



Dave Yost • Auditor of State



AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

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**AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY**

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Grant Year</b>	<b>Receipts</b>	<b>Non-Cash Receipts</b>	<b>Expenditures</b>	<b>Non-Cash Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education</i>						
National School Lunch Program	10.555	2017	\$ 204,103	\$ 80,294	\$ 204,103	\$ 80,294
Total U.S. Department of Agriculture			<u>204,103</u>	<u>80,294</u>	<u>204,103</u>	<u>80,294</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education</i>						
Title I, Grants to Local Educational Agencies	84.010	2017	193,732		212,728	
Improving Teacher Quality State Grants	84.367	2017	56,358		56,358	
Special Education Cluster:						
Special Education Part B	84.027	2017	643,895		690,194	
Special Education Preschool	84.173	2017	18,501		18,502	
Total Special Education Cluster			<u>662,396</u>		<u>708,696</u>	
Total U.S. Department of Education			<u>912,487</u>		<u>977,782</u>	
<b>Total Receipts and Expenditures of Federal Awards</b>			<u><u>\$ 1,116,590</u></u>	<u><u>\$ 80,294</u></u>	<u><u>\$ 1,181,885</u></u>	<u><u>\$ 80,294</u></u>

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

**AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY**

**NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Receipts and Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Avon Lake City School District (the District) under programs of the federal government for the year ended June 30, 2017. 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, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C - 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 D – FOOD DONATION PROGRAM**

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



# Dave Yost • Auditor of State

## 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 auditing standards generally accepted in the United States and 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, Ohio (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 26, 2017.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 26, 2017





# Dave Yost • Auditor of State

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

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***

We have audited the Avon Lake City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Avon Lake City School District's major federal program for the year ended June 30, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

### ***Management's Responsibility***

The District's management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in 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). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the Avon Lake City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2017.

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

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

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

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Avon Lake City School District (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 26, 2017. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying Schedule of Receipts and Expenditures of Federal Awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, 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, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 26, 2017

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**AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2017**

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster (IDEA): Special Education - Grants to States (IDEA, Part B) - CFDA #84.027 Special Education - Preschool Grants (IDEA Preschool) - CFDA #84.173
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

**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**  
**LORAIN COUNTY**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**2 CFR 200.511(b)**  
**JUNE 30 2017**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2016-001	The District failed to accurately report excused and unexcused absences to ODE through the SDC SSID Level Count Reports which diminished the accuracy and reliability of the ODE's calculation of the District's MOE and could negatively impact the District's future funding.	Corrective Action is Taken and Finding is Fully Corrected	None

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



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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# **INTRODUCTORY SECTION**



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

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Prepared by**

**Autumn Reed  
Treasurer**

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**Avon Lake City School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2017*  
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# AVON LAKE CITY SCHOOLS

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



**Superintendent**  
Robert D. Scott  
440.933.6210  
440.933.6711 fax

**Treasurer**  
Autumn Reed  
440.933.5163  
440.933.7540 fax

## **Board of Education**

Charles M. Froehlich, President  
James A. Stobe, Vice President  
Dale W. Cracas  
Ronald D. Jantz Jr.  
Pamela Ohradzansky

December 26, 2017

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Avon Lake City School District for the fiscal year ended June 30, 2017. This CAFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the Avon Lake City School District with the comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the Avon Lake Public Library, major taxpayers, financial rating services and other interested parties.

## **The School District**

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

In order to meet the needs of a growing community, the high school was expanded several times. In the mid-1970's instructional classrooms and a physical education complex were added and the Learwood Middle School, 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. These projects were necessary to keep up with the growing enrollment. Today the citizens have an investment of \$ 103,685,872 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.

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*The mission of the Avon Lake City Schools, a district committed to personalized educational excellence, is to challenge all students and develop their individual goals through community partnerships, resources, and technologies which will produce responsible and compassionate citizens.*



## **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 four jointly governed organizations and is associated with one related organization. These organizations are the North Coast Council Ohio (NCCO), 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 229 non-certified personnel, 234 certified full-time teaching personnel and 15 administrative employees to provide services to 3,809 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 is primarily residential at 83% of the tax base followed by 11% commercial/industrial and 6% 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 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 valuations 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 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.

