Lake is certainly a positive boost to the local economy, the abatements severely curtailed the local tax income that would have benefited our local schools. Additionally, the first tax incentive agreement under the Community Reinvestment Program of the City of Avon Lake was approved for Ed Tomko Chrysler-Plymouth, Jeep - Eagle automobile dealership. The tax loss to the schools under this incentive totals \$74,179 over fifteen years. Electric deregulation has impacted the Avon Lake City School District. The State of Ohio has passed legislation to replace lost funds. This will lower income from local property taxes and increase income at the State level.

The recent Ohio Supreme Court decision overturning the State's method of funding schools creates another major concern for the future financing of our local schools. While the School District receives a relatively small portion of our revenue from State sources, the School District is viewed by the State as a comparatively wealthy school district. This is due to our large property tax base. So far, the State's resolution of this funding crisis has resulted in a seemingly "flat" revenue stream; however, some loss has been realized in the area of funding special education. The political process is still being played out in Columbus.

Total Avon Lake City School District enrollment has increased by almost twenty percent in the last decade and new residential construction continues.

### ***Major Initiatives***

Bond anticipation notes in the amount of \$41,800,000 were issued July 1, 1999 for the purpose of various improvements to school buildings. The notes were issued at 3.9 percent with a maturity date of December 21, 1999. General obligation bonds were sold on September 23, 1999. The bonds were issued at an interest rate of 4.125 to 5.4 percent with a final maturity date of December 1, 2026. Bricker and Eckler was appointed to represent the School District as bond counsel and McDonald Investments, Inc. as the underwriter. Moody's Investors Service, Inc. rated the bonds A1. Financial Guarantee Insurance Company (FGIC) provided the insurance at the lowest premium rate within the State of Ohio at .09% of the total debt service. Because the bonds were insured, they were sold with a Moody's rating of Aaa and a Standard & Poor's rating of AAA.

The expansions and renovations of the Avon Lake City School District are well underway and proceeding as anticipated. Bids were accepted in the late spring of 2000 for the renovations and expansions of Eastview Elementary and Erieview Elementary. Preliminary work was also done at Avon Lake High School. Although the renovations at Eastview Elementary and Erieview Elementary are a small portion of the entire project, much knowledge and experience has been attained from the bidding and construction process on these small projects. During fiscal year 2001, the School District accepted bids for the remainder of our \$42 million remodeling and additions. The high school has undergone demolition, remodeling and new construction. Many changes have been accomplished already and some are still in the future. We are anticipating this project to be completed in spring of 2003.

## ***Financial Information***

*Basis of Accounting* - The School District's accounting system is organized on a "fund" basis. Each fund or account group is a distinct self-balancing accounting entity. Records for general governmental operations are reported on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recorded when the related fund liability is incurred. Records of the proprietary operations are reported on the accrual basis in which revenues are recognized when earned and expenses recorded when the related liability is incurred.

*Accounting System 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 fixed 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.

The Board of Education adopts the annual tax budget for the School District in early January. All disbursements and transfers of cash between funds require appropriation authority from the board. All purchase order requests must be approved by the Assistant Superintendent or the Director of Building and Grounds; necessary appropriations are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional funds are secured. The accounting system used by the School District currently provides interim financial reports with detail year-to-date expenditures and encumbrances versus the original appropriations and which are available for review prior to authorizing additional purchases.

In addition to interim financial statements, each administrator is currently furnished monthly reports showing the status of the accounts for which they are responsible. The reports detail monthly transaction of revenues and expenditures.

The basis of accounting and the various funds and account groups utilized by Avon Lake City Schools are fully described in Note 2 of the Notes to the General Purpose Financial Statements. Additional information on the School District's budgetary accounting can also be found there.

*General Governmental Functions* - The following schedule presents a summary of governmental funds' revenues for the fiscal years ended June 30, 2001 and 2002, and the amount and percentage of increases and decreases in relation to the prior year's revenues.

	2001 Amount	2002 Amount	Percent of Total	Change	Percent Change
Taxes	\$21,492,775	\$23,763,436	75.13 %	\$2,270,661	10.56 %
Intergovernmental	3,944,108	6,104,383	19.30	2,160,275	54.77
Interest	3,856,734	1,030,724	3.26	(2,826,010)	(73.27)
Tuition and Fees	178,209	154,136	0.49	(24,073)	(13.51)
Extracurricular Activities	378,122	348,905	1.10	(29,217)	(7.73)
Donations	232,335	126,380	0.40	(105,955)	(45.60)
Rentals	5,922	7,303	0.02	1,381	23.32
Miscellaneous	64,609	93,603	0.30	28,994	44.88
<b>Total Revenues</b>	<b>\$30,152,814</b>	<b>\$31,628,870</b>	<b>100.00 %</b>	<b>\$1,476,056</b>	<b>4.90 %</b>

Tax revenues increased in fiscal year 2002 due to the School District receiving half a year's collection on the Emergency Levy passed in November 2001.

Intergovernmental revenues increased due to the electric deregulation decrease in personal property taxes being covered by an increase in school foundation monies.

Interest revenues decreased due to the investment market and health of the nation.

The schedule below represents a summary of governmental funds' expenditures for the years ended June 30, 2001 and 2002 and the amounts and percentages of increases and decreases in relation to the prior year's expenditures.

	2001 Amount	2002 Amount	Percent of Total	Change	Percent Change
Current:					
Instruction:					
Regular	\$11,182,553	\$11,851,577	20.91 %	\$669,024	5.98 %
Special	1,717,385	1,357,776	2.40	(359,609)	(20.94)
Vocational	191,316	177,076	0.31	(14,240)	(7.44)
Support Services:					
Pupils	1,299,685	1,348,868	2.38	49,183	3.78
Instructional Staff	1,185,753	1,397,177	2.47	211,424	17.83
Board of Education	38,207	14,203	0.03	(24,004)	(62.83)
Administration	2,523,349	2,512,923	4.43	(10,426)	(0.41)
Fiscal	582,021	684,597	1.21	102,576	17.62
Business	62,840	66,560	0.12	3,720	5.92
Operation and					
Maintenance of Plant	2,513,142	2,914,613	5.14	401,471	15.97
Pupil Transportation	785,314	842,024	1.49	56,710	7.22
Central	74,075	43,687	0.08	(30,388)	(41.02)
Operation of Non-					
Instructional Services	180,021	190,950	0.34	10,929	6.07
Extracurricular Activities	832,867	916,161	1.62	83,294	10.00
Capital Outlay	13,974,311	28,287,138	49.91	14,312,827	102.42
Debt Service:					
Principal Retirement	615,000	1,460,620	2.58	845,620	137.50
Interest and Fiscal Charges	2,964,060	2,613,177	4.61	(350,883)	(11.84)
Total Expenditures	<u>\$40,721,899</u>	<u>\$56,679,127</u>	<u>100.00</u>	<u>\$15,957,228</u>	<u>39.19 %</u>

Instructional Staff expenditures increased due to the hiring of additional staff.

Operation and Maintenance of Plant expenditures increased due to additional costs associated with the building project.

Capital Outlay expenditures increased due to the demolition, remodeling and new construction of the schools.

The increase in principal payments are related to the debt issuance in 2001.

*Financial Highlights - General Fund Balance* - The fund balance of the general fund increased from \$3,883,773 at June 30, 2001 to \$5,598,028 at June 30, 2002. The increase is primarily due to the additional taxes revenue received during the year and the increase in school foundation monies to cover the loss of personal property tax revenue connected with the electric deregulation.

*Financial Highlights - Special Revenue Funds* - Special revenue funds account for revenues from specific sources which are legally restricted to expenditures for a specific purpose. Special revenue fund balances increased from \$467,990 in 2001 to \$606,768 in 2002. The increase is due to additional grant monies received by the School District.

*Financial Highlights - Debt Service Funds* - Debt service funds consist of the Bond Retirement and the Library Bond Retirement funds. The debt service fund balances increased from \$2,436,179 in 2001 to \$2,480,272 in 2002.

*Financial Highlights - Capital Projects Funds* - Capital projects funds account for the acquisition, construction or improvement of capital facilities. The capital projects fund balances decreased from \$31,070,329 in 2001 to \$7,329,479 in 2002. The decrease is due to near completion of major school improvements.

*Financial Highlights - Enterprise Funds* - Food Service, Uniform School Supplies, and Adult Education funds are classified as enterprise operations since they resemble those activities in private industry. Management periodically desires to determine the amount of profit/loss resulting from operations that are significantly financed from user fees. Enterprise operations had a net income of \$428,172 and retained earnings of \$350,969 for the fiscal year ended June 30, 2002.

*Financial Highlights - Trust and Agency Funds* - The Special Trust Fund carried on the financial records relates to memorial donations for specific purposes. The School District functions as fiscal agent for student funds, representing a variety of student groups.

*General Fixed Assets* - The general fixed assets of the Avon Lake City School District are used to carry on the main education and support function of the system and are not financial resources available for expenditure. The total general fixed assets at June 30, 2002 was \$47,965,245. Such assets are accounted for at historical cost. Depreciation is not recognized on general fixed assets.

*Debt Administration* - At June 30, 2002 general obligation bonds outstanding totaled \$48,629,052. During fiscal year 2002, \$1,160,000 of general obligation bonds were retired. As of June 30, 2002, the overall debt margin was \$13,351,450 and the unvoted debt margin was \$661,114. All existing bond obligations are general obligation debt backed by the full faith and credit of the School District and will be retired fully by fiscal year 2027.

*Cash Management* - The Board pursues an aggressive cash management program by expediting the receipt of revenues and prudently depositing available cash in accounts collateralized by instruments issued by the United States Government or the State of Ohio or insured by the Federal Deposit Insurance Corporation. The total amount of interest earned was \$1,037,225 for the year ended June 30, 2002, \$582,665 being credited directly to the general fund, \$8,304 to the special revenue funds, \$439,755 to the capital projects funds and \$6,501 to the enterprise funds. The program is beneficial because of access to daily balances which enables the Board to maintain minimum balance accounts and invest to the maximum extent.

Protection of the School District's deposits is provided by the federal deposit insurance corporation as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

*Risk Management* - The School District participates in a shared risk pool for hospital/medical benefits for its employees. The Lake Erie Regional Council of Governments (LERC) "pool" is comprised of fourteen Lorain County school districts. All risk is transferred to LERC and claims are paid through a common fund controlled by LERC. Stop-loss coverage is purchased by LERC.



All employees of Avon Lake City School District are covered by a blanket bond, while certain individuals in policy-making roles are covered by separate, higher limit bond coverage.

The School District contracts with the Indiana Insurance Company for property insurance. Professional liability is protected by the Hylant Group Insurance Company with a \$3,000,000 aggregate limit.

The School District uses the State Workers' Compensation plan and pays the premium based on a rate per \$100 of salaries. The School District contracts for general liability insurance, vehicle insurance, and professional liability insurance.

*Pension Plans* - All School District employees are covered by the state-wide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). The School District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the School District to pay the employer share as determined by each retirement system. See Note 11 to the general purpose financial statements for complete details.

### ***Independent Audit***

State statutes require the School District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Jim Petro, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2002. 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 schools in Ohio. The School District adopted and has been in conformance with 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 Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001. The Certificate of Achievement is the highest form of recognition 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 Comprehensive Annual 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 continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

In addition, the School District will submit its CAFR to the Association of School Business Officials International.

*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, 2001 to the Avon Lake City School District. This award certifies that the Comprehensive Annual 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 Comprehensive Annual Financial Report for fiscal year ended June 30, 2002, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

### *Acknowledgments*

The publication of this report is a significant step toward professionalizing the Avon Lake City School District's financial reporting. It enhances the School District's accountability to the residents of the Avon Lake City School District.

The preparation of this report would not have been possible without the assistance and support of the staff of the Treasurer's office, various administrators and staff members of the School District. Assistance from the County Auditor's staff and outside agencies made possible the fair presentation of statistical data.

Special appreciation is expressed to the Local Government Services Division of State Auditor Jim Petro's office for assistance in planning, designing and reviewing this financial report.

Finally, sincere appreciation is extended to the Board of Education for their support for this project.

Respectfully submitted,

A handwritten signature in cursive script that reads "Denise J. Armour".

Denise Armour  
Treasurer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Avon Lake City School  
District, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Thomas A. Arue*  
President

*Jeffrey L. Esser*  
Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to  
**AVON LAKE CITY SCHOOL DISTRICT**  
For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2001

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

*Clark J. Schell*  
President

*David A. Kelly*  
Interim Executive Director

**Avon Lake Board of Education**

*Principal Officials*  
*June 30, 2002*

***Board of Education***

Dr. Terrance Ryan ..... President  
Mr. Michael J. Mannino ..... Vice-President  
Mr. Mark Bennett ..... Member  
Mr. Michael J. Holleran ..... Member  
Mrs. Nancy Stoneburner ..... Member

***Treasurer***

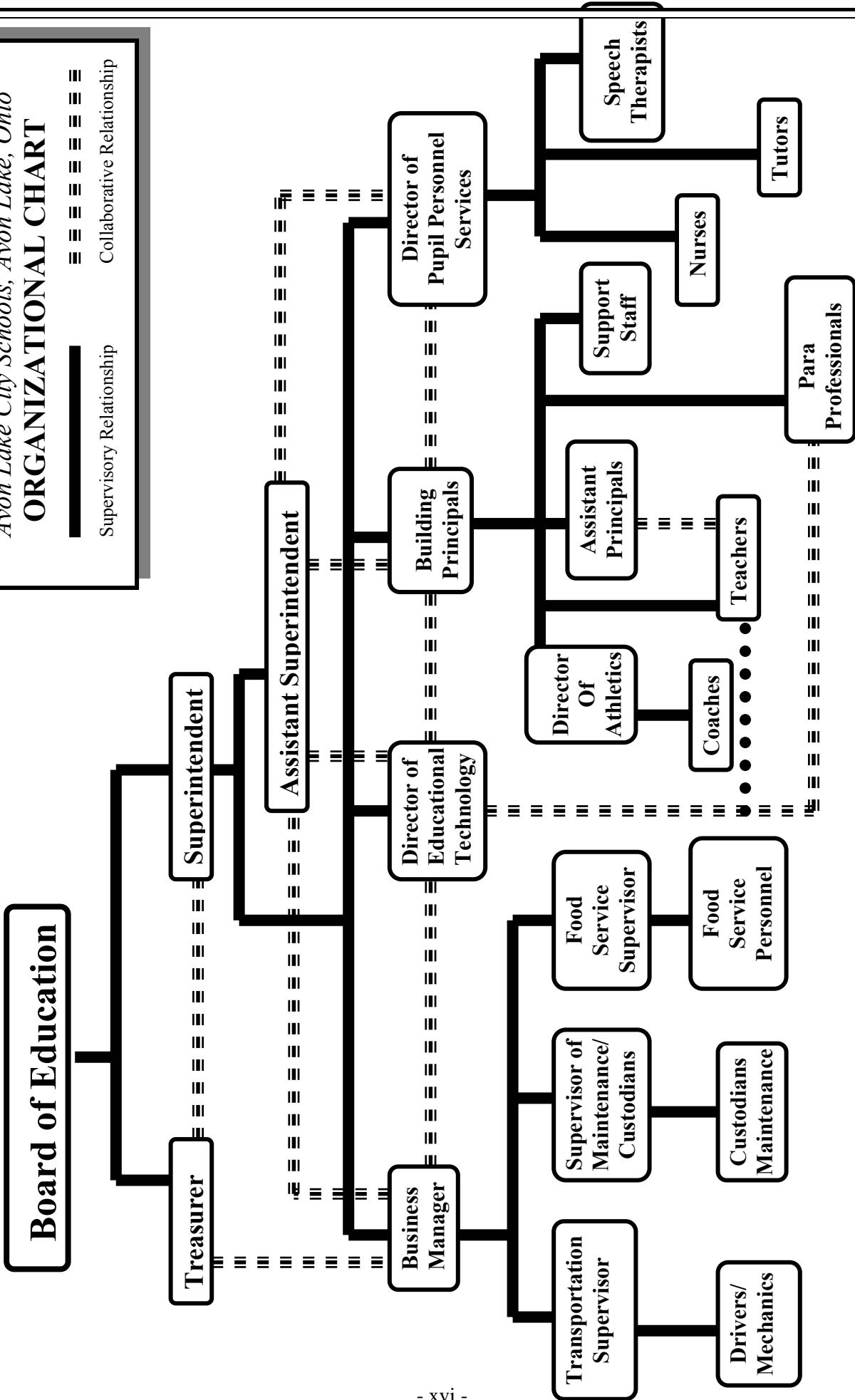
Mrs. Denise Armour

***Administration***

Dr. Daniel B. Ross ..... Superintendent  
Dr. Cheryl Dubsy ..... Assistant Superintendent  
Mr. Thomas R. Barone ..... Director of Athletics and Special Projects

*Avon Lake City Schools, Avon Lake, Ohio*  
**ORGANIZATIONAL CHART**

— Supervisory Relationship  
 - - - - - Collaborative Relationship





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Building  
615 Superior Avenue, NW.  
Twelfth Floor  
Cleveland, Ohio 44113-1801  
Telephone 216-787-3665  
800-626-2297  
Facsimile 216-787-3361  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying general-purpose financial statements of the Avon Lake City School District, Lorain County, Ohio (the District) as of and for the fiscal year ended June 30, 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Avon Lake City School District, Lorain County, Ohio as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2002 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements. In our opinion, it is fairly stated in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

November 1, 2002



***General Purpose Financial Statements***

**Avon Lake City School District**  
*Combined Balance Sheet*  
*All Fund Types and Account Groups*  
*June 30, 2002*

	Governmental Funds Types			
	General	Special Revenue	Debt Service	Capital Projects
<b><i>Assets and Other Debits</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$4,865,316	\$625,804	\$1,817,295	\$7,782,509
Cash and Cash Equivalents With Fiscal Agent	0	0	0	1,076,311
Receivables:				
Taxes	21,641,554	0	4,376,993	625,056
Accounts	3,259	817	0	400,000
Intergovernmental	0	124,747	0	0
Accrued Interest	6,148	0	0	0
Interfund Receivable	166	0	0	0
Due from Other Funds	0	0	48,975	0
Prepaid Items	159,495	732	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	54,722	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	520,488	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
<b>Other Debits</b>				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
<b><i>Total Assets and Other Debits</i></b>	<b><u>\$27,251,148</u></b>	<b><u>\$752,100</u></b>	<b><u>\$6,243,263</u></b>	<b><u>\$9,883,876</u></b>

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		Trust and Agency	General Fixed Assets	
Enterprise				
\$162,881	\$123,470	\$0	\$0	\$15,377,275
0	0	0	0	1,076,311
0	0	0	0	26,643,603
0	0	0	0	404,076
7,468	0	0	0	132,215
0	0	0	0	6,148
0	0	0	0	166
0	0	0	0	48,975
1,421	0	0	0	161,648
6,962	0	0	0	6,962
15,712	0	0	0	70,434
0	0	0	0	520,488
604,190	0	47,965,245	0	48,569,435
0	0	0	2,480,271	2,480,271
0	0	0	51,452,082	51,452,082
<u>\$798,634</u>	<u>\$123,470</u>	<u>\$47,965,245</u>	<u>\$53,932,353</u>	<u>\$146,950,089</u>

(continued)

**Avon Lake City School District**  
*Combined Balance Sheet*  
*All Fund Types and Account Groups (continued)*  
*June 30, 2002*

	Governmental Funds Types			
	General	Special Revenue	Debt Service	Capital Projects
<b><i>Liabilities, Fund Equity and Other Credits</i></b>				
<b>Liabilities</b>				
Accounts Payable	\$57,529	\$36,144	\$0	\$0
Contracts Payable	0	0	0	858,292
Accrued Wages and Benefits	1,912,240	18,412	0	0
Compensated Absences Payable	29,578	3,318	0	0
Retainage Payable	0	0	0	1,076,311
Interfund Payable	0	166	0	0
Due to Other Funds	0	0	0	48,975
Intergovernmental Payable	405,329	847	0	0
Deferred Revenue	19,248,444	86,445	3,762,991	553,796
Undistributed Monies	0	0	0	0
Due to Students	0	0	0	0
Accrued Interest Payable	0	0	0	17,023
Notes Payable	0	0	0	0
Loan Payable	0	0	0	0
Capital Leases Payable	0	0	0	0
Early Retirement Incentive Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
<b><i>Total Liabilities</i></b>	<b>21,653,120</b>	<b>145,332</b>	<b>3,762,991</b>	<b>2,554,397</b>
<b>Fund Equity and Other Credits</b>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance (Deficit):				
Reserved for Encumbrances	807,114	80,900	0	7,325,593
Reserved for Inventory	54,722	0	0	0
Reserved for Property Taxes	2,393,110	0	614,002	71,260
Reserved for Budget Stabilization	113,990	0	0	0
Reserved for Textbooks	406,498	0	0	0
Unreserved, Undesignated	1,822,594	525,868	1,866,270	(67,374)
<b><i>Total Fund Equity and Other Credits</i></b>	<b>5,598,028</b>	<b>606,768</b>	<b>2,480,272</b>	<b>7,329,479</b>
<b><i>Total Liabilities, Fund Equity and Other Credits</i></b>	<b>\$27,251,148</b>	<b>\$752,100</b>	<b>\$6,243,263</b>	<b>\$9,883,876</b>

See accompanying notes to the general purpose financial statements

Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$6,819	\$95	\$0	\$0	\$100,587
0	0	0	0	858,292
14,708	0	0	0	1,945,360
26,999	0	0	2,145,588	2,205,483
0	0	0	0	1,076,311
0	0	0	0	166
0	0	0	0	48,975
30,520	0	0	247,842	684,538
0	0	0	0	23,651,676
0	2,952	0	0	2,952
0	116,247	0	0	116,247
0	0	0	0	17,023
0	0	0	1,785,717	1,785,717
0	0	0	625,455	625,455
0	0	0	483,902	483,902
0	0	0	14,797	14,797
0	0	0	48,629,052	48,629,052
<u>79,046</u>	<u>119,294</u>	<u>0</u>	<u>53,932,353</u>	<u>82,246,533</u>
0	0	47,965,245	0	47,965,245
368,619	0	0	0	368,619
350,969	0	0	0	350,969
0	0	0	0	8,213,607
0	0	0	0	54,722
0	0	0	0	3,078,372
0	0	0	0	113,990
0	0	0	0	406,498
0	4,176	0	0	4,151,534
<u>719,588</u>	<u>4,176</u>	<u>47,965,245</u>	<u>0</u>	<u>64,703,556</u>
<u>\$798,634</u>	<u>\$123,470</u>	<u>\$47,965,245</u>	<u>\$53,932,353</u>	<u>\$146,950,089</u>

