



OHIO AUDITOR OF STATE  
**KEITH FABER**





AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

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**AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY**

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

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> <b>Program / Cluster Title</b>	<b>Federal AL Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b> <i>Passed Through Ohio Department of Education and Workforce (DEW)</i>		
Child Nutrition Cluster:		
National School Lunch Program - Commodities	10.555	\$ 96,303
National School Lunch Program	10.555	306,289
COVID-19 Nutrition Supply Chain - National School Lunch Program	10.555	100,018
Total Child Nutrition Cluster		<u>502,610</u>
<b>Total U.S. Department of Agriculture</b>		<u>502,610</u>
<b>U.S. DEPARTMENT OF EDUCATION</b> <i>Passed Through Ohio Department of Education and Workforce (DEW)</i>		
Title I, Grants to Local Educational Agencies	84.010A	125,287
Title II-A, Supporting Effective Instruction State Grants	84.367A	50,671
Title IV-A Student Support and Academic Enrichment	84.424A	703
Special Education Cluster:		
Special Education Part B Grants	84.027A	796,099
Special Education Preschool Grant	84.173A	20,298
Total Special Education Cluster		<u>816,397</u>
ESSER Fund		
COVID-19 ESSER II	84.425D	132,051
COVID-19 ARP ESSER	84.425U	601,380
COVID-19 ARP ESSER State Activity Supplement	84.425U	622,467
Total ESSER Funds		<u>1,355,898</u>
<b>Total U.S. Department of Education</b>		<u>2,348,956</u>
<b>U.S. DEPARTMENT OF TREASURY</b> <i>Passed Through Ohio School Facilities Commission</i>		
COVID-19 Ohio K-12 School Safety Grant through SLFRF	21.027	170,325
<b>Total U.S. Department of Treasury</b>		<u>170,325</u>
<b>Total Expenditures of Federal Awards</b>		<b><u>\$ 3,021,891</u></b>

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

**AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

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

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C – INDIRECT COST RATE**

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

**NOTE D - CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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

**NOTE F - MATCHING REQUIREMENTS**

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

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

**NOTE G - TRANSFERS BETWEEN PROGRAM YEARS**

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

<u>Program Title</u>	<u>Assistance Listing Number</u>	<u>Amount Transferred</u>
Title II-A, Supporting Effective Instruction State Grants	84.367A	\$ 9,056

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# OHIO AUDITOR OF STATE KEITH FABER



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

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

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Avon Lake City School District, Lorain County, (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 28, 2025.

### ***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Avon Lake City School District  
Lorain County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

February 28, 2025



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

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

To the Board of Education:

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

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

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

In our opinion, Avon Lake City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

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

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

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

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

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

Avon Lake City School District

Lorain County

Independent Auditor's Report on Compliance with Requirements

Applicable to the Major Federal Program and on Internal Control Over  
Compliance and the Schedule of Expenditures of Federal Awards Required  
by the Uniform Guidance

Page 3

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

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

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

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

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Avon Lake City School District, Lorain County, (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated February 28, 2025. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Keith Faber

Auditor of State

Columbus, Ohio

February 28, 2025

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AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2024

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.



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



**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Back of cover.

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

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Prepared by**

**Autumn Reed  
Treasurer**

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**Avon Lake City School District**  
*Annual Comprehensive Financial Report*  
*For the Fiscal Year Ended June 30, 2024*  
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# INTRODUCTORY SECTION



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# AVON LAKE CITY SCHOOLS

## **Board of Education**

James A. Stobe, President  
Michael P. Sherban, Vice President  
Kendra M. Gardiner  
Gail Soinski Opaskar  
Jenefer S. Machovina

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Avon Lake, Ohio 44012  
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## **Superintendent**

Joelle Magyar  
440.933.6210  
440.933.6711 fax



## **Treasurer**

Autumn Reed  
440.933.5163  
440.933.7540 fax

February 28, 2025

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

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Avon Lake City School District for the fiscal year ended June 30, 2024. This ACFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the Avon Lake City School District with the comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the Avon Lake Public Library, major taxpayers, financial rating services and other interested parties.

## **The School District**

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

In order to meet the needs of a growing community, the high school was expanded several times. In the mid-1970's instructional classrooms and a physical education complex were added and the Learwood Middle School, Erieview Elementary, Eastview Elementary, Westview Elementary, Redwood Elementary and Troy Junior High School were constructed. Troy Junior High School was closed for educational purposes in 1982 because of the energy crisis and decreased enrollment. In 1988, Troy Junior High was reopened as the Avon Lake Community Education Center. The Community Education Center ceased to operate in the Troy Building as of July, 1991 due to the economy of operations. The Troy Intermediate School building was reopened for instruction beginning in the fall of 1995. In 1999, Avon Lake City Schools began a building project that added classrooms to all six (6) buildings. Avon Lake High School completed a major renovation, which included additional physical education facilities and an auditorium that hosted the Cleveland Pops Orchestra for the dedication of the facilities. In 2009, two (2) additional bond issues were passed totaling \$ 18,500,000. These renovations and additions began in March 2010 on the stadium portion of the project with completion of the stadium renovations by August 2010. Classroom additions to five (5) buildings began in May 2010 and completed August 2011. A new Transportation Center opened in the summer of 2011 and currently houses 33 buses and 2 vans. These projects were necessary to keep up with the growing enrollment. Today the citizens have an investment of \$ 109,047,399 in the School District land, land improvements, buildings, furniture and equipment, and vehicles (excludes accumulated depreciation).

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

## **Reporting Entity**

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

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

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

## **Organizational Structure**

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

The School District is located in Avon Lake, Lorain County, Ohio, and includes an area extending roughly twelve square miles around the City. It is staffed by 227 non-certified personnel, 274 certified full-time teaching personnel (includes tutors) and 21 administrative employees to provide services to 3,641 students and other community members. The School District operates 4 elementary schools (K-4), 1 intermediate school (5-6), 1 middle school (7-8) and 1 high school (9-12).

## **Economic Condition and Outlook**

The School District's tax base for tax year 2024 is primarily residential at 84% of the tax base followed by 7% commercial/industrial and 9% public utility personal property. House Bill 920 (H.B. 920), passed by the Ohio legislature in 1976, prohibits the inflationary growth of revenue generated by most voted tax issues. When the value of taxable property in the school district changes, the tax rates are adjusted so income, or voted dollars, will remain about the same. Historically, millage rates have been adjusted or rolled back due to a positive reappraisal. The School District's millage rates were rolled back for many years; however, the City of Avon Lake experienced a negative reappraisal and triennial update in 2009 and 2015 respectively; therefore, the inverse occurred and millage rates were rolled up (never exceeding the original voted rate).

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

The City of Avon Lake is experiencing growth from a housing standpoint; however, the school district's enrollment has declined over the past two years. This trend is expected to continue as enrollment is projected at approximately 3,000 students in fiscal year 2029.

## **Major Initiatives**

### **Ohio Report Card**

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

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

The 2022 State Report Card has again been modified. The State of Ohio now uses a "star" system. 5 stars being the top rating and 1 star being the lowest. In the categories reported for the 2022 school year, Avon Lake City School District received all 5's. Avon Lake is dedicated to the success of all of our students and uses a variety of assessments (testing, non-testing, co-curricular, extra-curricular, academic and non-academic) which allow staff to focus on the success of the whole child. Starting in 2021-2022 the State Report Card will use a star system. The School District received 5 stars on the 2022-2023 report card, and the 2023-2024 report card.

### **Federal Projects**

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

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

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

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

In 2021 the Avon Lake City School District convened a “facilities committee” to evaluate future School District facility needs. The Ohio Facilities Construction Commission audited the current facilities, which was completed in December 2020. With the audit results the Facility Committee proposed replacement versus renovation of the 6 buildings that currently house Pre-K to 8<sup>th</sup> grade students. The Avon Lake City School Board placed a \$170,000,000 Bond Issue on the November 2023 ballot. The Bond Issue was defeated by 421 votes with 5,878 for the Bond Issue and 6,299 against the Bond Issue. Following the defeat in November 2023, the Avon Lake City School Board placed a \$155,000,000 Bond Issue on the November 2024 ballot. The ballot was defeated by 941 votes with 7,400 for the Bond Issue and 8,359 against the Bond Issue.

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

## **Website**

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

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

## **Financial Information**

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

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

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

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

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

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

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

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

## **Financial Condition**

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

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

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

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

Management is responsible for preparing a Management Discussion and Analysis (MD&A) of the School District. This discussion follows the Independent Auditor's Report, providing an assessment of the School District's finances for fiscal year 2024 and a discussion of current issues affecting the School District in the future. The MD&A should be read in conjunction with this letter of transmittal.

## **Long-Term Financial Planning**

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

## **Independent Audit**

State statute requires the School District to be audited at least every two fiscal years by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent Auditor Keith Faber, Auditor of State, rendered an opinion on the School District's

financial statements as of and for the year ended June 30, 2024. The opinion appears at the beginning of the financial section of this report.

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

## Awards

GFOA Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Avon Lake City School District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in the area of governmental financial reporting.

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

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

ASBO Certificate - The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2023 to the Avon Lake City School District. This award certifies that the Annual Comprehensive Financial Report substantially conformed to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials.

Management believes that the Annual Comprehensive Financial Report for fiscal year ended June 30, 2024, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

The Auditor of State's Office presents awards to public entities that meet the requirements of a "clean" audit. The Avon Lake City Schools has been the recipient of the Auditor of State's award for the following years: 1999, 2000, 2002, 2006, 2007, 2008, 2009, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023. The district considers this the highest of all honors.

## Acknowledgments

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

Special appreciation is expressed to Inner Circle Advisors for assistance in the planning, designing and reviewing, of this financial report.

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

Respectfully submitted,



Autumn Reed, Treasurer



Joelle Magyar, Superintendent

Avon Lake City School District  
Board of Education

Principal Officials  
June 30, 2024

**Board of Education**

Mr. James A. Stobe.....	President
Mr. Michael P. Sherban.....	Vice - President
Mrs. Kendra M. Gardiner.....	Member
Ms. Gail Soinski Opaskar.....	Member
Mrs. Jenefer S. Machovina.....	Member

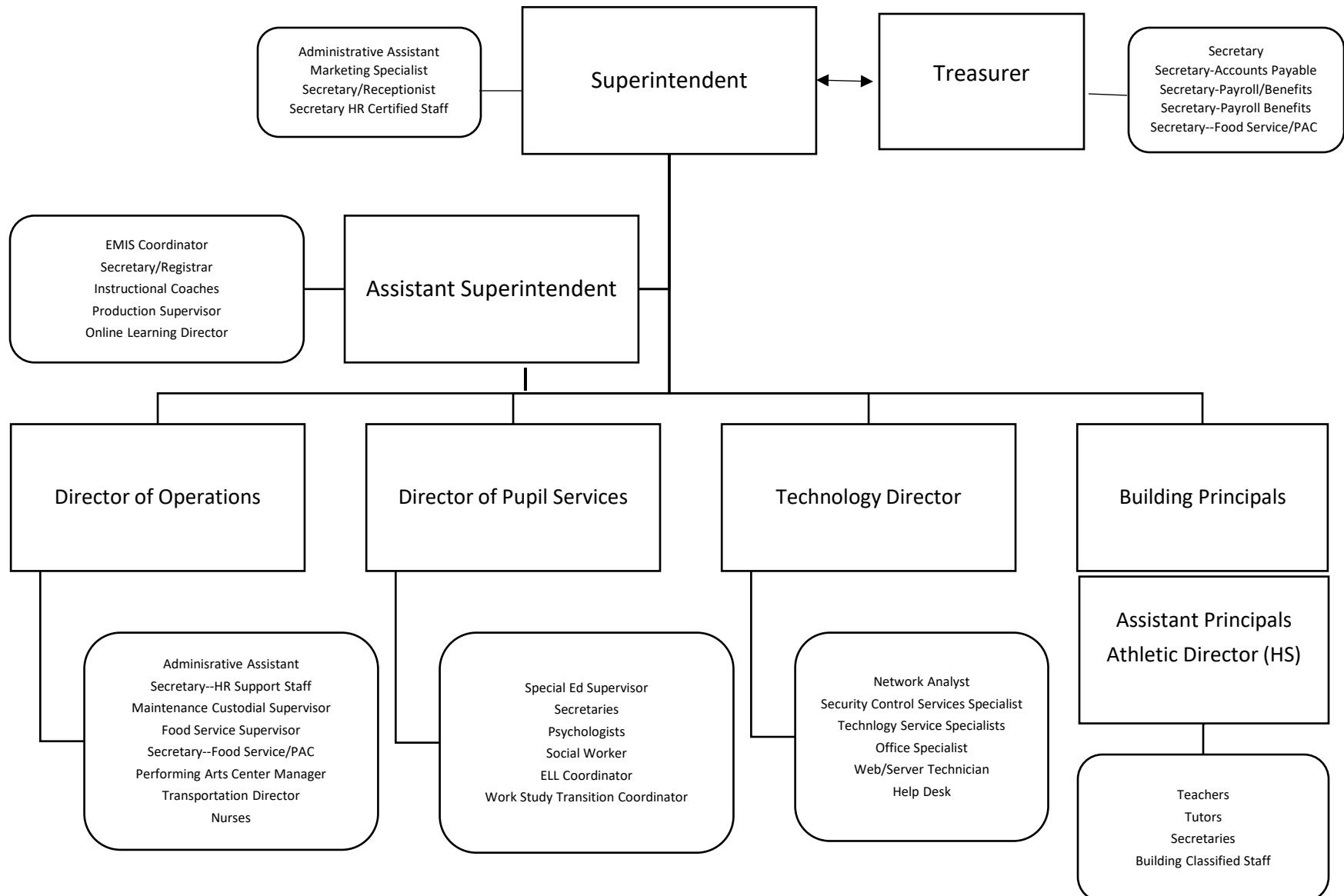
**Treasurer**

Ms. Autumn Reed

**Administration**

Ms. Joelle Magyar .....	Superintendent
Dr. Ned W. Lauver.....	Director of Operations

## Avon Lake City Schools Organizational Chart





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Avon Lake City School District  
Ohio**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Monell*

Executive Director/CEO





ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

## **Avon Lake City Schools**

**for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2023.**

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



A handwritten signature in black ink that reads 'Ryan S. Stechschulte'.

**Ryan S. Stechschulte**  
President

A handwritten signature in black ink that reads 'James M. Rowan'.

**James M. Rowan, CAE, SFO**  
CEO/Executive Director

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# **FINANCIAL SECTION**



Back of divider page

# OHIO AUDITOR OF STATE KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
[ContactUs@ohioauditor.gov](mailto:ContactUs@ohioauditor.gov)  
(800) 282-0370

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Avon Lake City School District, Lorain County, Ohio as of June 30, 2024, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we will also issue our report dated February 28, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion of the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

February 28, 2025

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*

The management's discussion and analysis of the Avon Lake City School District's (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the transmittal letter, basic financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

## **Financial Highlights**

Key financial highlights for fiscal year 2024 are as follows:

- In total, net position for governmental activities increased by \$ 149,230 in 2024.
- Revenues for governmental activities totaled \$ 54,641,563 for fiscal year 2024. Of this total \$ 48,742,897 or 89.20 percent consisted of general revenues while program revenues accounted for the balance of \$ 5,898,666 or 10.80 percent.
- Program expenses totaled \$ 54,492,333. Instructional expenses made up \$ 31,053,184 or 56.99 percent of this total while support services accounted for \$ 18,909,155 or 34.70 percent. Other expenses of \$ 4,529,994 rounded out the remaining 8.31 percent.
- Total outstanding debt had a net decrease of \$ 3,790,508 to \$ 16,137,648 in fiscal year 2024.

## **Using this Annual Report**

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

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

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

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

While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as an entity looks at all financial transactions and asks the question, "How did we do financially during the 2024 fiscal year?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. Accrual basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*

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

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

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

#### **Fund Financial Statements**

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

#### **Governmental Funds**

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

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

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

Total assets decreased by \$ 11,505,390. This decrease can be attributed primarily to a decrease of \$ 9,059,828 in taxes receivable.

Deferred outflows of resources related to pensions, other post-employment benefits (OPEB) and deferrals on debt refundings decreased by \$ 2,272,030. The decrease is primarily due to a decrease in deferred outflows related to pensions.

Total liabilities decreased \$ 6,397,898 to \$ 78,180,891 in 2024. The decrease is primarily due to a decrease in net pension liability of \$ 1,856,990, long-term due in more than one year of \$ 4,000,975 and accrued salaries, wages and benefits of \$ 1,167,836.

Deferred inflows of resources related to property taxes decreased by \$ 5,076,069 and deferred inflows of resources related to pensions and OPEB had a decrease of \$ 2,365,364.

Over time, net position can serve as an indicator of a government's financial position. At June 30, 2024, the School District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$ 8,728,431. Of this total, \$ 8,990,379 is restricted in use.

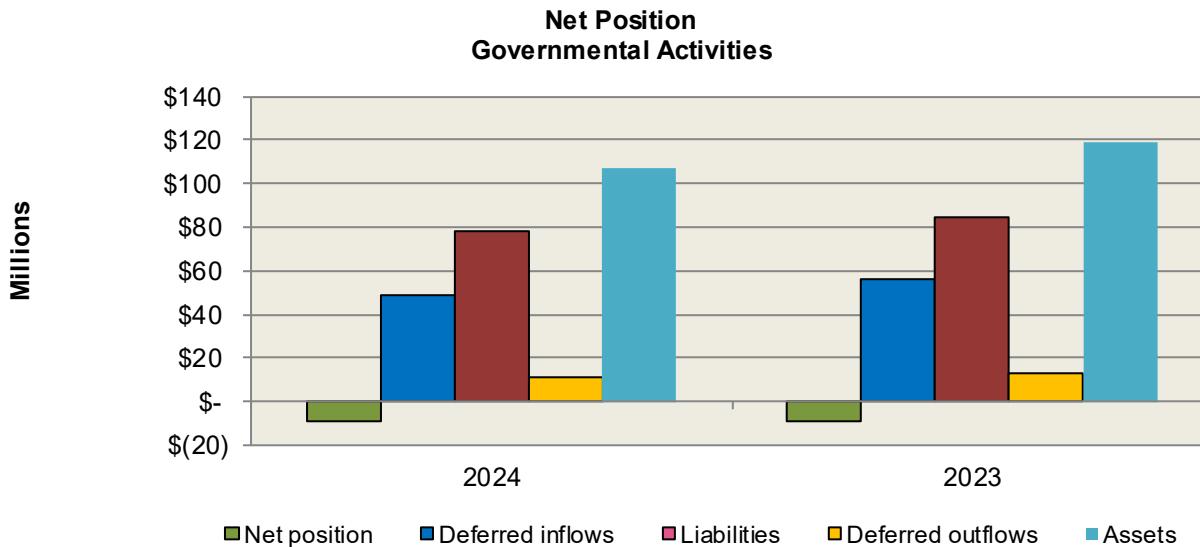
**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*

Table 1 provides a summary of the School District's net position for fiscal year 2024 compared to fiscal year 2023:

**TABLE I**  
 Total Net Position  
 Governmental Activities

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Current and other assets	\$ 60,618,950	\$ 71,462,831
Net OPEB asset	3,263,870	4,404,251
Total capital assets, net	43,444,701	42,965,829
<b>Total assets</b>	<u>107,327,521</u>	<u>118,832,911</u>
 Deferred outflows of resources		
Deferred charge on refunding	21,377	32,065
Pension	8,870,236	11,755,491
OPEB	1,854,653	1,230,740
<b>Total deferred outflows of resources</b>	<u>10,746,266</u>	<u>13,018,296</u>
 Liabilities		
Current liabilities	5,884,986	6,666,678
Long term liabilities		
Due within one year	5,751,565	5,875,296
Due in more than one year		
Net pension liability	46,301,320	48,158,310
OPEB liability	3,118,663	2,753,173
Other amounts	17,124,357	21,125,332
<b>Total liabilities</b>	<u>78,180,891</u>	<u>84,578,789</u>
 Deferred inflows of resources		
Property taxes levied for next year	39,022,723	44,098,792
Deferred revenue	67,493	38,657
Deferral on refunding	348,464	464,619
Pension	3,524,652	4,555,668
OPEB	5,657,995	6,992,343
<b>Total deferred inflows of resources</b>	<u>48,621,327</u>	<u>56,150,079</u>
 Net position		
Net investment in capital assets	27,321,891	22,883,215
Restricted	8,990,379	10,354,126
Unrestricted	(45,040,701)	(42,115,002)
<b>Total net position</b>	<u>\$ (8,728,431)</u>	<u>\$ (8,877,661)</u>

**Avon Lake City School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2024**



The net pension and OPEB liabilities combined are the largest liabilities reported by the School District at June 30, 2024 and are reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting net OPEB asset, and deferred outflows related to pension and OPEB.

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

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

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

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*

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

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

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

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

Table 2 shows total revenues, expenses and changes in net position for fiscal year 2024 compared to fiscal year 2023. Total revenues for 2024 were \$ 3,127,703 lower than in 2023, primarily due to a decrease in property taxes, charges for services and sales and operating grants, interest and contributions. Total expenses were \$ 1,935,490 lower than in 2023 primarily due to a decrease in pension expense.