## **Major Initiatives**

### **Ohio Report Card**

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

Since the change the District has received an A or B in the Achievement component for both Performance Index and Indicators Met. The lowest letter grade received on the State Report Card by Avon Lake City School District is a D in value added. Avon Lake continues to improve and has a variety of initiatives in place to raise or maintain our scores. Avon Lake is dedicated to the success of all of our students and uses a variety of assessments (testing and non-testing) which allow us to focus on the whole child.

### **Federal Projects**

The School District files applications for federal funds electronically utilizing the Comprehensive Continuous Improvement Planning Application. This allows the Superintendent, Mr. Robert Scott, 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 the buildings.

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.

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 95% of Avon Lake graduates attend 2 year colleges, 4 year colleges or enter the military. On the average 60% of our students receive college credit before graduation.

## **Website**

The District website is a comprehensive source of information about the School District. Users of the site can access information on news from the schools and various departments, teacher web sites, athletic information, and upcoming events. Parents are granted access to the District's PowerSchool program for online access to student grades and other information posted by teachers. Avon Lake City School District's website was updated in the fall of 2016.

Social Media plays an important part in the district communication plan. The District has a Facebook page and Twitter account, which are utilized to communicate current events.

## **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 District's finances for fiscal year 2017 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. Because the MD&A focuses on major funds, only the Internal Service Fund is discussed briefly in this letter.

**Financial Highlights – Internal Service Fund** The only Internal Service Fund carried on the financial records of the School District is related to self-insurance. This fund was created in fiscal year 2004. The School District utilizes this fund to account for the operation of the School District's self-insurance fund's reserve balance for employee insurance related benefits. The Internal Service Fund had net position of \$ 1,309,644 at June 30, 2017.

## Long-Term Financial Planning

Annually, the School District prepares a five-year financial forecast. The financial forecast is the foundation for the School District's operations and is used as a financial planning tool to assist the School District in determining its ability to meet certain financial obligations and plan future funding needs. The five-year forecast of revenue and expenditures serves as a financial planning tool, which provides a snapshot of historical and projected revenues and expense over the next five years and is accompanied by financial assumption notes. The assumptions are an integral part of the forecast and represent what the School District believes are significant factors impacting the forecast. Through a collaborative process, the administration assists the Board of Education in determining and prioritizing the needs of the School District. In accordance with State law, the Board of Education approves the financial forecast and submits it to the Ohio Department of Education prior to October 31 and approves an updated version prior to May 31. The financial forecast can be found on the School District's web site at [www.avonlakeschools.org](http://www.avonlakeschools.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 **Dave Yost**, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2017. 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 Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016. 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 Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report 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, 2016 to the Avon Lake City School District. This award certifies that the Comprehensive Annual Financial Report substantially conformed to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials.

Management believes that the Comprehensive Annual Financial Report for fiscal year ended June 30, 2017, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

Auditor of State Award – This award is presented by the Auditor of State. Fewer than five percent of all Ohio government agencies are eligible for this award. Certain criteria must be met to receive this award. Standards include: 1) The entity must complete and submit a Comprehensive Annual Financial Report (CAFR), 2) there must be no findings or issues present in the audit report, and 3) there must be no other financial concerns involving the entity. The Avon Lake City Schools have received this award the following years: 1999, 2000, 2002, 2006, 2007, 2008, 2009, 2011, 2012, 2013, 2014, 2015 and 2016. The district considers this the highest of all honors.