**Avon Lake City School District**  
*Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances*  
All Governmental Fund Types and Expendable Trust Fund  
For the Fiscal Year Ended June 30, 2002

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<b>Revenues</b>			
Taxes	\$19,985,115	\$0	\$3,163,716
Intergovernmental	4,673,595	675,368	299,095
Interest	582,665	8,304	0
Tuition and Fees	137,356	16,780	0
Extracurricular Activities	0	348,905	0
Donations	4,482	97,414	0
Rentals	7,303	0	0
Miscellaneous	16,706	74,377	0
<i>Total Revenues</i>	<u>25,407,222</u>	<u>1,221,148</u>	<u>3,462,811</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	11,711,694	139,883	0
Special	1,321,832	35,944	0
Vocational	177,076	0	0
Support Services:			
Pupils	1,087,711	261,157	0
Instructional Staff	1,357,218	39,959	0
Board of Education	14,203	0	0
Administration	2,450,716	62,207	0
Fiscal	639,722	0	44,875
Business	66,560	0	0
Operation and Maintenance of Plant	2,914,613	0	0
Pupil Transportation	842,024	0	0
Central	21,947	21,740	0
Operation of Non-Instructional Services	0	190,950	0
Extracurricular Activities	588,948	327,213	0
Capital Outlay	928,811	0	0
Debt Service:			
Principal Retirement	126,075	0	1,160,000
Interest and Fiscal Charges	14,821	0	2,581,333
<i>Total Expenditures</i>	<u>24,263,971</u>	<u>1,079,053</u>	<u>3,786,208</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,143,251</u>	<u>142,095</u>	<u>(323,397)</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Notes	0	0	0
Proceeds of Loan	0	0	0
Proceeds from Sale of Fixed Assets	1,600	0	0
Inception of Capital Lease	609,977	0	0
Operating Transfers In	0	0	367,490
Operating Transfers Out	(53,129)	(3,317)	0
<i>Total Other Financing Sources (Uses)</i>	<u>558,448</u>	<u>(3,317)</u>	<u>367,490</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	1,701,699	138,778	44,093
<i>Fund Balances Beginning of Year</i>	3,883,773	467,990	2,436,179
Increase in Reserve for Inventory	12,556	0	0
<i>Fund Balances End of Year</i>	<u>\$5,598,028</u>	<u>\$606,768</u>	<u>\$2,480,272</u>

See accompanying notes to the general purpose financial statements

Capital Projects	Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)
\$614,605	\$0	\$23,763,436
456,325	0	6,104,383
439,755	0	1,030,724
0	2,555	156,691
0	0	348,905
24,484	0	126,380
0	0	7,303
2,520	0	93,603
1,537,689	2,555	31,631,425
0	0	11,851,577
0	0	1,357,776
0	0	177,076
0	2,357	1,351,225
0	0	1,397,177
0	0	14,203
0	0	2,512,923
0	0	684,597
0	0	66,560
0	0	2,914,613
0	0	842,024
0	0	43,687
0	0	190,950
0	0	916,161
27,358,327	0	28,287,138
174,545	0	1,460,620
17,023	0	2,613,177
27,549,895	2,357	56,681,484
(26,012,206)	198	(25,050,059)
1,785,717	0	1,785,717
800,000	0	800,000
0	0	1,600
0	0	609,977
0	0	367,490
(314,361)	0	(370,807)
2,271,356	0	3,193,977
(23,740,850)	198	(21,856,082)
31,070,329	3,978	37,862,249
0	0	12,556
\$7,329,479	\$4,176	\$16,018,723

**Avon Lake City School District**  
*Combined Statement of Revenues, Expenditures and Changes In  
Fund Balances - Budget (Non-GAAP Basis) and Actual  
All Governmental Fund Types and Expendable Trust Fund  
For the Fiscal Year Ended June 30, 2002*

	General Fund			Variance With Final Budget Favorable (Unfavorable)
	Budgeted Amounts		Actual	
	Original	Final		
<b>Revenues</b>				
Taxes	\$19,002,508	\$21,030,711	\$19,864,720	(\$1,165,991)
Intergovernmental	2,943,832	5,477,478	4,673,595	(803,883)
Interest	329,612	613,297	617,002	3,705
Tuition and Fees	72,729	135,325	137,195	1,870
Extracurricular Activities	0	0	0	0
Donations	0	0	4,482	4,482
Rentals	4,066	7,566	7,566	0
Miscellaneous	7,571	14,089	14,239	150
<i>Total Revenues</i>	<u>22,360,318</u>	<u>27,278,466</u>	<u>25,318,799</u>	<u>(1,959,667)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	11,878,205	13,671,287	12,205,125	1,466,162
Special	1,127,948	1,298,218	1,312,802	(14,584)
Vocational	132,759	152,800	187,275	(34,475)
Support Services:				
Pupils	1,457,845	1,677,915	1,180,474	497,441
Instructional Staff	895,971	1,031,223	1,358,018	(326,795)
Board of Education	21,831	25,126	14,950	10,176
Administration	1,862,281	2,143,403	2,499,225	(355,822)
Fiscal	572,707	659,160	642,000	17,160
Business	63,838	73,475	75,940	(2,465)
Operation and Maintenance of Plant	2,175,418	2,503,809	3,293,929	(790,120)
Pupil Transportaton	645,455	742,890	875,989	(133,099)
Central	24,328	28,000	23,818	4,182
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	531,052	611,217	588,538	22,679
Capital Outlay	291,071	335,010	335,510	(500)
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>21,680,709</u>	<u>24,953,533</u>	<u>24,593,593</u>	<u>359,940</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>679,609</u>	<u>2,324,933</u>	<u>725,206</u>	<u>(1,599,727)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds of Sale of Fixed Assets	1,000	1,600	1,600	0
Proceeds of Loan	0	0	0	0
Proceeds of Notes	0	0	0	0
Operating Transfers In	0	0	0	0
Operating Transfers Out	(319,291)	(53,129)	(53,129)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(318,291)</u>	<u>(51,529)</u>	<u>(51,529)</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>361,318</u>	<u>2,273,404</u>	<u>673,677</u>	<u>(1,599,727)</u>
<i>Fund Balances Beginning of Year</i>	3,435,935	3,435,935	3,435,935	0
Prior Year Encumbrances Appropriated	467,962	467,962	467,962	0
<i>Fund Balances End of Year</i>	<u>\$4,265,215</u>	<u>\$6,177,301</u>	<u>\$4,577,574</u>	<u>(\$1,599,727)</u>



Special Revenue Funds				Debt Service Funds			
Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
Original	Final			Original	Final		
\$0	\$0	\$0	\$0	\$3,220,241	\$3,209,315	\$3,085,160	(\$124,155)
664,214	738,100	673,243	(64,857)	289,364	174,940	299,094	124,154
7,367	7,989	8,304	315	0	0	0	0
6,044	16,780	16,780	0	0	0	0	0
145,666	289,966	355,030	65,064	0	0	0	0
31,309	72,670	97,414	24,744	0	0	0	0
0	0	0	0	0	0	0	0
28,730	52,827	74,377	21,550	0	0	0	0
883,330	1,178,332	1,225,148	46,816	3,509,605	3,384,255	3,384,254	(1)
81,687	192,209	157,936	34,273	0	0	0	0
37,493	133,812	44,461	89,351	0	0	0	0
0	0	0	0	0	0	0	0
110,910	323,330	283,734	39,596	0	0	0	0
21,821	50,464	40,291	10,173	0	0	0	0
0	0	0	0	0	0	0	0
30,792	71,199	63,183	8,016	0	0	0	0
0	0	0	0	62,800	62,800	44,873	17,927
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
12,881	25,199	21,915	3,284	0	0	0	0
105,677	336,175	246,129	90,046	0	0	0	0
45,933	439,736	373,228	66,508	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	1,605,000	1,605,000	1,160,000	445,000
0	0	0	0	3,578,968	3,540,968	2,581,333	959,635
447,194	1,572,124	1,230,877	341,247	5,246,768	5,208,768	3,786,206	1,422,562
436,136	(393,792)	(5,729)	388,063	(1,737,163)	(1,824,513)	(401,952)	1,422,561
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	300,000	367,490	367,490	0
0	0	(3,317)	(3,317)	0	0	0	0
0	0	(3,317)	(3,317)	300,000	367,490	367,490	0
436,136	(393,792)	(9,046)	384,746	(1,437,163)	(1,457,023)	(34,462)	1,422,561
333,117	333,117	333,117	0	1,851,758	1,851,758	1,851,758	0
184,689	184,689	184,689	0	0	0	0	0
\$953,942	\$124,014	\$508,760	\$384,746	\$414,595	\$394,735	\$1,817,296	\$1,422,561

(continued)

**Avon Lake City School District**  
*Combined Statement of Revenues, Expenditures and Changes In  
Fund Balances - Budget (Non-GAAP Basis) and Actual  
All Governmental Fund Types and Expendable Trust Fund (continued)  
For the Fiscal Year Ended June 30, 2002*

	Capital Projects Funds			Variance With Final Budget Favorable (Unfavorable)
	Budgeted Amounts		Actual	
	Original	Final		
<b>Revenues</b>				
Taxes	\$648,538	\$627,883	\$627,883	\$0
Intergovernmental	24,317	48,825	56,325	7,500
Interest	488,000	682,207	683,297	1,090
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Donations	20,000	24,484	24,484	0
Rentals	0	0	0	0
Miscellaneous	40,000	2,520	2,520	0
<i>Total Revenues</i>	<u>1,220,855</u>	<u>1,385,919</u>	<u>1,394,509</u>	<u>8,590</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	170,953	1,571,279	1,021,564	549,715
Special	0	0	0	0
Vocational	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	5,000	5,000	0	5,000
Board of Education	58	3,638	3,638	0
Administration	3,723	14,608	13,650	958
Fiscal	6,545	44,344	33,117	11,227
Business	0	0	0	0
Operation and Maintenance of Plant	181,318	283,239	251,359	31,880
Pupil Transportaton	123,280	192,576	192,576	0
Central	220	864	1,624	(760)
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	554,014	31,811,776	32,347,266	(535,490)
Debt Service:				
Principal Retirement	0	174,545	174,545	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>1,045,111</u>	<u>34,101,869</u>	<u>34,039,339</u>	<u>62,530</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>175,744</u>	<u>(32,715,950)</u>	<u>(32,644,830)</u>	<u>71,120</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds of Sale of Fixed Assets	0	0	0	0
Proceeds of Loan	0	800,000	800,000	0
Proceeds Notes	1,500,000	1,785,717	1,785,717	0
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	(314,361)	(314,361)	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,500,000</u>	<u>2,271,356</u>	<u>2,271,356</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>1,675,744</u>	<u>(30,444,594)</u>	<u>(30,373,474)</u>	<u>71,120</u>
<i>Fund Balances Beginning of Year</i>	<u>369,808</u>	<u>369,808</u>	<u>369,808</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>30,436,756</u>	<u>30,436,756</u>	<u>30,436,756</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$32,482,308</u>	<u>\$361,970</u>	<u>\$433,090</u>	<u>\$71,120</u>

See accompanying notes to the general purpose financial statements.

Expendable Trust Fund				Totals (Memorandum Only)			
Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
Original	Final			Original	Final		
\$0	\$0	\$0	\$0	\$22,871,287	\$24,867,909	\$23,577,763	(\$1,290,146)
0	0	0	0	3,921,727	6,439,343	5,702,257	(737,086)
0	0	0	0	824,979	1,303,493	1,308,603	5,110
3,591	2,555	2,555	0	82,364	154,660	156,530	1,870
0	0	0	0	145,666	289,966	355,030	65,064
0	0	0	0	51,309	101,636	126,380	24,744
0	0	0	0	4,066	7,566	7,566	0
0	0	0	0	76,301	69,436	91,136	21,700
3,591	2,555	2,555	0	27,977,699	33,234,009	31,325,265	(1,908,744)
0	0	0	0	12,130,845	15,434,775	13,384,625	2,050,150
0	0	0	0	1,165,441	1,432,030	1,357,263	74,767
0	0	0	0	132,759	152,800	187,275	(34,475)
0	2,887	2,357	530	1,568,755	2,004,132	1,466,565	537,567
0	0	0	0	922,792	1,086,687	1,398,309	(311,622)
0	0	0	0	21,889	28,764	18,588	10,176
0	0	0	0	1,896,796	2,229,210	2,576,058	(346,848)
0	0	0	0	642,052	766,304	719,990	46,314
0	0	0	0	63,838	73,475	75,940	(2,465)
0	0	0	0	2,356,736	2,787,048	3,545,288	(758,240)
0	0	0	0	768,735	935,466	1,068,565	(133,099)
0	0	0	0	37,429	54,063	47,357	6,706
0	0	0	0	105,677	336,175	246,129	90,046
0	0	0	0	576,985	1,050,953	961,766	89,187
0	0	0	0	845,085	32,146,786	32,682,776	(535,990)
0	0	0	0	1,605,000	1,779,545	1,334,545	445,000
0	0	0	0	3,578,968	3,540,968	2,581,333	959,635
0	2,887	2,357	530	28,419,782	65,839,181	63,652,372	2,186,809
3,591	(332)	198	530	(442,083)	(32,605,172)	(32,327,107)	278,065
0	0	0	0	1,000	1,600	1,600	0
0	0	0	0	0	800,000	800,000	0
0	0	0	0	1,500,000	1,785,717	1,785,717	0
0	0	0	0	300,000	367,490	367,490	0
0	0	0	0	(319,291)	(367,490)	(370,807)	(3,317)
0	0	0	0	1,481,709	2,587,317	2,584,000	(3,317)
3,591	(332)	198	530	1,039,626	(30,017,855)	(29,743,107)	274,748
3,591	3,591	3,591	0	5,994,209	5,994,209	5,994,209	0
387	387	387	0	31,089,794	31,089,794	31,089,794	0
\$7,569	\$3,646	\$4,176	\$530	\$38,123,629	\$7,066,148	\$7,340,896	\$274,748

**Avon Lake City School District**  
*Combined Statement of Revenues,  
Expenses and Changes in Fund Equity  
Proprietary Fund Type  
For the Fiscal Year Ended June 30, 2002*

	Enterprise
<b>Operating Revenues</b>	
Tuition and Fees	\$1,080
Sales	624,082
<i>Total Operating Revenues</i>	625,162
<b>Operating Expenses</b>	
Salaries	282,461
Fringe Benefits	32,530
Purchased Services	6,200
Materials and Supplies	131,639
Cost of Sales	314,986
Depreciation	2,618
Other Operating Expenses	1,049
<i>Total Operating Expenses</i>	771,483
<i>Operating Loss</i>	(146,321)
<b>Non-Operating Revenues (Expenses)</b>	
Federal Donated Commodities	43,953
Operating Grants	65,014
Contributions from Other Funds	509,051
Interest	6,501
Loss on Disposal of Fixed Assets	(53,343)
<i>Total Non-Operating Revenues (Expenses)</i>	571,176
<i>Income Before Operating Transfers</i>	424,855
Operating Transfers In	3,317
<i>Net Income</i>	428,172
<i>Retained Earnings (Deficit) Beginning of Year</i>	(77,203)
<i>Retained Earnings End of Year</i>	350,969
<i>Contributed Capital Beginning and End of Year</i>	368,619
<i>Total Fund Equity End of Year</i>	\$719,588

See accompanying notes to the general purpose financial statements

**Avon Lake City School District**  
*Combined Statement of Revenues, Expenses and Changes in  
Fund Equity - Budget (Non-GAAP Basis) and Actual  
Proprietary Fund Type  
For the Fiscal Year Ended June 30, 2002*

	Enterprise Funds			
	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Budget		
<b>Revenues</b>				
Tuition and Fees	\$660	\$660	\$1,080	\$420
Sales	484,373	529,785	624,082	94,297
Interest	6,501	6,501	6,501	0
Operating Grants	65,326	65,326	65,326	0
<i>Total Revenues</i>	556,860	602,272	696,989	94,717
<b>Expenses</b>				
Salaries	239,361	258,575	246,450	12,125
Fringe Benefits	60,622	65,488	60,135	5,353
Purchased Services	8,521	11,233	8,418	2,815
Materials and Supplies	274,463	391,268	408,039	(16,771)
Other	1,111	1,200	1,049	151
<i>Total Expenses</i>	584,078	727,764	724,091	3,673
<i>Excess of Revenues Under Expenses</i>	(27,218)	(125,492)	(27,102)	98,390
Operating Transfers In	2,180	3,515	3,317	(198)
<i>Excess of Revenues Under Expenses and Operating Transfers</i>	(25,038)	(121,977)	(23,785)	98,192
<i>Fund Equity Beginning of Year</i>	146,274	146,274	146,274	0
Prior Year Encumbrances Appropriated	23,245	23,245	23,245	0
<i>Fund Equity End of Year</i>	\$144,481	\$47,542	\$145,734	\$98,192

See accompanying notes to the general purpose financial statements

**Avon Lake City School District**  
*Combined Statement of Cash Flows*  
*Proprietary Fund Type*  
*For the Fiscal Year Ended June 30, 2002*

	Enterprise
<b><i>Increase (Decreases) in Cash and Cash Equivalents</i></b>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$624,082
Cash Received from Tuition Payments	1,080
Cash Payments to Suppliers for Goods and Services	(399,400)
Cash Payments to Employees for Services	(246,450)
Cash Payments for Employee Benefits	(60,045)
Other Cash Payments	(1,049)
	(81,782)
<b>Cash Flows from Noncapital Financing Activities</b>	
Operating Grants Received	65,326
Operating Transfers In	3,317
	68,643
<b>Cash Flows from Investing Activities</b>	
Interest	6,501
	(6,638)
<i>Cash and Cash Equivalents Beginning of Year</i>	169,519
<i>Cash and Cash Equivalents End of Year</i>	\$162,881
<b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</b>	
<i>Operating Loss</i>	(\$146,321)
Adjustments:	
Donated Commodities Used During Year	36,991
Depreciation	2,618
<i>Increases (Decreases) in Assets:</i>	
Prepaid Items	(111)
Materials and Supplies Inventory	10,247
<i>Increases in Liabilities:</i>	
Accounts Payable	6,186
Accrued Wages and Benefits	4,521
Compensated Absences Payable	1,388
Intergovernmental Payable	2,699
	64,539
<i>Total Adjustments</i>	64,539
<i>Net Cash Used for Operating Activities</i>	(\$81,782)

**Non-Cash Activity:**

The School District received \$43,953 in donated commodities and \$509,051 in contributions from other funds during fiscal year 2002.

See accompanying notes to the general purpose financial statements

**Avon Lake City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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**Note 1 - Description of the School District and 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 form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as mandated by State/or federal agencies.

The School District is located in Avon Lake, Ohio, Lorain County, and includes an area extending roughly twelve square miles around the City. It is staffed by 189 non-certified personnel, 213 certified full-time teaching personnel and 13 administrative employees to provide services to 3,302 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).

*Reporting Entity*

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

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

The School District is associated with four jointly governed organizations and one related organization. These organizations are the Lake Erie Education Computer Association (LEECA), the Lake Erie Regional Council of Governments (LERC), the Lorain County Joint Vocational School District, the Ohio Schools Council and the Avon Lake Public Library. These organizations are presented in Notes 17 and 18 to the general purpose financial statements.

**Note 2 - Summary of Significant Accounting Policies**

The financial statements of the Avon Lake City 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 School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

**Avon Lake City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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***A. Basis of Presentation - Fund Accounting***

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary, and fiduciary.

***Governmental Fund Types*** Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary, fiduciary or trust funds) are accounted for through governmental funds. The following are the School District's governmental fund types:

***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.

***Special Revenue Funds*** The special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

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

***Capital Projects Funds*** The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary or trust funds).

***Proprietary Fund Type*** Proprietary funds are used to account for the School District's ongoing activities which are similar to those found in the private sector. The following is the School District's proprietary fund type:

***Enterprise Funds*** - The enterprise funds are used to account for School District activities that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.



**Avon Lake City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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***Fiduciary Fund Types*** Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The School District's fiduciary funds include expendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

***Account Group*** To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

***General Fixed Assets Account Group*** This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary or trust funds.

***General Long-Term Obligations Account Group*** This account group is established to account for all long-term obligations of the School District except those accounted for in the proprietary or trust funds.

***B. Measurement Focus and Basis of Accounting***

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund types operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental, expendable trust and agency funds. The full accrual basis of accounting is followed for the proprietary funds.

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

**Avon Lake City School District**  
*Notes to the General Purpose Financial Statements*  
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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 year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

***Deferred Revenue*** Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2002, but which were levied to finance fiscal year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

***Expenses/Expenditures*** On the accrual basis of accounting, expenses are recognized at the time 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 governmental funds.

***C. Budgetary Process***

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The treasurer maintains budgetary information at the object level and has the authority to allocate appropriations at the function and object level without resolution by the board of Education. The legal level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Budgetary statements are presented beyond that legal level of control for informational purposes only.

Advances in and advances out are not required to be budgeted since they represent a temporary cash flow and are intended to be repaid.

**Avon Lake City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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**Tax Budget** Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Lorain County Budget Commission for rate determination.

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

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

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant.

The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire year, including amounts carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

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

**Avon Lake City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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

***D. Cash and Cash Equivalents***

To improve cash management, cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet. Construction project deposits are presented as "cash and cash equivalents with fiscal agents" on the combined balance sheet.

During fiscal year 2002, investments were limited to repurchase agreements, Federal Home Loan Mortgage Notes, Federal National Mortgage Association Notes and STAROhio.

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

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of The Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2002.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2002 amounted to \$582,665, which includes \$299,200 assigned from other School District funds.

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

***E. Inventory***

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

**Avon Lake City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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***F. Fixed Assets and Depreciation***

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds and related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$500. The School District does not have any infrastructure.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the enterprise funds is computed using the straight-line method over an estimated useful life of ten years. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

***G. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2002, are recorded 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.

***H. Interfund Assets/Liabilities***

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables" and "interfund payables."

***I. Restricted Assets***

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include the amount required by statute to be set-aside by the School District for the purchase of textbooks and other instructional materials and the creation of a reserve for budget stabilization. See Note 20 for additional information regarding set-asides.