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*

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

	<u>2024</u>	<u>2023</u>
<b>Revenues</b>		
Program revenues		
Charges for services and sales	\$ 2,655,284	\$ 2,780,608
Operating grants, interest and contributions	3,243,382	4,038,654
Total program revenues	<u>5,898,666</u>	<u>6,819,262</u>
General revenues		
Property taxes	36,968,051	40,801,045
Grants and entitlements not restricted to specific purposes	10,117,082	9,264,857
Investment earnings	610,877	314,399
Miscellaneous	1,046,887	569,703
Total general revenues	<u>48,742,897</u>	<u>50,950,004</u>
Total revenues	<u>54,641,563</u>	<u>57,769,266</u>
<b>Program expenses</b>		
Instruction	31,053,184	33,839,988
Supporting services		
Pupil and instructional staff	5,599,363	5,709,051
Board of education, administration, fiscal services and business	5,081,268	5,318,636
Operation and maintenance	5,736,523	4,710,844
Pupil transportation	2,223,467	1,896,819
Central services	268,534	392,302
Operation of non-instructional services		
Food service operation	1,436,807	1,433,480
Community services	233,145	353,809
Extracurricular activities	1,891,942	1,767,072
Interest and fiscal charges	968,100	1,005,822
Total expenses	<u>54,492,333</u>	<u>56,427,823</u>
Change in net position	<u>149,230</u>	<u>1,341,443</u>
Net position at beginning of year	<u>(8,877,661)</u>	<u>(10,219,104)</u>
Net position at end of year	<u><u>\$ (8,728,431)</u></u>	<u><u>\$ (8,877,661)</u></u>

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*

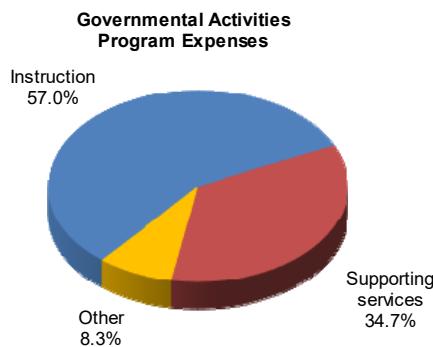
The vast majority of revenue supporting all Governmental Activities is general revenues, which accounted for \$ 48,742,897 or 89.20 percent of the total revenue. General revenues decreased \$ 2,207,107 in 2024 from 2023. The decrease is primarily due to a decrease of \$ 3,832,994 in property tax revenue, which is the result of a decrease in the amount available for advance from the county auditor. The other type of revenue that accounts for 10.80 percent of total revenue is called program revenues. Program revenues are derived directly from the program or entities outside the School District, and can help to reduce the net cost of services provided by the School District. Program revenues decreased by \$ 920,596 in 2024 from 2023. This decrease can primarily be attributed to decreases of \$ 795,272 in operating grants, interest and contributions.

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

**TABLE 3**  
 Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Program expenses				
Instruction	\$ 31,053,184	\$ 33,839,988	\$(28,299,899)	\$(30,642,664)
Supporting services				
Pupil and instructional staff	5,599,363	5,709,051	(5,322,003)	(5,307,111)
Board of education, administration, fiscal services and business	5,081,268	5,318,636	(4,884,530)	(5,221,980)
Operation and maintenance	5,736,523	4,710,844	(5,720,557)	(4,448,155)
Pupil transportation	2,223,467	1,896,819	(2,223,467)	(1,674,908)
Central services	268,534	392,302	(268,534)	(392,302)
Operation of non-instructional services				
Food service operation	1,436,807	1,433,480	56,414	136,504
Community services	233,145	353,809	6,602	(134,291)
Extracurricular activities	1,891,942	1,767,072	(969,593)	(917,832)
Interest and fiscal charges	968,100	1,005,822	(968,100)	(1,005,822)
Total expenses	<u>\$ 54,492,333</u>	<u>\$ 56,427,823</u>	<u>\$(48,593,667)</u>	<u>\$(49,608,561)</u>

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*



As one can see 57.0 percent of the School District's expenses were used to fund instructional expenses. Additional support services for pupils, staff, and business operation expenses were 34.7 percent. The remaining 8.3 percent of program expenses was used to facilitate other obligations of the School District such as interest and fiscal charges, the food service program, community services and various extracurricular activities. Interest expense was primarily attributable to the outstanding bonds.

The dependence upon tax revenues for governmental activities is apparent. Tax revenue comprised 67.66 percent of total revenue. The community, as a whole, is the primary support for the School District students.

#### **The School District's Funds**

Information about the School District's major funds starts on page 19. These governmental funds are accounted for using the modified accrual basis of accounting. Excluding other financing sources and uses, all governmental funds had total revenues of \$ 54,354,663 and expenditures of \$ 59,885,794. In total, the net change in fund balance was a decrease of \$ 5,531,131.

In 2024, the General Fund's total revenue excluding other financing sources was \$ 4,039,400 lower than 2023. The largest decrease was in taxes revenue. The decrease in taxes revenue is due to a decrease in the amount available for advance from the county auditor. Expenditures of the General Fund excluding other financing uses were \$ 1,764,949 higher than the prior year. The increase in General Fund expenditures is primarily due to increases in supporting services.

The following schedule shows the significant changes between fiscal year 2024 and 2023 for the General Fund.

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*

	General Fund		
	2024	2023	Change
<b>Revenue</b>			
Taxes	\$ 33,080,578	\$ 38,749,652	\$ (5,669,074)
Tuition and fees	854,991	966,474	(111,483)
Interest	558,796	280,119	278,677
Intergovernmental	8,802,789	8,042,980	759,809
Extracurricular	30,257	12,721	17,536
Donations and contributions	-	46,160	(46,160)
Miscellaneous	966,163	234,868	731,295
<b>Total revenues</b>	<b>44,293,574</b>	<b>48,332,974</b>	<b>(4,039,400)</b>
<b>Expenditures</b>			
Current			
Instruction	28,008,931	28,970,822	(961,891)
Supporting services	20,414,673	17,742,090	2,672,583
Operation of non-instructional services	67,904	65,012	2,892
Extracurricular activities	1,056,398	981,783	74,615
Capital outlay	12,500	35,750	(23,250)
<b>Total expenditures</b>	<b>49,560,406</b>	<b>47,795,457</b>	<b>1,764,949</b>
<b>Other financing sources (uses)</b>			
Transfers in	13,312	41,000	(27,688)
Transfers out	(60,106)	(2,548)	(57,558)
<b>Total other financing sources (uses)</b>	<b>(46,794)</b>	<b>38,452</b>	<b>(85,246)</b>
<b>Net change in fund balances</b>	<b>(5,313,626)</b>	<b>575,969</b>	<b>(5,889,595)</b>
<b>Fund balances, beginning of year</b>	<b>13,481,963</b>	<b>12,905,994</b>	<b>575,969</b>
<b>Fund balances, end of year</b>	<b>\$ 8,168,337</b>	<b>\$ 13,481,963</b>	<b>\$ (5,313,626)</b>

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*

The following schedule shows the significant changes between fiscal year 2024 and 2023 for the Bond Retirement Fund.

	<b>Bond Retirement Fund</b>		
	<b>2024</b>	<b>2023</b>	<b>Change</b>
Revenue			
Taxes	\$ 3,033,735	\$ 3,584,506	\$ (550,771)
Intergovernmental	1,413,767	1,411,783	1,984
Total revenues	<u>4,447,502</u>	<u>4,996,289</u>	<u>(548,787)</u>
Expenditures			
Current			
Supporting services			
Fiscal services	51,912	58,094	(6,182)
Debt service			
Principal	3,650,000	3,685,000	(35,000)
Interest	1,220,475	1,301,575	(81,100)
Total expenditures	<u>4,922,387</u>	<u>5,044,669</u>	<u>(122,282)</u>
Excess (deficiency) of revenues over expenditures	<u>(474,885)</u>	<u>(48,380)</u>	<u>(426,505)</u>
Net change in fund balances	<u>(474,885)</u>	<u>(48,380)</u>	<u>(426,505)</u>
Fund balances, beginning of year	<u>3,173,851</u>	<u>3,222,231</u>	<u>(48,380)</u>
Fund balances, end of year	<u><u>\$ 2,698,966</u></u>	<u><u>\$ 3,173,851</u></u>	<u><u>\$ (474,885)</u></u>

Total revenues in the Bond Retirement Fund decreased due to a decrease in the amount of taxes available for advance from the Lorain County Auditor.

### **General Fund Budgeting Highlights**

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

During the course of fiscal year 2024, the School District amended its General Fund budget to reflect changes in estimated receipts and amended appropriations. For the General Fund, the final budget basis revenue estimate, excluding other financing sources, was \$ 48,064,565 which was \$ 32,937 higher than actual revenue. The final budget basis expenditures estimate, excluding other financing uses, totaled \$ 52,470,639 which was \$ 4,355,723 higher than the original budget estimate. Actual expenditures were \$ 286,106 less than final budget basis expenditures. The unencumbered ending cash balance totaled \$ 8,932,895.

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal 2024, the School District, net of depreciation, had \$ 43,444,701 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2024 values compared to fiscal year 2023. More detailed information is presented in Note 8 of the notes to the basic financial statements.

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

	2024	2023
Land	\$ 6,050,145	\$ 6,050,145
Land improvements	1,792,145	1,550,591
Buildings and improvements	33,350,828	33,339,309
Furniture and equipment	991,045	916,864
Vehicles	1,260,538	1,108,911
<b>Total net capital assets</b>	<b>\$ 43,444,701</b>	<b>\$ 42,965,820</b>

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

**Debt**

At June 30, 2024, the Avon Lake School District had \$ 16,137,648 in debt related to bonds payable, a decrease of \$ 3,790,508 from fiscal year 2023. \$ 3,745,000 of the bonds are due within one year. Table 5 below summarizes the School District's bonds. More detailed information is presented in Note 14 of the notes to the basic financial statements.

**Table 5**  
 Outstanding Debt Year-End

	2024	2023
Term and serial bonds	\$ 15,115,000	\$ 18,765,000
Capital appreciation bonds	25,866	25,866
Accretion on capital appreciation bonds	341,928	278,096
Unamortized bond premiums	654,854	859,194
<b>Total outstanding debt</b>	<b>\$ 16,137,648</b>	<b>\$ 19,928,156</b>

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*

### **Current Issues**

The Avon Lake Board of Education and administration closely monitor revenues and expenditures in accordance with its financial forecast. This monitoring process was affirmed by Moody's Investors Services in July 2024.

The School District has continued to struggle with many of the same economic issues as other school districts including increasing operating costs, unfunded mandates and decreasing revenue sources. The financial future of the School District is not without its internal, as well as, external challenges. In the foreseeable future, the internal challenge will remain as long as the School District is required to rely on local property taxes to fund its operations. The School District had a bond issue and operating levy on the November 2024 ballot, but both levies failed.

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

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

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

STATEMENT OF NET POSITION

JUNE 30, 2024

	Governmental Activities
<b>Assets</b>	
Equity in pooled cash	\$ 17,299,128
Intergovernmental receivables	227,359
Inventories and supplies	81,022
Taxes receivable	43,011,441
Net OPEB asset	3,263,870
<b>Capital assets</b>	
Nondepreciable assets	6,050,145
Depreciable capital assets, net of depreciation	<u>37,394,556</u>
<b>Total assets</b>	<u>107,327,521</u>
 <b>Deferred outflows of resources</b>	
Deferral on refunding	21,377
Pension	8,870,236
OPEB	<u>1,854,653</u>
<b>Total deferred outflows of resources</b>	<u>10,746,266</u>
 <b>Liabilities</b>	
Accounts and contracts payable	766,389
Accrued salaries, wages and benefits	4,292,019
Accrued interest payable	98,600
Intergovernmental payable	727,978
<b>Long-term liabilities</b>	
Due within one year	5,751,565
Due in more than one year	
Net pension liability	46,301,320
Net OPEB liability	3,118,663
Other amounts due in more than one year	<u>17,124,357</u>
<b>Total liabilities</b>	<u>78,180,891</u>
 <b>Deferred inflows of resources</b>	
Property taxes levied for next year	39,022,723
Unearned revenue	67,493
Deferral on refunding	348,464
Pension	3,524,652
OPEB	<u>5,657,995</u>
<b>Total deferred inflows of resources</b>	<u>48,621,327</u>
 <b>Net position</b>	
Net investment in capital assets	27,321,891
Restricted for:	
Net OPEB asset	3,263,870
Debt service	2,746,122
Capital projects	1,526,997
Food service	768,795
Student activities	198,931
Athletics	181,391
State grants	20,974
Donations	283,299
Unrestricted	<u>(45,040,701)</u>
<b>Total net position</b>	<u>\$ (8,728,431)</u>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Charges for Services and Sales	Operating Grants, Interest and Contributions	
<b>Governmental activities:</b>				
Instruction				
Regular	\$ 24,142,400	\$ 654,951	\$ 1,242,350	\$ (22,245,099)
Special	6,365,957	-	832,745	(5,533,212)
Adult/continuing	8,901	-	-	(8,901)
Other instruction	535,926	-	23,239	(512,687)
Supporting services				
Pupil	3,578,552	91,628	108,937	(3,377,987)
Instructional staff	2,020,811	-	76,795	(1,944,016)
Board of education	58,842	-	-	(58,842)
Administration	3,802,475	-	196,738	(3,605,737)
Fiscal services	987,882	-	-	(987,882)
Business	232,069	-	-	(232,069)
Operation and maintenance	5,736,523	-	15,966	(5,720,557)
Pupil transportation	2,223,467	-	-	(2,223,467)
Central services	268,534	-	-	(268,534)
Operation of non-instructional services				
Food service operation	1,436,807	989,567	503,654	56,414
Community services	233,145	4,582	235,165	6,602
Extracurricular activities	1,891,942	914,556	7,793	(969,593)
Interest and fiscal charges	968,100	-	-	(968,100)
<b>Total</b>	<b>\$ 54,492,333</b>	<b>\$ 2,655,284</b>	<b>\$ 3,243,382</b>	<b>\$ (48,593,667)</b>

General revenues	
Property taxes levied for:	
General purposes	33,339,878
Debt service	3,057,135
Capital improvements	571,038
Grants and entitlements not restricted to specific purposes	10,117,082
Investment earnings	610,877
Miscellaneous	1,046,887
<b>Total general revenues</b>	<b>48,742,897</b>
Change in net position	149,230
Net position at beginning of year	(8,877,661)
<b>Net position at end of year</b>	<b>\$ (8,728,431)</b>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

BALANCE SHEET – GOVERNMENTAL FUNDS

JUNE 30, 2024

	General Fund	Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in pooled cash	\$ 11,437,615	\$ 2,484,460	\$ 3,263,063	\$ 17,185,138
Restricted cash	113,990	-	-	113,990
Receivables, net of allowance				
Taxes, current	37,413,341	3,446,877	654,923	41,515,141
Taxes, delinquent	1,348,900	124,300	23,100	1,496,300
Intergovernmental receivables	-	-	227,359	227,359
Interfund receivables	273,468	-	-	273,468
Inventories and supplies	64,729	-	16,293	81,022
<b>Total assets</b>	<b>\$ 50,652,043</b>	<b>\$ 6,055,637</b>	<b>\$ 4,184,738</b>	<b>\$ 60,892,418</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 707,803	\$ -	\$ 58,586	\$ 766,389
Accrued salaries, wages and benefits	4,211,594	-	80,425	4,292,019
Intergovernmental payable	716,804	-	11,174	727,978
Interfund payable	-	-	273,468	273,468
Matured compensated absences	326,069	-	-	326,069
<b>Total liabilities</b>	<b>5,962,270</b>	<b>-</b>	<b>423,653</b>	<b>6,385,923</b>
<b>Deferred inflows of resources</b>				
Property taxes levied for next year and unavailable resources	36,521,436	3,356,671	708,409	40,586,516
<b>Total deferred inflows of resources</b>	<b>36,521,436</b>	<b>3,356,671</b>	<b>708,409</b>	<b>40,586,516</b>
<b>Fund balances (deficits)</b>				
Nonspendable	64,729	-	16,293	81,022
Restricted	-	2,698,966	3,070,831	5,769,797
Committed	113,990	-	-	113,990
Assigned	1,918,340	-	-	1,918,340
Unassigned	6,071,278	-	(34,448)	6,036,830
<b>Total fund balances (deficits)</b>	<b>8,168,337</b>	<b>2,698,966</b>	<b>3,052,676</b>	<b>13,919,979</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 50,652,043</b>	<b>\$ 6,055,637</b>	<b>\$ 4,184,738</b>	<b>\$ 60,892,418</b>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2024

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Total governmental fund balances	\$ 13,919,979
Amount reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.	43,444,701
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	
Property taxes receivable and unavailable revenue	1,496,300
Net OPEB asset is not recognized in the funds.	3,263,870
Unamortized premiums on bonds issued are not recognized in the funds.	(654,854)
Unamortized deferred premiums on refundings are not recognized in the funds.	(327,087)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(98,600)
The net pension and OPEB liability is not due and payable in the current period; therefore; the liability and related deferred inflow s/outflow s are not reported in the funds.	
Deferred outflow s - pension	\$ 8,870,236
Deferred inflow s - pension	(3,524,652)
Net pension liability	(46,301,320)
Deferred outflow s - OPEB	1,854,653
Deferred inflow s - OPEB	(5,657,995)
Net OPEB liability	<u>(3,118,663)</u>
	(47,877,741)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences payable	(6,412,205)
Bonds payable	<u>(15,482,794)</u>
	<u>(21,894,999)</u>
Net position of governmental activities	<u><u>\$ (8,728,431)</u></u>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenue</b>				
Taxes	\$ 33,080,578	\$ 3,033,735	\$ 566,838	\$ 36,681,151
Tuition and fees	854,991	-	-	854,991
Interest	558,796	-	52,081	610,877
Intergovernmental	8,802,789	1,413,767	3,143,908	13,360,464
Extracurricular	30,257	-	623,961	654,218
Charges for services	-	-	989,567	989,567
Donations and contributions	-	-	140,946	140,946
Miscellaneous	966,163	-	96,286	1,062,449
<b>Total revenues</b>	<b>44,293,574</b>	<b>4,447,502</b>	<b>5,613,587</b>	<b>54,354,663</b>
<b>Expenditures</b>				
Current				
Instruction				
Regular	21,786,406	-	1,160,816	22,947,222
Special	5,702,492	-	814,367	6,516,859
Adult/continuing	8,901	-	-	8,901
Other instruction	511,132	-	23,239	534,371
Supporting services				
Pupil	3,516,749	-	110,256	3,627,005
Instructional staff	2,004,690	-	76,103	2,080,793
Board of education	59,347	-	-	59,347
Administration	3,738,973	-	196,738	3,935,711
Fiscal services	946,204	51,912	9,602	1,007,718
Business	284,172	-	-	284,172
Operation and maintenance	7,376,590	-	186,303	7,562,893
Pupil transportation	2,211,344	-	259,737	2,471,081
Central services	276,604	-	-	276,604
Operation of non-instructional services				
Food service operation	229	-	1,483,033	1,483,262
Community services	67,675	-	168,785	236,460
Extracurricular activities	1,056,398	-	856,349	1,912,747
Capital outlay	12,500	-	57,673	70,173
Debt service				
Principal	-	3,650,000	-	3,650,000
Interest and fiscal charges	-	1,220,475	-	1,220,475
<b>Total expenditures</b>	<b>49,560,406</b>	<b>4,922,387</b>	<b>5,403,001</b>	<b>59,885,794</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(5,266,832)</b>	<b>(474,885)</b>	<b>210,586</b>	<b>(5,531,131)</b>
<b>Other financing sources (uses)</b>				
Transfers in	12,512	-	59,306	71,818
Transfers out	(59,306)	-	(12,512)	(71,818)
<b>Total other financing sources (uses)</b>	<b>(46,794)</b>	<b>-</b>	<b>46,794</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(5,313,626)</b>	<b>(474,885)</b>	<b>257,380</b>	<b>(5,531,131)</b>
<b>Fund balances, beginning of year</b>	<b>13,481,963</b>	<b>3,173,851</b>	<b>2,795,296</b>	<b>19,451,110</b>
<b>Fund balances, end of year</b>	<b>\$ 8,168,337</b>	<b>\$ 2,698,966</b>	<b>\$ 3,052,676</b>	<b>\$ 13,919,979</b>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2024

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Net change in fund balances - total governmental funds \$ (5,531,131)

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation/amortization expense. This is the amount by which depreciation / amortization exceeded net capital outlay in the current period.

Capital outlay	\$ 2,212,305
Depreciation / amortization expense	<u>(1,733,433)</u>
	478,872

Revenues in the statement of activities that do not provide current financial resources

are not reported as revenues in the funds. Property taxes 286,900

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and other similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences, including accrued interest, in the treatment of long-term debt and related items.