## Acknowledgments

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

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

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

Respectfully submitted,



Autumn Reed, Treasurer



Robert D. Scott, Superintendent

Avon Lake Board of Education

Principal Officials  
June 30, 2017

**Board of Education**

Mr. Charles Froehlich .....	President
Mr. James Stobe .....	Vice - President
Mr. Dale Cracas .....	Member
Mr. Ronald Jantz, Jr. ....	Member
Mrs. Pamela Ohradzansky .....	Member

**Treasurer**

Ms. Autumn Reed

**Administration**

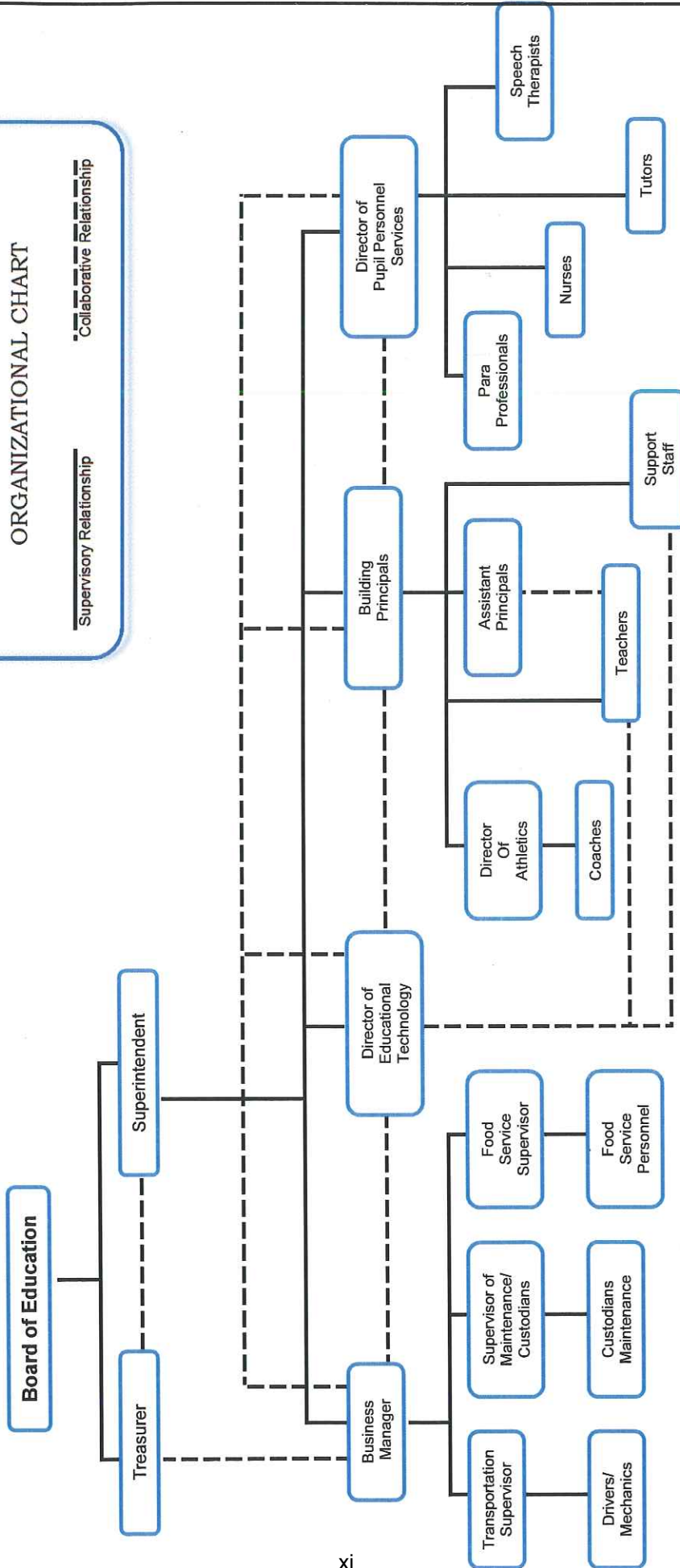
Mr. Robert D. Scott .....	Superintendent
Mr. Thomas R. Barone .....	Business Manager

Avon Lake City Schools, Avon Lake, Ohio

ORGANIZATIONAL CHART

Supervisory Relationship

Collaborative Relationship





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

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

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO





ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Avon Lake City School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2016.**

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

Anthony N. Dragona, Ed.D., RSBA  
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA  
Executive Director

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**FINANCIAL  
SECTION**



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# Dave Yost • Auditor of State

## 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 Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Avon Lake City School District, Lorain County, Ohio (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### ***Opinion***

In our opinion, the 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

#### *Supplementary and Other Information*

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2017, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 26, 2017