***J. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group.

In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

***K. Accrued Liabilities and Long-term Obligations***

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments made more than sixty days after fiscal year end are generally considered not to have been paid with current available financial resources. Bonds, long-term notes and loans are recognized as a liability of the general long-term obligations account group until due or until resources have been accumulated in the fund for payment early in the following year.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

***L. Interfund Transactions***

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed.

Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

***M. Fund Balance Reserves***

The School District records reservations for portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, inventories of supplies and materials, property taxes, budget stabilization, and textbooks and instructional materials.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents unspent workers' compensation money.

**Avon Lake City School District**  
*Notes to the General Purpose Financial Statements*  
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***N. Contributed Capital***

Contributed capital represents resources from other funds, other governments, and private sources provided to enterprise funds that is not subject to repayment. These assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end.

Because the School District did not prepare financial statements in accordance with generally accepted accounting principles prior to fiscal year 1988, the exact amount of contributed capital cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to proprietary funds have been classified as retained earnings. Beginning in fiscal year 2002, new accounting guidelines required all future contributions of capital to be reported as part of retained earnings.

***O. Estimates***

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

***P. Memorandum Only - Totals Columns***

Total columns on the general purpose financial statements are captioned "Total (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Note 3 – Compliance**

Contrary to Section 5705.39, Ohio Revised Code, the classroom size reduction grant special revenue fund had \$72,397 in final appropriations that exceeded final certifications plus fund balance at the beginning of the year of \$72,320 by \$77.

The athletics special revenue fund had \$430,394 in final appropriations that exceeded final certifications plus fund balance at the beginning of the year of \$365,628 by \$64,766.

Management is reviewing the budgetary process to eliminate these violations in the future.

**Note 4 - Budgetary Basis of Accounting**

While the School District is reporting its financial position, results of operations, and changes in fund balance/retained earnings 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 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual- All Governmental Fund Types and Expendable Trust Fund and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget

**Avon Lake City School District**  
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(Non-GAAP Basis) and Actual - Proprietary Fund Type are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balances for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transaction (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type.

Net Income/Excess of Revenues Over (Under) Expenses  
 And Operating Transfers  
 Proprietary Fund Type

	Enterprise
GAAP Basis	\$428,172
Revenue Accruals	(43,641)
Contributions from Other Funds	(509,051)
Expenditure Accruals	61,920
Depreciation Expense	2,618
Loss on the Disposal of Fixed Assets	53,343
Encumbrances	(17,146)
Budget Basis	(\$23,785)



**Avon Lake City School District**  
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Excess of Revenues and Other Financing Sources  
Over (Under) Expenditures and Other Financing Uses  
All Governmental Fund Types and Expendable Trust Fund

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP Basis	\$1,701,701	\$138,778	\$44,093	(\$23,740,850)	\$198
Revenue Accruals	(641,386)	4,000	(78,555)	(143,180)	0
Expenditure Accruals	535,618	(34,780)	0	859,975	0
Adjustment for Fair Market of Investments	(57,014)	0	0	0	0
Encumbrances	(865,242)	(117,044)	0	(7,349,419)	0
Budget Basis	<u>\$673,677</u>	<u>(\$9,046)</u>	<u>(\$34,462)</u>	<u>(\$30,373,474)</u>	<u>\$198</u>

**Note 5 - Deposits and Investments**

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**Avon Lake City School District**  
*Notes to the General Purpose Financial Statements*  
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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 two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; 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.

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.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements".

*Deposits:* At fiscal year end, the carrying amount of the School District's deposits was \$10,839,228 and the bank balance was \$11,573,003. Of the bank balance:

1. \$500,000 was covered by federal depository insurance.
2. \$11,073,003 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institutions trust department or agent in the School District's name and all State 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 Federal Deposit Insurance Corporation.

*Investments:* The School District's investments are required to be categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments for which the securities are

**Avon Lake City School District**  
*Notes to the General Purpose Financial Statements*  
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held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. STAROhio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying Value	Fair Value
Repurchase Agreements	\$1,841,534	\$1,841,534	\$1,841,534
Investments:			
STAROhio		350,326	350,326
Federal Home Loan Mortgage Notes	987,606	987,606	987,606
Federal National Mortgage Association Notes	2,955,380	2,955,380	2,955,380
Totals	\$5,784,520	\$6,134,846	\$6,134,846

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Accounting".

A reconciliation between the classifications of cash and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$16,974,074	\$0
Investments which are part of the cash management pool:		
Repurchase Agreements	(1,841,534)	1,841,534
STAROhio	(350,326)	350,326
Federal Home Loan Mortgage Notes	(987,606)	987,606
Federal National Mortgage Association Notes	(2,955,380)	2,955,380
GASB Statement 3	\$10,839,228	\$6,134,846

**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 distributions occur in the first half of the following year.

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Property taxes include amounts levied against all real, public utility, and tangible personal property located in the School District. Property tax revenue received during calendar 2002 for real and public utility property taxes represents collections of calendar 2001 taxes. Property tax payments received during calendar 2002 for tangible personal property (other than public utility property) is for calendar 2002 taxes.

2002 real property taxes are levied after April 1, 2002, on the assessed value listed as of the prior January 1, 2002, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2002 public utility property taxes became a lien December 31, 2001, are levied after April 1, 2002 and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after April 1, 2001 on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are twenty-five percent of true value.

The assessed values upon which fiscal year 2002 taxes were collected are:

	2001 Second Half Collections		2002 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$477,312,060	71.16 %	\$496,622,850	75.12 %
Public Utility	119,221,210	17.77	90,597,440	13.70
Tangible Personal Property	74,240,490	11.07	73,893,390	11.18
Total Assessed Value	<u>\$670,773,760</u>	<u>100.00 %</u>	<u>\$661,113,680</u>	<u>100.00 %</u>
Tax Rate per \$1,000 of Assessed valuation	\$55.94		\$61.14	

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.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

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, 2002, are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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*Notes to the General Purpose Financial Statements*  
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Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2002 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current fiscal year operations. The amount available as an advance is recognized as revenue.

The amount available as an advance at June 30, 2002, was \$3,078,372. \$2,393,110 was available to the general fund, \$614,002 was available to the bond retirement debt service fund and \$71,260 was available to the permanent improvements capital projects fund.

**Note 7 - Receivables**

Receivables at June 30, 2002, consisted of property taxes, accounts (rent and student fees), interfund and intergovernmental grants. All receivables are considered collectible in full.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Special Revenue Funds:	
Title VI-B	\$83,677
Title I	2,768
E-Rate Grant	38,302
Total Special Revenue Funds	124,747
Enterprise Fund:	
Food Service	7,468
Total All Funds	\$132,215

**Note 8- Fixed Assets**

A summary of the enterprise funds' fixed assets at June 30, 2002, follows:

Furniture and Equipment	\$724,720
Less: Accumulated Depreciation	(120,530)
Net Fixed Assets	\$604,190

**Avon Lake City School District**  
*Notes to the General Purpose Financial Statements*  
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A summary of the changes in general fixed assets during fiscal year 2002 follows:

Asset Category	Balance at 6/30/01	Additions	Deletions	Balance at 6/30/02
Land and Improvements	\$816,033	\$0	\$0	\$816,033
Buildings	15,948,073	0	0	15,948,073
Furniture and Equipment	5,154,677	1,662,246	(144,544)	6,672,379
Vehicles	1,189,427	146,958	(116,630)	1,219,755
Textbooks and Library Books	1,412,913	188,978	0	1,601,891
Construction in Progress	10,673,699	11,033,415	0	21,707,114
<b>Total</b>	<b>\$35,194,822</b>	<b>\$13,031,597</b>	<b>(\$261,174)</b>	<b>\$47,965,245</b>

**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 2002 the School District contracted with the Indiana Insurance Company for property insurance. Professional liability is protected by the Hylant Group Insurance Company with a \$3,000,000 aggregate limit. Vehicles are covered by the Grange Mutual Insurance Company and hold a \$300 deductible for comprehensive and 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 ten years and there has not been a significant reduction in coverage from the prior year.

The Ohio School Board Association maintains a \$90,000 public official bond for the treasurer, a \$20,000 public official bond for the Board of Education President, a \$20,000 public official bond for the Superintendent and a \$250,000 blanket bond for all other employees.

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 and administrative costs.

***B. Employee Medical Coverage***

The School District has contracted with the Lake Erie Regional Council of Governments (LERC) to provide employee health and medical benefits since December 1988. The LERC is a shared risk pool comprised of fourteen Lorain County school districts. Rates are set through an annual calculation process. The School District pays a monthly contribution which is placed in a common fund from which claim payments are made for all participating school districts. Claims are paid for all participants regardless of claims flow or individual account balance. Upon termination, the terminating School District would be liable for all outstanding claims beyond their individual account balance. The LERC Board of Directors has the right to return monies to an exiting district subsequent to the settlement of all expenses and claims. This plan provides a medical/ surgical plan with deductibles of \$150 for single and \$300 for family coverage.

**Avon Lake City School District**  
*Notes to the General Purpose Financial Statements*  
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The LERC's pool premiums are billed to each participating school district based on actuarially determined rates. Should contributions prove to be insufficient to pay program costs of the insurance program in any given year, each participating member is notified of their deficiency and their premium is adjusted to cover its share of the additional cost of anticipated future claims.

**Note 10 - Contractual Commitments**

As of June 30, 2002, the Avon Lake City School District had the following contractual commitments outstanding:

Contractor	Contract Amount	Amount paid as of 6/30/02	Amount Remaining on Contract
Acme Arsenia Company	\$1,398,134	\$1,055,866	\$342,268
Avaya	1,019,577	841,381	178,196
Bay	3,034,264	2,302,966	731,298
Bennet Company	503,641	0	503,641
Bommer	142,790	14,484	128,306
Building Technicians	803,119	548,862	254,257
Cincinnati Floors	233,492	229,870	3,622
Corporate Flooring	927,415	421,038	506,377
Crown Flooring	179,930	67,238	112,692
Custom Fabricators	551,227	551,227	0
Fortney	1,804,683	1,323,324	481,359
Giambrone	4,011,985	2,013,503	1,998,482
Great Lakes Hotel	434,812	372,817	61,995
Harrington Electric	1,322,115	1,094,742	227,373
Independence	2,242,632	449,834	1,792,798
Lorain Glass	425,419	392,815	32,604
M.W. Mielke	3,888,683	2,358,771	1,529,912
Marous	2,594,966	1,571,275	1,023,691
Phoenix Cement	1,107,677	539,274	568,403
Precision Environmental	878,040	864,251	13,789
RJ Martin	2,704,654	1,395,103	1,309,551
Rittman Incorporated	1,880,525	1,038,927	841,598
RJ Platten Contracting Company	441,077	9,500	431,577
Soehnlen Piping Company	1,732,653	982,405	750,248
Sound Com	1,506,745	1,163,726	343,019
SS Kemp	511,550	509,051	2,499
Stiengass	472,291	354,394	117,897
The G Q	592,948	352,593	240,355
Tomarios	275,906	142,730	133,176
<b>Total</b>	<b>\$37,622,950</b>	<b>\$22,961,967</b>	<b>\$14,660,983</b>

**Avon Lake City School District**  
*Notes to the General Purpose Financial Statements*  
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**Note 11 - Defined Benefit Pension Plans**

***A. School Employees Retirement System***

Avon Lake City School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2001, 4.2 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$204,838, \$187,976, and \$168,338, respectively; 52.78 percent has been contributed for fiscal year 2002 and 100 percent for fiscal years 2001 and 2000. \$96,717 representing the unpaid contribution for fiscal year 2002 is recorded as a liability within the respective funds and the general long-term obligations account group.

***B. State Teachers Retirement System***

The School District participates in the School Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides basic retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

For the fiscal year ended June 30, 2002, plan members are required to contribute 9.3 percent of their annual covered salaries. The School District is required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$1,133,682, \$685,340, and \$651,034, respectively; 84.42 percent has been contributed for fiscal year 2002, and 100 percent for fiscal years 2001 and 2000. \$176,607 represents the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds.



**Avon Lake City School District**  
*Notes to the General Purpose Financial Statements*  
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**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2002, two members have elected Social Security. The Board's liability is 6.2 percent of wages paid.

**Note 12 - Postemployment Benefits**

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS) and to retired non-certificated employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care cost will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2002, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$537,008 for fiscal year 2002.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2001, (the latest information available) the balance in the Fund was \$3.256 billion. For the year ended June 30, 2001, net health care costs paid by STRS were \$300,772,000 and STRS had 102,132 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2002, employer contributions to fund health care benefits were 8.54 percent of covered payroll, a decrease of 1.26 percent from fiscal year 2001. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2002, the minimum pay has been established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2002 fiscal year equaled \$399,881.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2001, (the latest information available), were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001, SERS had net assets available for payment of health care benefits of \$315.7 million. SERS has approximately 50,000 participants receiving health care benefits.

**Avon Lake City School District**  
*Notes to the General Purpose Financial Statements*  
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**Note 13 - 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 one and one-fourth days per month. Accumulated unused sick leave is unlimited. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 40 days for classified employees and 55 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.

***C. Early Retirement Incentive***

The Avon Lake School District Board of Education approved an Early Retirement Incentive program in fiscal year 2002 for certified employees. The retirement incentive is based upon retirement eligibility under STRS and notification by April 15, 2002. The retirement incentive will be paid based upon the actual date of retirement. The payments are made from the general fund. Payments for fiscal year 2002 retirements were made in June 2002. Payments for fiscal year 2003 retirements will be made in July 2003.

**Note 14 - Interfund Balances**

Interfund balances at June 30, 2002, consist of the following individual fund receivables and payables:

<u>Funds</u>	Receivable		Payable	
	<u>Interfund</u>	<u>Due From</u>	<u>Interfund</u>	<u>Due To</u>
General	\$166	\$0	\$0	\$0
Drug Free Schools	0	0	166	0
Bond Retirement Debt Service	0	48,975	0	0
Building Improvements	0	0	0	48,975
	\$166	\$48,975	\$166	\$48,975

**Avon Lake City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

**Note 15 - Long Term Obligations**

The changes in the School District's long-term obligations during fiscal year 2002 were as follows:

	Principal Outstanding 06/30/01	Issued	Retired	Principal Outstanding 6/30/02
<b>General Obligations Bonds:</b>				
1991 4.6656% \$2,195,000				
Energy Conservation Improvements	\$1,025,000	\$0	\$290,000	\$735,000
1993 5.5116% \$4,000,000				
Public Library Improvement	3,015,000	0	165,000	2,850,000
1995 6.272% \$2,000,000				
Troy Renovation/Improvement	1,780,000	0	55,000	1,725,000
1999 School Facilities \$41,000,000				
4.125%-5.4% Serial and Term Bonds	41,150,000	0	650,000	40,500,000
Capital Appreciation Bonds 17.928%	<u>2,678,295</u>	<u>140,757</u>	<u>0</u>	<u>2,819,052</u>
<i>Total General Obligation Bonds</i>	<u>49,648,295</u>	<u>140,757</u>	<u>1,160,000</u>	<u>48,629,052</u>
Capital Lease	0	609,977	126,075	483,902
Energy Conservation Notes	0	1,785,717	0	1,785,717
Fiber Optics Loan	0	800,000	174,545	625,455
Arbitrage	125,510	0	125,510	0
Early Retirement Incentive	0	40,440	25,643	14,797
Pension Obligations	222,212	247,842	222,212	247,842
Compensated Absences	<u>1,941,505</u>	<u>450,982</u>	<u>246,899</u>	<u>2,145,588</u>
<i>Total General Long-Term Obligations</i>	<u><u>\$51,937,522</u></u>	<u><u>\$4,075,715</u></u>	<u><u>\$2,080,884</u></u>	<u><u>\$53,932,353</u></u>

All general obligation bonds will be paid from property taxes. Early retirement incentive, compensated absences, and the pension obligation will be paid from the fund from which the person is paid. The capital lease payment will be made from the general fund and the loan payment will be made from the building improvements capital projects fund. In 1993, the School District issued bonds for improvements to the public library in the amount of \$4,000,000. The bonds are included as School District debt because the School District serves as the taxing authority for the library and is required to issue tax related debt.

*School Facilities General Obligation Bonds* - On September 15, 1999, Avon Lake City School District issued \$41,799,977 in voted general obligation bonds for the purpose of constructing, improving and making additions to school buildings and related site development. The bond issue included serial, term and capital appreciation bonds in the amount of \$8,150,000, \$33,000,000, and \$649,977, respectively. The bonds were issued at a premium of \$1,799,444. The bonds will be retired with a voted property tax levy from the debt service fund.

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The term bonds maturing on December 1, 2014, are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the School District. The mandatory redemption is to occur on December 1, in each of the years 2012 through 2013 (with the balance of \$1,635,000 to be paid at stated maturity on December 1, 2014) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

Year	Amount
2012	\$1,465,000
2013	1,550,000

The term bonds maturing on December 1, 2019, are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the School District. The mandatory redemption is to occur on December 1, in each of the years 2015 through 2018 (with the balance of \$2,145,000 to be paid at stated maturity on December 1, 2019) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

Year	Amount
2015	\$1,730,000
2016	1,825,000
2017	1,925,000
2018	2,030,000

The term bonds maturing on December 1, 2026, are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the School District. The mandatory redemption is to occur on December 1, in each of the years 2020 through 2025 (with the balance of \$3,120,000 to be paid at stated maturity on December 1, 2026) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

Year	Amount
2020	\$2,260,000
2021	2,385,000
2022	2,520,000
2023	2,655,000
2024	2,800,000
2025	2,955,000

Current serial bonds redeemed by other than mandatory redemption, or purchased for cancellation, may be credited against the applicable mandatory redemption requirement.

The serial bonds maturing after December 1 in 2009 are subject to optional redemption, in whole or in part of any date in inverse order of maturity and by lot within a maturity, in integral multiples of \$5,000 at the option of the School District on or after December 1, 2009 at the redemption prices (expressed as percentages of the principal amount to be redeemed) set forth below, plus accrued interest to the redemption date:

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Redemption Dates (Dates Inclusive)	Redemption Prices
December 1, 2009 through November 30, 2010	102%
December 1, 2010 through November 30, 2011	101
December 1, 2011 and thereafter	100

The capital appreciation bonds will mature in fiscal years 2009 through 2011. The maturity amount of the bonds is \$4,395,000. In fiscal year 2002, \$140,757 was accreted for a total bond obligation of \$2,819,052.

The School District's overall legal debt margin at June 30, 2002, was \$13,351,450 with an unvoted debt margin of \$661,114 at June 30, 2002. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2002, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$1,090,000	\$2,449,035	\$3,539,035
2004	1,195,000	2,397,319	3,592,319
2005	1,360,000	2,338,384	3,698,384
2006	1,470,000	2,271,715	3,741,715
2007	1,585,000	2,197,589	3,782,589
2008-2012	6,652,952	13,751,651	20,404,603
2013-2017	10,056,100	8,273,480	18,329,580
2018-2022	11,620,000	5,445,219	17,065,219
2023-2027	13,600,000	2,014,375	15,614,375
Total	<u>\$48,629,052</u>	<u>\$41,138,767</u>	<u>\$89,767,819</u>

The energy conservation notes will be paid from the building improvements capital projects fund which received the proceeds.

The principal and interest payments to retire the energy conservation notes are as follows:

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$165,000	\$51,068	\$216,068
2004	180,000	46,747	226,747
2005	180,000	41,843	221,843
2006	185,000	36,317	221,317
2007	130,287	98,070	228,357
2008 - 2012	945,430	177,546	1,122,976
	<u>\$1,785,717</u>	<u>\$451,591</u>	<u>\$2,237,308</u>

**Avon Lake City School District**  
*Notes to the General Purpose Financial Statements*  
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**Note 16 - Capital Leases - Lessee Disclosure**

The School District has entered into capital leases for computers. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the general purpose financial statements.

The computers acquired by lease have been capitalized in the general fixed assets account group in the amount of \$609,977, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability is included in general long term obligations account group. Principal payments in 2002 totaled \$126,075. Future minimum lease payments are as follows:

Fiscal Year	Amount
2003	\$216,414
2004	216,414
2005	75,517
Total	508,345
Less: Amount Representing Interest	(24,443)
Present Value of Minimum Lease Payments	\$483,902

**Note 17 - Jointly Governed Organizations**

***A. Lake Erie Education Computer Association (LEECA)***

The Lake Erie Education Computer Association (LEECA) is a jointly governed organization among thirty School Districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports LEECA based upon a per pupil charge dependent upon the software package utilized. The LEECA assembly consists of a superintendent or designated representative from each participating school district and a representative from the fiscal agent. LEECA is governed by a Board of Directors chosen from the general membership of the LEECA Assembly. The Board of Directors consists of a representative from the fiscal agent, the chairman of each of the operating committees, and at least one Assembly member from each county in which participating school districts are located. The degree of control exercised by any participating school district is limited to its representation on the Board. The School District contributed \$23,633 during fiscal year 2002. Financial information can be obtained by contacting the Treasurer at the Lorain County Board of Education, who serves as the fiscal agent, at 1885 Lake Avenue, Elyria, Ohio 44035.

**Avon Lake City School District**  
*Notes to the General Purpose Financial Statements*  
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***B. Lake Erie Regional Council of Governments (LERC)***

The Lake Erie Regional Council of Governments (LERC) is a jointly governed organization among thirteen school districts. The jointly governed organization was formed for the purpose of promoting cooperative agreements and activities among its members in dealing with problems of mutual concern such as a media center, gas consumption, driver education, food service and insurance. Each member provides operating resources to LERC on a per pupil or actual usage charge except for insurance.

The LERC assembly consists of a superintendent or designated representative from each participating school district and the fiscal agent. LERC is governed by a Board of Directors chosen from the general membership. The degree of control exercised by any participating school district is limited to its representation on the Board. In fiscal year 2002, the School District contributed \$22,475. Financial information can be obtained by contacting the Treasurer at the Educational Service Center at the Lorain County Board of Education at 1885 Lake Avenue, Elyria, Ohio 44035.

***C. 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 each participating school district's elected board, which possesses its own budgeting and taxing authority. To obtain the financial information write to the Treasurer at the Lorain County Joint Vocational School District, Rt. 20 at Rt. 58, Oberlin, Ohio 44074.

***D. Ohio Schools Council***

The Ohio Schools Council Association (Council) is a jointly governed organization among ninety-one school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2002, the School District paid \$750 to the Council. Financial information can be obtained by contacting Albert G. Vasek, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44101.