3,902,375

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

Compensated absences	557,073
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Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

Pension	4,060,720
OPEB	<u>124,242</u>
	4,184,962

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/(asset) are reported as pension/OPEB expense in the statement of activities

Pension	(4,057,969)
OPEB	<u>328,148</u>
	(3,729,821)

Change in net position of governmental activities

\$ 149,230
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AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2024

	General Fund				Variance with Final Budget Positive (Negative)	
	Budget Amounts			Actual		
	Original	Final				
Revenues						
Taxes	\$ 36,063,476	\$ 36,953,636	\$ 36,928,313	\$ (25,323)		
Tuition and fees	829,372	849,843	849,261	(582)		
Interest	542,076	555,457	555,076	(381)		
Intergovernmental	8,596,633	8,808,825	8,802,789	(6,036)		
Miscellaneous	875,201	896,804	896,189	(615)		
Total revenues	<u>46,906,758</u>	<u>48,064,565</u>	<u>48,031,628</u>	<u>(32,937)</u>		
Expenditures						
Current						
Instruction						
Regular	20,868,986	22,758,202	22,634,108	124,094		
Special	5,473,175	5,968,648	5,936,102	32,546		
Adult/continuing	8,207	8,949	8,901	48		
Other	487,165	531,265	528,369	2,896		
Supporting services						
Pupil	3,150,995	3,436,247	3,417,510	18,737		
Instructional staff	2,046,991	2,232,301	2,220,129	12,172		
Board of education	54,874	59,842	59,516	326		
Administration	3,773,640	4,115,262	4,092,821	22,441		
Fiscal services	1,031,318	1,124,682	1,118,549	6,133		
Business	372,162	405,853	403,640	2,213		
Operation and maintenance	7,383,768	8,052,202	8,008,296	43,906		
Pupil transportation	2,128,770	2,321,481	2,308,823	12,658		
Central services	265,665	289,716	288,136	1,580		
Operation of non-instructional services						
Food service operation	211	230	229	1		
Community services	54,988	59,965	59,638	327		
Extracurricular activities	967,900	1,055,520	1,049,766	5,754		
Capital outlay	46,101	50,274	50,000	274		
Total expenditures	<u>48,114,916</u>	<u>52,470,639</u>	<u>52,184,533</u>	<u>286,106</u>		
Excess (deficiency) of revenues over expenditures	<u>(1,208,158)</u>	<u>(4,406,074)</u>	<u>(4,152,905)</u>	<u>253,169</u>		
Other financing sources						
Transfers-in	-	12,512	12,512	-		
Advances in	-	423,207	423,207	-		
Refund of prior year receipts	-	9,766	9,766	-		
Transfers-out	-	(60,106)	(60,106)	-		
Advances out	-	(284,173)	(284,173)	-		
Total other financing sources	-	101,206	101,206	-		
Net change in fund balance	<u>(1,208,158)</u>	<u>(4,304,868)</u>	<u>(4,051,699)</u>	<u>253,169</u>		
Prior year encumbrances	1,109,866	1,109,866	1,109,866	-		
Fund balances, beginning of year	11,874,728	11,874,728	11,874,728	-		
Fund balances, end of year	<u>\$ 11,776,436</u>	<u>\$ 8,679,726</u>	<u>\$ 8,932,895</u>	<u>\$ 253,169</u>		

See accompanying notes to the basic financial statements.

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AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

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

The School District is located in Avon Lake, Lorain County, Ohio, and includes an area extending roughly twelve square miles around the City. It is staffed by 227 non-certified personnel, 266 certified full-time teaching personnel, and 21 administrative employees to provide services to 3641 students and other community members. The School District operates 4 elementary schools (K-4), 1 intermediate school (5-6), 1 middle school (7-8), and 1 high school (9-12).

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

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

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

**B. BASIS OF PRESENTATION**

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**B. BASIS OF PRESENTATION** (continued)

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

**Government-wide Financial Statements**

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

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

**Fund Financial Statements**

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

**C. FUND ACCOUNTING**

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

**Governmental Funds**

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. FUND ACCOUNTING (continued)**

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

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

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

Fiduciary Fund Type

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. The School District has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District's custodial fund accounts for collection of fees to be distributed to the Ohio High School Athletic Association (OHSAA) for athletic tournaments, there was no activity in 2024.

**D. MEASUREMENT FOCUS**

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

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. BASIS OF ACCOUNTING**

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

**Revenues - Exchange and Non-exchange Transactions**

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 10 and 11.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. BASIS OF ACCOUNTING (continued)**

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

**Expenses/Expenditures**

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

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

**F. BUDGETARY PROCESS**

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

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**F. BUDGETARY PROCESS (continued)**

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

**G. CASH AND CASH EQUIVALENTS**

Cash received by the School District is deposited in one central bank account with individual fund balance integrity maintained through School District records. Monies for all funds are maintained in this account or temporarily transferred to the State Treasurer's investment pool (STAR Ohio) or other short term investments. Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. During fiscal year 2024, interest revenue credited to the General Fund amounted to \$ 558,796, of which \$ 242,764 was assigned from other funds.

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

During fiscal year 2024, investments were limited to STAR Ohio, U.S. government money market mutual funds, and Federal securities.

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

For 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$ 100 million. STAR Ohio reserves the right to limit the transaction to \$ 250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$ 250 million limit. All accounts of the participant will be combined for these purposes.

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

**H. RESTRICTED ASSETS**

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**I. PREPAID ITEMS**

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are reported as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**J. INVENTORY**

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

**K. CAPITAL ASSETS**

All capital assets of the School District are classified as general capital assets. These assets generally result from expenditures in the governmental funds. They are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

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

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

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

**L. INTERFUND BALANCES**

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**M. COMPENSATED ABSENCES**

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

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

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

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

**N. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

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

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

**O. NET POSITION**

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

The government-wide statement of net position reports \$ 8,990,379 of restricted net position, none of which is restricted by enabling legislation.

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**P. FUND BALANCE**

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

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

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

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

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

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

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

**Q. OPERATING REVENUES AND EXPENSES**

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

AVON LAKE CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**R. PENSIONS/OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

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

**S. EXTRAORDINARY AND SPECIAL ITEMS**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2024.

**T. ESTIMATES**

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

**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES**

For fiscal year 2024, the School District has implemented GASB Statement No. 100, Accounting Changes and Error Corrections, and related guidance from GASB Implementation Guide No. 2023-1, Implementation Guidance Update — 2023. The School District also implemented Question 5.1 from GASB Implementation Guide No. 2021-1, Implementation Guidance Update — 2021.

GASB Statement No.100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision-useful, understandable, and comprehensive information for users about accounting changes and error corrections.

Question 5.1 from Implementation Guide 2021-1 addresses the collective significance of applying the capitalization threshold to individual items in a group of assets. The School District reviewed its capital asset groupings and determined there were no asset groups where individually the assets were under the capitalization threshold yet were significant collectively.

The implementation of GASB Statement No. 100 and GASB Implementation Guides 2021-1 and 2023-1 did not have any effect on beginning net position/fund balance. In an effort to promote comparability with other governments, the School District updated its calculation of net position restricted for pension and OPEB plans for fiscal year 2024.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING**

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

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

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

Net Change in Fund Balance - General Fund		
Budget basis	\$	(4,051,699)
Adjustments, increase (decrease)		
Revenue accruals		(4,270,942)
Expenditure accruals		5,250,320
Funds budgeted elsewhere **		14,812
Encumbrances		(2,256,117)
GAAP basis, as reported	\$	<u><u>(5,313,626)</u></u>

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 4 – FUND BALANCES**

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

Fund balances	General Fund	Bond Retirement Fund	Nonmajor Governmental Funds	Total
<b>Nonspendable</b>				
Inventory	\$ 64,729	\$ -	\$ 16,293	\$ 81,022
<b>Restricted for:</b>				
Debt service	-	2,698,966	21,456	2,720,422
Capital projects	-	-	1,503,897	1,503,897
Food service	-	-	850,544	850,544
Student activities	-	-	198,931	198,931
Athletics	-	-	181,391	181,391
State grants	-	-	31,313	31,313
Donations	-	-	283,299	283,299
<b>Total restricted</b>	<b>-</b>	<b>2,698,966</b>	<b>3,070,831</b>	<b>5,769,797</b>
<b>Committed</b>				
Budget reserve	113,990	-	-	113,990
<b>Assigned to</b>				
Scholarships	99,696	-	-	99,696
Field trips and assemblies	259,964	-	-	259,964
Student instruction	577,958	-	-	577,958
Student and staff support	942,711	-	-	942,711
Other	38,011	-	-	38,011
<b>Total assigned</b>	<b>1,918,340</b>	<b>-</b>	<b>-</b>	<b>1,918,340</b>
<b>Unassigned</b>	<b>6,071,278</b>	<b>-</b>	<b>(34,448)</b>	<b>6,036,830</b>
<b>Total fund balances</b>	<b>\$ 8,168,337</b>	<b>\$ 2,698,966</b>	<b>\$ 3,052,676</b>	<b>\$ 13,919,979</b>

AVON LAKE CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 5 - DEPOSITS AND INVESTMENTS**

**A. LEGAL REQUIREMENTS**

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

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

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

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

Interim monies may be invested in the following securities:

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 5 - DEPOSITS AND INVESTMENTS (continued)**

**A. LEGAL REQUIREMENTS (continued)**

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

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

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

At fiscal year end, the School District had \$ 28,301 in cash on hand which is included on the balance sheet of the School District as part of "Equity in Pooled Cash".

**B. DEPOSITS**

At June 30, 2024, the carrying amount of all School District deposits was \$ 4,338,104 and the bank balance of all School District deposits was \$ 4,914,962. Of the bank balance, \$ 250,000 was covered by the FDIC and \$ 4,664,962 was potentially exposed to custodial credit risk discussed below because those deposits were uninsured and could be uncollateralized.

Custodial credit risk is the risk that, in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The School District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2024, the School District's financial institutions were approved for a reduced collateral rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 5 - DEPOSITS AND INVESTMENTS (continued)**

**C. INVESTMENTS**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee. As of June 30, 2024, the School District had the following investments:

	Fair Value	Percentage of Investments	Investment Maturities	
			Less than 1 year	1 year
STAR Ohio	\$ 327,663	2.53%	\$ 327,663	
Federal securities	12,587,600	97.33%	12,587,600	
Money market	17,459	0.14%	17,459	
	<b>\$ 12,932,722</b>	<b>100.00%</b>		<b>\$ 12,932,722</b>

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the School District's recurring fair value measurements as of June 30, 2024. As discussed further in Note 1G, STAR Ohio is reported at its share price. All other investments of the School District are valued using quoted market prices (Level 1 inputs).

**D. INTEREST RATE RISK**

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

**E. CREDIT RISK**

The School District follows the Ohio Revised Code that limits its investment choices, as disclosed in Note 5 A. As of June 30, 2024, the School District's investment in Star Ohio and the U.S. government money market mutual fund were rated AAA by Standard & Poor's.

**F. CONCENTRATION OF CREDIT RISK**

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2024 represents collections of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed value listed as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State Statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2024 represents collections of calendar year 2023 taxes. Public utility real and tangible personal property taxes received in calendar year 2024 become a lien December 31, 2022, were levied after April 1, 2023 and are collected in 2024 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Lorain County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2024, are available to finance fiscal year 2024 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2024 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only delinquent settlement of tangible personal property taxes and the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflow of resources.

The amount available as an advance at June 30, 2024 was \$ 2,240,805 in the General Fund, \$ 214,506 in the Bond Retirement Debt Service Fund and \$ 37,107 in the Permanent Improvements Capital Projects Fund. The amount available as an advance at June 30, 2023 was \$ 6,088,540 in the General Fund, \$ 565,633 in the Bond Retirement Debt Service Fund and \$ 108,904 in the Permanent Improvements Capital Projects Fund.

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

The assessed values upon which the fiscal year 2024 taxes were collected are:

	2023 Second Half Collections		2024 First Half Collections	
	Amount	%	Amount	%
Agricultural/ Residential and Other Real Estate	\$1,114,331,330	94.55 %	\$1,125,220,380	95.01 %
Public Utility Personal	64,184,560	5.45	59,151,120	4.99
	<u>\$1,178,515,890</u>	<u>100.00 %</u>	<u>\$1,184,371,500</u>	<u>100.00 %</u>
Tax Rate per \$ 1,000 of Assessed Valuation:	\$ 67.00		\$ 67.09	

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 7 – RECEIVABLES**

Receivables at June 30, 2024, consisted of property taxes, interfund receivables and due from other governments. All receivables are considered substantially collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables are expected to be collected within one year.

**NOTE 8 - CAPITAL ASSETS**

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

Governmental Activities	Balance	Additions	Disposals	Balance
	June 30, 2023			June 30, 2024
Nondepreciable capital assets				
Land	\$ 6,050,145	-	-	\$ 6,050,145
Total nondepreciable capital assets	<u>6,050,145</u>	<u>-</u>	<u>-</u>	<u>6,050,145</u>
Depreciable capital assets				
Land improvements	3,760,370	347,464	-	4,107,834
Buildings and improvements	81,656,802	1,392,107	-	83,048,909
Furniture and equipment	12,024,875	180,259	6,446	12,198,688
Vehicles	3,349,348	292,475	-	3,641,823
Total capital assets being depreciated	<u>100,791,395</u>	<u>2,212,305</u>	<u>6,446</u>	<u>102,997,254</u>
Less accumulated depreciation				
Land improvements	2,209,779	105,910	-	2,315,689
Buildings and improvements	48,317,484	1,380,597	-	49,698,081
Furniture and equipment	11,108,011	106,078	6,446	11,207,643
Vehicles	2,240,437	140,848	-	2,381,285
Total accumulated depreciation	<u>63,875,711</u>	<u>1,733,433</u>	<u>6,446</u>	<u>65,602,698</u>
Depreciable capital assets, net of accumulated depreciation	<u>36,915,684</u>	<u>478,872</u>	<u>-</u>	<u>37,394,556</u>
Governmental activities capital assets, net	<u>\$ 42,965,829</u>	<u>\$ 478,872</u>	<u>\$ -</u>	<u>\$ 43,444,701</u>

AVON LAKE CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 8 - CAPITAL ASSETS (continued)**

Depreciation expense was charged to governmental activities as follows:

Instruction	
Regular	\$ 1,417,224
Supporting services	
Administration	90
Fiscal	83
Business	625
Operation and maintenance of plant	119,605
Pupil transportation	154,163
Operation of non-instructional services	
Food service	3,717
Extracurricular activities	
Sports oriented	37,926
Total depreciation expense	<u>\$ 1,733,433</u>

**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 2024, the School District contracted with Liberty Mutual Insurance for property and liability insurance. Professional liability is protected by the Liberty Mutual Fire Insurance Company with a \$ 1,000,000 aggregate limit. General Liability has a \$ 2,000,000 aggregate limit and the Umbrella limit is \$ 3,000,000. Vehicles are covered by the LM Insurance Corp and hold a \$ 1,000 deductible for comprehensive and \$ 1,000 deductible for collision. Automobile liability has a \$ 1,000,000 combined single limit of liability.

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

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

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

**B. EMPLOYEE MEDICAL COVERAGE**

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

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

**A. NET PENSION LIABILITY**

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

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

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

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

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

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

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

AVON LAKE CITY SCHOOL DISTRICT  
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**NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)**

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. In 2022, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

**Funding Policy** – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2024, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund. The School District's contractually required contribution to SERS was \$ 983,054 for fiscal year 2024, of which \$ 124,242 is reported as an intergovernmental payable.

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

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

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NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, a one-time ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a one-time ad-hoc COLA of 1 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit at any age.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

The DC Plan allows members to place all their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 2.91 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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**NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)**

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

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

A DB or Combined Plan member with five or more years of credited service, who is determined to be disabled, may qualify for a disability benefit. New members, on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

**Funding Policy** - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2024 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2024, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$ 3,077,666 for fiscal year 2024. Of this amount \$ 481,186 is reported as an intergovernmental payable.

**D. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS**

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate share of the net pension liability	\$ 10,161,362	\$ 36,139,958	\$ 46,301,320
Pension expense	\$ 831,457	\$ 3,226,512	\$ 4,057,969
Proportion of the net pension liability - prior measurement date	0.191293200%	0.170092090%	
Proportion of the net pension liability - current measurement date	0.183898900% -0.007394300%	0.167820120% -0.002271970%	

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**NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)**

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

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ 410,372	\$ 1,317,587	\$ 1,727,959
Change in assumptions	69,023	2,976,321	3,045,344
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	-	36,213	36,213
School District contributions subsequent to the measurement date	983,054	3,077,666	4,060,720
Total deferred outflows of resources	<u><u>\$ 1,462,449</u></u>	<u><u>\$ 7,407,787</u></u>	<u><u>\$ 8,870,236</u></u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 80,196	\$ 80,196
Change in assumptions	-	2,240,314	2,240,314
Net difference between projected and actual earnings on pension plan investments	142,826	108,313	251,139
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	423,220	529,783	953,003
Total deferred inflows of resources	<u><u>\$ 566,046</u></u>	<u><u>\$ 2,958,606</u></u>	<u><u>\$ 3,524,652</u></u>

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NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

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

\$ 4,060,720 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	\$ (60,347)	\$ (222,394)	\$ (282,741)
2026	(493,326)	(1,099,221)	(1,592,547)
2027	459,452	2,981,381	3,440,833
2028	7,570	(288,251)	(280,681)
	<u><u>\$ (86,651)</u></u>	<u><u>\$ 1,371,515</u></u>	<u><u>\$ 1,284,864</u></u>

**E. ACTUARIAL ASSUMPTIONS - SERS**

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

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

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

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

Valuation date	June 30, 2023
Actuarial cost method	Entry age normal (Level Percent of Payroll)
Actuarial assumptions experience study date	5 year period ended June 30, 2020
Investment rate of return	7.00 percent of net of investments expense, including inflation
COLA or Ad Hoc COLA	2.00 percent on and after April 1, 2018. COLA's for future retirees will be delayed for three years following commencement
Future salary increases, including inflation	3.25 percent to 13.58 percent
Inflation	2.40 percent

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NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

E. ACTUARIAL ASSUMPTIONS – SERS (continued)

In 2023, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Cash	2.00%	0.75%
U.S. equity	24.75%	4.82%
Non-U.S. equity developed	13.50%	5.19%
Non-U.S. equity emerging	6.75%	5.98%
Fixed income / global bonds	19.00%	2.24%
Private equity	12.00%	7.49%
Real estate / real assets	17.00%	3.70%
Private debt / private credit	5.00%	5.64%
	<u>100.00%</u>	

Discount Rate - The total pension liability for 2023 was calculated using the discount rate of 7.00 percent. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 21-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2023 was 14 percent. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2023 was 6.90 percent.

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**NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)**

**E. ACTUARIAL ASSUMPTIONS – SERS (continued)**

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$ 14,997,650	\$ 10,161,362	\$ 6,087,709

**F. ACTUARIAL ASSUMPTIONS - STRS**

The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

For the June 30, 2023 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

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NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

F. ACTUARIAL ASSUMPTIONS – STRS (continued)

Asset Class	Target Allocation *	Long-term Expected Real Rate of Return **
Domestic equity	26.00%	6.60%
International equity	22.00%	6.80%
Alternatives	19.00%	7.38%
Fixed income	22.00%	1.75%
Real estate	10.00%	5.75%
Liquidity reserves	1.00%	1.00%
	<u>100.00%</u>	

\* Final target weights reflected at October 1, 2022.

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2023.

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

	Current		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$ 55,575,257	\$ 36,139,958	\$ 19,703,014

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

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**NOTE 11 – DEFINED BENEFIT OPEB PLANS**

**A. NET OPEB LIABILITY/(ASSET)**

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

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

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

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

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

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

The Health Care program is financed through a combination of employer contributions, recipient premiums, investment returns, and any funds received on behalf of SERS' participation in Medicare programs. The System's goal is to maintain a health care reserve account with a 20-year solvency period in order to ensure that fluctuations in the cost of health care do not cause an interruption in the program; however, during any period in which the 20-year solvency period is not achieved, the System shall manage the Health Care Fund on a pay-as-you-go basis.

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NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, 0 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$ 30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the School District's surcharge obligation was \$ 124,242.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$ 124,242 for fiscal year 2024. Of this amount \$ 124,242 is reported as an intergovernmental payable.

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

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

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

The net OPEB liability/(asset) was measured as of June 30, 2023, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability/(asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

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**NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)**

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

	SERS	STRS	Total
Proportionate share of the net OPEB liability/(asset)	\$ 3,118,663	\$ (3,263,870)	\$ (145,207)
OPEB expense	\$ (228,609)	\$ (99,539)	\$ (328,148)
Proportion of the net OPEB liability/(asset) - prior measurement date	0.19609350%	0.17009209%	
Proportion of the net OPEB liability/(asset) - current measurement date	0.18930300%	0.16782012%	
	<u>-0.00679050%</u>	<u>-0.00227197%</u>	

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ 6,497	\$ 5,088	\$ 11,585
Change in assumptions	1,054,512	5,825	1,060,337
Net difference between projected and actual earnings on OPEB plan investments	24,171	480,815	504,986
Changes in proportionate share and differences between School District contributions and proportionate share of contributions	137,196	16,307	153,503
School District contributions subsequent to the measurement date	124,242	-	124,242
Total deferred outflows of resources	<u>\$ 1,346,618</u>	<u>\$ 508,035</u>	<u>\$ 1,854,653</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 1,608,410	\$ 497,826	\$ 2,106,236
Change in assumptions	885,730	-	885,730
Net difference between projected and actual earnings on OPEB plan investments	-	2,153,455	2,153,455
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	509,027	3,547	512,574
Total deferred inflows of resources	<u>\$ 3,003,167</u>	<u>\$ 2,654,828</u>	<u>\$ 5,657,995</u>

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NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

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

\$ 124,242 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/(asset) in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	\$ (518,758)	\$ (936,247)	\$ (1,455,005)
2026	(461,291)	(692,951)	(1,154,242)
2027	(284,270)	(165,290)	(449,560)
2028	(183,131)	(225,209)	(408,340)
2029	(135,517)	(206,601)	(342,118)
Thereafter	(197,824)	79,505	(118,319)
	<u>\$ (1,780,791)</u>	<u>\$ (2,146,793)</u>	<u>\$ (3,927,584)</u>

E. ACTUARIAL ASSUMPTIONS – SERS

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

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

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

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NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

E. ACTUARIAL ASSUMPTIONS – SERS (continued)

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

Actuarial assumptions experience study date	5 year period ended June 30, 2020
Investment rate of return	7.00 percent of net of investment expense, including inflation
Inflation	2.40 percent
Wage increases	3.25 to 13.58 percent
Municipal bond index rate:	
Prior measurement date	3.69 percent
Measurement date	3.86 percent
Single equivalent interest rate, net of plan investment expense, including price inflation	
Prior measurement date	4.08 percent
Measurement date	4.27 percent
Medical trend assumptions	
Prior measurement date	7.00 to 4.40 percent
Measurement date	6.75 to 4.40 percent

Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

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**NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)**

**E. ACTUARIAL ASSUMPTIONS – SERS (continued)**

The long-term expected rate of return on plan assets is reviewed as part of the actuarial 5-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, are summarized as follows:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Cash	2.00%	0.75%
U.S. equity	24.75%	4.82%
Non-U.S. equity developed	13.50%	5.19%
Non-U.S. equity emerging	6.75%	5.98%
Fixed income / global bonds	19.00%	2.24%
Private equity	12.00%	7.49%
Real estate / real assets	17.00%	3.70%
Private debt / private credit	5.00%	5.64%
	<b><u>100.00%</u></b>	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2023, was 4.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2023, was 4.08 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2048 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2022, and the June 30, 2023, total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.86 percent at June 30, 2023, and 3.69 percent at June 30, 2022.