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**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*Unaudited*

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, 2017. 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 2017 are as follows:

- In total, net position for governmental activities decreased by \$ 231,774 in 2017.
- Revenues for governmental activities totaled \$ 48,620,318 fiscal year 2017. Of this total \$ 44,732,649 or 92.00 percent consisted of general revenues while program revenues accounted for the balance of \$ 3,887,669 or 8.00 percent.
- Program expenses totaled \$ 48,852,092. Instructional expenses made up \$ 26,620,595 or 54.49 percent of this total while support services accounted for \$ 17,189,727 or 35.19 percent. Other expenses, \$ 5,041,770 rounded out the remaining 10.32 percent.
- Total outstanding debt had a net decrease of \$ 3,363,640 to \$ 41,652,703 in fiscal year 2017.

### **Using this Comprehensive Annual Financial Report (CAFR)**

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 2017 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, 2017*  
*Unaudited*

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 Debt Service Fund.

#### **Governmental Funds**

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

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

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

Total assets increased by \$ 315,356. This increase can be attributed primarily to increases of \$ 1,143,134 in equity in pooled cash and \$ 486,708 in taxes receivable. This increase was offset by a net decrease in capital assets of \$ 1,475,445.

Deferred outflows of resources related to pensions increased by \$ 6,191,656.

Total liabilities increased by \$ 9,133,588, primarily due to a net increase in long-term liabilities.

Deferred inflows of resources related to property taxes increased by \$ 2,051,267, while deferred inflows of resources related to pensions decreased by \$ 5,799,498.

Over time, net position can serve as an indicator of a government's financial position. At June 30, 2017, the School District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$ 28,523,774. Of this total, \$ 5,485,518 is restricted in use.

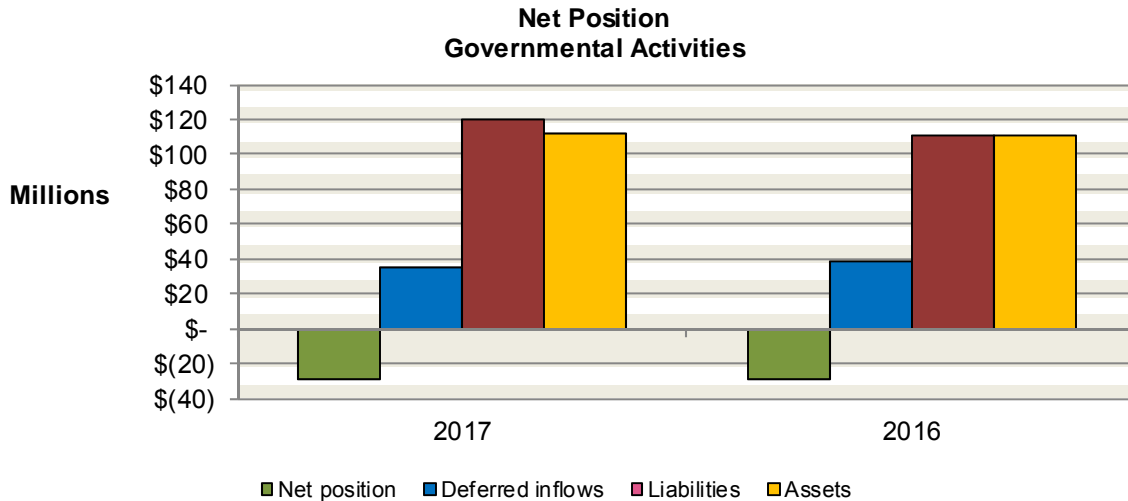
**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*Unaudited*

Table 1 provides a summary of the School District's net position for fiscal year 2017 compared to fiscal year 2016:

**TABLE I**  
Total Net Position

	2017	Restated 2016
<b>Assets</b>		
Current and other assets	\$ 61,116,659	\$ 59,325,858
Total capital assets, net	50,416,829	51,892,274
<b>Total assets</b>	111,533,488	111,218,132
 <b>Deferred outflows of resources</b>		
Deferred charge on refunding	2,379,171	2,651,877
Pension	12,491,893	6,300,237
<b>Total deferred outflows of resources</b>	14,871,064	8,952,114
 <b>Liabilities</b>		
Current liabilities	4,132,962	3,721,052
Long term liabilities		
Due within one year	4,569,217	4,621,371
Due in more than one year		
Net pension liability	68,250,535	55,896,972
Other amounts	42,744,205	46,323,936
<b>Total liabilities</b>	119,696,919	110,563,331
 <b>Deferred inflows of resources</b>		
Property taxes levied for next year	33,677,573	31,626,306
Unavailable resources	38,814	27,522
Pension	1,515,020	7,314,518
<b>Total deferred inflows of resources</b>	35,231,407	38,968,346
 <b>Net position</b>		
Net investment in capital assets	12,128,924	10,190,220
Restricted	5,485,518	5,234,676
Unrestricted	(46,138,216)	(43,716,896)
<b>Total net position</b>	\$(28,523,774)	\$(28,292,000)

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*Unaudited*



The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2017 and is reported pursuant to GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27.” 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 the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

GASB 68 requires the net pension liability to equal the School District’s proportionate share of each plan’s collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the “employment exchange” that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension 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 this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer’s promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system 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 pension system is responsible for the administration of the plan.

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*Unaudited*

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. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension 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 is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

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

Table 2 shows total revenues, expenses and changes in net position for fiscal year 2017 compared to fiscal year 2016. Total revenues for 2017 were \$ 2,607,642 lower than in 2016, while total expenses were \$ 2,092,673 higher than in 2016.

**TABLE 2**  
 Net Position  
 Governmental Activities

	2017	Restated 2016
Revenues		
Program revenues		
Charges for services and sales	\$ 2,216,055	\$ 2,500,033
Operating grants, interest and contributions	1,671,614	1,720,987
Total program revenues	<u>3,887,669</u>	<u>4,221,020</u>
General revenues		
Property taxes	33,779,335	35,708,549
Grants and entitlements not restricted to specific purposes	10,234,739	10,650,510
Investment earnings	213,539	149,799
Miscellaneous	505,036	498,082
Total general revenues	<u>44,732,649</u>	<u>47,006,940</u>
Total revenues	<u>48,620,318</u>	<u>51,227,960</u>
Program expenses		
Instruction	26,620,595	25,969,892
Supporting services		
Pupil and instructional staff	4,681,873	4,371,392
Board of education, administration, fiscal services and business	5,228,171	5,155,786
Operation and maintenance	5,085,469	4,329,269
Pupil transportation	1,956,379	1,817,520
Central services	237,835	290,224
Operation of non-instructional services		
Food service operation	1,252,674	1,254,263
Community services	511,931	649,046
Extracurricular activities	1,281,536	1,261,581
Interest and fiscal charges	1,995,629	1,660,446
Total expenses	<u>48,852,092</u>	<u>46,759,419</u>
Increase in net position	(231,774)	4,468,541
Net position at beginning of year, restated	(28,292,000)	(32,760,541)
Net position at end of year	<u><u>\$(28,523,774)</u></u>	<u><u>\$(28,292,000)</u></u>

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*Unaudited*

The vast majority of revenue supporting all Governmental Activities is general revenue. General revenue accounted for \$ 44.7 million or 92.00 percent of the total revenue. The most significant portion of general revenue is local property tax. The other type of revenue that accounts for 8.00 percent of total revenue is called program revenues. Program revenues are derived directly from the program or entities outside the School District as a whole, and can help to reduce the net cost of services provided by the School District. Program revenues decreased by \$ 333,351 in 2017 from 2016. This decrease can be attributed to decreases of \$ 283,978 in charges for services and sales and \$ 49,373 in operating grants, interest and contributions.