The School District participates in the Council's electric purchase program which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

Energy Acquisition Corp., a non-profit corporation with a self-appointing board, issued \$119,140,000 in debt to purchase eight years of electricity from Cleveland Electric Illuminating (CEI) for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corp.

**Avon Lake City School District**  
*Notes to the General Purpose Financial Statements*  
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The School District also participates in the Council's prepaid natural gas program which was implemented during fiscal year 2000. This program allows school districts to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each month these estimated payments are compared to their actual usage and any necessary adjustments are made.

The City of Hamilton, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, issued \$89,450,000 in debt to purchase twelve years of natural gas from CMS Energy Corporation for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is entitled to recover that amount, if any, of its contributions to the operating fund which are not encumbered for its share of program administrative costs.

**Note 18 - Related Organization**

Avon Lake Public Library - 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 of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies. Although the School District does serve as the taxing authority and issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Avon Lake Public Library, Clerk/Treasurer, at 32649 Electric Blvd., Avon Lake, Ohio 44012.

**Note 19 - Contingencies**

**A. Grants**

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, 2002.

**Note 20 - 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 purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources received during the year must be held in cash at year end. These amounts must be carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. At June 30, 2002, only the unspent portion of certain workers' compensation refunds continues to be set aside for budget stabilization.



**Avon Lake City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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

	Budget Stablization Reserve	Capital Improvements Reserve	Textbooks/ Instructional Material
Set-aside Reserve Balance as of June 30, 2001	\$113,990	\$0	\$386,507
Current Year Set-aside Requirement	0	605,142	605,142
Balance Carried over from Prior Year	0	(41,287,237)	0
Qualifing Disbursements	0	(627,883)	(585,151)
Totals	<u>\$113,990</u>	<u>(\$41,309,978)</u>	<u>\$406,498</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$113,990</u>	<u>(\$41,309,978)</u>	<u>\$406,498</u>
Set-aside Reserve Balance as of June 30, 2002	<u>\$113,990</u>	<u>\$0</u>	<u>\$406,498</u>

The School District had qualifying disbursements during the fiscal year that reduced the capital acquisition set-aside amount below zero. This amount may be used to reduce the set aside requirement of future years. The total reserve balance for the three set-asides at the end of the fiscal year was \$520,488.

**Note 21 - State School Funding Decision**

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- ▶ A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- ▶ Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

The State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001. In November, 2001, the Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement. The case is now under reconsideration by the Court.

The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

**Avon Lake City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

**Note 22 - Segment Information for Enterprise Funds**

The School District maintains three enterprise funds to account for the operations of food service, uniform school supply sales, and adult education. The table below reflects the more significant financial data relating to the enterprise funds of the Avon Lake City School District as of and for the fiscal year ended June 30, 2002.

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Adult Education</u>	<u>Total Enterprise Funds</u>
Operating Revenue	\$487,016	\$137,066	\$1,080	\$625,162
Depreciation Expense	2,563	55	0	2,618
Operating Income (Loss)	(128,036)	(19,303)	1,018	(146,321)
Donated Commodities	43,953	0	0	43,953
Operating Grants	65,014	0	0	65,014
Interest	6,501	0	0	6,501
Donations from Other Funds	509,051	0	0	509,051
Operating Transfers In	317	3,000	0	3,317
Net Income (Loss)	443,457	(16,303)	1,018	428,172
Fixed Assets Deletions	(133,990)	0	0	(133,990)
Net Working Capital	78,281	62,416	1,700	142,397
Total Assets	725,609	71,325	1,700	798,634
Total Equity	653,382	64,506	1,700	719,588
Encumbrances Outstanding as of June 30, 2002	3,055	14,091	0	17,146

**Avon Lake City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

	Budget Stablization Reserve	Capital Improvements Reserve	Textbooks/ Instructional Material
Set-aside Reserve Balance as of June 30, 2001	\$113,990	\$0	\$386,507
Current Year Set-aside Requirement	0	605,142	605,142
Balance Carried over from Prior Year	0	(41,287,237)	0
Qualifing Disbursements	0	(627,883)	(585,151)
Totals	<u>\$113,990</u>	<u>(\$41,309,978)</u>	<u>\$406,498</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$113,990</u>	<u>(\$41,309,978)</u>	<u>\$406,498</u>
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**Note 22 - Segment Information for Enterprise Funds**

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**Avon Lake City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

relating to the enterprise funds of the Avon Lake City School District as of and for the fiscal year ended June 30, 2002.

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Adult Education</u>	<u>Total Enterprise Funds</u>
Operating Revenue	\$487,016	\$137,066	\$1,080	\$625,162
Depreciation Expense	2,563	55	0	2,618
Operating Income (Loss)	(128,036)	(19,303)	1,018	(146,321)
Donated Commodities	43,953	0	0	43,953
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Total Assets	725,609	71,325	1,700	798,634
Total Equity	653,382	64,506	1,700	719,588
Encumbrances Outstanding as of June 30, 2002	3,055	14,091	0	17,146

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In*  
*Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<b>Instructional Staff:</b>				
Salaries	\$716,448	\$824,600	\$989,178	(\$164,578)
Fringe Benefits	96,654	111,245	285,384	(174,139)
Purchased Services	20,027	23,050	11,076	11,974
Materials and Supplies	47,474	54,641	53,056	1,585
Other	434	500	410	90
Capital Outlay - New	14,934	17,187	18,914	(1,727)
<b>Total Instructional Staff</b>	<u>895,971</u>	<u>1,031,223</u>	<u>1,358,018</u>	<u>(326,795)</u>
<b>Board of Education:</b>				
Salaries	4,170	4,800	4,760	40
Fringe Benefits	739	850	275	575
Purchased Services	13,881	15,976	6,181	9,795
Other	3,041	3,500	3,734	(234)
<b>Total Board of Education</b>	<u>21,831</u>	<u>25,126</u>	<u>14,950</u>	<u>10,176</u>
<b>Administration:</b>				
Salaries	1,226,894	1,412,100	1,490,010	(77,910)
Fringe Benefits	338,048	389,078	530,726	(141,648)
Purchased Services	248,770	286,323	420,528	(134,205)
Materials and Supplies	23,320	26,841	31,513	(4,672)
Other	19,553	22,505	21,620	885
Capital Outlay - New	5,696	6,556	4,828	1,728
<b>Total Administration</b>	<u>1,862,281</u>	<u>2,143,403</u>	<u>2,499,225</u>	<u>(355,822)</u>
<b>Fiscal:</b>				
Salaries	150,310	173,000	187,157	(14,157)
Fringe Benefits	79,820	91,869	75,054	16,815
Purchased Services	27,258	31,373	45,572	(14,199)
Materials and Supplies	10,789	12,418	7,222	5,196
Other	302,792	348,500	323,673	24,827
Capital Outlay - New	1,738	2,000	3,322	(1,322)
<b>Total Fiscal</b>	<u>572,707</u>	<u>659,160</u>	<u>642,000</u>	<u>17,160</u>
<b>Business:</b>				
Salaries	41,096	47,300	44,347	2,953
Fringe Benefits	7,563	8,705	17,707	(9,002)
Purchased Services	15,179	17,470	13,886	3,584
<b>Total Business</b>	<u>63,838</u>	<u>73,475</u>	<u>75,940</u>	<u>(2,465)</u>
<b>Operation and Maintenance of Plant:</b>				
Salaries	918,541	1,057,200	1,108,966	(51,766)
Fringe Benefits	139,554	160,620	318,752	(158,132)
Purchased Services	912,119	1,049,809	1,498,889	(449,080)
Materials and Supplies	192,395	221,438	337,039	(115,601)
Capital Outlay - New	12,809	14,742	30,283	(15,541)
<b>Total Operation and Maintenance of Plant</b>	<u>\$2,175,418</u>	<u>\$2,503,809</u>	<u>\$3,293,929</u>	<u>(\$790,120)</u>

(continued)

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In*  
*Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
Pupil Transportation:				
Salaries	\$458,841	\$527,300	\$580,314	(\$53,014)
Fringe Benefits	65,050	74,870	147,017	(72,147)
Purchased Services	33,994	39,126	48,542	(9,416)
Materials and Supplies	57,773	66,494	63,947	2,547
Other	87	100	266	(166)
Capital Outlay - New	29,710	35,000	35,903	(903)
Total Pupil Transportation	<u>645,455</u>	<u>742,890</u>	<u>875,989</u>	<u>(133,099)</u>
Central:				
Salaries	21,721	25,000	21,313	3,687
Fringe Benefits	2,607	3,000	2,505	495
Total Central	<u>24,328</u>	<u>28,000</u>	<u>23,818</u>	<u>4,182</u>
Total Support Services	<u>7,719,674</u>	<u>8,885,001</u>	<u>9,964,343</u>	<u>(1,079,342)</u>
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries	412,704	475,000	40,324	434,676
Fringe Benefits	0	0	2,772	(2,772)
Total Academic Oriented Activities	<u>412,704</u>	<u>475,000</u>	<u>43,096</u>	<u>431,904</u>
Occupation Oriented Activities:				
Salaries	0	0	1,243	(1,243)
Fringe Benefits	0	0	142	(142)
Total Occupation Oriented Activities	<u>\$0</u>	<u>\$0</u>	<u>\$1,385</u>	<u>(\$1,385)</u>
Sport Oriented Activities:				
Salaries	82,670	95,150	385,238	(290,088)
Fringe Benefits	34,117	39,267	50,038	(10,771)
Purchased Services	1,129	1,300	6,011	(4,711)
Other	433	500	493	7
Total Sport Oriented Activities	<u>118,348</u>	<u>136,217</u>	<u>441,780</u>	<u>(305,563)</u>
School and Public Service				
Salaries	0	0	61,410	(61,410)
Fringe Benefits	0	0	40,867	(40,867)
Total School and Public Service	<u>0</u>	<u>0</u>	<u>102,277</u>	<u>(102,277)</u>
Total Extracurricular Activities	<u>\$531,052</u>	<u>\$611,217</u>	<u>\$588,538</u>	<u>\$22,679</u> (continued)

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund (continued)*  
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Capital Outlay				
Site Improvement Services:				
Purchased Services	\$151,652	\$174,545	\$174,545	\$0
Building Acquisition and Construction Services				
Purchased services	9,557	11,000	11,500	(500)
Capital Outlay - New	129,862	149,465	149,465	0
Total Building Acquisition and Construction Services	139,419	160,465	160,965	(500)
Total Capital Outlay	291,071	335,010	335,510	(500)
<i>Total Expenditures</i>	<u>21,680,709</u>	<u>24,953,533</u>	<u>24,593,593</u>	<u>359,940</u>
<i>Excess of Revenues Over Expenditures</i>	<u>679,609</u>	<u>2,324,933</u>	<u>725,206</u>	<u>(1,599,727)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Fixed Assets	1,000	1,600	1,600	0
Operating Transfers Out	(319,291)	(53,129)	(53,129)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(318,291)</u>	<u>(51,529)</u>	<u>(51,529)</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</i>	361,318	2,273,404	673,677	(1,599,727)
<i>Fund Balance Beginning of Year</i>	3,435,935	3,435,935	3,435,935	0
Prior Year Encumbrances Appropriated	467,962	467,962	467,962	0
<i>Fund Balance End of Year</i>	<u>\$4,265,215</u>	<u>\$6,177,301</u>	<u>\$4,577,574</u>	<u>(\$1,599,727)</u>

## *Special Revenue Funds*

Special Revenue Funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the School District's special revenue funds follows:

***Scholarship Fund*** - This fund accounts for monies from local donations for the purpose of scholarships for students

***Michael Baumhauer Scholarship Fund*** - This fund accounts for donations in honor of long-standing teacher Michael Baumhauer to be used for scholarships for eligible students.

***Public School Support Fund*** - This fund accounts for school site sales revenue and expenditures for field trips, assemblies, and other activity costs.

***Local Grants Fund*** - This fund accounts for funds received to promote community involvement and volunteer activities between the school and community.

***Venture Capital Fund*** - This fund accounts for State monies used to involve the community with the School District.

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

***Teacher Development Fund*** - This fund accounts for receipts and expenditures for the development of in-service programs.

***Management Information Systems Fund*** - This fund accounts for State monies which support the development of hardware and software or other costs associated with the requirements of the management information system.

***Data Communications Fund*** - This fund accounts for State monies received to provide Ohio Educational Computer Network connections.

***School Net Development Fund*** - This fund accounts for monies received from the State used to assist teachers in gaining new skills and becoming familiar with new teaching methodologies.

***Miscellaneous State Grants Fund*** - This fund accounts for State monies which support academic and enrichment programs for the student body.

***Education for Economic Security Fund*** - This fund accounts for monies used to improve the skills of teachers and the quality of instruction in mathematics, science, foreign languages and computer learning, and to increase the access of all students to that instruction.

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

(continued)



***Special Revenue Funds (continued)***

***Title I Fund*** - This fund accounts for Federal monies used to assist the School District in meeting the special needs of educationally deprived children

***Title VI Fund*** - This fund accounts for Federal monies which support the implementation of a variety of programs such as computer education, gifted and talented programs, in-service and staff development.

***Drug Free Schools Fund*** - This fund accounts for Federal monies which support the implementation of programs for drug abuse education and prevention.

***Early Childhood Education Development Fund*** - This fund accounts for State monies which partially support the preschool program focusing on the early education of handicapped children.

***E-Rate Grant Fund*** - This fund accounts for Federal monies received for various purposes including improved student achievement and teacher development.

***Summer School Subsidy*** - This fund accounts for State monies used for the Summer School program.

***Classroom Size Reduction Fund*** - This fund accounts for Federal monies received to encourage and help fund smaller classroom size and additional staffing needs.

**Avon Lake City School District**

*Combining Balance Sheet*

*All Special Revenue Funds*

*June 30, 2002*

	<u>Scholarship</u>	<u>Michael Baumhauer Scholarship</u>	<u>Public School Support</u>	<u>Local Grants</u>
<b>Assets</b>				
Equity in Pooled Cash and				
Cash Equivalents	\$12,337	\$9,796	\$110,178	\$47,920
Receivables:				
Accounts	0	0	817	0
Intergovernmental	0	0	0	0
Prepaid Items	0	0	0	0
<i>Total Assets</i>	<u>\$12,337</u>	<u>\$9,796</u>	<u>\$110,995</u>	<u>\$47,920</u>
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$3,158	\$3,691
Accrued Wages and Benefits	0	0	0	0
Compensated Absences Payable	0	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>3,158</u>	<u>3,691</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	0	175	15,072	10,809
Unreserved, Undesignated	12,337	9,621	92,765	33,420
<i>Total Fund Balances</i>	<u>12,337</u>	<u>9,796</u>	<u>107,837</u>	<u>44,229</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$12,337</u>	<u>\$9,796</u>	<u>\$110,995</u>	<u>\$47,920</u>

<u>Athletics</u>	<u>Auxiliary Services</u>	<u>Teacher Development</u>	<u>Management Information Systems</u>	<u>Data Communications</u>	<u>School Net Development</u>
\$139,762	\$94,323	\$3,450	\$19,770	\$31,680	\$2,191
0	0	0	0	0	0
0	0	0	0	0	0
0	106	0	0	0	0
<u>\$139,762</u>	<u>\$94,429</u>	<u>\$3,450</u>	<u>\$19,770</u>	<u>\$31,680</u>	<u>\$2,191</u>
\$13,540	\$12,865	\$0	\$0	\$0	\$0
0	8,586	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	315	0	0	0	0
0	0	0	0	0	0
<u>13,540</u>	<u>21,766</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
39,574	13,574	0	0	0	175
<u>86,648</u>	<u>59,089</u>	<u>3,450</u>	<u>19,770</u>	<u>31,680</u>	<u>2,016</u>
<u>126,222</u>	<u>72,663</u>	<u>3,450</u>	<u>19,770</u>	<u>31,680</u>	<u>2,191</u>
<u>\$139,762</u>	<u>\$94,429</u>	<u>\$3,450</u>	<u>\$19,770</u>	<u>\$31,680</u>	<u>\$2,191</u>

(continued)

**Avon Lake City School District**  
*Combining Balance Sheet*  
*All Special Revenue Funds (continued)*  
*June 30, 2002*

	Miscellaneous State Grants	Education for Economic Security	Title VI-B	Title I
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$7,012	\$10,233	\$14,034	\$99,247
Receivables:				
Accounts	0	0	0	0
Intergovernmental	0	0	83,677	2,768
Prepaid Items	0	0	626	0
<i>Total Assets</i>	<u>\$7,012</u>	<u>\$10,233</u>	<u>\$98,337</u>	<u>\$102,015</u>
<b>Liabilities</b>				
Accounts Payable	\$0	\$220	\$0	\$2,670
Accrued Wages and Benefits	0	0	9,826	0
Compensated Absences Payable	0	0	3,318	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	0	286	246
Deferred Revenue	0	0	83,677	2,768
<i>Total Liabilities</i>	<u>0</u>	<u>220</u>	<u>97,107</u>	<u>5,684</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	0	332	55	0
Unreserved, Undesignated	7,012	9,681	1,175	96,331
<i>Total Fund Balances</i>	<u>7,012</u>	<u>10,013</u>	<u>1,230</u>	<u>96,331</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,012</u>	<u>\$10,233</u>	<u>\$98,337</u>	<u>\$102,015</u>

<u>Title VI</u>	<u>Drug Free Schools</u>	<u>Early Childhood Education Development</u>	<u>E-Rate Grant</u>	<u>Total</u>
\$5,118	\$13,321	\$1,304	\$4,128	\$625,804
0	0	0	0	817
0	0	0	38,302	124,747
0	0	0	0	732
<u>\$5,118</u>	<u>\$13,321</u>	<u>\$1,304</u>	<u>\$42,430</u>	<u>\$752,100</u>
\$0	\$0	\$0	\$0	36,144
0	0	0	0	18,412
0	0	0	0	3,318
0	166	0	0	166
0	0	0	0	847
0	0	0	0	86,445
<u>0</u>	<u>166</u>	<u>0</u>	<u>0</u>	<u>145,332</u>
763	21	0	350	80,900
<u>4,355</u>	<u>13,134</u>	<u>1,304</u>	<u>42,080</u>	<u>525,868</u>
<u>5,118</u>	<u>13,155</u>	<u>1,304</u>	<u>42,430</u>	<u>606,768</u>
<u>\$5,118</u>	<u>\$13,321</u>	<u>\$1,304</u>	<u>\$42,430</u>	<u>\$752,100</u>

**Avon Lake City School District**  
*Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Special Revenue Funds  
For the Fiscal Year Ended June 30, 2002*

	Scholarship	Michael Baumhauer Scholarship	Public School Support	Local Grants	Venture Capital
<b>Revenues</b>					
Intergovernmental	\$0	\$0	\$0	\$973	\$0
Interest	260	211	0	0	0
Tuition and Fees	1,175	0	0	15,605	0
Extracurricular Activities	0	0	32,657	22,837	0
Donations	2,061	10,680	45,646	13,780	0
Miscellaneous	0	0	66,905	0	150
<i>Total Revenues</i>	<u>3,496</u>	<u>10,891</u>	<u>145,208</u>	<u>53,195</u>	<u>150</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	0	0	0	37,914	150
Special	1,026	0	0	0	0
Support Services:					
Pupils	0	0	117,513	0	0
Instructional Staff	0	0	0	0	0
Administration	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	1,100	7,270	0	0	0
Extracurricular Activities	0	0	254	7,567	0
<i>Total Expenditures</i>	<u>2,126</u>	<u>7,270</u>	<u>117,767</u>	<u>45,481</u>	<u>150</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	1,370	3,621	27,441	7,714	0
<b>Other Financing Uses:</b>					
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>(3,130)</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenue Over (Under) Expenditures and Other Financing Uses</i>	1,370	3,621	24,311	7,714	0
<i>Fund Balances Beginning of Year</i>	<u>10,967</u>	<u>6,175</u>	<u>83,526</u>	<u>36,515</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$12,337</u></u>	<u><u>\$9,796</u></u>	<u><u>\$107,837</u></u>	<u><u>\$44,229</u></u>	<u><u>\$0</u></u>

<u>Athletics</u>	<u>Auxiliary Services</u>	<u>Teacher Development</u>	<u>Management Information Systems</u>	<u>Data Communications</u>	<u>School Net Development</u>	<u>Miscellaneous State Grants</u>
\$0	\$189,026	\$3,450	\$12,088	\$24,500	\$4,642	\$3,124
0	7,833	0	0	0	0	0
0	0	0	0	0	0	0
293,411	0	0	0	0	0	0
25,247	0	0	0	0	0	0
7,322	0	0	0	0	0	0
<u>325,980</u>	<u>196,859</u>	<u>3,450</u>	<u>12,088</u>	<u>24,500</u>	<u>4,642</u>	<u>3,124</u>
0	0	7,220	0	4,200	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	11,593	0	0	0
0	0	0	0	0	2,451	19,289
0	166,494	0	0	0	0	16
<u>319,392</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>319,392</u>	<u>166,494</u>	<u>7,220</u>	<u>11,593</u>	<u>4,200</u>	<u>2,451</u>	<u>19,305</u>
6,588	30,365	(3,770)	495	20,300	2,191	(16,181)
<u>(187)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
6,401	30,365	(3,770)	495	20,300	2,191	(16,181)
<u>119,821</u>	<u>42,298</u>	<u>7,220</u>	<u>19,275</u>	<u>11,380</u>	<u>0</u>	<u>23,193</u>
<u>\$126,222</u>	<u>\$72,663</u>	<u>\$3,450</u>	<u>\$19,770</u>	<u>\$31,680</u>	<u>\$2,191</u>	<u>\$7,012</u>

(continued)

**Avon Lake City School District**  
*Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Special Revenue Funds (continued)  
For the Fiscal Year Ended June 30, 2002*