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**NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)**

**E. ACTUARIAL ASSUMPTIONS – SERS (continued)**

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.27%) and higher (5.27%) than the current discount rate (4.27%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate (6.75% decreasing to 4.40%).

	1% Decrease	Current Discount Rate	1% Increase
School District's proportionate share of the net OPEB liability	<u>\$ 3,986,544</u>	<u>\$ 3,118,663</u>	<u>\$ 2,434,304</u>
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB liability	<u>\$ 2,291,174</u>	<u>\$ 3,118,663</u>	<u>\$ 4,215,198</u>

**F. ACTUARIAL ASSUMPTIONS – STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023, actuarial valuation are presented below:

Salary increases	Varies by service from 2.50 percent to 8.50 percent	
Payroll increases	3.00 percent	
Investment rate of return	7.00 percent, net of investment expenses, including inflation	
Discount rate of return	7.00 percent	
Health care cost trends	<u>Initial</u>	<u>Ultimate</u>
Medical		
Pre-medicare	7.5 percent	4.14 percent
Medicare	-10.94 percent	4.14 percent
Prescription drug		
Pre-medicare	11.95 percent	4.14 percent
Medicare	1.33 percent	4.14 percent

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NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

F. ACTUARIAL ASSUMPTIONS – STRS

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

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

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

Asset Class	Target Allocation *	Long-term Expected Real Rate of Return **
Domestic equity	26.00%	6.60%
International equity	22.00%	6.80%
Alternatives	19.00%	7.38%
Fixed income	22.00%	1.75%
Real estate	10.00%	5.75%
Liquidity reserves	1.00%	1.00%
	<u>100.00%</u>	

\* Final target weights reflected at October 1, 2022.

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

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**NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)**

**F. ACTUARIAL ASSUMPTIONS – STRS**

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

**Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate** - The following table represents the net OPEB asset as of June 30, 2023, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	Current		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	\$ 2,762,438	\$ 3,263,870	\$ 3,700,563
School District's proportionate share of the net OPEB asset	1% Decrease	Current Trend Rate	1% Increase
	\$ 3,720,827	\$ 3,263,868	\$ 2,713,472

**NOTE 12 - OTHER EMPLOYEE BENEFITS**

**A. COMPENSATED ABSENCES**

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

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

**B. LIFE INSURANCE**

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

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

**A. INTERFUND BALANCES**

On the fund financial statements at June 30, 2024, interfund balances consisted of the following:

<u>Due to General Fund</u>	
Due from:	
Non-major governmental funds	\$ 273,468
	<u><u>\$ 273,468</u></u>

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

**B. TRANSFERS**

Transfers of \$ 59,306 to the Athletic Fund from the General Fund to cover expenditures in the Athletic Fund and \$ 12,512 to the General Fund from the Local Grants to transfer unspent local grant funds as per the District's policy.

**NOTE 14 - LONG-TERM OBLIGATIONS**

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

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

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

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

	Outstanding 6/30/2023	Additions	Reductions	Outstanding 6/30/2024	Due in 1 year
<b>General obligation bonds</b>					
Various purpose construction bonds - 2010					
Term and serial bonds	\$ 4,395,000	\$ -	\$ 1,065,000	\$ 3,330,000	\$ 1,090,000
Capital appreciation bonds	25,866	-	-	25,866	-
Accretion on capital appreciation bonds	278,096	63,832	-	341,928	-
Refunding bonds - 2015					
Term and serial bonds	3,735,000	-	-	3,735,000	-
Refunding bonds - 2021					
Serial bonds	10,635,000	-	2,585,000	8,050,000	2,655,000
Unamortized bond premiums	859,194	-	204,340	654,854	-
<b>Total general obligation bonds</b>	<b>19,928,156</b>	<b>63,832</b>	<b>3,854,340</b>	<b>16,137,648</b>	<b>3,745,000</b>
<b>Net pension liability</b>					
STRS	37,811,686	-	1,671,728	36,139,958	-
SERS	10,346,624	-	185,262	10,161,362	-
<b>Total net pension liability</b>	<b>48,158,310</b>	<b>-</b>	<b>1,856,990</b>	<b>46,301,320</b>	<b>-</b>
<b>Net OPEB liability</b>					
SERS	2,753,173	365,490	-	3,118,663	-
<b>Total net OPEB liability</b>	<b>2,753,173</b>	<b>365,490</b>	<b>-</b>	<b>3,118,663</b>	<b>-</b>
<b>Compensated absences</b>	<b>7,072,472</b>	<b>1,891,098</b>	<b>2,225,296</b>	<b>6,738,274</b>	<b>2,006,565</b>
<b>Total governmental activities</b>	<b>\$ 77,912,111</b>	<b>\$ 2,320,420</b>	<b>\$ 7,936,626</b>	<b>\$ 72,295,905</b>	<b>\$ 5,751,565</b>

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

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

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

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

**Refunding Bonds, Series 2005**

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

**Various Purpose Construction Bonds, 2010 Series**

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

**Refunding Bonds, Series 2015**

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

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NOTE 14 - LONG-TERM OBLIGATIONS (continued)

Refunding Bonds, Series 2021

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

At June 30, 2024, \$ 24,120,000 of bonds outstanding are considered to be defeased.

The School District's overall legal debt margin was \$ 93,937,029 and the unvoted legal debt margin was \$ 1,184,372 at June 30, 2024.

Principal and interest requirements to retire long-term obligations outstanding at June 30, 2024, are as follows:

June 30,	General Obligation Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 3,745,000	\$ 1,168,474	\$ -	\$ -	\$ 3,745,000	\$ 1,168,474
2026	3,800,000	1,101,399	-	-	3,800,000	1,101,399
2027	3,835,000	593,787	-	-	3,835,000	593,787
2028	145,000	137,438	25,866	679,133	170,866	816,571
2029	855,000	67,450	-	-	855,000	67,450
2030-2034	2,735,000	216,775	-	-	2,735,000	216,775
	<u>\$ 15,115,000</u>	<u>\$ 3,285,323</u>	<u>\$ 25,866</u>	<u>\$ 679,133</u>	<u>\$ 15,140,866</u>	<u>\$ 3,964,456</u>

NOTE 15- JOINTLY GOVERNED ORGANIZATIONS

A. CONNECT

The North Coast Council became known as Connect effective April 1, 2016. The new governing Board of Directors, the Educational Service Centers of Northeast Ohio, Lorain and Medina County and the Ohio Schools Council, have accepted the ownership, responsibility and liability of Connect in order to provide exemplary service to member districts. The Superintendent/Executive Director of the three ESCs and Ohio Schools Council shall serve on Connect's Board of Directors. The purpose of Connect is applying modern technology (with the aid of computers and other electronic equipment) to administrative and instructional functions for member districts. Fiscal information for Connect is available from the Treasurer of the Educational Service Center of Northeast Ohio (fiscal agent), located at 6393 Oak Tree Boulevard, Independence, Ohio 44131. During the year the School District paid \$ 112,038 to Connect for basic service charges.

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**NOTE 15- JOINTLY GOVERNED ORGANIZATIONS (continued)**

**B. LORAIN COUNTY JOINT VOCATIONAL SCHOOL DISTRICT**

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

**C. OHIO SCHOOLS COUNCIL ASSOCIATION**

The Ohio Schools Council (Council) is a jointly governed organization among 302 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. Financial information can be obtained by contacting the Executive Director at the Ohio Schools Council at 6393 Oak Tree Blvd., Suite 377, Independence, Ohio 44131. During the year the School District paid \$ 36,907 to the Council

The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Compass Energy has been selected as the supplier and program manager. There are currently 185 participants in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

**D. SUBURBAN HEALTH CONSORTIUM**

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

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

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**NOTE 15- JOINTLY GOVERNED ORGANIZATIONS (continued)**

**D. SUBURBAN HEALTH CONSORTIUM (continued)**

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

Upon withdrawal of a Consortium Member, the Consortium shall pay the run out of all claims for such Consortium Member provided such Consortium Member has paid to the Consortium, prior to the effective date of withdrawal a withdrawal fee in the amount equal to two months' premiums at the Consortium Member's current rate. Payment of the withdrawal fee does not extend insurance coverage for two months. Upon automatic withdrawal, for non-payment of premiums required by the Consortium Agreement, the Consortium shall pay the run out of all claims for such Consortium Member provided that the Consortium has received from such Consortium Member all outstanding and unpaid premiums and other amounts and the withdrawal fee equal to two months' premiums at the Consortium Member's current rates. Any Consortium Member which withdraws from the Consortium pursuant to the Consortium Agreement shall have no claim to the Consortium's assets. Financial information for the Consortium can be obtained from the Treasurer of the Orange City School District (the "Fiscal Agent") at 32000 Chagrin Blvd, Pepper Pike, Ohio 44124. During the year, the School District paid \$ 6,774,072 to the Consortium.

**NOTE 16 - RELATED ORGANIZATION**

The Avon Lake Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Avon Lake City School District Board of Education. The Board possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies. Although the School District does serve as the taxing authority and issues tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained by contacting the Clerk/Treasurer at the Avon Lake Public Library at 32649 Electric Blvd., Avon Lake, Ohio, 44012.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 17 – CONTINGENCIES**

The School District received financial assistance from federal and State agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2024.

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2024 have been finalized. The FTE adjustments made by ODE subsequent to year-end were not material to the financial statements.

**NOTE 18 - SET-ASIDES**

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end. These amounts must be carried forward to be used for the same purposes in future fiscal years. In prior fiscal years, the School District was also required to set aside money for budget stabilization. At June 30, 2024, only the unspent portion of certain worker's compensation refunds continues to be set aside for budget stabilization.

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

	Budget Stabilization Reserve	Capital Improvements Reserve
Set-aside reserve balance, June 30, 2023	\$ 113,990	\$ -
Current year set-aside requirements	-	743,205
Offsetting credits	-	(638,635)
Qualifying disbursements	-	(2,632,844)
Total	<u>\$ 113,990</u>	<u>\$ (2,528,274)</u>
Set-aside reserve balance as of June 30, 2024	<u>\$ 113,990</u>	<u>\$ -</u>

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 19 – TAX ABATEMENT**

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

The establishment of the Reinvestment Area gave the City the ability to maintain and expand businesses located in the City and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate . For fiscal year 2024, the Avon Lake City School District has foregone approximately \$ 250,000 in tax revenue as a result of the abatements the City entered into.

**NOTE 20 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During fiscal year 2024, the School District received COVID-19 funding. The School District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**NOTE 21 – COMPLIANCE AND ACCOUNTABILITY**

Not apparent in the basic financial statement is a deficit fund balance of \$ 34,448 in ESSER Fund. This deficit is the result from adjustments for accrued liabilities. The General Fund is liable for any deficits and provides transfers when cash is required, not when accruals occur.

**NOTE 22 – COMMITMENTS**

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

General Fund	\$ 1,558,680
Other Governmental Funds	113,611
	<u><u>\$ 1,672,291</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS (1)

	2024	2023	2022	2021
School District's proportion of the net pension liability	0.18389890%	0.19129320%	0.20015410%	0.19181000%
School District's proportionate share of the net pension liability	\$ 10,161,362	\$ 10,346,624	\$ 7,385,106	\$ 12,686,718
School District's covered payroll	\$ 7,193,111	\$ 7,651,856	\$ 7,032,452	\$ 6,541,934
School District's proportionate share of the net pension liability as a percentage of its covered payroll	141.27%	135.22%	105.01%	193.93%
Plan fiduciary net position as a percentage of the total pension liability	76.06%	75.82%	82.86%	68.55%

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

See notes to required supplementary information.

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2020	2019	2018	2017	2016	2015
0.19681150%	0.20526990%	0.19551270%	0.20282300%	0.20439600%	0.20473100%
\$ 11,775,577	\$ 11,756,187	\$ 11,681,452	\$ 14,844,772	\$ 11,663,057	\$ 10,361,320
\$ 7,019,779	\$ 6,678,752	\$ 6,735,593	\$ 6,015,535	\$ 6,183,455	\$ 5,721,082
167.75%	176.02%	173.43%	246.77%	188.62%	181.11%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS (1)

	2024	2023	2022	2021
School District's proportion of the net pension liability	0.16782012%	0.17009209%	0.17164382%	0.16513233%
School District's proportionate share of the net pension liability	\$ 36,139,958	\$ 37,811,686	\$ 21,946,205	\$ 39,956,148
School District's covered payroll	\$ 22,597,887	\$ 22,650,056	\$ 20,972,391	\$ 19,416,042
School District's proportionate share of the net pension liability as a percentage of its covered payroll	159.93%	166.94%	104.64%	205.79%
Plan fiduciary net position as a percentage of the total pension liability	80.02%	78.88%	87.78%	75.48%

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

See notes to required supplementary information.

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2020	2019	2018	2017	2016	2015
0.16512790%	0.16697392%	0.16360304%	0.15954871%	0.16005300%	0.16916800%
\$ 36,517,043	\$ 36,713,816	\$ 38,864,253	\$ 53,405,763	\$ 44,233,915	\$ 41,147,626
\$ 19,365,543	\$ 18,805,491	\$ 18,151,993	\$ 16,717,462	\$ 16,704,889	\$ 17,297,477
188.57%	195.23%	214.10%	319.46%	264.80%	237.88%
77.40%	77.31%	75.30%	66.80%	72.10%	74.70%

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT CONTRIBUTIONS - PENSION  
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

LAST TEN FISCAL YEARS

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	2024	2023	2022	2021
Contractually required contribution	<u>\$ 983,054</u>	<u>\$ 1,007,036</u>	<u>\$ 1,071,260</u>	<u>\$ 984,543</u>
Contributions in relation to the contractually required contribution	<u>(983,054)</u>	<u>(1,007,036)</u>	<u>(1,071,260)</u>	<u>(984,543)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	<u>\$ 7,021,815</u>	<u>\$ 7,193,111</u>	<u>\$ 7,651,856</u>	<u>\$ 7,032,452</u>
Contributions as a percentage of covered payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

See notes to required supplementary information.

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2020	2019	2018	2017	2016	2015
\$ 915,871	\$ 947,670	\$ 901,632	\$ 942,983	\$ 842,175	\$ 814,979
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(915,871)	(947,670)	(901,632)	(942,983)	(842,175)	(814,979)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 6,541,934	\$ 7,019,779	\$ 6,678,752	\$ 6,735,593	\$ 6,015,535	\$ 6,183,455
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
14.00%	13.50%	13.50%	14.00%	14.00%	13.18%
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AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE SCHOOL DISTRICT CONTRIBUTIONS - PENSION  
STATE TEACHERS RETIREMENT SYSTEM OF OHIO  
LAST TEN FISCAL YEARS

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	2024	2023	2022	2021
Contractually required contribution	<u>\$ 3,077,666</u>	<u>\$ 3,163,704</u>	<u>\$ 3,171,008</u>	<u>\$ 2,936,135</u>
Contributions in relation to the contractually required contribution	<u>(3,077,666)</u>	<u>(3,163,704)</u>	<u>(3,171,008)</u>	<u>(2,936,135)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	<u>\$ 21,983,325</u>	<u>\$ 22,597,887</u>	<u>\$ 22,650,056</u>	<u>\$ 20,972,391</u>
Contributions as a percentage of covered payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

See notes to required supplementary information.

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2020	2019	2018	2017	2016	2015
\$ 2,718,246	\$ 2,711,176	\$ 2,632,769	\$ 2,541,279	\$ 2,340,443	\$ 2,338,684
<u>(2,718,246)</u>	<u>(2,711,176)</u>	<u>(2,632,769)</u>	<u>(2,541,279)</u>	<u>(2,340,443)</u>	<u>(2,338,684)</u>
<u>\$ -</u>					
<u>\$ 19,416,042</u>	<u>\$ 19,365,543</u>	<u>\$ 18,805,491</u>	<u>\$ 18,151,993</u>	<u>\$ 16,717,462</u>	<u>\$ 16,704,889</u>
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT FISCAL YEARS (1)

	2024	2023	2022	2021
School District's proportion of the net OPEB liability	0.18930300%	0.19609350%	0.20674950%	0.1999635%
School District's proportionate share of the net OPEB liability	\$ 3,118,663	\$ 2,753,173	\$ 3,912,904	\$ 4,345,861
School District's covered payroll	\$ 7,193,111	\$ 7,651,856	\$ 7,032,452	\$ 6,541,934
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	43.36%	35.98%	55.64%	66.43%
Plan fiduciary net position as a percentage of the total OPEB liability	30.02%	30.34%	24.08%	18.17%

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

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

See notes to required supplementary information.

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2020	2019	2018	2017
0.2020627%	0.2078748%	0.1990394%	0.2058185%

\$ 5,081,452	\$ 5,767,008	\$ 5,341,695	\$ 5,866,610
\$ 7,019,779	\$ 6,678,752	\$ 6,735,593	\$ 6,015,535

72.39%	86.35%	79.31%	97.52%
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15.57%	13.57%	12.46%	11.49%
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AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY/(ASSET)

STATE TEACHERS RETIREMENT SYSTEM OF OHIO

LAST EIGHT FISCAL YEARS (1)

	2024	2023	2022	2021
School District's proportion of the net OPEB liability/(asset)	0.16782012%	0.17009209%	0.17164382%	0.16513233%
School District's proportionate share of the net OPEB liability/(asset)	\$ (3,263,870)	\$ (4,404,251)	\$ (3,618,969)	\$ (2,902,197)
School District's covered payroll	\$ 22,597,887	\$ 22,650,056	\$ 20,972,391	\$ 19,416,042
School District's proportionate share of the net OPEB liability/(asset) as a percentage of its covered payroll	-14.44%	-19.44%	-17.26%	-14.95%
Plan fiduciary net position as a percentage of the total OPEB liability/(asset)	168.50%	230.70%	174.73%	182.13%

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

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

See notes to required supplementary information.

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2020	2019	2018	2017
0.16512790%	0.16697392%	0.16360304%	0.15954871%
\$ (2,734,914)	\$ (2,683,101)	\$ 6,383,187	\$ 8,532,706
\$ 19,365,543	\$ 18,805,491	\$ 18,151,993	\$ 16,717,462
-14.12%	-14.27%	35.17%	51.04%
174.74%	176.00%	47.10%	37.30%

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS – OPEB  
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

LAST TEN FISCAL YEARS

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	2024	2023	2022	2021
Contractually required contribution (1)	\$ 124,242	\$ 138,764	\$ 130,589	\$ 134,501
Contributions in relation to the contractually required contribution	<u>(124,242)</u>	<u>(138,764)</u>	<u>(130,589)</u>	<u>(134,501)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	\$ 7,021,815	\$ 7,193,111	\$ 7,651,856	\$ 7,032,452
OPEB contributions as a percentage of covered payroll	1.77%	1.93%	1.71%	1.91%

(1) Includes Surcharge

See notes to required supplementary information.

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2020	2019	2018	2017	2016	2015
\$ 132,825	\$ 160,164	\$ 144,047	\$ 111,438	\$ 105,345	\$ 156,213
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(132,825)	(160,164)	(144,047)	(111,438)	(105,345)	(156,213)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 6,541,934	\$ 7,019,779	\$ 6,678,752	\$ 6,735,593	\$ 6,015,535	\$ 6,183,455
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2.03%	2.28%	2.16%	1.65%	1.75%	2.53%

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

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	2024	2023	2022	2021
	\$        -	\$        -	\$        -	\$        -
Contractually required contribution (1)	\$        -	\$        -	\$        -	\$        -
Contributions in relation to the contractually required contribution	\$        -	\$        -	\$        -	\$        -
Contribution deficiency (excess)	\$        -	\$        -	\$        -	\$        -
School District covered payroll	\$ 21,983,325	\$ 22,597,887	\$ 22,650,056	\$ 20,972,391
OPEB contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

See notes to required supplementary information.

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2020	2019	2018	2017	2016	2015
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 19,416,042	\$ 19,365,543	\$ 18,805,491	\$ 18,151,993	\$ 16,717,462	\$ 16,704,889
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 1 – NET PENSION LIABILITY**

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

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

Changes in assumptions

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

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

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

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

Changes in benefit terms

Beginning in 2022, amounts reported use mortality rates based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2024

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

Changes in assumptions

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

Beginning with fiscal year 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 1 – NET PENSION LIABILITY (continued)**

Changes in benefit terms

For 2024, demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015, through June 30, 2021.

For fiscal year 2023, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

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

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

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

Changes in assumptions

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

Municipal Bond Index Rate:

Fiscal Year2024	3.86 percent
Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

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

Fiscal year 2024	4.27 percent
Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Pre-Medicare Trend Assumption

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2024

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

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

**Changes in assumptions (continued)**

**Medicare Trend Assumption**

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

**Changes in benefit terms**

There have been no changes to the benefit provisions.