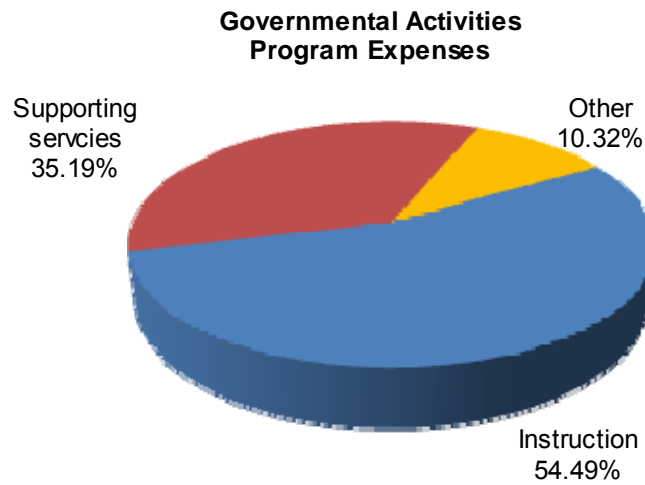
As you can see 55.49 percent of the School District's expenses were used to fund instructional expenses. Additional support services for pupils, staff, and business operation expenses were 35.19 percent. The remaining 10.32 percent of program expenses was used to facilitate other obligations of the School 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 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	
	2017	2016	2017	2016
Program expenses				
Instruction	\$ 26,620,595	\$ 25,969,892	\$(25,118,657)	\$(24,785,662)
Supporting services				
Pupil and instructional staff	4,681,873	4,371,392	(4,306,073)	(3,926,719)
Board of education, administration, fiscal services and business	5,228,171	5,155,786	(5,056,051)	(5,046,077)
Operation and maintenance	5,085,469	4,329,269	(5,085,469)	(4,329,269)
Pupil transportation	1,956,379	1,817,520	(1,956,379)	(1,817,520)
Central services	237,835	290,224	(225,235)	(273,108)
Operation of non-instructional services				
Food service operation	1,252,674	1,254,263	(115,294)	(3,621)
Community services	511,931	649,046	(186,940)	(58,962)
Extracurricular activities	1,281,536	1,261,581	(918,696)	(637,375)
Interest and fiscal charges	1,995,629	1,660,446	(1,995,629)	(1,660,446)
Total expenses	\$ 48,852,092	\$ 46,759,419	\$(44,964,423)	\$(42,538,759)

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*Unaudited*



The dependence upon tax revenues for governmental activities is apparent. Over 69.15 percent of total expenses are supported through taxes. Grants and entitlements not restricted to specific programs support 20.95 percent, while program revenue supports 7.96 percent. Investment and other miscellaneous type revenue support the remaining activity costs. The community, as a whole, is the primary support for the School District students.

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*Unaudited*

**The School District's Funds**

Information about the School District's major funds starts on page 20. 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 \$ 48,825,997, and expenditures of \$ 48,690,102. In total, the net change in fund balance was an increase of \$ 137,376.

The net change in fund balance for the year was most significant in the General Fund. In 2017, the General Fund's total revenue was \$ 1,545,336 lower than 2016. This was primarily the result of decreases in taxes revenue of \$ 1,019,799. Expenditures of the General Fund were \$ 3,302,196 higher than the prior year. The increase in General Fund expenditures is primarily due to increases in instruction of \$ 2,096,072 and supporting services of \$ 1,283,887.

The following schedule shows the significant changes between fiscal year 2017 and 2016 for the General Fund.

	General Fund		
	2017	2016	Change
Revenue			
Taxes	\$ 30,061,328	\$ 31,081,127	\$ (1,019,799)
Tuition and fees	875,906	756,497	119,409
Interest	195,964	141,311	54,653
Intergovernmental	8,864,292	9,104,191	(239,899)
Extracurricular	59,514	284,269	(224,755)
Miscellaneous	428,433	664,171	(235,738)
Total revenues	<u>40,485,437</u>	<u>42,031,566</u>	<u>(1,546,129)</u>
Expenditures			
Current			
Instruction	23,872,113	21,776,041	2,096,072
Supporting services	15,362,708	14,078,821	1,283,887
Operation of non-instructional services	66,296	84,052	(17,756)
Extracurricular activities	838,307	838,420	(113)
Capital outlay	-	9,963	(9,963)
Debt service			
Principal	24,147	71,898	(47,751)
Interest	527	2,707	(2,180)
Total expenditures	<u>40,164,098</u>	<u>36,861,902</u>	<u>3,302,196</u>
Other financing sources (uses)			
Transfers out	(3,666)	-	(3,666)
Proceeds from sale of capital assets	1,481	688	793
Total other financing sources (uses)	<u>(2,185)</u>	<u>688</u>	<u>(2,873)</u>
Net change in fund balances	319,154	5,170,352	(4,851,198)
Fund balances, beginning of year, restated	<u>14,406,606</u>	<u>9,236,254</u>	<u>5,170,352</u>
Fund balances, end of year	<u>\$ 14,725,760</u>	<u>\$ 14,406,606</u>	<u>\$ 319,154</u>