	Education for Economic Security	Title VI-B	Title I	Title VI	Drug Free Schools
<b>Revenues</b>					
Intergovernmental	\$11,188	\$176,718	\$99,247	\$17,839	\$14,096
Interest	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Donations	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>11,188</u>	<u>176,718</u>	<u>99,247</u>	<u>17,839</u>	<u>14,096</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	0	0	0	14,161	3,302
Special	0	21,848	12,243	0	0
Support Services:					
Pupils	0	143,644	0	0	0
Instructional Staff	7,999	0	0	0	0
Administration	0	20,939	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	0	3,362	10,823	1,885	0
Extracurricular Activities	0	0	0	0	0
<i>Total Expenditures</i>	<u>7,999</u>	<u>189,793</u>	<u>23,066</u>	<u>16,046</u>	<u>3,302</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	3,189	(13,075)	76,181	1,793	10,794
<b>Other Financing Uses:</b>					
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenue Over (Under) Expenditures and Other Financing Uses</i>	3,189	(13,075)	76,181	1,793	10,794
<i>Fund Balances Beginning of Year</i>	<u>6,824</u>	<u>14,305</u>	<u>20,150</u>	<u>3,325</u>	<u>2,361</u>
<i>Fund Balances End of Year</i>	<u><u>\$10,013</u></u>	<u><u>\$1,230</u></u>	<u><u>\$96,331</u></u>	<u><u>\$5,118</u></u>	<u><u>\$13,155</u></u>



Early Childhood Education Development	E-Rate Grant	Summer School Subsidy	Class Size Reduction	Totals
\$17,418	\$38,302	\$0	\$62,757	\$675,368
0	0	0	0	8,304
0	0	0	0	16,780
0	0	0	0	348,905
0	0	0	0	97,414
0	0	0	0	74,377
<u>17,418</u>	<u>38,302</u>	<u>0</u>	<u>62,757</u>	<u>1,221,148</u>
0	0	616	72,320	139,883
827	0	0	0	35,944
0	0	0	0	261,157
31,960	0	0	0	39,959
0	29,675	0	0	62,207
0	0	0	0	21,740
0	0	0	0	190,950
0	0	0	0	327,213
<u>32,787</u>	<u>29,675</u>	<u>616</u>	<u>72,320</u>	<u>1,079,053</u>
(15,369)	8,627	(616)	(9,563)	142,095
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,317)</u>
(15,369)	8,627	(616)	(9,563)	138,778
<u>16,673</u>	<u>33,803</u>	<u>616</u>	<u>9,563</u>	<u>467,990</u>
<u>\$1,304</u>	<u>\$42,430</u>	<u>\$0</u>	<u>\$0</u>	<u>\$606,768</u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In*  
*Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Scholarship Fund*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$204	\$241	\$260	\$19
Tuition and Fees	238	1,175	1,175	0
Donations	<u>0</u>	<u>1,088</u>	<u>2,061</u>	<u>973</u>
<i>Total Revenues</i>	<u>442</u>	<u>2,504</u>	<u>3,496</u>	<u>992</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Purchased Services	1,026	1,026	1,026	0
Operation of Non-Instructional Services:				
Community Services				
Other	<u>0</u>	<u>1,100</u>	<u>1,100</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,026</u>	<u>2,126</u>	<u>2,126</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(584)	378	1,370	992
<i>Fund Balance Beginning of Year</i>	<u>10,967</u>	<u>10,967</u>	<u>10,967</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$10,383</u></u>	<u><u>\$11,345</u></u>	<u><u>\$12,337</u></u>	<u><u>\$992</u></u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Michael Baumhauer Scholarship Fund  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Interest	\$0	\$235	\$211	(\$24)
Donations	200	8,956	10,680	1,724
<i>Total Revenues</i>	<u>200</u>	<u>9,191</u>	<u>10,891</u>	<u>1,700</u>
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Purchased Services	2,149	5,790	4,166	1,624
Materials and Supplies	742	2,000	2,929	(929)
Other	0	0	350	(350)
<i>Total Expenditures</i>	<u>2,891</u>	<u>7,790</u>	<u>7,445</u>	<u>345</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,691)	1,401	3,446	2,045
<i>Fund Balance Beginning of Year</i>	<u>6,175</u>	<u>6,175</u>	<u>6,175</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,484</u></u>	<u><u>\$7,576</u></u>	<u><u>\$9,621</u></u>	<u><u>\$2,045</u></u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Public School Support Fund  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Extracurricular Activities	\$25,808	\$47,123	\$38,782	(\$8,341)
Donations	15,336	28,003	45,646	17,643
Miscellaneous	24,840	45,355	66,905	21,550
<i>Total Revenues</i>	<u>65,984</u>	<u>120,481</u>	<u>151,333</u>	<u>30,852</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Pupils:				
Purchased Services	31,679	89,711	49,523	40,188
Materials and Supplies	28,722	81,335	92,946	(11,611)
Other	332	939	939	0
Capital Outlay - New	71	200	0	200
Total Pupils	<u>60,804</u>	<u>172,185</u>	<u>143,408</u>	<u>28,777</u>
Instructional Staff:				
Materials and Supplies	177	500	0	500
Total Support Services	<u>60,981</u>	<u>172,685</u>	<u>143,408</u>	<u>29,277</u>
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries	88	250	250	0
Fringe Benefits	0	0	4	(4)
Total Extracurricular Activities	<u>88</u>	<u>250</u>	<u>254</u>	<u>(4)</u>
<i>Total Expenditures</i>	<u>61,069</u>	<u>172,935</u>	<u>143,662</u>	<u>29,273</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	4,915	(52,454)	7,671	60,125
<b>Other Financing Uses</b>				
Operating Transfers Out	0	0	(3,130)	(3,130)
<i>Excess of Revenues Over (Under) Expenditures and Other Financing Uses</i>	4,915	(52,454)	4,541	56,995
<i>Fund Balance Beginning of Year</i>	74,547	74,547	74,547	0
Prior Year Encumbrances Appropriated	<u>12,861</u>	<u>12,861</u>	<u>12,861</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$92,323</u></u>	<u><u>\$34,954</u></u>	<u><u>\$91,949</u></u>	<u><u>\$56,995</u></u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In*  
*Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Local Grants Fund*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$362	\$973	\$973	\$0
Tuition and Fees	5,806	15,605	15,605	0
Extracurricular Activities	11,205	30,115	22,837	(7,278)
Donations	5,127	13,780	13,780	0
<i>Total Revenues</i>	<u>22,500</u>	<u>60,473</u>	<u>53,195</u>	<u>(7,278)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries	2,456	7,592	3,550	4,042
Purchased Services	10,364	32,034	39,944	(7,910)
Materials and Supplies	6,144	18,991	7,379	11,612
Capital Outlay - New	500	1,544	1,544	0
Total Instruction	19,464	60,161	52,417	7,744
Extracurricular Activities:				
Academic Oriented Activities				
Materials and Supplies	2,942	9,092	9,092	0
<i>Total Expenditures</i>	<u>22,406</u>	<u>69,253</u>	<u>61,509</u>	<u>7,744</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	94	(8,780)	(8,314)	466
<i>Fund Balance Beginning of Year</i>	32,886	32,886	32,886	0
Prior Year Encumbrances Appropriated	8,846	8,846	8,846	0
<i>Fund Balance End of Year</i>	<u><u>\$41,826</u></u>	<u><u>\$32,952</u></u>	<u><u>\$33,418</u></u>	<u><u>\$466</u></u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Venture Capital Fund  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Miscellaneous	\$150	\$150	\$150	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	150	150	150	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In*  
*Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Athletics Fund*  
*For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Extracurricular Activities	\$108,653	\$212,728	\$293,411	\$80,683
Donations	10,646	20,843	25,247	4,404
Miscellaneous	3,740	7,322	7,322	0
<i>Total Revenues</i>	123,039	240,893	325,980	85,087
<b>Expenditures</b>				
Current:				
Extracurricular Activities:				
Sport Oriented Activities:				
Salaries	1,400	14,048	6,240	7,808
Fringe Benefits	0	0	3	(3)
Purchased Services	21,481	215,489	153,224	62,265
Materials and Supplies	12,534	125,735	125,201	534
Other	3,777	37,893	44,423	(6,530)
Capital Outlay - New	3,711	37,229	34,791	2,438
<i>Total Expenditures</i>	42,903	430,394	363,882	66,512
<i>Excess of Revenues Over (Under) Expenditures</i>	80,136	(189,501)	(37,902)	151,599
<b>Other Financing Uses</b>				
Operating Transfers Out	0	0	(187)	(187)
<i>Excess of Revenues Over (Under)</i> <i>Expenditures and Other Financing Uses</i>	80,136	(189,501)	(38,089)	151,412
<i>Fund Balance Beginning of Year</i>	83,857	83,857	83,857	0
Prior Year Encumbrances Appropriated	40,878	40,878	40,878	0
<i>Fund Balance End of Year</i>	\$204,871	(\$64,766)	\$86,646	\$151,412

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Auxiliary Services Fund  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Intergovernmental	\$180,213	\$189,026	\$189,026	\$0
Interest	7,163	7,513	7,833	320
<i>Total Revenues</i>	<u>187,376</u>	<u>196,539</u>	<u>196,859</u>	<u>320</u>
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Salaries	24,772	77,571	67,975	9,596
Fringe Benefits	3,796	11,888	1,965	9,923
Purchased Services	9,079	28,430	27,101	1,329
Materials and Supplies	49,159	153,934	108,163	45,771
Capital Outlay - New	5,377	16,837	16,273	564
<i>Total Expenditures</i>	<u>92,183</u>	<u>288,660</u>	<u>221,477</u>	<u>67,183</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	95,193	(92,121)	(24,618)	67,503
<i>Fund Balance Beginning of Year</i>	320	320	320	0
Prior Year Encumbrances Appropriated	<u>92,185</u>	<u>92,185</u>	<u>92,185</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$187,698</u></u>	<u><u>\$384</u></u>	<u><u>\$67,887</u></u>	<u><u>\$67,503</u></u>



**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Teacher Development Fund  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Intergovernmental	\$15,000	\$0	\$3,450	\$3,450
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>3,897</u>	<u>7,336</u>	<u>7,336</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	11,103	(7,336)	(3,886)	3,450
<i>Fund Balance Beginning of Year</i>	3,438	3,438	3,438	0
Prior Year Encumbrances Appropriated	<u>3,898</u>	<u>3,898</u>	<u>3,898</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$18,439</u></u>	<u><u>\$0</u></u>	<u><u>\$3,450</u></u>	<u><u>\$3,450</u></u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Management Information Systems Fund  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$12,500	\$12,088	\$12,088	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Administration:				
Salaries	8,817	11,550	10,000	1,550
Purchased Services	0	0	43	(43)
Capital Outlay - New	1,183	1,550	1,550	0
<i>Total Expenditures</i>	<u>10,000</u>	<u>13,100</u>	<u>11,593</u>	<u>1,507</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	2,500	(1,012)	495	1,507
<i>Fund Balance Beginning of Year</i>	17,726	17,726	17,726	0
Prior Year Encumbrances Appropriated	<u>1,549</u>	<u>1,549</u>	<u>1,549</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$21,775</u></u>	<u><u>\$18,263</u></u>	<u><u>\$19,770</u></u>	<u><u>\$1,507</u></u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Data Communications Fund  
For the Fiscal Year Ended June 30, 2002*

	Original	Final	Actual	Variance With Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Intergovernmental	\$22,000	\$24,500	\$24,500	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	24,500	24,500	0	24,500
Capital Outlay - New	0	4,200	4,200	0
<i>Total Expenditures</i>	24,500	28,700	4,200	24,500
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,500)	(4,200)	20,300	24,500
<i>Fund Balance Beginning of Year</i>	7,180	7,180	7,180	0
Prior Year Encumbrances Appropriated	4,200	4,200	4,200	0
<i>Fund Balance End of Year</i>	\$8,880	\$7,180	\$31,680	\$24,500

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
School Net Development Fund  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$4,142	\$4,142	\$4,642	\$500
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Purchased Services	4,142	4,142	2,626	1,516
<i>Excess of Revenues Over Expenditures</i>	0	0	2,016	2,016
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$2,016</u>	<u>\$2,016</u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Miscellaneous State Grants Fund  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$76,191	\$71,315	\$3,124	(\$68,191)
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Purchased Services	6,636	15,989	10,434	5,555
Materials and Supplies	2,103	5,068	8,855	(3,787)
Total Support Services	8,739	21,057	19,289	1,768
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	0	0	16	(16)
<i>Total Expenditures</i>	8,739	21,057	19,305	1,752
<i>Excess of Revenues Over (Under) Expenditures</i>	67,452	50,258	(16,181)	(66,439)
<i>Fund Balance Beginning of Year</i>	14,454	14,454	14,454	0
Prior Year Encumbrances Appropriated	8,741	8,741	8,741	0
<i>Fund Balance End of Year</i>	<u>\$90,647</u>	<u>\$73,453</u>	<u>\$7,014</u>	<u>(\$66,439)</u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Education for Economic Security Fund  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$7,800	\$12,065	\$12,065	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	4,147	13,093	7,243	5,850
Materials and Supplies	1,543	4,871	1,088	3,783
Total Support Services	5,690	17,964	8,331	9,633
Operation of Non-Instructional Services:				
Community Services				
Materials and Supplies	15	48	0	48
<i>Total Expenditures</i>	5,705	18,012	8,331	9,681
<i>Excess of Revenues Over (Under) Expenditures</i>	2,095	(5,947)	3,734	9,681
<i>Fund Balance Beginning of Year</i>	4,828	4,828	4,828	0
Prior Year Encumbrances Appropriated	1,119	1,119	1,119	0
<i>Fund Balance End of Year</i>	\$8,042	\$0	\$9,681	\$9,681

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Title VI-B Fund  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$140,000	\$176,718	\$176,718	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Materials and Supplies	4,164	12,389	10,635	1,754
Capital Outlay - New	2,664	7,927	7,927	0
Total Instruction	6,828	20,316	18,562	1,754
Support Services:				
Pupils:				
Salaries	18,274	54,369	54,369	0
Fringe Benefits	4,812	14,316	18,120	(3,804)
Purchased Services	21,238	63,187	63,187	0
Materials and Supplies	3,075	9,148	4,650	4,498
Total Pupils	47,399	141,020	140,326	694
Administration:				
Salaries	5,882	17,500	17,500	0
Fringe Benefits	1,117	3,323	2,450	873
Materials and Supplies	957	2,847	989	1,858
Total Administration	7,956	23,670	20,939	2,731
Total Support Services	55,355	164,690	161,265	3,425
Operation of Non-Instructional Services:				
Community Service:				
Salaries	3,680	10,949	2,949	8,000
Fringe Benefits	408	1,213	413	800
Total Operation of Non-Instructional Services	4,088	12,162	3,362	8,800
<i>Total Expenditures</i>	66,271	197,168	183,189	13,979
<i>Excess of Revenues Over (Under) Expenditures</i>	73,729	(20,450)	(6,471)	13,979
<i>Fund Balance Beginning of Year</i>	11,070	11,070	11,070	0
Prior Year Encumbrances Appropriated	9,380	9,380	9,380	0
<i>Fund Balance End of Year</i>	\$94,179	\$0	\$13,979	\$13,979

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In*  
*Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title I Fund*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$99,000	\$101,854	\$101,854	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries	25,989	99,775	24,046	75,729
Fringe Benefits	2,931	11,254	0	11,254
Total Instruction	28,920	111,029	24,046	86,983
Operation of Non-Instructional Services:				
Community Services				
Salaries	4,083	15,677	6,984	8,693
Fringe Benefits	564	2,167	824	1,343
Materials and Supplies	1,302	4,997	3,015	1,982
Total Operation of Non-Instructional Services	5,949	22,841	10,823	12,018
<i>Total Expenditures</i>	34,869	133,870	34,869	99,001
<i>Excess of Revenues Over (Under) Expenditures</i>	64,131	(32,016)	66,985	99,001
<i>Fund Balance Beginning of Year</i>	32,261	32,261	32,261	0
<i>Fund Balance End of Year</i>	\$96,392	\$245	\$99,246	\$99,001



**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Title VI Fund  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$16,600	\$17,839	\$17,839	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	1,185	7,805	11,394	(3,589)
Materials and Supplies	955	6,289	5,766	523
Capital Outlay - New	354	2,330	435	1,895
Total Instruction	<u>2,494</u>	<u>16,424</u>	<u>17,595</u>	<u>(1,171)</u>
Operation of Non-Instructional Services:				
Community Services				
Purchased Services	94	616	616	0
Materials and Supplies	438	2,886	1,269	1,617
Total Operation of Non-Instructional Services	<u>532</u>	<u>3,502</u>	<u>1,885</u>	<u>1,617</u>
<i>Total Expenditures</i>	<u>3,026</u>	<u>19,926</u>	<u>19,480</u>	<u>446</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	13,574	(2,087)	(1,641)	446
<i>Fund Balance Beginning of Year</i>	3,025	3,025	3,025	0
Prior Year Encumbrances Appropriated	<u>301</u>	<u>301</u>	<u>301</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$16,900</u></u>	<u><u>\$1,239</u></u>	<u><u>\$1,685</u></u>	<u><u>\$446</u></u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In*  
*Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Drug Free Schools Fund*  
*For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts			Variance With Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$16,000	\$14,096	\$14,096	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	673	2,518	0	2,518
Materials and Supplies	212	791	187	604
Capital Outlay - New	833	3,116	3,115	1
Total Instruction	1,718	6,425	3,302	3,123
Support Services:				
Pupils:				
Purchased Services	1,103	4,125	0	4,125
Materials and Supplies	535	2,000	0	2,000
Capital Outlay - New	802	3,000	0	3,000
Capital Outlay - Replacement	267	1,000	0	1,000
Total Support Services	2,707	10,125	0	10,125
Operation of Non-Instructional Services:				
Community Services				
Materials and Supplies	19	72	21	51
<i>Total Expenditures</i>	4,444	16,622	3,323	13,299
<i>Excess of Revenues Over (Under) Expenditures</i>	11,556	(2,526)	10,773	13,299
<i>Fund Balance Beginning of Year</i>	2,526	2,526	2,526	0
<i>Fund Balance End of Year</i>	\$14,082	\$0	\$13,299	\$13,299

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Early Childhood Education Development Fund  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$12,000	\$17,418	\$17,418	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Materials and Supplies	585	1,173	559	614
Capital Outlay - New	134	268	268	0
Total Instruction	719	1,441	827	614
Support Services:				
Instructional Staff:				
Salaries	13,960	28,000	28,000	0
Fringe Benefits	1,994	4,000	3,960	40
Total Support Services	15,954	32,000	31,960	40
<i>Total Expenditures</i>	16,673	33,441	32,787	654
<i>Excess of Revenues Under Expenditures</i>	(4,673)	(16,023)	(15,369)	654
<i>Fund Balance Beginning of Year</i>	16,673	16,673	16,673	0
<i>Fund Balance End of Year</i>	<u>\$12,000</u>	<u>\$650</u>	<u>\$1,304</u>	<u>\$654</u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
E-Rate Grant Fund  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$32,693	\$32,693	\$32,693	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Administration:				
Purchased Services	1,483	3,977	2,788	1,189
Materials and Supplies	2,727	7,315	4,726	2,589
Capital Outlay - New	8,626	23,137	23,137	0
<i>Total Expenditures</i>	<u>12,836</u>	<u>34,429</u>	<u>30,651</u>	<u>3,778</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	19,857	(1,736)	2,042	3,778
<i>Fund Balance Beginning of Year</i>	1,005	1,005	1,005	0
Prior Year Encumbrances Appropriated	<u>731</u>	<u>731</u>	<u>731</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$21,593</u></u>	<u><u>\$0</u></u>	<u><u>\$3,778</u></u>	<u><u>\$3,778</u></u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Summer School Subsidy Fund  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Budget</u>		
<b>Revenues</b>				
Intergovernmental	\$616	\$616	\$0	(\$616)
<b>Expenditures:</b>				
<i>Current:</i>				
Instruction:				
Regular:				
Salaries	<u>616</u>	<u>616</u>	<u>616</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	0	(616)	(616)
<i>Fund Balance Beginning of Year</i>	<u>616</u>	<u>616</u>	<u>616</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$616</u></u>	<u><u>\$616</u></u>	<u><u>\$0</u></u>	<u><u>(\$616)</u></u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Classroom Size Reduction Fund  
For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts			Variance With Final Budget Favorable (Unfavorable)
	Original	Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$29,097	\$62,757	\$62,757	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries	28,848	72,397	72,320	77
<i>Excess of Revenues Over (Under) Expenditures</i>	249	(9,640)	(9,563)	77
<i>Fund Balance Beginning of Year</i>	9,563	9,563	9,563	0
<i>Fund Balance (Deficit) End of Year</i>	\$9,812	(\$77)	\$0	\$77

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balances - Budget (Non-GAAP Basis) and Actual  
All Special Revenue Funds  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$664,214	\$738,100	\$673,243	(\$64,857)
Interest	7,367	7,989	8,304	315
Tuition and Fees	6,044	16,780	16,780	0
Extracurricular Activities	145,666	289,966	355,030	65,064
Donations	31,309	72,670	97,414	24,744
Miscellaneous	28,730	52,827	74,377	21,550
<i>Total Revenues</i>	<u>883,330</u>	<u>1,178,332</u>	<u>1,225,148</u>	<u>46,816</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries	31,920	80,605	76,486	4,119
Fringe Benefits	3,897	7,336	7,336	0
Purchased Services	36,872	67,007	51,488	15,519
Materials and Supplies	7,311	26,071	13,332	12,739
Capital Outlay - New	1,687	11,190	9,294	1,896
Total Regular	<u>81,687</u>	<u>192,209</u>	<u>157,936</u>	<u>34,273</u>
Special:				
Salaries	25,989	99,775	24,046	75,729
Fringe Benefits	2,931	11,254	0	11,254
Purchased Services	1,026	1,026	1,026	0
Materials and Supplies	4,749	13,562	11,194	2,368
Capital Outlay - New	2,798	8,195	8,195	0
Total Special	<u>37,493</u>	<u>133,812</u>	<u>44,461</u>	<u>89,351</u>
Total Instruction	<u>119,180</u>	<u>326,021</u>	<u>202,397</u>	<u>123,624</u>
Support Services:				
Pupils:				
Salaries	18,274	54,369	54,369	0
Fringe Benefits	4,812	14,316	18,120	(3,804)
Purchased Services	54,020	157,023	112,710	44,313
Materials and Supplies	32,332	92,483	97,596	(5,113)
Other	332	939	939	0
Capital Outlay - New	873	3,200	0	3,200
Capital Outlay - Replacement	267	1,000	0	1,000
Total Pupils	<u>\$110,910</u>	<u>\$323,330</u>	<u>\$283,734</u>	<u>\$39,596</u>

(continued)