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

**Changes in assumptions**

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

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

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

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2024

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

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

Changes in benefit terms (continued)

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

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

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

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

Combining  
and  
Individual Fund Statements  
and Schedules

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

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### **Nonmajor Special Revenue Funds**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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### ***Nonmajor Special Revenue Funds (continued)***

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

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

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

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### ***Nonmajor Debt Service Fund***

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

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

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### ***Nonmajor Capital Project Fund***

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

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

AVON LAKE CITY SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024

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	Total Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in pooled cash	\$ 1,774,817	\$ 21,456	\$ 1,466,790	\$ 3,263,063
Receivables, net of allowance				
Taxes, current	-	-	654,923	654,923
Taxes, delinquent	-	-	23,100	23,100
Intergovernmental receivables	227,359	-	-	227,359
Inventories and supplies	16,293	-	-	16,293
<b>Total assets</b>	<b>\$ 2,018,469</b>	<b>\$ 21,456</b>	<b>\$ 2,144,813</b>	<b>\$ 4,184,738</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 58,586	\$ -	\$ -	\$ 58,586
Accrued salaries, wages and benefits	80,425	-	-	80,425
Intergovernmental payable	11,174	-	-	11,174
Interfund payable	273,468	-	-	273,468
<b>Total liabilities</b>	<b>423,653</b>	<b>-</b>	<b>-</b>	<b>423,653</b>
<b>Deferred inflows of resources</b>				
Property taxes levied for next year and unavailable resources	67,493	-	640,916	708,409
<b>Total deferred inflows of resources</b>	<b>67,493</b>	<b>-</b>	<b>640,916</b>	<b>708,409</b>
<b>Fund balances</b>				
Nonspendable	16,293	-	-	16,293
Restricted	1,545,478	21,456	1,503,897	3,070,831
Unassigned (deficit)	(34,448)	-	-	(34,448)
<b>Total fund balances</b>	<b>1,527,323</b>	<b>21,456</b>	<b>1,503,897</b>	<b>3,052,676</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 2,018,469</b>	<b>\$ 21,456</b>	<b>\$ 2,144,813</b>	<b>\$ 4,184,738</b>

AVON LAKE CITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2024

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	Total Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenue</b>				
Taxes	\$ -	\$ -	\$ 566,838	\$ 566,838
Interest	52,081	-	-	52,081
Intergovernmental	3,078,745	-	65,163	3,143,908
Extracurricular	623,961	-	-	623,961
Charges for services	989,567	-	-	989,567
Donations and contributions	140,946	-	-	140,946
Miscellaneous	96,286	-	-	96,286
<b>Total revenues</b>	<b>4,981,586</b>	<b>-</b>	<b>632,001</b>	<b>5,613,587</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Instruction</b>				
Regular	1,159,251	-	1,565	1,160,816
Special	814,367	-	-	814,367
Other instruction	23,239	-	-	23,239
<b>Supporting services</b>				
Pupil	110,256	-	-	110,256
Instructional staff	76,103	-	-	76,103
Administration	196,738	-	-	196,738
Fiscal services	-	-	9,602	9,602
Operation and maintenance	186,303	-	-	186,303
Pupil transportation	-	-	259,737	259,737
<b>Operation of non-instructional services</b>				
Food service operation	1,483,033	-	-	1,483,033
Community services	168,785	-	-	168,785
Extracurricular activities	856,349	-	-	856,349
<b>Capital outlay</b>	-	-	57,673	57,673
<b>Total expenditures</b>	<b>5,074,424</b>	<b>-</b>	<b>328,577</b>	<b>5,403,001</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(92,838)</b>	<b>-</b>	<b>303,424</b>	<b>210,586</b>
<b>Other financing sources (uses)</b>				
<b>Transfers in</b>	<b>59,306</b>	<b>-</b>	<b>-</b>	<b>59,306</b>
<b>Transfers out</b>	<b>(12,512)</b>	<b>-</b>	<b>-</b>	<b>(12,512)</b>
<b>Total other financing sources (uses)</b>	<b>46,794</b>	<b>-</b>	<b>-</b>	<b>46,794</b>
<b>Net change in fund balances</b>	<b>(46,044)</b>	<b>-</b>	<b>303,424</b>	<b>257,380</b>
<b>Fund balances, beginning of year</b>	<b>1,573,367</b>	<b>21,456</b>	<b>1,200,473</b>	<b>2,795,296</b>
<b>Fund balances, end of year</b>	<b>\$ 1,527,323</b>	<b>\$ 21,456</b>	<b>\$ 1,503,897</b>	<b>\$ 3,052,676</b>

AVON LAKE CITY SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2024

---

	Food Service	Local Grants	Student Activites	Athletics
<b>Assets</b>				
Equity in pooled cash	\$ 980,058	\$ 292,299	\$ 205,429	\$ 199,747
Intergovernmental receivables	-	-	-	-
Inventories and supplies	16,293	-	-	-
<b>Total assets</b>	<b>\$ 996,351</b>	<b>\$ 292,299</b>	<b>\$ 205,429</b>	<b>\$ 199,747</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 79	\$ -	\$ 1,135	\$ 8,456
Accrued salaries, wages and benefits	75,249	-	-	-
Intergovernmental payable	10,374	-	-	-
Interfund payable	-	9,000	5,363	9,900
<b>Total liabilities</b>	<b>85,702</b>	<b>9,000</b>	<b>6,498</b>	<b>18,356</b>
<b>Deferred inflows of resources</b>				
Property taxes levied for next year and unavailable resources	43,812	-	-	-
<b>Total deferred inflows of resources</b>	<b>43,812</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>				
Nonspendable	16,293	-	-	-
Restricted	850,544	283,299	198,931	181,391
Unassigned (deficit)	-	-	-	-
<b>Total fund balances</b>	<b>866,837</b>	<b>283,299</b>	<b>198,931</b>	<b>181,391</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 996,351</b>	<b>\$ 292,299</b>	<b>\$ 205,429</b>	<b>\$ 199,747</b>

Auxiliary Service	Miscellaneous State Grants	ESSER	Title VI-B	Title I	Drug Free Schools
\$ 51,757	\$ 15,956	\$ 9,665	\$ -	\$ -	\$ 12,181
-	-	211,799	-	7,837	-
-	-	-	-	-	-
<u>\$ 51,757</u>	<u>\$ 15,956</u>	<u>\$ 221,464</u>	<u>\$ -</u>	<u>\$ 7,837</u>	<u>\$ 12,181</u>
\$ 14,468	\$ -	\$ 34,448	\$ -	\$ -	\$ -
5,176	-	-	-	-	-
800	-	-	-	-	-
-	-	221,464	-	7,837	12,181
<u>20,444</u>	<u>-</u>	<u>255,912</u>	<u>-</u>	<u>7,837</u>	<u>12,181</u>
-	<u>15,956</u>	-	-	-	-
-	<u>15,956</u>	-	-	-	-
-	-	-	-	-	-
31,313	-	-	-	-	-
-	-	(34,448)	-	-	-
<u>31,313</u>	<u>-</u>	<u>(34,448)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 51,757</u>	<u>\$ 15,956</u>	<u>\$ 221,464</u>	<u>\$ -</u>	<u>\$ 7,837</u>	<u>\$ 12,181</u>

(continued)

AVON LAKE CITY SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2024

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	Early Childhood Education Development	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
<b>Assets</b>				
Equity in pooled cash	\$ -	\$ -	\$ 7,725	\$ 1,774,817
Intergovernmental receivables	- -	7,723	-	227,359
Inventories and supplies	- -	-	-	16,293
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 7,723</b>	<b>\$ 7,725</b>	<b>\$ 2,018,469</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ 58,586
Accrued salaries, wages and benefits	- -	-	-	80,425
Intergovernmental payable	- -	-	-	11,174
Interfund payable	- -	7,723	-	273,468
<b>Total liabilities</b>	<b>- -</b>	<b>7,723</b>	<b>-</b>	<b>423,653</b>
<b>Deferred inflows of resources</b>				
Property taxes levied for next year and unavailable resources	- -	-	7,725	67,493
<b>Total deferred inflows of resources</b>	<b>- -</b>	<b>-</b>	<b>7,725</b>	<b>67,493</b>
<b>Fund balances</b>				
Nonspendable	- -	-	-	16,293
Restricted	- -	-	-	1,545,478
Unassigned (deficit)	- -	-	-	(34,448)
<b>Total fund balances</b>	<b>- -</b>	<b>-</b>	<b>-</b>	<b>1,527,323</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ -</b>	<b>\$ 7,723</b>	<b>\$ 7,725</b>	<b>\$ 2,018,469</b>

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AVON LAKE CITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2024

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	Food Service	Local Grants	Student Activities	Athletics
<b>Revenue</b>				
Interest	\$ 48,045	\$ -	\$ -	\$ -
Intergovernmental	503,654	-	-	-
Extracurricular	-	-	191,377	432,584
Charges for services	989,567	-	-	-
Donations and contributions	-	133,153	7,793	-
Miscellaneous	-	-	-	96,286
<b>Total revenues</b>	<b>1,541,266</b>	<b>133,153</b>	<b>199,170</b>	<b>528,870</b>
 <b>Expenditures</b>				
Current				
Instruction				
Regular	-	18,569	-	-
Special	-	474	-	-
Other instruction	-	-	-	-
Supporting services				
Pupil	-	-	-	-
Instructional staff	-	-	-	-
Administration	-	-	-	-
Operation and maintenance	-	10,000	-	416
Pupil transportation	-	-	-	-
Operation of non-instructional services				
Food service operation	1,479,221	-	2,661	-
Community services	-	9,000	770	-
Extracurricular activities	-	-	195,780	660,569
<b>Total expenditures</b>	<b>1,479,221</b>	<b>38,043</b>	<b>199,211</b>	<b>660,985</b>
 Excess (deficiency) of revenues over expenditures	 62,045	 95,110	 (41)	 (132,115)
 Other financing sources (uses)				
Transfers in	-	-	-	59,306
Transfers out	-	(12,512)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(12,512)</b>	<b>-</b>	<b>59,306</b>
 Net change in fund balances	 62,045	 107,622	 (41)	 (72,809)
 Fund balances, beginning of year	 804,792	 200,701	 198,972	 254,200
 Fund balances, end of year	 <b>\$ 866,837</b>	 <b>\$ 308,323</b>	 <b>\$ 198,931</b>	 <b>\$ 181,391</b>

Auxiliary Service	Miscellaneous State Grants	ESSER	Title VI-B	Title I	Drug Free Schools
\$ 4,036	\$ -	\$ -	\$ -	\$ -	\$ -
233,862	-	1,355,898	796,098	125,286	703
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>237,898</b>	<b>-</b>	<b>1,355,898</b>	<b>796,098</b>	<b>125,286</b>	<b>703</b>
<hr/>					
-	-	1,099,154	-	-	-
-	-	386	667,923	125,286	-
-	-	23,239	-	-	-
-	-	1,319	108,937	-	-
-	-	67,560	-	-	-
-	-	196,738	-	-	-
-	5,563	-	-	-	-
-	-	-	-	-	-
-	-	1,151	-	-	-
138,474	-	-	19,238	-	703
<b>138,474</b>	<b>5,563</b>	<b>1,389,547</b>	<b>796,098</b>	<b>125,286</b>	<b>703</b>
<b>99,424</b>	<b>(5,563)</b>	<b>(33,649)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<hr/>					
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
99,424	(5,563)	(33,649)	-	-	-
(68,111)	5,563	(799)	-	-	-
<b>\$ 31,313</b>	<b>\$ -</b>	<b>\$ (34,448)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

AVON LAKE CITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2024

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	Early Childhood Education Development	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
<b>Revenue</b>				
Interest	\$ -	\$ -	\$ -	\$ 52,081
Intergovernmental	20,298	50,671	(7,725)	3,078,745
Extracurricular	-	-	-	623,961
Charges for services	-	-	-	989,567
Donations and contributions	-	-	-	140,946
Miscellaneous	-	-	-	96,286
<b>Total revenues</b>	<b>20,298</b>	<b>50,671</b>	<b>(7,725)</b>	<b>4,981,586</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Instruction</b>				
Regular	-	41,528	-	1,159,251
Special	20,298	-	-	814,367
Other instruction	-	-	-	23,239
<b>Supporting services</b>				
Pupil	-	-	-	110,256
Instructional staff	-	8,543	-	76,103
Administration	-	-	-	196,738
Operation and maintenance	-	-	170,324	186,303
Pupil transportation	-	-	-	-
<b>Operation of non-instructional services</b>				
Food service operation	-	-	-	1,483,033
Community services	-	600	-	168,785
Extracurricular activities	-	-	-	856,349
<b>Total expenditures</b>	<b>20,298</b>	<b>50,671</b>	<b>170,324</b>	<b>5,074,424</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>(178,049)</b>	<b>(92,838)</b>
<b>Other financing sources (uses)</b>				
<b>Transfers in</b>	-	-	-	59,306
<b>Transfers out</b>	-	-	-	12,512
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71,818</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>(178,049)</b>	<b>(21,020)</b>
<b>Fund balances, beginning of year</b>	<b>-</b>	<b>-</b>	<b>178,049</b>	<b>1,573,367</b>
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,552,347</b>

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AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

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	General Fund				Variance with Final Budget	
	Budget Amounts		Actual	Positive (Negative)		
	Original	Final				
<b>Revenues</b>						
Taxes	\$ 36,063,476	\$ 36,953,636	\$ 36,928,313	\$ (25,323)		
Tuition and fees	829,372	849,843	849,261	(582)		
Interest	542,076	555,457	555,076	(381)		
Intergovernmental	8,596,633	8,808,825	8,802,789	(6,036)		
Miscellaneous	875,201	896,804	896,189	(615)		
<b>Total revenues</b>	<b>46,906,758</b>	<b>48,064,565</b>	<b>48,031,628</b>	<b>(32,937)</b>		
<b>Expenditures</b>						
Current						
Instruction						
Regular						
Salaries	13,789,394	15,037,714	14,955,717	81,997		
Benefits	5,214,556	5,686,616	5,655,609	31,007		
Purchased services	627,828	684,663	680,930	3,733		
Materials and supplies	465,681	507,838	505,069	2,769		
Capital outlay	771,527	841,372	836,784	4,588		
Total regular	<b>20,868,986</b>	<b>22,758,203</b>	<b>22,634,109</b>	<b>124,094</b>		
Special						
Salaries	2,618,725	2,855,792	2,840,220	15,572		
Benefits	988,299	1,077,767	1,071,890	5,877		
Purchased services	1,847,898	2,015,183	2,004,195	10,988		
Materials and supplies	18,253	19,906	19,797	109		
Total special	<b>5,473,175</b>	<b>5,968,648</b>	<b>5,936,102</b>	<b>32,546</b>		
Adult/continuing						
Salaries	7,127	7,772	7,730	42		
Benefits	1,080	1,177	1,171	6		
Total adult/continuing	<b>8,207</b>	<b>8,949</b>	<b>8,901</b>	<b>48</b>		
Other						
Salaries	274,343	299,178	297,547	1,631		
Benefits	70,179	76,532	76,115	417		
Purchased services	117,242	127,855	127,158	697		
Materials and supplies	4,149	4,525	4,500	25		
Other	21,252	23,175	23,049	126		
Total other instruction	<b>487,165</b>	<b>531,265</b>	<b>528,369</b>	<b>2,896</b>		
<b>Total instruction</b>	<b>\$ 26,837,533</b>	<b>\$ 29,267,065</b>	<b>\$ 29,107,481</b>	<b>\$ 159,584</b>		

(continued)

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

	General Fund				Variance with Final Budget	
	Budget Amounts		Actual	Positive (Negative)		
	Original	Final				
<b>Supporting services</b>						
<b>Pupil</b>						
Salaries	\$ 1,795,667	\$ 1,958,225	\$ 1,947,547	\$ 10,678		
Benefits	799,228	871,580	866,828	4,752		
Purchased services	475,510	518,557	515,729	2,828		
Materials and supplies	37,377	40,760	40,538	222		
Capital outlay	43,213	47,125	46,868	257		
<b>Total pupil</b>	<b>3,150,995</b>	<b>3,436,247</b>	<b>3,417,510</b>	<b>18,737</b>		
<b>Instructional staff</b>						
Salaries	1,003,953	1,094,839	1,088,869	5,970		
Benefits	377,846	412,052	409,805	2,247		
Purchased services	227,769	248,388	247,034	1,354		
Materials and supplies	73,876	80,564	80,125	439		
Capital outlay	363,547	396,458	394,296	2,162		
<b>Total instructional staff</b>	<b>2,046,991</b>	<b>2,232,301</b>	<b>2,220,129</b>	<b>12,172</b>		
<b>Board of education</b>						
Salaries	6,915	7,541	7,500	41		
Benefits	1,089	1,187	1,181	6		
Purchased services	33,434	36,461	36,262	199		
Materials and supplies	4,939	5,386	5,357	29		
Other	8,497	9,267	9,216	51		
<b>Total board of education</b>	<b>54,874</b>	<b>59,842</b>	<b>59,516</b>	<b>326</b>		
<b>Administration</b>						
Salaries	2,012,676	2,194,879	2,182,911	11,968		
Benefits	1,234,812	1,346,597	1,339,254	7,343		
Purchased services	423,046	461,344	458,828	2,516		
Materials and supplies	31,373	34,214	34,027	187		
Capital outlay	3,449	3,762	3,741	21		
Other	68,284	74,466	74,060	406		
<b>Total administration</b>	<b>3,773,640</b>	<b>4,115,262</b>	<b>4,092,821</b>	<b>22,441</b>		
<b>Fiscal</b>						
Salaries	349,307	380,929	378,852	2,077		
Benefits	147,959	161,354	160,474	880		
Purchased services	51,566	56,234	55,927	307		
Materials and supplies	3,792	4,136	4,113	23		
Other	478,694	522,029	519,183	2,846		
<b>Total fiscal</b>	<b>\$ 1,031,318</b>	<b>\$ 1,124,682</b>	<b>\$ 1,118,549</b>	<b>\$ 6,133</b>		

(continued)

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

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	General Fund				Variance with Final Budget	
	Budget Amounts		Actual	Positive (Negative)		
	Original	Final				
<b>Business</b>						
Salaries	\$ 226,380	\$ 246,874	\$ 245,528	\$ 1,346		
Benefits	120,856	131,797	131,078	719		
Purchased services	20,873	22,763	22,639	124		
Materials and supplies	1,825	1,990	1,979	11		
Capital outlay	2,228	2,429	2,416	13		
<b>Total business</b>	<b>372,162</b>	<b>405,853</b>	<b>403,640</b>	<b>2,213</b>		
<b>Operation and maintenance</b>						
Salaries	1,498,593	1,634,257	1,625,346	8,911		
Benefits	647,625	706,253	702,402	3,851		
Purchased services	4,648,375	5,069,181	5,041,540	27,641		
Materials and supplies	393,419	429,034	426,695	2,339		
Capital outlay	195,756	213,477	212,313	1,164		
<b>Total operation and maintenance</b>	<b>7,383,768</b>	<b>8,052,202</b>	<b>8,008,296</b>	<b>43,906</b>		
<b>Pupil transportation</b>						
Salaries	1,136,154	1,239,007	1,232,251	6,756		
Benefits	311,844	340,074	338,220	1,854		
Purchased services	400,600	436,865	434,483	2,382		
Materials and supplies	278,749	303,984	302,326	1,658		
Other	1,423	1,551	1,543	8		
<b>Total pupil transportation</b>	<b>2,128,770</b>	<b>2,321,481</b>	<b>2,308,823</b>	<b>12,658</b>		
<b>Central services</b>						
Salaries	108,389	118,202	117,557	645		
Benefits	65,280	71,190	70,802	388		
Purchased services	80,145	87,401	86,924	477		
Materials and supplies	1,560	1,701	1,692	9		
Other	10,291	11,222	11,161	61		
<b>Total central services</b>	<b>265,665</b>	<b>289,716</b>	<b>288,136</b>	<b>1,580</b>		
<b>Total supporting services</b>	<b>20,208,183</b>	<b>22,037,586</b>	<b>21,917,420</b>	<b>120,166</b>		
<b>Operation of non-instructional services</b>						
<b>Community services</b>						
Salaries	41,692	45,466	45,218	248		
Benefits	5,313	5,794	5,762	32		
Materials and supplies	5,586	6,091	6,058	33		
Capital outlay	2,397	2,614	2,600	14		
<b>Total community services</b>	<b>54,988</b>	<b>59,965</b>	<b>59,638</b>	<b>327</b>		

(continued)