**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*Unaudited*

The following schedule shows the significant changes between fiscal year 2017 and 2016 for the Bond Retirement Fund.

	Bond Retirement Fund		
	2017	2016	Change
Revenue			
Taxes	\$ 3,383,189	\$ 3,547,479	\$ (164,290)
Intergovernmental	1,446,355	1,452,151	(5,796)
Total revenues	4,829,544	4,999,630	(170,086)
Expenditures			
Current			
Supporting services			
Fiscal services	61,023	62,561	(1,538)
Debt service			
Principal	3,390,000	3,350,000	40,000
Interest	1,662,289	1,682,753	(20,464)
Total expenditures	5,113,312	5,095,314	17,998
Net change in fund balances	(283,768)	(95,684)	(188,084)
Fund balances, beginning of year	3,743,677	3,839,361	(95,684)
Fund balances, end of year	\$ 3,459,909	\$ 3,743,677	\$ (283,768)

**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 2017, the School District amended its General Fund budget several times to reflect changes in unanticipated receipts and amended appropriations. For the General Fund, the final budget basis revenue estimate, excluding other financing sources, was \$ 41,405,378 which was \$ 631,767 higher than the original budget estimate and \$ 32,941 less than actual revenue. The final budget basis expenditures estimate, excluding other financing uses, totaled \$ 41,168,338 which was \$ 1,124,699 higher than the original budget estimate. Actual expenditures were \$ 174,250 less than final budget basis expenditures. The unencumbered ending cash balance totaled \$ 15,015,681.

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*Unaudited*

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal 2017, the School District, net of depreciation, had \$ 50,416,829 invested in land, construction in process, land improvements, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2017 values compared to fiscal year 2016. More detailed information is presented in Note 8 of the notes to the basic financial statements.

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

	2017	2016
Land	\$ 6,050,145	\$ 6,050,145
Construction in progress	533,510	-
Land improvements	970,561	1,022,007
Buildings and improvements	40,748,575	42,563,781
Furniture and equipment	1,386,071	1,539,980
Vehicles	727,967	716,361
Total net capital assets	\$ 50,416,829	\$ 51,892,274

All capital assets, except land and construction in process, are reported net of depreciation.

**Debt**

At June 30, 2017, the Avon Lake School District had \$ 41,652,703 in bonds and capital leases, a decrease of \$ 3,363,640 from fiscal year 2016. \$ 3,447,107 of the bonds and capital leases are due within one year. Table 5 below summarizes the School District's bonds and capital leases. More detailed information is presented in Notes 13 and 14 of the notes to the basic financial statements.

**Table 5**  
 Outstanding Debt Year-End

	2017	2016
Term and serial bonds	\$ 37,850,000	\$ 41,240,000
Capital appreciation bonds	425,800	425,800
Accretion on capital appreciation bonds	506,828	157,867
Unamortized bond premiums	2,857,968	3,156,422
Capital leases	12,107	36,254
Total outstanding debt	\$ 41,652,703	\$ 45,016,343

**Avon Lake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*Unaudited*

**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 June 2017.

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 District is not without its internal, as well as, external challenges. In the foreseeable future, the internal challenge will remain as long as the School District is required to rely on local property taxes to fund its operations.