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balances - Budget (Non-GAAP Basis) and Actual  
All Special Revenue Funds (continued)  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Instructional Staff				
Salaries	\$13,960	\$28,000	\$28,000	\$0
Fringe Benefits	1,994	4,000	3,960	40
Purchased Services	4,147	13,093	7,243	5,850
Materials and Supplies	1,720	5,371	1,088	4,283
<b>Total Instructional Staff</b>	<b>21,821</b>	<b>50,464</b>	<b>40,291</b>	<b>10,173</b>
Administration:				
Salaries	14,699	29,050	27,500	1,550
Fringe Benefits	1,117	3,323	2,450	873
Purchased Services	1,483	3,977	2,831	1,146
Materials and Supplies	3,684	10,162	5,715	4,447
Capital Outlay - New	9,809	24,687	24,687	0
<b>Total Administration</b>	<b>30,792</b>	<b>71,199</b>	<b>63,183</b>	<b>8,016</b>
Central:				
Purchased Services	10,778	20,131	13,060	7,071
Materials and Supplies	2,103	5,068	8,855	(3,787)
<b>Total Central</b>	<b>12,881</b>	<b>25,199</b>	<b>21,915</b>	<b>3,284</b>
<b>Total Support Services</b>	<b>176,404</b>	<b>470,192</b>	<b>409,123</b>	<b>61,069</b>
Operation of Non-Instructional Services:				
Salaries	32,535	104,197	77,908	26,289
Fringe Benefits	4,768	15,268	3,202	12,066
Purchased Services	11,322	34,836	31,883	2,953
Materials and Supplies	51,675	163,937	115,413	48,524
Other	0	1,100	1,450	(350)
Capital Outlay - New	5,377	16,837	16,273	564
<b>Total Operation of Non-Instructional Services</b>	<b>105,677</b>	<b>336,175</b>	<b>246,129</b>	<b>90,046</b>
Extracurricular Activities:				
Salaries	1,488	14,298	6,490	7,808
Fringe Benefits	0	0	7	(7)
Purchased Services	21,481	215,489	153,224	62,265
Materials and Supplies	15,476	134,827	134,293	534
Other	3,777	37,893	44,423	(6,530)
Capital Outlay - New	3,711	37,229	34,791	2,438
<b>Total Extracurricular Activities</b>	<b>45,933</b>	<b>439,736</b>	<b>373,228</b>	<b>66,508</b>
<b>Total Expenditures</b>	<b>\$447,194</b>	<b>\$1,572,124</b>	<b>\$1,230,877</b>	<b>\$341,247</b>

(continued)



**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balances - Budget (Non-GAAP Basis) and Actual  
All Special Revenue Funds (continued)  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Budget</u>	<u>Actual</u>	
<i>Excess of Revenues Over (Under) Expenditures</i>	\$436,136	(\$393,792)	(\$5,729)	\$388,063
<b>Other Financing Uses</b>				
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>(3,317)</u>	<u>(3,317)</u>
<i>Excess of Revenues Over (Under) Expenditures and Other Financing Uses</i>	436,136	(393,792)	(9,046)	384,746
<i>Fund Balances Beginning of Year</i>	333,117	333,117	333,117	0
Prior Year Encumbrances Appropriated	<u>184,689</u>	<u>184,689</u>	<u>184,689</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$953,942</u></u>	<u><u>\$124,014</u></u>	<u><u>\$508,760</u></u>	<u><u>\$384,746</u></u>

### *Debt Service Funds*

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. A description of the School District's debt service funds follows:

***Bond Retirement Fund*** - This fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

***Library Bond Retirement Fund*** - This fund accounts 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.

**Avon Lake City School District**

*Combining Balance Sheet*

*All Debt Service Funds*

*June 30, 2002*

	Bond Retirement	Library Bond Retirement	Totals
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b><i>Assets and Other Debits</i></b>			
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$488,488	\$1,328,807	\$1,817,295
Receivables:			
Taxes	3,177,170	1,199,823	4,376,993
Due from Other Funds	48,975	0	48,975
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<i>Total Assets</i>	<u><u>\$3,714,633</u></u>	<u><u>\$2,528,630</u></u>	<u><u>\$6,243,263</u></u>
<b>Liabilities</b>			
Deferred Revenue	\$2,721,141	\$1,041,850	\$3,762,991
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Fund Equity:</b>			
Fund Balance:			
Reserved for Property Taxes	456,029	157,973	614,002
Unreserved, Undesignated	537,463	1,328,807	1,866,270
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<i>Total Fund Equity</i>	<u>993,492</u>	<u>1,486,780</u>	<u>2,480,272</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<i>Total Liabilities and Fund Equity</i>	<u><u>\$3,714,633</u></u>	<u><u>\$2,528,630</u></u>	<u><u>\$6,243,263</u></u>

**Avon Lake City School District**  
*Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Debt Service Funds  
For the Fiscal Year Ended June 30, 2002*

	Bond Retirement	Library Bond Retirement	Totals
<b>Revenues</b>			
Taxes	\$2,785,297	\$378,419	\$3,163,716
Intergovernmental	269,285	29,810	299,095
<i>Total Revenues</i>	<u>3,054,582</u>	<u>408,229</u>	<u>3,462,811</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Fiscal	<u>23,373</u>	<u>21,502</u>	<u>44,875</u>
Debt Service:			
Principal Retirement	995,000	165,000	1,160,000
Interest and Fiscal Charges	<u>2,373,996</u>	<u>207,337</u>	<u>2,581,333</u>
<i>Total Expenditures</i>	<u>3,392,369</u>	<u>393,839</u>	<u>3,786,208</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(337,787)	14,390	(323,397)
<b>Other Financing Sources</b>			
Operating Transfers In	<u>367,490</u>	<u>0</u>	<u>367,490</u>
<i>Excess of Revenues and Other Financing Sources Over Expenditures</i>	29,703	14,390	44,093
<i>Fund Balances Beginning of Year</i>	<u>963,789</u>	<u>1,472,390</u>	<u>2,436,179</u>
<i>Fund Balances End of Year</i>	<u><u>\$993,492</u></u>	<u><u>\$1,486,780</u></u>	<u><u>\$2,480,272</u></u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Bond Retirement Fund  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Taxes	\$2,980,011	\$2,969,085	\$2,809,930	(\$159,155)
Intergovernmental	254,364	139,940	269,284	129,344
<i>Total Revenues</i>	<u>3,234,375</u>	<u>3,109,025</u>	<u>3,079,214</u>	<u>(29,811)</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Fiscal:				
Other	38,000	38,000	23,370	14,630
Debt Service:				
Bond Retirement	1,395,000	1,395,000	995,000	400,000
Interest and Fiscal Charges	2,471,954	2,434,056	2,373,996	60,060
<i>Total Debt Service</i>	<u>3,866,954</u>	<u>3,829,056</u>	<u>3,368,996</u>	<u>460,060</u>
<i>Total Expenditures</i>	<u>3,904,954</u>	<u>3,867,056</u>	<u>3,392,366</u>	<u>474,690</u>
<i>Excess of Revenues Under Expenditures</i>	(670,579)	(758,031)	(313,152)	444,879
<b>Other Financing Sources</b>				
Operating Transfers In	300,000	367,490	367,490	0
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(370,579)	(390,541)	54,338	444,879
<i>Fund Balance Beginning of Year</i>	<u>434,152</u>	<u>434,152</u>	<u>434,152</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$63,573</u></u>	<u><u>\$43,611</u></u>	<u><u>\$488,490</u></u>	<u><u>\$444,879</u></u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Library Bond Retirement Fund  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$240,230	\$240,230	\$275,230	\$35,000
Intergovernmental	35,000	35,000	29,810	(5,190)
<i>Total Revenues</i>	<u>275,230</u>	<u>275,230</u>	<u>305,040</u>	<u>29,810</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Fiscal:				
Other	24,800	24,800	21,503	3,297
Debt Service:				
Bond Retirement	210,000	210,000	165,000	45,000
Interest and Fiscal Charges	1,107,014	1,106,912	207,337	899,575
<i>Total Debt Service</i>	<u>1,317,014</u>	<u>1,316,912</u>	<u>372,337</u>	<u>944,575</u>
<i>Total Expenditures</i>	<u>1,341,814</u>	<u>1,341,712</u>	<u>393,840</u>	<u>947,872</u>
<i>Excess of Revenues Under Expenditures</i>	(1,066,584)	(1,066,482)	(88,800)	918,062
<i>Fund Balance Beginning of Year</i>	<u>1,417,606</u>	<u>1,417,606</u>	<u>1,417,606</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$351,022</u></u>	<u><u>\$351,124</u></u>	<u><u>\$1,328,806</u></u>	<u><u>\$977,682</u></u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balances - Budget (Non-GAAP Basis) and Actual  
All Debt Service Funds  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Taxes	\$3,220,241	\$3,209,315	\$3,085,160	(\$124,155)
Intergovernmental	289,364	174,940	299,094	124,154
<i>Total Revenues</i>	<u>3,509,605</u>	<u>3,384,255</u>	<u>3,384,254</u>	<u>(1)</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Fiscal:				
Other	62,800	62,800	44,873	(17,927)
Debt Service:				
Bond Retirement	1,605,000	1,605,000	1,160,000	445,000
Interest and Fiscal Charges	3,578,968	3,540,968	2,581,333	959,635
<i>Total Debt Service</i>	<u>5,183,968</u>	<u>5,145,968</u>	<u>3,741,333</u>	<u>1,404,635</u>
<i>Total Expenditures</i>	<u>5,246,768</u>	<u>5,208,768</u>	<u>3,786,206</u>	<u>1,386,708</u>
<i>Excess of Revenues Under Expenditures</i>	(1,737,163)	(1,824,513)	(401,952)	1,386,707
<b>Other Financing Sources</b>				
Operating Transfers In	300,000	367,490	367,490	0
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(1,437,163)	(1,457,023)	(34,462)	1,386,707
<i>Fund Balances Beginning of Year</i>	<u>1,851,758</u>	<u>1,851,758</u>	<u>1,851,758</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$414,595</u>	<u>\$394,735</u>	<u>\$1,817,296</u>	<u>\$1,386,707</u>

## ***Capital Projects Funds***

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

***Permanent Improvements Fund*** - This fund accounts for property taxes levied to be used for various capital improvements within the School District.

***Building Improvements Fund*** - This fund accounts for financial resources to be used for the acquisition, construction, or improvement of major capital facilities other than those financed by proprietary funds.

***School Net Plus Fund*** - This fund accounts for State monies used to provide technology equipment to classrooms at the K-5 grade levels that support the transmission of voice, video and data, and to provide a computer workstation and related technology for every classroom.

***Interactive Video Distance Learner Fund*** - This fund accounts for State monies to be used to provide interactive video cameras for classrooms.



**Avon Lake City School District**

*Combining Balance Sheet*

*All Capital Projects Funds*

*June 30, 2002*

	Permanent Improvements	Building Improvements	School Net Plus	Interactive Video Distance Learner	Total
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$185,967	\$7,573,983	\$604	\$21,955	\$7,782,509
Cash and Cash Equivalents With Fiscal Agent	0	1,076,311	0	0	1,076,311
Receivables:					
Taxes	625,056	0	0	0	625,056
Accounts	400,000	0	0	0	400,000
<i>Total Assets</i>	<u>\$1,211,023</u>	<u>\$8,650,294</u>	<u>\$604</u>	<u>\$21,955</u>	<u>\$9,883,876</u>
<b>Liabilities</b>					
Contracts Payable	\$0	\$858,292	\$0	\$0	\$858,292
Retainage Payable	0	1,076,311	0	0	1,076,311
Due To Other Funds	0	48,975	0	0	48,975
Deferred Revenue	553,796	0	0	0	553,796
Accrued Interest Payable	0	17,023	0	0	17,023
Notes Payable	0	1,785,717	0	0	1,785,717
<i>Total Liabilities</i>	<u>553,796</u>	<u>3,786,318</u>	<u>0</u>	<u>0</u>	<u>4,340,114</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	130,444	7,187,504	0	7,645	7,325,593
Reserved for Property Taxes	71,260	0	0	0	71,260
Unreserved, Undesignated (Deficit)	455,523	(2,323,528)	604	14,310	(1,853,091)
<i>Total Fund Balances</i>	<u>657,227</u>	<u>4,863,976</u>	<u>604</u>	<u>21,955</u>	<u>5,543,762</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,211,023</u>	<u>\$8,650,294</u>	<u>\$604</u>	<u>\$21,955</u>	<u>\$9,883,876</u>

**Avon Lake City School District**  
*Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Capital Projects Funds  
For the Fiscal Year Ended June 30, 2002*

	Permanent Improvements	Building Improvements	School Net Plus	Interactive Video Distance Learner	Totals
<b>Revenues</b>					
Taxes	\$614,605	\$0	\$0	\$0	\$614,605
Intergovernmental	448,825	0	0	7,500	456,325
Interest	0	439,755	0	0	439,755
Donations	0	24,484	0	0	24,484
Miscellaneous	0	2,520	0	0	2,520
<i>Total Revenues</i>	<u>1,063,430</u>	<u>466,759</u>	<u>0</u>	<u>7,500</u>	<u>1,537,689</u>
<b>Expenditures</b>					
Capital Outlay	570,341	26,763,076	15,049	9,861	27,358,327
Debt Service:					
Principal Retirement	0	174,545	0	0	174,545
Interest and Fiscal Charges	0	17,023	0	0	17,023
<i>Total Expenditures</i>	<u>570,341</u>	<u>26,954,644</u>	<u>15,049</u>	<u>9,861</u>	<u>27,549,895</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>493,089</u>	<u>(26,487,885)</u>	<u>(15,049)</u>	<u>(2,361)</u>	<u>(26,012,206)</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds of Notes	0	1,785,717	0	0	1,785,717
Proceeds of Loan	0	800,000	0	0	800,000
Operating Transfers Out	(314,361)	0	0	0	(314,361)
<i>Total Other Financing Sources (Uses)</i>	<u>(314,361)</u>	<u>2,585,717</u>	<u>0</u>	<u>0</u>	<u>2,271,356</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	178,728	(23,902,168)	(15,049)	(2,361)	(23,740,850)
<i>Fund Balances Beginning of Year</i>	<u>478,499</u>	<u>30,551,861</u>	<u>15,653</u>	<u>24,316</u>	<u>31,070,329</u>
<i>Fund Balances End of Year</i>	<u><u>\$657,227</u></u>	<u><u>\$6,649,693</u></u>	<u><u>\$604</u></u>	<u><u>\$21,955</u></u>	<u><u>\$7,329,479</u></u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Permanent Improvements Fund  
For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes	\$648,538	\$627,883	\$627,883	\$0
Intergovernmental	0	48,825	48,825	0
<i>Total Revenues</i>	<u>648,538</u>	<u>676,708</u>	<u>676,708</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	121,448	189,715	186,618	3,097
Capital Outlay - New	8,500	13,278	13,042	236
Total Instruction	<u>129,948</u>	<u>202,993</u>	<u>199,660</u>	<u>3,333</u>
Support Services:				
Fiscal:				
Other	5,982	9,344	9,344	0
Operation and Maintenance of Plant:				
Purchased Services	105,120	164,209	159,552	4,657
Materials and Supplies	36,433	56,913	56,913	0
Capital Outlay - New	29,814	46,573	19,350	27,223
Capital Outlay - Replacement	9,951	15,544	15,544	0
Total Operation and Maintenance of Plant	<u>181,318</u>	<u>283,239</u>	<u>251,359</u>	<u>31,880</u>
Pupil Transportation:				
Capital Outlay - New	123,280	192,576	192,576	0
Total Support Services	<u>310,579</u>	<u>485,159</u>	<u>453,279</u>	<u>31,880</u>
Capital Outlay:				
Building Acquisition and Construction of Plant				
Capital Outlay - New	27,217	42,516	42,516	0
Building Improvements				
Purchased Services	16,413	25,639	5,330	20,309
Total Capital Outlay	<u>43,630</u>	<u>68,155</u>	<u>47,846</u>	<u>20,309</u>
<i>Total Expenditures</i>	<u>484,158</u>	<u>756,307</u>	<u>700,785</u>	<u>55,522</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	164,380	(79,599)	(24,077)	55,522
<b>Other Financing Uses</b>				
Operating Transfers Out	0	(314,361)	(314,361)	0
<i>Excess of Revenues Over (Under) Expenditures and Other Financing Uses</i>	164,380	(393,960)	(338,438)	55,522
<i>Fund Balance Beginning of Year</i>	221,222	221,222	221,222	0
Prior Year Encumbrances Appropriated	<u>172,739</u>	<u>172,739</u>	<u>172,739</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$558,341</u>	<u>\$1</u>	<u>\$55,523</u>	<u>\$55,522</u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Building Improvements Fund  
For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts			Variance With Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>Revenues</b>				
Interest	\$488,000	\$682,207	\$683,297	\$1,090
Donations	20,000	24,484	24,484	0
Miscellaneous	40,000	2,520	2,520	0
<i>Total Revenues</i>	<u>548,000</u>	<u>709,211</u>	<u>710,301</u>	<u>1,090</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	1,038	64,590	0	64,590
Capital Outlay - New	20,651	1,284,380	804,398	479,982
Total Instruction	<u>21,689</u>	<u>1,348,970</u>	<u>804,398</u>	<u>544,572</u>
Support Services:				
Board of Education:				
Purchased Services	58	3,638	3,638	0
Fiscal:				
Other	563	35,000	23,773	11,227
Total Support Services	<u>621</u>	<u>38,638</u>	<u>27,411</u>	<u>11,227</u>
Capital Outlay:				
Architecture and Engineering Services:				
Purchased Services	186,096	11,574,382	1,596,818	9,977,564
Building Aquisition and Construction:				
Capital Outlay - New	324,287	20,169,239	30,699,755	(10,530,516)
Building Improvement Services:				
Purchased Services	0	0	2,847	(2,847)
Total Capital Outlay	<u>510,383</u>	<u>31,743,621</u>	<u>32,299,420</u>	<u>(555,799)</u>
Debt Service:				
Principal Retirement	0	174,545	174,545	0
<i>Total Expenditures</i>	<u>532,693</u>	<u>33,305,774</u>	<u>33,305,774</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>15,307</u>	<u>(32,596,563)</u>	<u>(32,595,473)</u>	<u>1,090</u>
<b>Other Financing Sources</b>				
Proceeds of Loan	0	800,000	800,000	0
Proceeds of Notes	1,500,000	1,785,717	1,785,717	0
<i>Total Other Financing Sources</i>	<u>1,500,000</u>	<u>2,585,717</u>	<u>2,585,717</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Financing Sources Over (Under) Expenditures</i>	1,515,307	(30,010,846)	(30,009,756)	1,090
<i>Fund Balance Beginning of Year</i>	108,591	108,591	108,591	0
Prior Year Encumbrances Appropriated	<u>30,263,817</u>	<u>30,263,817</u>	<u>30,263,817</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$31,887,715</u>	<u>\$361,562</u>	<u>\$362,652</u>	<u>\$1,090</u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
School Net Plus Fund  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$24,317	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Administration:				
Purchased Services	3,723	14,608	13,650	958
Central:				
Purchased Services	220	864	1,613	(749)
Materials and Supplies	0	0	11	(11)
Total Central	220	864	1,624	(760)
<i>Total Expenditures</i>	3,943	15,472	15,274	198
<i>Excess of Revenues Over (Under) Expenditures</i>	20,374	(15,472)	(15,274)	198
<i>Fund Balance Beginning of Year</i>	15,679	15,679	15,679	0
Prior Year Encumbrances Appropriated	200	200	200	0
<i>Fund Balance End of Year</i>	<u>\$36,253</u>	<u>\$407</u>	<u>\$605</u>	<u>\$198</u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Interactive Video Distance Learner Fund  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$0	\$0	\$7,500	\$7,500
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	8,650	8,650	17,506	(8,856)
Materials and Supplies	3,000	3,000	0	3,000
Capital Outlay - New	7,666	7,666	0	7,666
Total Instruction	19,316	19,316	17,506	1,810
Support Services:				
Instructional Staff:				
Purchased Services	5,000	5,000	0	5,000
<i>Total Expenditures</i>	24,316	24,316	17,506	6,810
<i>Excess of Revenues Under Expenditures</i>	(24,316)	(24,316)	(10,006)	14,310
<i>Fund Balance Beginning of Year</i>	24,316	24,316	24,316	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$14,310	\$14,310

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balances - Budget (Non-GAAP Basis) and Actual  
All Capital Projects Funds  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Taxes	\$648,538	\$627,883	\$627,883	\$0
Intergovernmental	24,317	48,825	56,325	7,500
Interest	488,000	682,207	683,297	1,090
Donations	20,000	24,484	24,484	0
Miscellaneous	40,000	2,520	2,520	0
<i>Total Revenues</i>	<u>1,220,855</u>	<u>1,385,919</u>	<u>1,394,509</u>	<u>8,590</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	131,136	262,955	204,124	58,831
Materials and Supplies	3,000	3,000	0	3,000
Capital Outlay - New	36,817	1,305,324	817,440	487,884
Total Regular Instruction	<u>170,953</u>	<u>1,571,279</u>	<u>1,021,564</u>	<u>549,715</u>
Support Services:				
Instructional Staff:				
Purchased Services	5,000	5,000	0	5,000
Board of Education:				
Purchased Services	58	3,638	3,638	0
Administration:				
Purchased Services	3,723	14,608	13,650	958
Fiscal:				
Other	6,545	44,344	33,117	11,227
Operation and Maintenance of Plant:				
Purchased Services	105,120	164,209	159,552	4,657
Materials and Supplies	36,433	56,913	56,913	0
Capital Outlay - New	29,814	46,573	19,350	27,223
Capital Outlay - Replacement	9,951	15,544	15,544	0
Total Operation and Maintenance of Plant	<u>181,318</u>	<u>283,239</u>	<u>251,359</u>	<u>31,880</u>
Pupil Transportation:				
Capital Outlay - New	\$123,280	\$192,576	\$192,576	\$0

(continued)

**Avon Lake City School District**  
*Schedule of Revenues, Expenditures and Changes In  
Fund Balances - Budget (Non-GAAP Basis) and Actual  
All Capital Projects Funds (continued)  
For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Central:				
Purchased Services	\$220	\$864	\$1,613	(\$749)
Materials and Supplies	0	0	11	(11)
<b>Total Central</b>	<b>220</b>	<b>864</b>	<b>1,624</b>	<b>(760)</b>
<b>Total Support Services</b>	<b>320,144</b>	<b>544,269</b>	<b>495,964</b>	<b>48,305</b>
Capital Outlay:				
Purchased Services	202,509	11,600,021	1,604,995	9,995,026
Capital Outlay - New	351,505	20,211,755	30,742,271	(10,530,516)
<b>Total Capital Outlay</b>	<b>554,014</b>	<b>31,811,776</b>	<b>32,347,266</b>	<b>(535,490)</b>
Debt Service:				
Principal Retirement	0	174,545	174,545	0
<b>Total Expenditures</b>	<b>1,045,111</b>	<b>34,101,869</b>	<b>34,039,339</b>	<b>62,530</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>175,744</i>	<i>(32,715,950)</i>	<i>(32,644,830)</i>	<i>71,120</i>
<b>Other Financing Sources (Uses)</b>				
Proceeds of Loan	0	800,000	800,000	0
Proceeds of Notes	1,500,000	1,785,717	1,785,717	0
Operating Transfers Out	0	(314,361)	(314,361)	0
<b>Total Other Financing Sources (Uses)</b>	<b>1,500,000</b>	<b>2,271,356</b>	<b>2,271,356</b>	<b>0</b>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<i>1,675,744</i>	<i>(30,444,594)</i>	<i>(30,373,474)</i>	<i>71,120</i>
<i>Fund Balances Beginning of Year</i>	<i>369,808</i>	<i>369,808</i>	<i>369,808</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>30,436,756</i>	<i>30,436,756</i>	<i>30,436,756</i>	<i>0</i>
<b>Fund Balances End of Year</b>	<b>\$32,482,308</b>	<b>\$361,970</b>	<b>\$433,090</b>	<b>\$71,120</b>



## *Enterprise Funds*

The Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

***Food Service Fund*** - This fund accounts for the financial transactions related to the food service operations of the School District.