AVON LAKE CITY SCHOOL DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2024

	General Fund				Variance with Final Budget	
	Budget Amounts		Actual	Positive (Negative)		
	Original	Final				
Food service operation						
Salaries	211	230	229	1		
Total food service operation	211	230	229	1		
Total operation of non-instructional services	\$ 55,199	\$ 60,195	\$ 59,867	\$ 328		
Extracurricular activities						
Academic and subject oriented						
Salaries	\$ 100,774	\$ 109,897	\$ 109,298	\$ 599		
Benefits	5,891	6,424	6,389	35		
Purchased services	5,251	5,726	5,695	31		
Total academic and subject oriented	111,916	122,047	121,382	665		
Occupation oriented						
Salaries	1,410	1,537	1,529	8		
Benefits	23	25	25	-		
Total occupation oriented	1,433	1,562	1,554	8		
Sports oriented						
Salaries	645,942	704,417	700,576	3,841		
Benefits	142,641	155,554	154,706	848		
Purchased services	8,559	9,334	9,283	51		
Total sports oriented	797,142	869,305	864,565	4,740		
Co-curricular activities						
Salaries	55,216	60,214	59,886	328		
Benefits	2,193	2,392	2,379	13		
Total co-curricular activities	57,409	62,606	62,265	341		
Total extracurricular activities	967,900	1,055,520	1,049,766	5,754		
Capital outlay	46,101	50,274	50,000	274		
Total expenditures	48,114,916	52,470,640	52,184,534	286,106		
Excess (deficiency) of revenues over expenditures	(1,208,158)	(4,406,075)	(4,152,906)	253,169		
Other financing sources						
Transfers-in	-	12,512	12,512	-		
Advances in	-	423,208	423,208	-		
Refund of prior year expenditures	-	9,766	9,766	-		
Transfers-out	-	(60,106)	(60,106)	-		
Advances out	-	(284,173)	(284,173)	-		
Total other financing sources	-	101,207	101,207	-		
Net change in fund balance	(1,208,158)	(4,304,868)	(4,051,699)	253,169		
Prior year encumbrances	1,109,866	1,109,866	1,109,866	-		
Fund balances, beginning of year	11,874,728	11,874,728	11,874,728	-		
Fund balances, end of year	\$ 11,776,436	\$ 8,679,726	\$ 8,932,895	\$ 253,169		

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

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	Bond Retirement Fund			Variance with Final Budget Positive (Negative)	
	Budget Amounts		Actual		
	Original	Final			
Total revenues and other sources	\$ 4,597,991	\$ 4,798,629	\$ 4,798,629	\$ -	
Total expenditures and other uses	4,870,475	4,922,387	4,922,387	-	
Net change in fund balance	(272,484)	(123,758)	(123,758)	-	
Prior year encumbrances	-	-	-	-	
Fund balances, beginning of year	<u>2,608,218</u>	<u>2,608,218</u>	<u>2,608,218</u>	<u>-</u>	
Fund balances, end of year	<u>\$ 2,335,734</u>	<u>\$ 2,484,460</u>	<u>\$ 2,484,460</u>	<u>\$ -</u>	

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

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	Food Service			Variance with Final Budget Positive (Negative)	
	Budget Amounts		Actual		
	Original	Final			
Total revenues and other sources	\$ 1,000,000	\$ 1,422,372	\$ 1,450,077	\$ 27,705	
Total expenditures and other uses	702,709	1,541,369	1,398,991	142,378	
Net change in fund balance	297,291	(118,997)	51,086	170,083	
Prior year encumbrances	17,239	17,239	17,239	-	
Fund balances, beginning of year	910,706	910,706	910,706	-	
Fund balances, end of year	<u>1,225,236</u>	<u>808,948</u>	<u>979,031</u>	<u>170,083</u>	

## AVON LAKE CITY SCHOOL DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2024

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	Local Grants Fund			Variance with Final Budget Positive (Negative)	
	Budget Amounts		Actual		
	Original	Final			
Total revenues and other sources	\$ -	\$ 130,056	\$ 142,154	\$ 12,098	
Total expenditures and other uses	\$ 19,000	\$ 50,778	\$ 50,778	-	
Net change in fund balance	(19,000)	79,278	91,376	12,098	
Prior year encumbrances	10,000	10,000	10,000	-	
Fund balances, beginning of year	190,923	190,923	190,923	-	
Fund balances, end of year	<u>\$ 181,923</u>	<u>\$ 280,201</u>	<u>\$ 292,299</u>	<u>\$ 12,098</u>	

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

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	Student Activities			Variance with Final Budget Positive (Negative)	
	Budget Amounts		Actual		
	Original	Final			
Total revenues and other sources	\$ 89,150	\$ 201,675	\$ 207,099	\$ 5,424	
Total expenditures and other uses	105,420	249,920	212,884	37,036	
Net change in fund balance	(16,270)	(48,245)	(5,785)	42,460	
Prior year encumbrances	21,270	21,270	21,270	-	
Fund balances, beginning of year	179,853	179,853	179,853	-	
Fund balances, end of year	<u>\$ 184,853</u>	<u>\$ 152,878</u>	<u>\$ 195,338</u>	<u>\$ 42,460</u>	

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

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	Athletics Fund			Variance with Final Budget	
	Budget Amounts		Actual		
	Original	Final			
Total revenues and other sources	\$ 500,000	\$ 528,620	\$ 598,076	\$ 69,456	
Total expenditures and other uses	328,878	772,878	738,642	34,236	
Net change in fund balance	171,122	(244,258)	(140,566)	103,692	
Prior year encumbrances	78,078	78,078	78,078	-	
Fund balances, beginning of year	<u>221,674</u>	<u>221,674</u>	<u>221,674</u>	<u>-</u>	
Fund balances, end of year	<u><u>\$ 470,874</u></u>	<u><u>\$ 55,494</u></u>	<u><u>\$ 159,186</u></u>	<u><u>\$ 103,692</u></u>	

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

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	Auxiliary Services Fund			Variance with Final Budget  Positive (Negative)	
	Budget Amounts		Actual		
	Original	Final			
Total revenues and other sources	\$ 175,000	\$ 237,664	\$ 237,898	\$ 234	
Total expenditures and other uses	190,385	276,206	255,522	20,684	
Net change in fund balance	(15,385)	(38,542)	(17,624)	20,918	
Prior year encumbrances	15,385	15,385	15,385	-	
Fund balances, beginning of year	<u>23,157</u>	<u>23,157</u>	<u>23,157</u>	<u>-</u>	
Fund balances, end of year	<u>\$ 23,157</u>	<u>\$ -</u>	<u>\$ 20,918</u>	<u>\$ 20,918</u>	

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

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	Miscellaneous State Grants Fund			Variance with Final Budget	
	Budget Amounts		Actual		
	Original	Final			
Total revenues and other sources	\$ -	\$ 15,956	\$ 15,956	\$ -	
Total expenditures and other uses	5,563	5,563	5,563	-	
Net change in fund balance	(5,563)	10,393	10,393	-	
Prior year encumbrances	5,563	5,563	5,563	-	
Fund balances, beginning of year	-	-	-	-	
Fund balances, end of year	<u>\$ -</u>	<u>\$ 15,956</u>	<u>\$ 15,956</u>	<u>\$ -</u>	

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

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	Esser Grant Fund			Variance with Final Budget Positive (Negative)	
	Budget Amounts		Actual		
	Original	Final			
Total revenues and other sources	\$ 1,505,184	\$ 1,763,926	\$ 1,708,764	\$ (55,162)	
Total expenditures and other uses	1,559,862	1,818,604	1,763,442	55,162	
Net change in fund balance	(54,678)	(54,678)	(54,678)	-	
Prior year encumbrances	54,678	54,678	54,678	-	
Fund balances, beginning of year	-	-	-	-	
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

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	Title VI-B Fund				Variance with Final Budget Positive (Negative)	
	Budget Amounts		Actual			
	Original	Final				
Total revenues and other sources	\$ 815,269	\$ 815,269	\$ 802,981	\$ (12,288)		
Total expenditures and other uses	<u>815,269</u>	<u>815,269</u>	<u>802,981</u>	<u>12,288</u>		
Net change in fund balance	-	-	-	-		
Prior year encumbrances	-	-	-	-		
Fund balances, beginning of year	-	-	-	-		
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

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	Title I Fund			Variance with Final Budget	
	Budget Amounts		Actual		
	Original	Final			
Total revenues and other sources	\$ 137,897	\$ 145,323	\$ 125,287	\$ (20,036)	
Total expenditures and other uses	137,897	145,323	125,287	20,036	
Net change in fund balance	-	-	-	-	
Prior year encumbrances	-	-	-	-	
Fund balances, beginning of year	-	-	-	-	
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

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	Drug Free Schools Fund			Variance with Final Budget Positive (Negative)	
	Budget Amounts		Actual		
	Original	Final			
Total revenues and other sources	\$ 11,226	\$ 12,883	\$ 12,883	\$ -	
Total expenditures and other uses	11,226	12,883	12,883	-	
Net change in fund balance	-	-	-	-	
Prior year encumbrances	-	-	-	-	
Fund balances, beginning of year	-	-	-	-	
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

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Early Childhood Education Development Fund					Variance with Final Budget	
Budget Amounts				Positive (Negative)		
	Original	Final	Actual			
Total revenues and other sources	\$ 18,000	\$ 20,298	\$ 20,298	\$ -		
Total expenditures and other uses	18,000	20,298	20,298	-		
Net change in fund balance	-	-	-	-		
Prior year encumbrances	-	-	-	-		
Fund balances, beginning of year	-	-	-	-		
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

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	Title II-A Fund			Variance with Final Budget	
	Budget Amounts		Actual		
	Original	Final			
Total revenues and other sources	\$ 67,626	\$ 82,435	\$ 64,151	\$ (18,284)	
Total expenditures and other uses	67,676	82,485	64,201	18,284	
Net change in fund balance	(50)	(50)	(50)	-	
Prior year encumbrances	50	50	50	-	
Fund balances, beginning of year	-	-	-	-	
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

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	Miscellaneous Federal Grants Fund			Variance with Final Budget	
	Budget Amounts		Actual		
	Original	Final			
Total revenues and other sources	\$ -	\$ -	\$ -	\$ -	
Total expenditures and other uses	113,120	178,049	174,774	3,275	
Net change in fund balance	(113,120)	(178,049)	(174,774)	3,275	
Prior year encumbrances	109,845	109,845	109,845	-	
Fund balances, beginning of year	<u>68,204</u>	<u>68,204</u>	<u>68,204</u>	<u>-</u>	
Fund balances, end of year	<u>\$ 64,929</u>	<u>\$ -</u>	<u>\$ 3,275</u>	<u>\$ 3,275</u>	

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

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	Scholarship Fund			Variance with Final Budget	
	Budget Amounts		Actual		
	Original	Final			
Total revenues and other sources	\$ 10,000	\$ 8,002	\$ 9,102	\$ 1,100	
Total expenditures and other uses	2,750	14,337	14,337	-	
Net change in fund balance	7,250	(6,335)	(5,235)	1,100	
Prior year encumbrances	-	-	-	-	
Fund balances, beginning of year	<u>104,931</u>	<u>104,931</u>	<u>104,931</u>	<u>-</u>	
Fund balances, end of year	<u>\$ 112,181</u>	<u>\$ 98,596</u>	<u>\$ 99,696</u>	<u>\$ 1,100</u>	

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

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	Public School Support Fund				Variance with Final Budget	
	Budget Amounts		Actual	Positive (Negative)		
	Original	Final				
Total revenues and other sources	\$ 78,075	\$ 91,614	\$ 91,614	\$ -		
Total expenditures and other uses	77,990	82,490	75,617	6,873		
Net change in fund balance	85	9,124	15,997	6,873		
Prior year encumbrances	2,290	2,290	2,290	-		
Fund balances, beginning of year	<u>237,813</u>	<u>237,813</u>	<u>237,813</u>	<u>-</u>		
Fund balances, end of year	<u>\$ 240,188</u>	<u>\$ 249,227</u>	<u>\$ 256,100</u>	<u>\$ 6,873</u>		

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

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

AVON LAKE CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

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	Permanent Improvements Fund			Variance with Final Budget	
	Budget Amounts		Actual		
	Original	Final			
Total revenues and other sources	\$ 728,298	\$ 748,798	\$ 748,798	\$ -	
Total expenditures and other uses	545,752	545,752	373,578	172,174	
Net change in fund balance	182,546	203,046	375,220	172,174	
Prior year encumbrances	195,752	195,752	195,752	-	
Fund balances, beginning of year	<u>895,818</u>	<u>895,818</u>	<u>895,818</u>	<u>-</u>	
Fund balances, end of year	<u>\$ 1,274,116</u>	<u>\$ 1,294,616</u>	<u>\$ 1,466,790</u>	<u>\$ 172,174</u>	

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# STATISTICAL SECTION



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## STATISTICAL SECTION

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

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

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

## AVON LAKE CITY SCHOOL DISTRICT

## NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

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	2024	2023	2022	2021
Governmental activities				
Net investment in capital assets	\$ 27,321,891	\$ 22,883,215	\$ 18,944,832	\$ 18,375,711
Restricted	8,990,379	10,354,126	9,810,476	8,744,646
Unrestricted	(45,040,701)	(42,115,002)	(38,974,412)	(43,952,684)
Total primary government net position	<u>\$ (8,728,431)</u>	<u>\$ (8,877,661)</u>	<u>\$ (10,219,104)</u>	<u>\$ (16,832,327)</u>

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**Note:**

Year 2016 has been restated due to a prior period adjustment related to deferred inflows, deferred outflows and net pension liability.

Year 2017 has been restated due to the implementation of GASB Statement No. 75.

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2020	2019	2018	2017	2016	2015
\$ 17,000,885	\$ 14,756,361	\$ 13,024,434	\$ 12,128,924	\$ 10,190,220	\$ 8,870,400
8,581,227	8,962,709	6,506,101	5,485,518	5,234,676	5,287,563
(36,979,459)	(34,944,782)	(33,642,110)	(60,426,094)	(43,716,896)	(47,987,935)
<u>\$ (11,397,347)</u>	<u>\$ (11,225,712)</u>	<u>\$ (14,111,575)</u>	<u>\$ (42,811,652)</u>	<u>\$ (28,292,000)</u>	<u>\$ (33,829,972)</u>

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

	2024	2023	2022	2021
<b>Expenses</b>				
<b>Governmental activities:</b>				
<b>Instruction</b>				
Regular	\$ 24,142,400	\$ 26,971,818	\$ 22,003,758	\$ 25,584,021
Special	6,365,957	6,312,497	6,049,915	6,610,500
Adult/continuing	8,901	8,851	-	-
Other instruction	535,926	546,822	526,738	749,517
<b>Supporting services</b>				
Pupil	3,578,552	3,694,496	3,131,363	3,424,373
Instructional staff	2,020,811	2,014,555	1,960,372	2,088,089
Board of education	58,842	24,234	22,745	18,977
Administration	3,802,475	3,711,374	3,755,720	3,997,597
Fiscal services	987,882	1,230,015	1,359,939	1,249,255
Business	232,069	353,013	425,630	362,137
Operation and maintenance	5,736,523	4,710,844	4,516,856	4,434,688
Pupil transportation	2,223,467	1,896,819	2,011,825	1,796,924
Central services	268,534	392,302	271,812	450,250
<b>Operation of non-instructional services</b>				
Food service operation	1,436,807	1,433,480	1,415,731	1,197,400
Community services	233,145	353,809	300,716	335,204
Extracurricular activities	1,891,942	1,767,072	1,207,469	1,293,358
Interest and fiscal charges	968,100	1,005,822	1,817,819	2,694,600
<b>Total primary government expenses</b>	<b>54,492,333</b>	<b>56,427,823</b>	<b>50,778,408</b>	<b>56,286,890</b>
<b>Program revenues</b>				
<b>Governmental activities:</b>				
Charges for services and sales				
Instruction	654,951	938,705	819,998	307,055
Supporting services	91,628	74,321	65,266	34,992
Food service	989,567	1,003,556	261,545	122,117
Community services	4,582	1,269	4,595	-
Extracurricular activities	914,556	762,757	652,567	412,007
Operating grants, interest and contributions	3,243,382	4,038,654	4,043,241	3,032,625
<b>Total primary government program revenues</b>	<b>5,898,666</b>	<b>6,819,262</b>	<b>5,847,212</b>	<b>3,908,796</b>
<b>Net (expense) revenue</b>				
<b>Total primary government net expense</b>	<b>\$ (48,593,667)</b>	<b>\$ (49,608,561)</b>	<b>\$ (44,931,196)</b>	<b>\$ (52,378,094)</b>

**Note:**

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

	2020	2019	2018	2017	2016	2015
\$ 23,456,762	\$ 18,873,401	\$ 7,818,029	\$ 20,522,649	\$ 20,312,398	\$ 18,710,477	
6,406,105	5,322,915	2,633,328	5,176,972	4,760,004	4,264,727	
7,043	8,937	7,757	9,751	9,562	9,972	
883,593	660,789	651,549	911,223	887,928	809,304	
3,021,675	2,537,561	1,562,912	2,780,478	2,762,880	2,239,083	
1,784,274	1,694,975	1,187,636	1,901,395	1,608,512	1,326,965	
23,933	26,392	22,218	19,701	19,446	20,544	
3,475,379	3,255,267	2,088,751	3,635,512	3,560,633	3,102,611	
1,091,973	1,228,626	1,079,161	1,212,368	1,257,474	1,134,761	
218,283	451,251	300,319	360,590	318,233	283,355	
4,289,916	4,474,810	4,672,811	5,085,469	4,329,269	4,476,025	
1,863,969	2,074,319	1,728,198	1,956,379	1,817,520	1,805,718	
432,598	1,034,013	242,029	237,835	290,224	293,523	
1,298,033	1,328,217	1,176,719	1,252,674	1,254,263	1,174,997	
263,514	233,452	187,543	511,931	649,046	369,498	
1,317,463	1,165,364	624,601	1,281,536	1,261,581	1,132,041	
1,926,538	1,885,612	1,863,852	1,995,629	1,660,446	2,059,216	
<u>51,761,051</u>	<u>46,255,901</u>	<u>27,847,413</u>	<u>48,852,092</u>	<u>46,759,419</u>	<u>43,212,817</u>	
585,273	696,240	966,891	857,411	703,726	733,885	
68,261	86,596	141,455	146,448	214,753	146,927	
672,815	933,262	921,460	849,356	957,348	917,497	
-	-	-	-	-	-	
370,867	524,505	282,118	362,840	624,206	371,928	
1,769,655	1,734,026	1,638,082	1,671,614	1,720,987	1,457,351	
<u>3,466,871</u>	<u>3,974,629</u>	<u>3,950,006</u>	<u>3,887,669</u>	<u>4,221,020</u>	<u>3,627,588</u>	
<u>\$ (48,294,180)</u>	<u>\$ (42,281,272)</u>	<u>\$ (23,897,407)</u>	<u>\$ (44,964,423)</u>	<u>\$ (42,538,399)</u>	<u>\$ (39,585,229)</u>	

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

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	2024	2023	2022	2021
General revenues and other changes in net position				
Governmental activities:				
Property taxes levied for:				
General purposes	33,339,878	36,759,152	37,769,736	33,011,285
Debt service	3,057,135	3,392,306	3,619,254	3,378,117
Capital improvements	571,038	649,587	686,797	623,394
Grants and entitlements				
not restricted to specific purposes	10,117,082	9,264,857	9,009,491	9,096,918
Investment earnings	610,877	314,399	103,570	219,686
Miscellaneous	1,046,887	569,703	355,571	482,308
Total primary government	<u>48,742,897</u>	<u>50,950,004</u>	<u>51,544,419</u>	<u>46,811,708</u>
Change in net position				
Total primary government	<u>\$ 149,230</u>	<u>\$ 1,341,443</u>	<u>\$ 6,613,223</u>	<u>\$ (5,566,386)</u>

2020	2019	2018	2017	2016	2015
34,348,711	31,048,943	37,265,363	29,868,528	31,534,627	29,777,599
3,584,286	3,367,851	4,247,695	3,360,889	3,596,979	3,486,624
634,878	582,244	682,101	549,918	576,943	524,131
9,001,015	9,272,952	9,728,165	10,234,739	10,650,510	10,764,213
488,680	376,506	265,039	213,539	149,799	42,117
64,975	518,639	409,121	505,036	498,082	474,132
<u>48,122,545</u>	<u>45,167,135</u>	<u>52,597,484</u>	<u>44,732,649</u>	<u>47,006,940</u>	<u>45,068,816</u>
<u>\$ (171,635)</u>	<u>\$ 2,885,863</u>	<u>\$ 28,700,077</u>	<u>\$ (231,774)</u>	<u>\$ 4,468,541</u>	<u>\$ 5,483,587</u>

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

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	2024	2023	2022	2021
General Fund				
Nonspendable	\$ 64,729	\$ 68,507	\$ 53,935	\$ 50,261
Committed	113,990	113,990	113,990	113,990
Assigned	1,918,340	1,361,313	1,395,394	1,224,556
Unassigned	6,071,278	11,938,153	11,342,675	14,157,686
Total General Fund	<u><u>\$ 8,168,337</u></u>	<u><u>\$ 13,481,963</u></u>	<u><u>\$ 12,905,994</u></u>	<u><u>\$ 15,546,493</u></u>
All other governmental funds				
Nonspendable	\$ 16,293	\$ 12,700	\$ 22,068	\$ 12,239
Restricted	5,769,797	6,025,357	6,061,461	5,931,043
Unassigned	(34,448)	(68,910)	(13,761)	(30,574)
Total all other governmental funds	<u><u>\$ 5,751,642</u></u>	<u><u>\$ 5,969,147</u></u>	<u><u>\$ 6,069,768</u></u>	<u><u>\$ 5,912,708</u></u>

2020	2019	2018	2017	2016	2015
\$ 72,062	\$ 44,263	\$ 55,469	\$ 38,487	\$ 50,056	\$ 48,362
113,990	113,990	113,990	113,990	113,990	113,990
1,463,528	1,312,601	975,342	1,447,992	1,117,869	1,507,312
17,052,028	17,045,376	18,734,427	13,125,291	13,479,757	7,921,656
<u>\$ 18,701,608</u>	<u>\$ 18,516,230</u>	<u>\$ 19,879,228</u>	<u>\$ 14,725,760</u>	<u>\$ 14,761,672</u>	<u>\$ 9,591,320</u>

\$ 26,669	\$ 13,124	\$ 10,207	\$ 13,060	\$ 12,766	\$ 15,938
5,872,063	6,363,434	6,466,009	6,034,459	5,860,743	5,983,609
-	(1,099)	(27,607)	(16,106)	(15,384)	(18,753)
<u>\$ 5,898,732</u>	<u>\$ 6,375,459</u>	<u>\$ 6,448,609</u>	<u>\$ 6,031,413</u>	<u>\$ 5,858,125</u>	<u>\$ 5,980,794</u>

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

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	2024	2023	2022	2021
Taxes	\$ 36,681,151	\$ 43,019,045	\$ 39,876,487	\$ 37,268,796
Tuition and fees	854,991	966,474	1,023,122	504,044
Interest	610,877	314,399	103,570	219,686
Intergovernmental	13,360,464	13,303,511	13,052,732	12,129,543
Extracurricular	654,218	749,665	480,125	197,421
Charges for services	989,567	1,003,556	261,545	122,117
Donations and contributions	140,946	254,277	202,310	221,677
Miscellaneous	<u>1,062,449</u>	<u>379,680</u>	<u>187,406</u>	<u>276,039</u>
<b>Total</b>	<b><u>\$ 54,354,663</u></b>	<b><u>\$ 59,990,607</u></b>	<b><u>\$ 55,187,297</u></b>	<b><u>\$ 50,939,323</u></b>

(1) Donations and contributions included in Miscellaneous.