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

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

**Avon Lake CSD**  
*Combining Balance Sheet*  
*All Enterprise Funds*  
*June 30, 2002*

	Food Service	Uniform School Supplies	Adult Education	Totals
<b>Assets</b>				
<i>Current Assets:</i>				
Equity in Pooled Cash and				
Cash Equivalents	\$91,946	\$69,235	\$1,700	\$162,881
Intergovernmental Receivable	7,468	0	0	7,468
Prepaid Items	1,421	0	0	1,421
Inventory Held for Resale	6,962	0	0	6,962
Materials and Supplies Inventory	15,712	0	0	15,712
<i>Total Current Assets</i>	123,509	69,235	1,700	194,444
<i>Non Current Assets</i>				
Fixed Assets (Net of				
Accumulated Depreciation)	602,100	2,090	0	604,190
<i>Total Assets</i>	<u>\$725,609</u>	<u>\$71,325</u>	<u>\$1,700</u>	<u>\$798,634</u>
<b>Liabilities</b>				
<i>Current Liabilities:</i>				
Accounts Payable	\$0	\$6,819	\$0	\$6,819
Accrued Wages and Benefits	14,708	0	0	14,708
Intergovernmental Payable	30,520	0	0	30,520
<i>Total Current Liabilities</i>	45,228	6,819	0	52,047
<i>Long-Term Liabilities</i>				
Compensated Absences Payable	26,999	0	0	26,999
<i>Total Liabilities</i>	<u>72,227</u>	<u>6,819</u>	<u>0</u>	<u>79,046</u>
<b>Fund Equity</b>				
Contributed Capital	368,619	0	0	368,619
Retained Earnings:				
Unreserved	284,763	64,506	1,700	350,969
<i>Total Fund Equity</i>	<u>653,382</u>	<u>64,506</u>	<u>1,700</u>	<u>719,588</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$725,609</u>	<u>\$71,325</u>	<u>\$1,700</u>	<u>\$798,634</u>

**Avon Lake City School District**  
*Combining Statement of Revenues,  
Expenses and Changes in Fund Equity  
All Enterprise Funds  
For the Fiscal Year Ended June 30, 2002*

	Food Service	Uniform School Supplies	Adult Education	Totals
<b>Operating Revenues</b>				
Tuition and Fees	\$0	\$0	\$1,080	\$1,080
Sales	487,016	137,066	0	624,082
<i>Total Operating Revenues</i>	487,016	137,066	1,080	625,162
<b>Operating Expenses</b>				
Salaries	282,461	0	0	282,461
Fringe Benefits	32,530	0	0	32,530
Purchased Services	5,586	552	62	6,200
Materials and Supplies	19,053	112,586	0	131,639
Cost of Sales	271,810	43,176	0	314,986
Depreciation	2,563	55	0	2,618
Other Operating Expense	1,049	0	0	1,049
<i>Total Operating Expenses</i>	615,052	156,369	62	771,483
<i>Operating Income (Loss)</i>	(128,036)	(19,303)	1,018	(146,321)
<b>Non-Operating Revenues (Expenses)</b>				
Federal Donated Commodities	43,953	0	0	43,953
Operating Grants	65,014	0	0	65,014
Contributions from Other Funds	509,051	0	0	509,051
Interest	6,501	0	0	6,501
Loss on the Disposal of Fixed Assets	(53,343)	0	0	(53,343)
<i>Total Non-Operating Revenues (Expenses)</i>	571,176	0	0	571,176
<i>Income (Loss) Before Operating Transfers</i>	443,140	(19,303)	1,018	424,855
Operating Transfers In	317	3,000	0	3,317
<i>Net Income (Loss)</i>	443,457	(16,303)	1,018	428,172
<i>Retained Earnings (Deficit)</i>				
<i>Beginning of Year</i>	(158,694)	80,809	682	(77,203)
<i>Retained Earnings End of Year</i>	284,763	64,506	1,700	350,969
<i>Contributed Capital Beginning and End of Year</i>				
	368,619	0	0	368,619
<i>Total Fund Equity End of Year</i>	\$653,382	\$64,506	\$1,700	\$719,588

**Avon Lake City School District**  
*Schedule of Revenues, Expenses and Changes in  
Fund Equity - Budget (Non-GAAP Basis) and Actual  
Food Service Fund  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Sales	\$435,573	\$435,556	\$487,016	\$51,460
Interest	6,501	6,501	6,501	0
Operating Grants	65,326	65,326	65,326	0
<i>Total Revenues</i>	<u>507,400</u>	<u>507,383</u>	<u>558,843</u>	<u>51,460</u>
<b>Expenses</b>				
Salaries:				
Food Service Operations	239,361	258,575	246,450	12,125
Fringe Benefits:				
Food Service Operations	60,622	65,488	60,135	5,353
Purchased Services:				
Food Service Operations	7,328	7,916	7,804	112
Materials and Supplies:				
Food Service Operations	220,947	238,683	256,424	(17,741)
Other:				
Food Service Operations	1,111	1,200	1,049	151
<i>Total Expenses</i>	<u>529,369</u>	<u>571,862</u>	<u>571,862</u>	<u>0</u>
<i>Excess of Revenues Under Expenses</i>	(21,969)	(64,479)	(13,019)	51,460
Operating Transfers In	300	317	317	0
<i>Excess of Revenues Under Expenses and Operating Transfers</i>	(21,669)	(64,162)	(12,702)	51,460
<i>Fund Equity Beginning of Year</i>	99,794	99,794	99,794	0
Prior Year Encumbrances Appropriated	1,800	1,800	1,800	0
<i>Fund Equity End of Year</i>	<u>\$79,925</u>	<u>\$37,432</u>	<u>\$88,892</u>	<u>\$51,460</u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenses and Changes in  
Fund Equity - Budget (Non-GAAP Basis) and Actual  
Uniform School Supplies Fund  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Sales	\$48,800	\$94,229	\$137,066	\$42,837
<b>Expenses</b>				
Purchased Services:				
Regular/Special Instruction	1,131	3,225	552	2,673
Materials and Supplies:				
Regular/Special Instruction	53,516	152,585	151,615	970
<i>Total Expenses</i>	<u>54,647</u>	<u>155,810</u>	<u>152,167</u>	<u>3,643</u>
<i>Excess of Revenues Under Expenses</i>	(5,847)	(61,581)	(15,101)	46,480
Operating Transfers In	<u>2,000</u>	<u>3,198</u>	<u>3,000</u>	<u>(198)</u>
<i>Excess of Revenues Under Expenses and Operating Transfers</i>	(3,847)	(58,383)	(12,101)	46,282
<i>Fund Equity Beginning of Year</i>	45,828	45,828	45,828	0
Prior Year Encumbrances Appropriated	<u>21,415</u>	<u>21,415</u>	<u>21,415</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$63,396</u></u>	<u><u>\$8,860</u></u>	<u><u>\$55,142</u></u>	<u><u>\$46,282</u></u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenses and Changes in  
Fund Equity - Budget (Non-GAAP Basis) and Actual  
Adult Education Fund  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Tuition and Fees	\$660	\$660	\$1,080	\$420
<b>Expenses</b>				
Purchased Services:				
Adult/Continuing Instruction	<u>62</u>	<u>92</u>	<u>62</u>	<u>30</u>
<i>Excess of Revenues Over Expenses</i>	598	568	1,018	450
<i>Fund Equity Beginning of Year</i>	652	652	652	0
Prior Year Encumbrances Appropriated	<u>30</u>	<u>30</u>	<u>30</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$1,280</u></u>	<u><u>\$1,250</u></u>	<u><u>\$1,700</u></u>	<u><u>\$450</u></u>

**Avon Lake City School District**  
*Schedule of Revenues, Expenses and Changes in  
Fund Equity - Budget (Non-GAAP Basis) and Actual  
All Enterprise Funds  
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Tuition and Fees	\$660	\$660	\$1,080	\$420
Sales	484,373	529,785	624,082	94,297
Interest	6,501	6,501	6,501	0
Operating Grants	65,326	65,326	65,326	0
<i>Total Revenues</i>	<u>556,860</u>	<u>602,272</u>	<u>696,989</u>	<u>94,717</u>
<b>Expenses</b>				
Salaries:				
Food Service Operations	239,361	258,575	246,450	12,125
Fringe Benefits:				
Food Service Operations	60,622	65,488	60,135	5,353
Purchased Services:				
Reg/Special Instruction	1,131	3,225	552	2,673
Food Service Operations	7,328	7,916	7,804	112
Adult/Continuing Instruction	62	92	62	30
Total Purchased Services	<u>8,521</u>	<u>11,233</u>	<u>8,418</u>	<u>2,815</u>
Materials and Supplies:				
Regular/Special Instruction	53,516	152,585	151,615	970
Food Service Operations	220,947	238,683	256,424	(17,741)
Total Materials and Supplies	<u>274,463</u>	<u>391,268</u>	<u>408,039</u>	<u>(16,771)</u>
Other:				
Food Service Operations	1,111	1,200	1,049	151
<i>Total Expenses</i>	<u>584,078</u>	<u>727,764</u>	<u>724,091</u>	<u>3,673</u>
<i>Excess of Revenues Under Expenses</i>	(27,218)	(125,492)	(27,102)	98,390
Operating Transfers In	2,300	3,515	3,317	(198)
<i>Excess of Revenues Under Expenses and Operating Transfers</i>	(24,918)	(121,977)	(23,785)	98,192
<i>Fund Equity Beginning of Year</i>	146,274	146,274	146,274	0
Prior Year Encumbrances Appropriated	23,245	23,245	23,245	0
<i>Fund Equity End of Year</i>	<u>\$144,601</u>	<u>\$47,542</u>	<u>\$145,734</u>	<u>\$98,192</u>

**Avon Lake City School District**  
*Combining Statement of Cash Flows*  
*All Enterprise Funds*  
*For the Fiscal Year Ended June 30, 2002*

	Food Service	Uniform School Supplies	Adult Education	Totals
<b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>				
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$487,016	\$137,066	\$0	\$624,082
Cash Received from Tuition Payments	0	0	1,080	1,080
Cash Payments to Suppliers for Goods and Services	(261,264)	(138,074)	(62)	(399,400)
Cash Payments to Employees for Services	(246,450)	0	0	(246,450)
Cash Payments for Employee Benefits	(60,045)	0	0	(60,045)
Cash Payments for Other	(1,049)	0	0	(1,049)
<i>Net Cash Provided by (Used for) Operating Activities</i>	(81,792)	(1,008)	1,018	(81,782)
<b>Cash Flows from Noncapital Financing Activities</b>				
Operating Grants Received	65,326	0	0	65,326
Operating Transfers In	317	3,000	0	3,317
<i>Net Cash Provided by Noncapital Financing Activities</i>	65,643	3,000	0	68,643
<b>Cash Flows from Investing Activities</b>				
Interest	6,501	0	0	6,501
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(9,648)	1,992	1,018	(6,638)
<i>Cash and Cash Equivalents Beginning of Year</i>	101,594	67,243	682	169,519
<i>Cash and Cash Equivalents End of Year</i>	\$91,946	\$69,235	\$1,700	\$162,881
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>				
<i>Operating Income (Loss)</i>	(\$128,036)	(\$19,303)	\$1,018	(\$146,321)
Adjustments:				
Donated Commodities Used During Year	36,991	0	0	36,991
Depreciation	2,563	55	0	2,618
(Increase) Decrease in Assets:				
Prepaid Items	(111)	0	0	(111)
Materials and Supplies Inventory	(1,768)	12,015	0	10,247
Increase (Decrease) in Liabilities:				
Accounts Payable	(39)	6,225	0	6,186
Accrued Wages and Benefits	4,521	0	0	4,521
Compensated Absences Payable	1,388	0	0	1,388
Intergovernmental Payable	2,699	0	0	2,699
<i>Total Adjustments</i>	46,244	18,295	0	64,539
<i>Net Cash Provided by (Used for) Operating Activities</i>	(\$81,792)	(\$1,008)	\$1,018	(\$81,782)

**Non-Cash Activity:**

The School District received \$43,953 in donated commodities and \$509,051 in contributions from other funds during fiscal year 2002.



### ***Fiduciary Funds***

Fiduciary Funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and other funds. These include expendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

### ***Expendable Trust Fund***

***Special Trust Fund*** - This fund accounts for assets held by the School District in a trustee capacity for individuals, private organizations or other governments.

### ***Agency Funds***

***Student Managed Activities Fund*** - This fund accounts for purchased of supplies on behalf of those student activity programs which have student participation in the activity and have student involvement in the management of the program.

***Staff Services Fund*** - This fund accounts for purchased of supplies and equipment on behalf of employees of the School District.

**Avon Lake City School District**

*Combining Balance Sheet*

*All Fiduciary Funds*

*June 30, 2002*

	Expendable Trust	Agency	Totals
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	<u>\$4,176</u>	<u>\$119,294</u>	<u>\$123,470</u>
<b>Liabilities</b>			
Accounts Payable	\$0	\$95	\$95
Undistributed Monies	0	2,952	2,952
Due to Students	<u>0</u>	<u>116,247</u>	<u>116,247</u>
<i>Total Liabilities</i>	0	119,294	119,294
<b>Fund Equity</b>			
Unreserved, Undesignated	<u>4,176</u>	<u>0</u>	<u>4,176</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$4,176</u>	<u>\$119,294</u>	<u>\$123,470</u>

**Avon Lake City School District**  
*Combining Statement of Changes in Assets and Liabilities*  
*All Agency Funds*  
*For the Fiscal Year Ended June 30, 2002*

	Beginning Balance 6/30/01	Additions	Reductions	Ending Balance 6/30/02
<b>Student Managed Activities</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$107,434	\$257,739	\$248,831	\$116,342
<b>Liabilities</b>				
Accounts Payable	\$663	\$95	\$663	\$95
Due to Students	106,771	245,480	236,004	116,247
<i>Total Liabilities</i>	\$107,434	\$245,575	\$236,667	\$116,342
<b>Staff Services</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$3,613	\$2,661	\$3,322	\$2,952
<b>Liabilities</b>				
Accounts Payable	\$42	\$0	\$42	\$0
Undistributed Monies	3,571	2,699	3,318	2,952
<i>Total Liabilities</i>	\$3,613	\$2,699	\$3,360	\$2,952
<b>All Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$111,047	\$260,400	\$252,153	\$119,294
<b>Liabilities</b>				
Accounts Payable	\$705	\$95	\$705	\$95
Undistributed Monies	3,571	2,699	3,318	2,952
Due to Students	106,771	245,480	236,004	116,247
<i>Total Liabilities</i>	\$111,047	\$248,274	\$240,027	\$119,294

### *General Fixed Assets Account Group*

The general fixed assets account group is used to account for all land and improvements, buildings, furniture and equipment, vehicles, textbooks and library books and construction in progress not used in the operations of the proprietary funds.

**Avon Lake City School District**

*Schedule of General Fixed Assets*

*By Source*

*June 30, 2002*

*General Fixed Assets:*

Land and Improvements	\$816,033
Buildings	15,948,073
Furniture and Equipment	6,672,379
Vehicles	1,219,755
Textbooks and Library Books	1,601,891
Construction in Progress	<u>21,707,114</u>
	<u><u>\$47,965,245</u></u>

*Investments in General Fixed Assets From  
Acquisitions Since July 1, 1988:*

General Fund and General Fund Transfers	\$31,515,412
State and Federal Grants	<u>56,905</u>
	31,572,317
Acquisitions Prior to June 30, 1988	<u>16,392,928</u>
<i>Total Investment in General Fixed Assets</i>	<u><u>\$47,965,245</u></u>

**Avon Lake City School District**  
*Schedule of Changes in General Fixed Assets*  
*By Function*  
*For the Fiscal Year Ended June 30, 2002*

Function	General Fixed Assets 06/30/01	Additions	Deletions	General Fixed Assets 6/30/02
Instruction	\$16,416,304	\$1,582,303	(\$94,377)	\$17,904,230
Support Services:				
Pupils	74,989	9,754	(3,981)	80,762
Instructional Staff	1,054,136	39,989	(8,866)	1,085,259
Administration	189,607	3,196	(15,083)	177,720
Fiscal	47,850	3,028	(3,984)	46,894
Business	1,378	0	0	1,378
Operation and Maintenance of Plant	542,780	11,744	(2,887)	551,637
Pupil Transportation	1,414,447	266,535	(119,654)	1,561,328
Operation of Non-Instructional Services	151,912	10,380	(12,342)	149,950
Extracurricular Activities	58,465	6,129	0	64,594
Facilities Acquisition and Construction Services	4,569,255	65,124	0	4,634,379
Construction in Progress	<u>10,673,699</u>	<u>11,033,415</u>	<u>0</u>	<u>21,707,114</u>
Total General Fixed Assets	<u>\$35,194,822</u>	<u>\$13,031,597</u>	<u>(\$261,174)</u>	<u>\$47,965,245</u>

**Avon Lake City School District**  
*Schedule of General Fixed Assets*  
*By Function and Type*  
*June 30, 2002*

Function	Total	Land and Improvements	Buildings	Furniture and Equipment	Vehicles	Textbooks and Library Books
Instruction	\$17,904,230	\$543,985	\$12,109,994	\$4,643,505	\$0	\$606,746
Support Services:						
Pupils	80,762	0	0	78,209	0	2,553
Instructional Staff	1,085,259	0	0	92,667	0	992,592
Administration	177,720	0	0	177,720	0	0
Fiscal	46,894	0	0	46,894	0	0
Business	1,378	0	0	1,378	0	0
Operation and Maintenance of Plant	551,637	0	216,161	280,623	54,853	0
Pupil Transportation	1,561,328	0	123,788	293,302	1,144,238	0
Operation of Non-Instructional Services	149,950	0	87,921	62,029	0	0
Extracurricular Activities	64,594	2,832	0	41,098	20,664	0
Facilities Acquisition and Construction Services	4,634,379	269,216	3,410,209	954,954	0	0
Total	26,258,131	\$816,033	\$15,948,073	\$6,672,379	\$1,219,755	\$1,601,891
Construction in Progress	21,707,114					
Total General Fixed Assets	\$47,965,245					

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**Avon Lake City School District**  
*General Fund Expenditures by Function*  
*Last Ten Fiscal Years*

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Current:										
Instruction:										
Regular	\$11,711,694	\$11,045,523	\$10,420,650	\$9,733,316	\$9,501,146	\$9,017,623	\$8,965,145	\$8,388,986	\$7,668,443	\$6,719,378
Special	1,321,832	1,575,253	1,443,861	1,168,753	1,076,002	875,483	867,875	952,528	767,464	664,969
Vocational	177,076	191,316	177,010	143,794	134,168	130,345	125,976	112,860	105,714	56,061
Other	0	0	0	0	0	99,601	158,798	60,672	36,409	119,593
Support Services										
Pupils	1,087,711	1,115,029	1,005,906	983,075	941,077	778,467	772,524	692,396	685,511	637,424
Instructional Staff	1,357,218	1,165,923	920,043	800,467	801,111	734,898	704,616	704,771	587,647	638,752
Board of Education	14,203	38,207	334,084	251,372	284,936	240,762	169,656	126,097	166,437	162,571
Administration	2,450,716	2,480,528	1,981,966	1,684,343	1,730,171	1,488,630	1,429,355	1,288,794	1,240,211	1,302,296
Fiscal	639,722	578,080	518,842	502,699	480,054	454,284	450,189	429,404	431,720	374,884
Business	66,560	62,840	88,365	89,847	66,341	49,108	44,247	43,277	64,927	67,776
Operation and Maintenance of Plant	2,914,613	2,513,142	2,038,514	1,906,088	1,897,775	1,988,334	1,950,536	1,843,260	1,692,571	1,662,412
Pupil Transportation	842,024	785,314	779,798	675,721	691,100	717,771	573,253	491,164	488,077	433,413
Central	21,947	50,437	0	0	189	850	2,018	7,384	7,270	8,515
Operation of Non-Instructional Services	0	0	454	2,026	826	259	0	0	736	0
Extracurricular Activities	588,948	560,911	365,524	353,830	328,864	305,228	295,717	276,300	233,195	223,309
Capital Outlay	928,811	758,453	0	0	0	0	0	0	0	0
Debt Service	140,896	0	0	79,624	68,891	85,900	108,400	0	10,562	51,242
<b>Total</b>	<b>\$24,263,971</b>	<b>\$22,920,956</b>	<b>\$20,075,017</b>	<b>\$18,374,955</b>	<b>\$18,002,651</b>	<b>\$16,967,543</b>	<b>\$16,620,305</b>	<b>\$15,417,893</b>	<b>\$14,186,894</b>	<b>\$13,122,595</b>