Source: School District Financial Records, Total Governmental Funds.

	2020	2019	2018	2017 (1)	2016 (1)	2015 (1)
\$	38,189,875	\$ 35,925,838	\$ 41,180,759	\$ 33,997,635	\$ 35,197,349	\$ 34,128,554
	758,465	885,725	953,897	878,384	764,372	462,453
	488,680	371,088	251,970	202,399	143,850	42,400
	10,770,670	10,993,921	11,354,275	11,906,353	12,371,497	12,221,564
	251,618	364,649	320,617	406,907	581,284	545,476
	672,815	933,262	947,402	849,356	957,348	917,497
	97,203	114,500	37,953	-	-	-
	354,518	453,706	460,471	584,963	711,428	793,652
\$	<u>51,583,844</u>	<u>\$ 50,042,689</u>	<u>\$ 55,507,344</u>	<u>\$ 48,825,997</u>	<u>\$ 50,727,128</u>	<u>\$ 49,111,596</u>

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

	2024	2023	2022	2021
<b>Expenditures</b>				
<b>Current</b>				
<b>Instruction</b>				
Regular	22,947,222	24,338,620	\$ 22,839,161	\$ 21,882,743
Special	6,516,859	6,253,436	6,583,939	6,271,132
Adult/continuing	8,901	8,851	-	-
Other instruction	534,371	520,788	562,976	721,240
<b>Supporting services</b>				
Pupil	3,627,005	3,639,058	3,419,777	3,313,635
Instructional staff	2,080,793	2,071,371	2,145,941	2,011,490
Board of education	59,347	25,092	24,159	18,977
Administration	3,935,711	3,647,920	4,154,768	3,745,032
Fiscal services	1,007,718	1,258,373	1,433,710	1,246,630
Business	284,172	358,328	463,992	382,404
Operation and maintenance	7,562,893	5,631,619	4,889,045	4,513,382
Pupil transportation	2,471,081	2,404,909	2,287,457	1,828,180
Central services	276,604	403,696	292,980	448,838
<b>Operation of non-instructional services</b>				
Food service operation	1,483,262	1,484,828	1,506,533	1,183,235
Community services	236,460	358,983	335,215	324,659
Extracurricular activities	1,912,747	1,740,541	1,345,764	1,283,130
Capital outlay	70,173	382,271	229,519	322,534
<b>Debt service</b>				
Principal	3,650,000	3,685,000	1,654,934	3,490,000
Interest	<u>1,220,475</u>	<u>1,301,575</u>	<u>3,505,900</u>	<u>1,427,455</u>
<b>Total expenditures</b>	<u><u>\$ 59,885,794</u></u>	<u><u>\$ 59,515,259</u></u>	<u><u>\$ 57,675,770</u></u>	<u><u>\$ 54,414,696</u></u>
<b>Debt service as a percentage of noncapital expenditures</b>	<u><u>8.44%</u></u>	<u><u>8.64%</u></u>	<u><u>9.10%</u></u>	<u><u>9.16%</u></u>

Source: School District Financial Records, Total Governmental Funds.

2020	2019	2018	2017	2016	2015
\$ 20,679,314	\$ 20,276,325	\$ 19,812,791	\$ 18,709,138	\$ 17,198,203	\$ 18,219,805
6,191,814	5,867,979	5,245,426	4,999,838	4,517,206	4,462,878
6,418	8,881	9,132	9,275	9,058	10,840
847,904	736,480	864,129	894,323	879,565	837,976
2,888,204	2,776,722	2,692,922	2,740,598	2,640,708	2,462,414
1,684,566	1,847,901	1,617,268	1,895,541	1,483,311	1,362,396
23,933	26,392	22,218	19,701	18,900	21,594
3,320,308	3,562,264	3,410,229	3,188,001	3,169,280	2,961,584
1,051,215	1,219,757	1,173,188	1,186,098	1,202,841	1,154,589
195,186	446,858	344,425	334,096	301,237	294,868
4,095,557	4,462,910	4,272,405	4,521,621	3,990,320	4,253,903
1,803,706	1,968,427	1,778,629	1,932,475	1,726,321	1,852,395
415,474	258,094	263,635	236,060	288,673	295,225
1,262,468	1,319,546	1,250,428	1,234,810	1,193,148	1,160,788
277,855	275,062	390,772	489,629	632,357	374,877
1,405,655	1,289,343	1,117,792	1,221,935	1,198,015	1,166,613
642,067	73,567	593,775	-	122,944	33,635
3,555,000	3,480,000	3,447,107	3,414,147	3,421,898	7,051,399
1,537,043	1,589,729	1,631,469	1,662,816	1,685,460	3,310,246
<b>\$ 51,883,687</b>	<b>\$ 51,486,237</b>	<b>\$ 49,937,740</b>	<b>\$ 48,690,102</b>	<b>\$ 45,679,445</b>	<b>\$ 51,288,025</b>
<b>10.01%</b>	<b>9.89%</b>	<b>10.19%</b>	<b>10.65%</b>	<b>11.35%</b>	<b>20.44%</b>

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

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	2024	2023	2022	2021
Excess of revenues over (under) expenditures	<u>\$ (5,531,131)</u>	<u>\$ 475,348</u>	<u>\$ (2,488,473)</u>	<u>\$ (3,475,373)</u>
Other financing sources (uses)				
Proceeds of refunding bonds	-	-	-	10,945,000
Transfers-in	72,618	43,548	3,055	54,814
Premium on debt issuance	-	-	-	1,117,434
Proceeds from sale of assets	-	-	5,034	37,181
Capital lease proceeds	-	-	-	-
Transfers-out	(72,618)	(43,548)	(3,055)	(54,814)
Payment to bond escrow agent	-	-	-	(11,896,787)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,034</u>	<u>202,828</u>
Net change in fund balances	<u>\$ (5,531,131)</u>	<u>\$ 475,348</u>	<u>\$ (2,483,439)</u>	<u>\$ (3,272,545)</u>

Source: School District Financial Records, Total Governmental Funds.

	2020	2019	2018	2017	2016	2015
	\$ (299,843)	\$ (1,443,548)	\$ 5,569,604	\$ 135,895	\$ 5,047,683	\$ (2,176,429)
12,499	-	-	371	3,666	-	31,594,934
						15,000
			-	-	-	1,732,429
8,494	8,494	7,400	1,060	1,481	-	-
						42,450
(12,499)	(12,499)	-	(371)	(3,666)	-	-
						(27,835,000)
8,494	8,494	7,400	1,060	1,481	-	5,549,813
	\$ (291,349)	\$ (1,436,148)	\$ 5,570,664	\$ 137,376	\$ 5,047,683	\$ 3,373,384

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

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Year	Agriculture, Residential and Other Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (2)
2024	\$ 1,125,220,380	\$ 3,214,915,371	\$ 59,151,120	\$ 67,217,182
2023	1,114,331,330	3,183,803,800	64,184,560	72,937,000
2022	978,333,350	2,795,238,143	206,335,550	234,472,216
2021	963,685,100	2,753,386,000	74,951,190	85,171,807
2020	949,848,060	2,713,851,600	64,726,250	73,552,557
2019	937,185,980	2,677,674,229	65,134,520	74,016,500
2018	827,576,400	2,364,504,000	54,806,360	62,279,955
2017	815,545,460	2,330,129,886	51,256,120	58,245,591
2016	805,781,100	2,302,231,714	43,768,750	49,737,216
2015	748,573,960	2,138,782,743	39,187,470	44,531,216

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

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

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<u>Assessed Value</u>	<u>Total Estimated Actual Value</u>	<u>Total Assessed Rate (3)</u>
\$1,184,371,500	\$ 3,282,132,553	67.09
1,178,515,890	3,256,740,800	67.00
1,184,668,900	3,029,710,359	66.98
1,038,636,290	2,838,557,807	69.07
1,014,574,310	2,787,404,157	69.24
1,002,320,500	2,751,690,729	69.41
882,382,760	2,426,783,955	72.28
866,801,580	2,388,375,477	72.41
849,549,850	2,351,968,930	72.69
787,761,430	2,183,313,959	74.57

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

LAST TEN FISCAL YEARS

Year	Avon Lake City School District				Total Direct Tax Rate
	General Fund	Debt Service Fund	Capital Projects Fund		
2024	62.32	3.27	1.50		67.09
2023	62.10	3.40	1.50		67.00
2022	62.08	3.40	1.50		66.98
2021	63.68	3.89	1.50		69.07
2020	63.84	3.90	1.50		69.24
2019	63.84	4.07	1.50		69.41
2018	66.15	4.63	1.50		72.28
2017	66.28	4.63	1.50		72.41
2016	66.54	4.65	1.50		72.69
2015	67.99	5.08	1.50		74.57

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

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

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Library	County Levy	JVS Levy	City Levy	Total Direct and Overlapping Governments
2.80	16.08	2.45	7.98	96.40
2.80	15.43	2.45	7.98	95.65
2.80	15.30	2.45	7.98	95.51
2.80	15.58	2.45	8.02	97.92
2.80	15.08	2.45	8.03	97.60
2.80	15.08	2.45	8.04	97.78
2.80	15.58	2.45	8.08	101.19
2.80	15.08	2.45	8.08	100.82
2.80	15.08	2.45	8.10	101.12
2.80	14.49	2.45	8.12	102.43

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

Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections (2)	Total Tax Collections (3)
2024	\$ 46,630,055	\$ 45,624,638	97.84%	\$ (446,747)	\$ 45,177,891
2023	46,590,903	45,837,588	98.38%	2,654,361	48,491,949
2022	47,100,910	44,123,789	93.68%	458,742	44,582,531
2021	43,853,375	43,081,404	98.24%	919,434	44,000,838
2020	42,815,075	41,735,997	97.48%	383,158	42,119,155
2019	42,485,157	41,799,902	98.39%	530,181	42,330,083
2018	40,890,274	38,981,253	95.33%	603,341	39,584,594
2017	40,053,461	39,490,769	98.60%	788,154	40,278,923
2016	39,270,119	38,620,473	98.35%	711,613	39,332,086
2015	38,765,645	38,248,862	98.67%	969,829	39,218,691

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

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

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

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

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Ratio of Total Tax Collections to Total Tax Levy (3)	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
96.89%	\$ 1,496,293	3.21%
104.08%	1,209,419	2.60%
94.65%	3,427,470	7.28%
100.34%	1,218,109	2.78%
98.37%	1,484,104	3.47%
99.63%	1,106,041	2.60%
96.81%	2,032,945	4.97%
100.56%	1,018,493	2.54%
100.16%	1,236,811	3.15%
101.17%	725,637	1.87%

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## AVON LAKE CITY SCHOOL DISTRICT

PRINCIPAL TAXPAYERS –  
REAL ESTATE TAX

AS OF JUNE 30, 2023 AND JUNE 30, 2014 (1)

December 31, 2023

Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
American Transmission Systems Inc	\$ 40,606,680	3.43%
Cleveland Electric Illuminating Co	14,159,350	1.20%
Great Lake Senior Living Communities LLC	9,500,000	0.80%
Aquamarine Apartments LTD	8,545,090	0.72%
Avon Lake Environmental Redevelopment Group LLC	8,281,100	0.70%
Somerset OH Owner 1 LLC	5,804,930	0.49%
Ford Motor Company	5,306,540	0.45%
NRG Power Midwest LP	5,013,360	0.42%
Echo Avon Lake LLC	4,341,500	0.37%
Towne Care Center LLC	4,238,740	0.36%
	<b>\$ 105,797,290</b>	<b>8.94%</b>
Total assessed value	<b>\$ 1,184,371,500</b>	

December 31, 2014

Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Orion Power Midwest LP	77,281,420	9.81%
Ford Motor Company	9,945,200	1.26%
Cleveland Electric	9,493,430	1.21%
American Transmission Systems Inc.	4,504,920	0.57%
Geon Co	4,084,290	0.52%
Legacy Pointe Ltd	2,508,730	0.32%
Kopf Properties II Ltd	2,435,570	0.31%
Gamelia Construction Inc.	2,423,960	0.31%
Centurytel of Ohio Inc.	2,423,610	0.31%
Waterside Crossings Ltd	2,034,680	0.26%
	<b>\$ 117,135,810</b>	<b>14.88%</b>
Total assessed value	<b>\$ 787,761,430</b>	

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

(1) Assessed Values are for the 2023 and 2014 collection year, respectively.

AVON LAKE CITY SCHOOL DISTRICT  
 PRINCIPAL TAXPAYERS –  
 PUBLIC UTILITY TAX  
 AS OF JUNE 30, 2023 AND JUNE 30, 2014 (1)

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December 31, 2023

Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
American Transmission Systems INC	\$ 40,476,280	3.42%
Cleveland Electric Illuminating Co	14,493,790	1.22%
Columbia Gas of Ohio INC	4,247,250	0.36%
	<u><u>\$ 59,217,320</u></u>	<u><u>5.00%</u></u>
Total assessed value	<u><u>\$ 1,184,371,500</u></u>	

December 31, 2014

Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Orion Power Midwest LP	\$ 19,034,690	2.42%
Genon Power Midwest	14,918,120	1.89%
Cleveland Electric	12,497,650	1.59%
American Transmission	9,424,020	1.20%
Columbia Gas of Ohio LLC	2,391,500	0.30%
	<u><u>\$ 58,265,980</u></u>	<u><u>7.40%</u></u>
Total assessed value	<u><u>\$ 787,761,430</u></u>	

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

(1) Assessed Values are for the 2023 and 2014 collection year, respectively.

Assessed Values include public utilities and real estate values, details of which are not available.

AVON LAKE CITY SCHOOL DISTRICT  
 COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT  
 AS OF JUNE 30, 2024

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Jurisdiction	General Obligation Debt Outstanding	Total Assessed Value	Percentage Applicable to School District (1)	Amount Applicable to School District
Direct				
Avon Lake City School District	\$ 16,137,648	\$ 1,184,371,500	100.00%	<u>\$ 16,137,648</u>
Overlapping				
Lorain County (2)	47,915,000	9,025,640,170	13.12%	6,286,448
City of Avon Lake (2)	<u>31,435,139</u>	1,184,371,500	100.00%	<u>31,435,139</u>
Sub Total				<u>37,721,587</u>
Total	<u><u>\$ 95,487,787</u></u>			<u><u>\$ 53,859,235</u></u>

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

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

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

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

Year	General Obligation Bonded Debt (1)	Notes Payable	Capital Leases	Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)	Per ADM (2)
2024	\$ 16,137,648	\$ -	\$ -	\$ 16,137,648	1.41%	\$ 640	\$ 4,432
2023	19,928,156	-	-	19,928,156	1.59%	791	5,396
2022	23,764,742	-	-	23,764,742	2.07%	943	6,435
2021	27,482,224	-	-	27,482,224	2.41%	1,090	7,370
2020	31,300,935	-	-	31,300,935	3.05%	1,386	8,300
2019	34,724,848	-	-	34,724,848	3.60%	1,538	9,001
2018	38,168,373	-	-	38,168,373	4.10%	1,690	9,958
2017	41,640,596	-	12,107	41,652,703	4.35%	1,845	10,935
2016	44,980,089	-	36,254	45,016,343	4.84%	1,994	11,818
2015 (3)	48,614,650	-	108,152	48,722,802	5.24%	2,158	12,798

**Source:**

(1) School District Financial Records

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

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

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

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

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Year	General Obligation Bonded Debt (1)	Debt Service Funds Available	Net Bonded Debt	Percentage of Actual Taxable Property Value (2)	Per Capita (3)
2024	\$ 16,137,648	\$ 2,484,460	\$ 13,653,188	0.42%	\$ 526
2023	19,928,156	2,608,218	17,319,938	0.53%	\$ 676
2022	23,764,742	2,777,985	20,986,757	0.69%	833
2021	27,482,224	2,994,232	24,487,992	0.86%	972
2020	31,300,935	2,794,309	28,506,626	1.02%	1,262
2019	34,724,848	2,992,445	31,732,403	1.15%	1,405
2018	38,168,373	3,163,317	35,005,056	1.44%	1,550
2017	41,640,596	3,231,269	38,409,327	1.63%	1,701
2016	44,980,089	3,378,037	41,602,052	1.77%	1,842
2015 (4)	44,980,089	3,491,165	41,488,924	2.07%	1,837

Source: (1) School District Financial Records.

(2) See Schedule S-16 for assessed valuation of property.

(3) See Schedule S-30 for population data.

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

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

	2024	2023	2022	2021
Assessed Valuation	\$ 1,184,371,500	\$ 1,178,515,890	\$ 1,184,668,900	\$ 1,038,636,290
Debt Limit -9% of Assessed Value (2)	106,593,435	106,066,430	106,620,201	93,477,266
Debt applicable to limitation				
Total voted general obligation debt	15,140,866	18,765,000	22,475,866	24,130,800
Total unvoted general obligation debt	-	-	-	-
Less amount available in debt service funds	(2,484,460)	(2,608,218)	(2,777,985)	(3,015,688)
Amount of debt subject to debt limit:	<u>12,656,406</u>	<u>16,156,782</u>	<u>19,697,881</u>	<u>21,115,112</u>
Overall debt margin	<u>\$ 93,937,029</u>	<u>\$ 89,909,648</u>	<u>\$ 86,922,320</u>	<u>\$ 72,362,154</u>
Legal Debt Margin as a Percentage of Debt Limit	<u>88.13%</u>	<u>84.77%</u>	<u>81.53%</u>	<u>77.41%</u>
Overall Limit - .10% of Assessed Value (1)	\$ 1,184,372	\$ 1,178,516	\$ 1,184,669	\$ 1,038,636
Amount of debt subject to debt limit:	-	-	-	-
Unvoted Debt Margin	<u>\$ 1,184,372</u>	<u>\$ 1,178,516</u>	<u>\$ 1,184,669</u>	<u>\$ 1,038,636</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Additional Limit for Unvoted Energy Conservation Bonds and Notes:				
Debt Limit - .9% of Assessed Value	\$ 10,659,344	\$ 10,606,643	\$ 10,662,020	\$ 9,347,727
Amount of debt subject to debt limit:	-	-	-	-
Additional Unvoted Debt Margin	<u>\$ 10,659,344</u>	<u>\$ 10,606,643</u>	<u>\$ 10,662,020</u>	<u>\$ 9,347,727</u>
Energy Conservation Debt - Additional Unvoted Legal Debt Margin as a Percentage of the Debt Limit	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: Lorain County Auditor and School District Financial Records.

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

2020	2019	2018	2017	2016	2015
\$ 1,014,574,310	\$ 1,002,320,500	\$ 882,382,760	\$ 866,801,580	\$ 849,549,850	\$ 787,761,430
91,311,688	90,208,845	79,414,448	78,012,142	76,459,487	70,898,529
29,338,332	32,463,791	39,445,801	44,390,801	44,390,801	46,830,800
(2,803,917)	(3,013,901)	(3,184,773)	(3,231,269)	(3,378,037)	(3,491,165)
26,534,415	29,449,890	36,261,028	41,159,532	41,012,764	43,339,635
\$ 64,777,273	\$ 60,758,955	\$ 43,153,420	\$ 36,852,610	\$ 35,446,723	\$ 27,558,894
70.94%	67.35%	54.34%	47.24%	46.36%	38.87%
\$ 1,014,574	\$ 1,002,321	\$ 882,383	\$ 866,802	\$ 849,550	\$ 787,761
\$ 1,014,574	\$ 1,002,321	\$ 882,383	\$ 866,802	\$ 849,550	\$ 787,761
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$ 9,131,169	\$ 9,020,885	\$ 7,941,445	\$ 7,801,214	\$ 7,645,949	\$ 7,089,853
\$ 9,131,169	\$ 9,020,885	\$ 7,941,445	\$ 7,801,214	\$ 7,645,949	\$ 7,089,853
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

Calendar Year	Population	Per Capita Income	Personal Income	Average Daily Student Enrollment (2)	Unemployment Rate (3)		
					Lorain County	Ohio	U.S.
2024	25,942 (1)	\$ 60,146	\$1,142,285,508	3,641	3.6%	4.5%	4.1%
2023	25,617 (1)	56,123	1,253,948,088	3,479	3.8%	3.4%	3.8%
2022	25,206 (1)	45,652	1,150,704,312	3,693	4.7%	3.7%	3.6%
2021	25,206 (1)	45,318	1,142,285,508	3,729	5.9%	5.1%	5.2%
2020	22,581 (1)	45,501	1,027,458,081	3,771	13.7%	10.9%	11.1%
2019	22,581 (1)	42,683	963,824,823	3,858	4.9%	4.2%	3.7%
2018	22,581 (1)	41,668	940,905,108	3,833	6.4%	4.1%	4.0%
2017	22,581 (1)	42,366	956,666,646	3,809	6.8%	5.4%	4.4%
2016	22,581 (1)	41,195	930,224,295	3,807	6.0%	4.9%	4.9%
2015	22,581 (1)	40,049	904,346,469	3,735	6.9%	5.2%	5.3%

Source:

(1) Based on the 2010 Census.

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

(3) Bureau of Labor Statistics.

## AVON LAKE CITY SCHOOL DISTRICT

## PRINCIPAL EMPLOYERS

AS OF JUNE 30, 2023 AND 2014

December 31, 2023

Employer	Nature of Activity or Business	Approximate	Percentage	Rank
		Number of Employees (1)	To Total Employment	
Ford Motor Company	Van and truck assembly	1,909	Not available	1
Avon Lake City Schools	Public Education	736	Not available	2
Avient Corporation	Distributor of thermoplastics, compounds & resins	672	Not available	3
Grace Management Services	Retirement Village	472	Not available	4
City of Avon Lake	Government	439	Not available	5
NVA Avon Lake Management LLC	Veterinary	299	Not available	6
Lubrizol Advances Materials	Manufactures polymers & specialties chemicals	241	Not available	7
The Cleveland Clinic Foundation	Medical center	241	Not available	8
Hinkley Lighting Inc.	Lighting Manufacturer and Distributer	225	Not available	9
Discount Drug Mart, Inc.	Discount store company	177	Not available	10

December 31, 2014

Employer	Nature of Activity or Business	Approximate	Percentage	Rank
		Number of Employees (1)	To Total Employment	
Ford Motor Company	Van and sport utility vehicle assembly	2,158	Not available	1
Avon Lake City School District	Public Education	799	Not available	2
PolyOne Corporation	Distributor of thermoplastics, compounds & resins	647	Not available	3
City of Avon Lake	Government	391	Not available	4
Lubrizol Advanced	Manufactures polymers & specialties chemicals	216	Not available	5
Grace Management	Retirement Village	190	Not available	6
Thogus Products	Manufactures plastic resins	184	Not available	7
Riser Foods Company	Grocery Store	168	Not available	8
Western/Scott Fetzer Company	Gas control technology	155	Not available	9
Watteredge LLC	Equipment manufacturer	129	Not available	10

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

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

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

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

	2024	2023	2022	2021
<b>Professional Staff</b>				
<b>Teaching Staff:</b>				
Elementary K-6	115.60	113.68	112.79	119.57
Middle	35.75	36.72	37.72	38.11
High	63.05	63.88	62.26	64.98
Multiple Buildings	11.60	11.00	12.00	12.50
Tutors	14.04	14.00	19.00	15.39
<b>Administrators</b>				
District/Building	21.30	20.50	21.50	21.50
<b>Auxiliary Positions</b>				
Psychologist	3.16	3.16	2.12	2.12
Nurse	4.00	4.00	4.00	4.00
Speech & Language Therapist	2.60	2.60	2.44	2.03
Physical Therapist	1.00	1.00	1.00	1.00
Occupational Therapist/Assistant	2.00	2.00	1.00	1.00
<b>Support Staff</b>				
Counseling	10.05	8.97	9.90	8.82
Computer Tech	5.00	5.00	4.00	4.00
Printer	0.00	0.00	0.00	1.00
Librarian/Media	2.00	2.00	2.00	2.00
Library Aide	8.95	8.69	8.60	8.00
Clerical	27.10	29.19	28.71	28.71
Teaching Aide	43.00	45.00	48.00	43.00
Maintenance Supervisor	1.00	1.00	1.00	1.00
General Maintenance	3.00	4.00	4.00	4.00
Mechanic	2.00	2.00	2.00	2.00
Transportation Supervisor	1.00	1.00	1.00	1.00
Bus Drivers	27.54	29.21	28.21	28.32
Custodial	28.38	28.12	27.68	28.38
Food Service	21.60	21.60	22.20	22.10
Security	1.00	1.00	1.00	1.00
Groundskeeping	2.00	2.00	2.00	2.00
TV Production	2.00	1.50	1.00	1.00
Attendants & Monitors	37.34	39.46	41.09	39.90
<b>Total</b>	<b>497.06</b>	<b>502.28</b>	<b>508.22</b>	<b>508.43</b>

Source: School District records.

(1) Reporting methodology changed due to new software integration in Fiscal Year 2012

(2) Groundskeeping staff added, TV Production category added

(3) FTE calculations were revised per ODE EMIS Guidelines

(4) Maintenance Supervisor category added

(5) Technology, Pupil Services, Food Service added to Administrators

2020(4,5)	2019	2018 (2,3)	2017 (1)	2016 (1)	2015 (1)
109.89	108.89	109.79	110.90	105.75	105
37.00	37.50	39.31	37.50	38.50	35
61.60	61.21	61.09	57.51	58.50	56
12.61	10.61	10.60	6.00	13.00	13
17.31	18.31	19.30	15.69	14.02	18
 19.00	 15.50	 15.80	 14.14	 14.00	 14
 2.00	 2.00	 2.00	 2.00	 2.00	 1
4.00	5.00	4.00	4.00	5.00	5
2.03	1.94	1.93	4.62	4.32	3
1.00	1.00	1.00	1.00	1.00	1
2.00	2.00	2.00	2.00	2.00	2
 8.62	 7.83	 7.78	 7.50	 8.70	 8
3.00	3.00	3.00	3.00	4.00	3
1.00	1.00	1.00	1.00	1.00	1
2.00	2.00	2.00	2.00	2.00	2
9.00	9.96	9.00	7.63	6.63	8
29.71	29.57	29.21	25.65	26.05	26
45.04	46.09	46.79	49.11	44.17	41
1.00					
4.00	5.00	5.00	5.00	5.00	5
2.00	2.00	2.00	2.00	2.00	2
1.00	1.00	1.00	1.00	1.00	1
28.70	28.76	29.54	23.45	24.65	26
28.94	29.32	28.88	29.62	28.25	29
22.90	23.76	23.16	18.27	18.12	19
1.00	1.00	1.00	1.00	1.13	1
2.00	2.00	2	-	-	-
1.00	1.00	1	-	-	-
<u>44.52</u>	<u>45.47</u>	<u>45.60</u>	<u>20.43</u>	<u>22.48</u>	<u>22.03</u>
 <u>503.87</u>	 <u>502.72</u>	 <u>504.78</u>	 <u>452.02</u>	 <u>453.27</u>	 <u>447.53</u>

## AVON LAKE CITY SCHOOL DISTRICT

## OPERATING STATISTICS

## LAST TEN FISCAL YEARS

Year	Average Daily Student Enrollment (a)	General Fund Expenditures	Cost Per Pupil (b)	Percent Change	Teaching Staff	Pupil Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2024	3,641	\$ 49,560,406	\$ 13,612	0.99%	226	16.11	18.32%
2023	3,546	47,795,457	13,479	4.76%	227	15.62	13.05%
2022	3,693	47,518,281	12,867	6.04%	266	13.88	10.00%
2021	3,729	45,247,490	12,134	6.10%	267	13.97	20.42%
2020	3,771	43,123,675	11,436	2.86%	225	16.76	20.42%
2019	3,858	42,895,098	11,118	3.46%	223	17.30	17.00%
2018	3,833	41,188,686	10,746	1.91%	225	17.04	18.00%
2017	3,809	40,164,098	10,545	5.27%	228	16.71	20.00%
2016	3,807	38,134,195	10,017	-0.25%	225	16.92	19.00%
2015	3,735	37,506,457	10,042	5.09%	239	15.63	18.00%

Source: School District Financial Records.

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

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

## AVON LAKE CITY SCHOOL DISTRICT

## TEACHER BASE SALARIES

## LAST TEN FISCAL YEARS

Year	Minimum Salary (a)	Maximum Salary (a)	Avon Lake Average Salary (b)
2024	\$ 41,832	\$ 93,285	\$ 79,811
2023	41,418	92,362	77,573
2022	40,606	90,531	75,119
2021	39,809	88,775	67,585
2020	39,415	87,896	70,565
2019	39,415	87,896	71,739
2018	39,219	87,459	68,228
2017	38,735	85,604	64,427
2016	37,790	83,516	61,856
2015	(c) 36,779	81,282	n/a (d)

## Sources:

(a) District salary schedules

(b) Ohio Department of Education (ODE)

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

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

AVON LAKE CITY SCHOOL DISTRICT  
TEACHER EDUCATION AND EXPERIENCE  
JUNE 30, 2024

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Degree	Number of Teachers	Percentage of Total
Bachelor's Degree	11	4.87%
Bachelor + 10	6	2.65%
Bachelor + 20	13	5.75%
Master's Degree	37	16.37%
Master's + 10	31	13.72%
Master's + 20	37	16.37%
Master's + 30	38	16.81%
Master's + 45	<u>53</u>	23.46%
	<u>226</u>	<u>100.00%</u>

Experience	Number of Teachers	Percentage of Total
0 - 5	24	10.6%
6-10	33	14.5%
11 and over	<u>169</u>	<u>74.9%</u>
	<u>226</u>	<u>100.00%</u>

Source: School District records.

AVON LAKE CITY SCHOOL DISTRICT

AVERAGE ACT SCORES

LAST TEN FISCAL YEARS

English:	Avon Lake	State of Ohio	National	Science:	Avon Lake	State of Ohio	National
2023 - 2024	22.7	17.8	18.6	2023 - 2024	23.8	19.3	19.6
2022 - 2023	23.5	17.9	18.6	2022 - 2023	24.3	19.5	19.6
2021 - 2022	23.9	18.2	19.0	2021 - 2022	24.2	19.7	19.9
2020 - 2021	23.7	18.5	19.6	2020 - 2021	23.9	19.8	20.4
2019 - 2020	24.8	18.8	19.9	2019 - 2020	24.9	20.0	20.6
2018 - 2019	25.5	19.0	20.1	2018 - 2019	25.3	20.1	20.6
2017 - 2018	24.4	19.3	20.2	2017 - 2018	24.3	20.4	20.7
2016 - 2017	24.6	21.2	20.3	2016 - 2017	25.3	22.0	21.0
2015 - 2016	24.4	21.2	20.1	2015 - 2016	24.9	22.0	20.8
2014 - 2015	24.1	21.4	20.4	2014 - 2015	24.4	22.0	20.9

Math:	Avon Lake	State of Ohio	National	Composite:	Avon Lake	State of Ohio	National
2023 - 2024	24.1	18.9	19.0	2023 - 2024	23.8	19.0	19.4
2022 - 2023	24.9	19.0	19.0	2022 - 2023	24.3	19.2	19.5
2021 - 2022	24.7	19.2	19.3	2021 - 2022	24.4	19.4	19.8
2020 - 2021	24.9	19.5	19.9	2020 - 2021	24.4	19.6	20.3
2019 - 2020	25.7	19.8	20.2	2019 - 2020	25.3	19.9	20.6
2018 - 2019	25.9	19.9	20.4	2018 - 2019	25.8	20.0	20.7
2017 - 2018	24.8	20.3	20.5	2017 - 2018	24.8	20.3	20.8
2016 - 2017	25.3	21.6	20.7	2016 - 2017	25.2	22.0	21.0
2015 - 2016	25.0	21.6	20.6	2015 - 2016	25.0	22.0	20.8
2014 - 2015	24.6	21.7	20.8	2014 - 2015	24.6	22.0	21.0

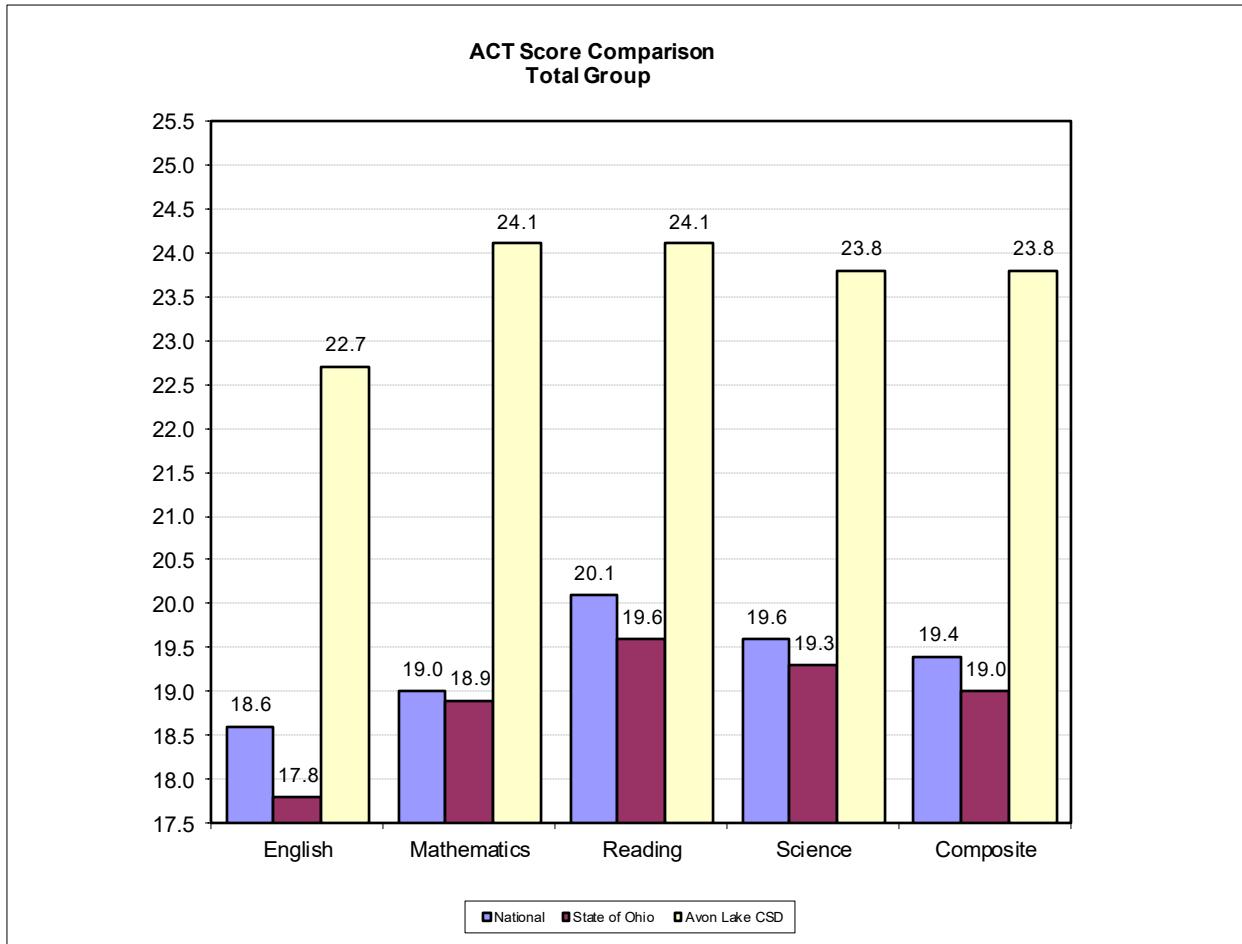
Reading:	Avon Lake	State of Ohio	National
2023 - 2024	24.1	19.6	20.1
2022 - 2023	24.2	19.8	20.1
2021 - 2022	24.4	20.0	20.4
2020 - 2021	24.3	20.2	20.9
2019 - 2020	25.1	20.4	21.2
2018 - 2019	25.8	20.5	21.2
2017 - 2018	25.3	20.8	21.3
2016 - 2017	25.0	22.5	21.4
2015 - 2016	23.4	22.1	21.3
2014 - 2015	24.8	22.5	21.4

Source: American College Testing Program

AVON LAKE CITY SCHOOL DISTRICT

2024 ACT SCORE COMPARISON

JUNE 30, 2024

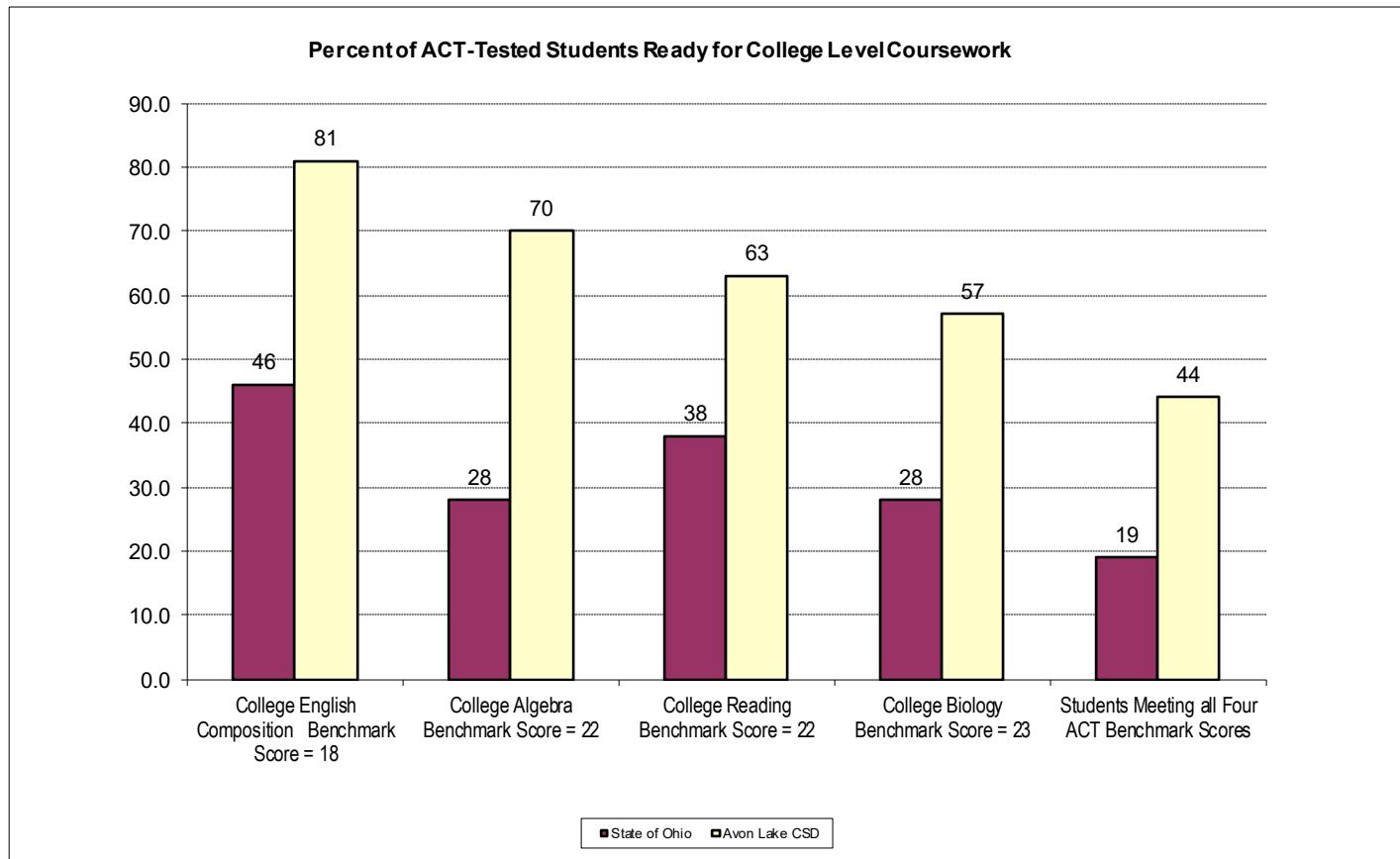


Source: American College Testing Program

AVON LAKE CITY SCHOOL DISTRICT  
PERCENT OF ACT TESTED STUDENTS READY FOR COLLEGE LEVEL COURSEWORK  
JUNE 30, 2024

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Source: American College Testing Program

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

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	2024	2023	2022	2021
<b>Elementary Schools</b>				
<b>Eastview (1950)</b>				
Square feet	42,048	42,048	42,048	42,048
Enrollment	351	343	380	407
<b>Erieview (1950)</b>				
Square feet	34,593	34,593	34,593	34,593
Enrollment	282	280	294	289
<b>Redwood (1962)</b>				
Square feet	58,780	58,780	58,780	58,780
Enrollment	416	418	402	430
<b>Troy (1970)</b>				
Square feet	86,150	86,150	86,150	85,150
Enrollment	551	541	553	529
<b>Westview (1957)</b>				
Square feet	41,961	41,961	41,961	41,961
Enrollment	280	277	255	257
<b>Middle School</b>				
<b>Learwood (1959)</b>				
Square feet	110,911	110,911	110,911	110,911
Enrollment	572	551	516	607
<b>High School</b>				
<b>Avon Lake High (1927)</b>				
Square feet	314,612	314,612	314,612	314,612
Enrollment	1,189	1,069	1,142	1,210

Source: District records.

2020	2019	2018	2017	2016	2015
42,048	42,048	42,048	42,048	42,048	42,048
422	431	413	436	418	429
34,593	34,593	34,593	34,593	34,593	34,593
293	280	278	280	291	273
58,780	58,780	58,780	58,780	58,780	58,780
441	427	440	438	453	455
85,150	85,150	85,150	85,150	85,150	85,150
540	604	607	595	617	608
41,961	41,961	41,961	41,961	41,961	41,961
240	225	220	216	235	211
110,911	110,911	110,911	110,911	110,911	110,911
615	621	648	616	627	613
314,612	314,612	314,612	314,612	314,612	314,612
1,220	1,270	1,227	1,228	1,166	1,148

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# OHIO AUDITOR OF STATE KEITH FABER



AVON LAKE CITY SCHOOL DISTRICT

LORAIN COUNTY

## AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/20/2025

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

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