Source: School District Financial Records

**Avon Lake City School District**  
*General Fund Revenues by Source*  
*Last Ten Fiscal Years*

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Taxes	\$19,985,115	\$17,840,415	\$17,874,806	\$16,580,423	\$17,208,664	\$15,073,363	\$13,390,746	\$12,755,058	\$13,584,077	\$12,603,364
Intergovernmental	4,673,595	2,834,731	2,704,578	2,463,033	2,533,899	2,134,049	2,003,493	1,907,190	1,890,466	1,866,434
Interest	582,665	1,412,294	591,833	573,104	470,030	459,232	466,185	317,623	195,317	128,285
Tuition and Fees	137,356	178,074	75,037	22,185	4,845	1,570	6,623	2,746	209	4,015
Extracurricular Activities	0	0	0	0	0	0	0	0	0	12,508
Donations	4,482	33,918	10	0	0	0	47,361	0	7,610	9,963
Charges for Services	0	0	0	0	0	4,097	32	4,054	445	4,449
Rentals	7,303	5,922	9,582	6,314	7,918	5,595	4,345	71,258	91,885	91,194
Miscellaneous	16,708	13,377	5,818	4,760	116,482	0	593	1,083	618	941
<b>Total</b>	<b>\$25,407,224</b>	<b>\$22,318,731</b>	<b>\$21,261,664</b>	<b>\$19,649,819</b>	<b>\$20,341,838</b>	<b>\$17,677,906</b>	<b>\$15,919,378</b>	<b>\$15,059,012</b>	<b>\$15,770,627</b>	<b>\$14,721,153</b>

Source: School District Financial Records

**Avon Lake City School District**  
*Property Tax Levies and Collections*  
*Last Ten Years*

Year	Current Tax Levy (1)	Current Tax Collections (1)	Percent Collected	Delinquent Tax Collection	Total Tax Collection	Percent of Total		Outstanding Delinquent Taxes (2)	Percent of Outstanding Delinquent Taxes To Current Tax Levy
						Collections To Current Tax Levies	Collections To Current Tax Levies		
2001	\$20,308,622	\$20,104,185	98.99%	\$180,557	\$20,284,742	99.88%		\$278,567	1.37%
2000	18,396,971	18,217,508	99.02	146,642	18,364,150	99.82		248,453	1.35
1999	15,320,145	15,193,124	99.17	163,710	15,356,834	100.24		182,242	1.19
1998	15,321,549	15,177,360	99.06	110,063	15,287,423	99.78		181,537	1.18
1997	14,972,306	14,856,181	99.22	131,575	14,987,756	100.10		139,709	0.93
1996	13,406,720	13,590,249	101.37	285,652	13,875,901	103.50		124,759	0.93
1995	12,810,239	12,685,229	99.02	119,613	12,804,842	99.96		290,597	2.27
1994	12,273,302	12,421,928	101.21	240,839	12,662,767	103.17		136,699	1.11
1993	12,298,619	12,163,344	98.90	78,745	12,242,089	99.54		258,631	2.10
1992	9,784,379	9,688,278	99.02	68,063	9,756,341	99.71		163,219	1.67

Source: Lorain County, Ohio; 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) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

**Avon Lake City School District**  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Years

Year	Agriculture, Residential and Other Real Estate		Public Utility Property		Tangible Personal Property		Total		Ratio
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	
2002	\$496,622,850	\$1,418,922,429	\$90,597,440	\$102,951,636	\$73,893,390	\$295,573,560	\$661,113,680	\$1,817,447,625	36%
2001	477,312,060	1,363,748,743	119,221,210	135,478,648	74,240,490	296,961,960	670,773,760	1,796,189,351	37
2000	409,716,690	1,170,619,114	102,252,710	116,196,261	77,626,205	310,504,820	589,595,605	1,597,320,195	37
1999	396,077,135	1,131,648,957	89,551,480	101,763,045	73,246,003	292,984,012	558,874,618	1,526,396,014	37
1998	379,164,090	1,083,325,971	94,906,220	107,847,977	63,205,045	252,820,180	537,275,355	1,443,994,128	37
1997	338,117,080	966,048,800	95,204,230	108,186,625	57,582,400	230,329,600	490,903,710	1,304,565,025	38
1996	329,046,290	940,132,257	94,160,740	107,000,841	56,089,805	224,359,220	479,296,835	1,271,492,318	38
1995	320,859,670	916,741,914	86,832,890	98,673,739	61,390,491	245,561,964	469,083,051	1,260,977,617	37
1994	271,566,780	775,905,086	88,332,100	100,377,386	64,741,939	258,967,756	424,640,819	1,135,250,228	37
1993	263,693,451	753,409,860	86,667,170	98,485,420	60,888,869	243,555,476	411,249,490	1,095,450,756	38

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 on the following percentages:

Real estate is assessed at 35 percent of actual value;

Public utility personal is assessed at 88 percent of actual value, and

Tangible personal property is assessed at 25 percent of actual value.

**Avon Lake City School District**

*Property Tax Rates - Direct and Overlapping Governments  
(Per \$1,000 of Assessed Valuation)  
Last Ten Years*

Year	School Levy	Library	County Levy	JVS Levy	City Levy	Total Levy	Debt Service Included in Total Levy			
							School (1)	County (2)	City	Total
2002	\$61.14	\$1.80	\$12.89	\$2.45	\$7.24	\$85.52	\$5.15	\$0.00	\$0.00	\$5.15
2001	55.94	1.80	10.79	2.45	7.24	78.22	5.18	0.00	0.00	5.18
2000	56.54	1.80	10.79	2.45	7.24	78.82	5.78	0.00	0.00	5.78
1999	56.63	1.80	12.69	2.45	7.24	80.81	5.87	0.00	0.00	5.87
1998	53.87	1.80	12.69	2.45	7.24	78.05	1.25	0.00	0.00	1.25
1997	53.87	1.80	12.69	2.45	7.24	78.05	1.25	0.00	0.00	1.25
1996	49.97	0.98	12.69	2.45	7.24	73.33	2.13	0.00	0.00	2.13
1995	48.99	0.98	11.49	2.45	7.24	71.15	1.63	0.00	0.00	1.63
1994	48.49	0.98	11.49	2.45	7.24	70.65	1.63	0.00	0.00	1.63
1993	47.66	0.98	11.39	2.45	7.24	69.72	0.80	0.00	0.00	0.80

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.

(2) Lorain County does not have voted millage for debt service.

**Avon Lake City School District**

*Ratio of Net General Obligation Bonded Debt to Assessed Value  
and Net General Obligation Bonded Debt Per Capita  
Last Ten Years*

Year	Gross General Bonded Debt	Debt Service Monies Available	Net General Obligation Bonded		Assessed Value (2)	Population (3)	Ratio of Net Debt to Assessed Value		Net Debt Per Capita
			Debt (1)				Assessed Value	%	
2002	\$48,629,052	\$2,480,271	\$46,148,781		\$661,113,680	18,145	6.98 %		\$2,543
2001	49,648,295	2,436,179	47,212,116		670,773,760	18,145	7.04		2,602
2000	50,135,432	2,475,278	47,660,154		589,592,105	17,171	8.08		2,776
1999	7,020,000	2,410,455	4,609,545		558,874,513	16,570	0.82		278
1998	7,595,000	2,759,502	4,835,498		537,275,355	16,570	0.90		292
1997	6,584,555	2,887,354	3,697,201		490,903,710	16,570	0.75		223
1996	6,925,893	2,617,417	4,308,476		479,296,835	16,570	0.90		260
1995	7,225,637	2,174,974	5,050,663		469,083,051	16,570	1.08		305
1994	5,507,569	1,896,259	3,611,310		424,640,819	16,156	0.85		224
1993	5,657,198	1,739,811	3,917,387		411,249,219	15,066	0.95		260

Source:

(1) Includes all general obligation bonded debt.

(2) Source: Lorain County, Ohio; County Auditor

(3) Source: U.S. Bureau of Census, Census of Population, Federal 1990 Census.  
Lorain County Regional Planning Commission.

**Avon Lake City School District**  
*Computation of Direct and Overlapping General Obligation Bonded Debt*  
*December 31, 2001*

Jurisdiction	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
<b>Direct</b>			
Avon Lake City School District	\$48,629,052	100.00%	\$48,629,052
<b>Overlapping</b>			
Lorain County	6,540,000	3.65	238,710
City of Avon Lake	9,590,469	100.00	9,590,469
<i>Total Overlapping</i>	16,130,469		9,829,179
<b>Total</b>	<u>\$64,759,521</u>		<u>\$58,458,231</u>

Source: Lorain County Auditor, Avon Lake City School District and City of Avon Lake Finance Department

(1) Percentages were determined 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. The valuations used were for the 2001 collection year.

**Avon Lake City School District**  
*Computation of Legal Debt Margin*  
*June 30, 2002*

Assessed Valuation	\$661,113,680
Debt Limit - 9% of Assessed Value (1)	\$59,500,231
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonds	45,810,000
Capital Appreciation Bonds	2,819,052
Less: Amount Available in Debt Service	(2,480,271)
Net Bonded Debt	46,148,781
Overall Debt Margin	\$13,351,450
Debt Limit - .10% of Assessed Value	\$661,114
Amount of Debt Applicable	0
Unvoted Debt Margin	\$661,114
Additional Limit for Unvoted Energy Conservation Bonds:	
Debt Limit - .9% of Assessed Valuation	\$5,950,023
Energy Conservation Bonds	735,000
Additional Unvoted Debt Margin	\$5,215,023

Source: Lorain County Auditor and School District Financial Records

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



**Avon Lake City School District**  
 Ratio of Annual Debt Service Expenditures For  
 General Obligation Bonded Debt to General Fund Expenditures  
 Last Ten Fiscal Years

Year	Principal	Interest (1)	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (Percentage)
2002	\$1,160,000	\$2,581,333	\$ 3,741,333	\$24,263,971	15.42%
2001	615,000	2,591,581	3,206,581	22,920,955	13.99
2000	585,000	1,958,028	2,543,028	20,075,017	12.67
1999	575,000	409,831	984,831	18,374,955	5.36
1998	1,184,555	455,020	1,639,575	18,002,651	9.11
1997	341,338	428,543	769,881	16,967,543	4.54
1996	299,744	442,046	741,790	16,620,305	4.46
1995	281,932	336,114	618,046	15,417,893	4.01
1994	149,629	400,831	550,460	14,186,894	3.88
1993	302,802	140,546	443,348	13,122,595	3.38

Source: School District Financial Records

(1) Includes fiscal charges

**Avon Lake City School District**  
*Demographic Statistics*  
*Last Ten Years*

Year	Population (1)	Per Capita Income (3)	Median Age (1)	Education Level in Years of Formal Schooling (1)	School Enrollment	Unemployment Rate (2)
2002	18,145	\$32,336	38	13.5	3,302	4.1%
2001	18,145	20,406	35	13.5	3,257	4.1
2000	17,171	20,406	35	13.5	3,081	4.1
1999	16,570	20,406	35	13.5	3,017	3.8
1998	16,570	20,406	35	13.5	3,058	4.4
1997	16,570	20,406	35	13.5	3,064	6.9
1996	16,570	20,406	35	13.5	2,997	4.4
1995	16,570	20,406	35	13.5	2,980	4.9
1994	16,156	20,406	35	13.5	2,919	4.5
1993	15,066	20,406	35	13.5	2,866	10.1

(1) Bureau of Census/Lorain County Regional Planning Commission

(2) State Department of Labor figures for Lorain County

(3) Ohio Department of Taxation

**Avon Lake City School District**  
*Industrial Employment,  
 Financial Institution Deposits and Building Permits  
 Last Ten Years*

Year	Industrial Employment	Financial Institution Deposits (1)	Value of Building Permits Issued (2)
2001	7,300	\$555,591,000	\$68,487,424
2000	7,300	513,002,000	73,644,362
1999	7,300	463,871,000	49,976,735
1998	7,300	444,974,000	39,797,585
1997	7,300	920,050,000 (3)	39,422,199
1996	7,300	1,329,795,000	44,956,627
1995	7,300	1,237,991,000	46,141,844
1994	7,300	1,254,166,000	35,493,678
1993	7,300	1,170,558,000	35,126,902
1992	5,420	1,126,173,000	31,524,300

Source:

1 Bank - Cleveland Federal Reserve Bank.

2 City of Avon Lake, Building Department.  
 Data are presented on a calendar year basis  
 because that is the manner in which the  
 information is maintained by the City and Banks.

3 Large decrease due to only one commercial  
 bank headquartered in Lorain county instead  
 of two as in previous years.

**Avon Lake City School District**  
*Principal Taxpayers*  
*Real Estate Tax*  
*December 31, 2001*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Ford Motor Company	\$12,073,570	2.43%
Geon Company	3,889,810	0.78
KOPF Properties LTD.	2,382,460	0.48
Learwood Square Co. LLC	1,763,050	0.36
Towne Center Apartments	1,621,630	0.33
PMD Group Inc	1,561,610	0.31
Sweetbriar Management Co.	1,298,690	0.26
Landings Shop & Offices	1,281,320	0.26
Avon Lake Associates	1,208,180	0.24
Riser Foods	<u>1,221,790</u>	<u>0.25</u>
Total	<u>\$28,302,110</u>	<u>5.70%</u>
Total School District Assessed Valuation	<u>\$496,622,850</u>	

Source: Lorain County Auditor

(1) Assessed values are for the 2002 collection year.

**Avon Lake City School District**  
*Principal Taxpayers*  
*Tangible Personal Property Tax*  
*December 31, 2001*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Ford Motor Company	\$22,959,440	31.07%
Giddden Company	1,860,090	2.52
BF Goodrich Company	1,657,750	2.24
Scott Fetzer Company	1,237,760	1.68
Riser Foods Company	1,208,720	1.64
Ed Tomko Chrysler	1,152,490	1.56
Tops Marker LLC	1,017,430	1.38
Ibm Credit Corporation	1,062,080	1.44
Lesco Inc	713,560	0.97
Polymer Diagnostics	668,500	0.90
<b>Total</b>	<u>\$33,537,820</u>	<u>45.40%</u>
<b>Total School District Assessed Valuation</b>	<u>\$73,893,390</u>	

Source: Lorain County Auditor

(1) Assessed values are for the 2002 collection year.

**Avon Lake City School District**

*Principal Taxpayers*

*Public Utilities Tax*

*December 31, 2001*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Orion Power Midwest LP	\$74,323,470	82.04%
Cleveland Electric	10,963,040	12.10
American Transmission Systems Inc	<u>5,310,930</u>	<u>5.86</u>
Total	<u>\$90,597,440</u>	<u>100.00%</u>
Total School District Assessed Valuation	<u>\$90,597,440</u>	

Source: Lorain County Auditor

(1) Assessed values are for the 2002 collection year.

**Avon Lake City School District**  
*Per Pupil Cost*  
*Last Ten Fiscal Years*

Year	General Fund Expenditures	Average Daily Student Enrollment	Per Pupil Cost
2002	\$24,263,971	3,302	\$7,348
2001	22,920,956	3,257	7,037
2000	20,075,017	3,081	6,516
1999	18,374,955	3,017	6,090
1998	18,002,651	3,058	5,887
1997	16,967,543	3,064	5,538
1996	16,620,305	2,997	5,546
1995	15,417,893	2,980	5,174
1994	14,186,894	2,919	4,860
1993	13,122,595	2,866	4,579

Source: School District Financial Records.

**Avon Lake City School District**  
*Teacher Education and Experience*  
 June 30, 2002

Degree	Number of Teachers	Percentage of Total
Bachelor's Degree	24	11.27%
Bachelor + 10	16	7.51
Bachelor + 20	27	12.68
Master's Degree	64	30.05
Master's + 10	47	22.07
Master's + 20	12	5.63
Master's + 30	23	10.80
Total	<u>213</u>	<u>100.00%</u>

Years of Experience	Number of Teachers	Percentage of Total
0 - 5	40	18.78%
6 - 10	47	22.07
11 and Over	126	59.15
	<u>213</u>	<u>100.00%</u>

Source: School District Personnel Records



**Avon Lake City School District**  
Average ACT Scores  
Last Ten Fiscal Years

	Avon Lake		State of Ohio		National	
	Avon Lake	State of Ohio	Avon Lake	State of Ohio	Avon Lake	National
<u>English:</u>						
2001-2002	21.8	20.6	20.2	21.5	20.8	20.8
2000-2001	21.6	20.7	20.5	21.5	21.0	21.0
1999-2000	21.8	20.7	20.5	21.4	21.0	21.0
1998-1999	21.6	20.8	20.5	21.4	21.0	21.0
1997-1998	22.0	20.7	20.4	21.5	21.1	21.1
1996-1997	21.7	20.6	20.3	21.4	21.0	21.0
1995-1996	21.7	20.8	20.2	21.5	21.1	21.1
1994-1995	21.5	20.8	20.3	21.3	21.0	21.0
1993-1994	21.6	20.7	20.3	21.3	20.9	20.9
1992-1993	21.2	20.6	20.2	21.1	20.8	20.8

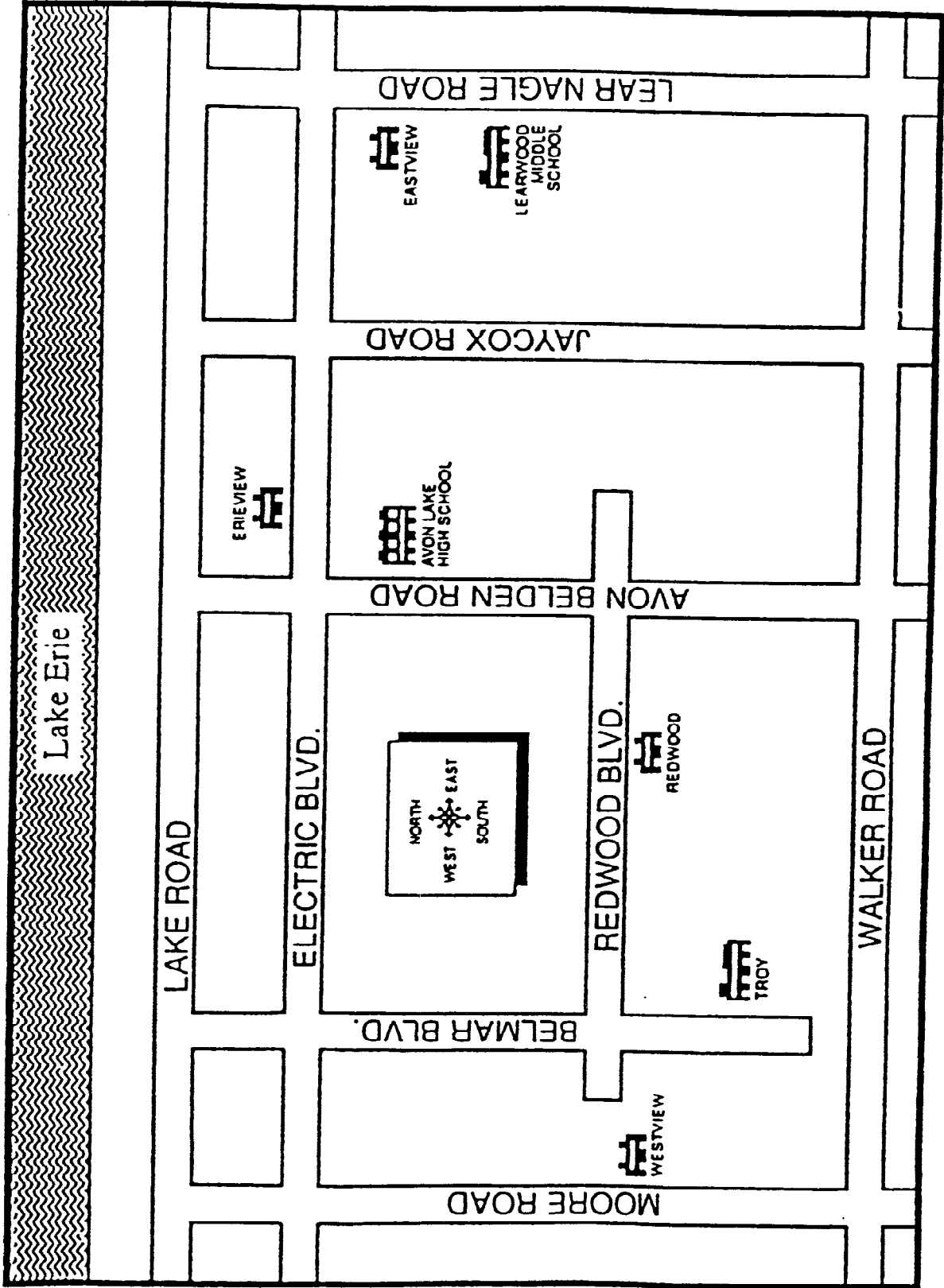
	Avon Lake		State of Ohio		National	
	Avon Lake	State of Ohio	Avon Lake	State of Ohio	Avon Lake	National
<u>Math:</u>						
2001-2002	23.3	21.2	20.6	21.4	20.8	20.8
2000-2001	22.3	21.1	20.7	21.4	21.0	21.0
1999-2000	22.7	21.2	20.7	21.4	21.0	21.0
1998-1999	22.3	21.1	20.7	21.4	21.0	21.0
1997-1998	22.5	21.2	20.8	21.4	21.0	21.0
1996-1997	22.0	21.0	20.6	21.3	21.0	21.0
1995-1996	21.9	20.7	20.2	21.3	20.9	20.9
1994-1995	21.8	20.6	20.2	21.2	20.8	20.8
1993-1994	22.2	20.5	20.2	21.2	20.8	20.8
1992-1993	20.7	20.3	20.1	21.0	20.7	20.7

	Avon Lake		State of Ohio		National	
	Avon Lake	State of Ohio	Avon Lake	State of Ohio	Avon Lake	National
<u>Reading:</u>						
2001-2002	23.4	21.8	21.1	21.4	21.0	21.0
2000-2001	22.4	21.8	21.3	21.3	20.9	20.9
1999-2000	23.0	21.9	21.4	21.2	20.8	20.8
1998-1999	22.3	21.9	21.4	21.2	20.8	20.8
1997-1998	23.1	21.8	21.4	21.2	20.8	20.8
1996-1997	22.0	21.8	21.3	21.2	20.8	20.8
1995-1996	22.1	21.9	21.3	21.2	20.8	20.8
1994-1995	22.5	21.7	21.3	21.2	20.8	20.8
1993-1994	22.3	21.8	21.2	21.2	20.8	20.8
1992-1993	21.8	21.6	21.2	21.0	20.7	20.7

Source: American College Testing Program



# Map of Avon Lake City Schools





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**AVON LAKE CITY SCHOOL DISTRICT**

**LORAIN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 12, 2002**