On September 12, 2017, the School District entered into an 8 year settlement agreement with NRG Power Midwest LP. The School District and Lorain County were parties in litigation opposing NRG's appeals to reduce their real estate values for tax year 2013 and 2015. Appeals related to the 2013 case were scheduled to be heard by the Ohio Supreme Court in the Spring of 2018 as NRG was seeking to reduce their fair market value from approximately \$54 million to \$3.5 million. The settlement dismisses this case, as well as, the 2015 Ohio Board of Tax Appeals case. The settlement is structured to preserve the \$54 million value for 2013 then progressively decrease over the remaining years of the settlement avoiding the need to refund NRG for real estate taxes already paid. The average annual value over the length of the settlement is \$39.5 million, which is \$1 million higher than the value set by the Ohio Board of Tax Appeals for 2013. The School District now has a guaranteed negotiated real estate value through tax year 2020, which allows for more certainty in budgeting revenue projections and eliminates any further contesting of real estate values through 2020. The School District will need to pass an additional resolution once all of the details have been finalized between the parties.

The Ohio Department of Taxation (ODT) rendered a final determination concerning NRG's petition to reduce their public utility personal property values for tax year 2014, 2015 and 2016. The values were reduced by approximately 49%, 46% and 46% for the respective tax years. The School District is obligated to refund NRG approximately \$1.65 million in taxes that were paid for these tax years.

External challenges continue to evolve as the economy and the State of Ohio determine the outcome and viability of the State's educational funding system. The ongoing legislative efforts to support the existence of community (charter) schools continue to come at the expense of State funding. Over \$420,000 was deducted from the School District's State funding and redirected to community (charter) schools in fiscal year 2017.

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).

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AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

STATEMENT OF NET POSITION

JUNE 30, 2017

	Governmental Activities
<b>Assets</b>	
Equity in pooled cash	\$ 23,826,262
Intergovernmental receivables	118,221
Other assets - deposits	54,013
Inventories and supplies	51,547
Taxes receivable	37,066,616
Capital assets	
Nondepreciable capital assets	6,583,655
Depreciable capital assets	43,833,174
<b>Total assets</b>	<b>111,533,488</b>
<b>Deferred outflow s of resources</b>	
Deferred charge on refunding	2,379,171
Pension	12,491,893
<b>Total deferred outflow s of resources</b>	<b>14,871,064</b>
<b>Liabilities</b>	
Accounts and contracts payable	193,606
Accrued salaries, wages and benefits	3,566,188
Accrued interest payable	137,500
Intergovernmental payable	235,668
Long-term liabilities	
Due w ithin one year	4,569,217
Due in more than one year	
Net pension liability	68,250,535
Other amounts due in more than one year	42,744,205
<b>Total liabilities</b>	<b>119,696,919</b>
<b>Deferred inflow s of resources</b>	
Property taxes levied for next year	33,677,573
Deferred revenue	38,814
Pension	1,515,020
<b>Total deferred inflow s of resources</b>	<b>35,231,407</b>
<b>Net position</b>	
Net investment in capital assets	12,128,924
Restricted for:	
Debt service	2,967,167
Capital projects	1,507,007
Food service	555,853
Extracurricular activities	126,848
Donations	328,643
Unrestricted	(46,138,216)
<b>Total net position</b>	<b>\$ (28,523,774)</b>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

	Expenses	Charges for Services and Sales	Operating Grants, Interest and Contributions	Net (Expense) Revenues and Changes in Net Position
Governmental activities:				
Instruction				
Regular	\$ 20,522,649	\$ 7,150	\$ 165,175	\$ (20,350,324)
Special	5,176,972	850,261	474,154	(3,852,557)
Adult/continuing	9,751	-	-	(9,751)
Other instruction	911,223	-	5,198	(906,025)
Supporting services				
Pupil	2,780,478	141,792	162,417	(2,476,269)
Instructional staff	1,901,395	4,656	66,935	(1,829,804)
Board of education	19,701	-	-	(19,701)
Administration	3,635,512	-	172,120	(3,463,392)
Fiscal services	1,212,368	-	-	(1,212,368)
Business	360,590	-	-	(360,590)
Operation and maintenance	5,085,469	-	-	(5,085,469)
Pupil transportation	1,956,379	-	-	(1,956,379)
Central services	237,835	-	12,600	(225,235)
Operation of non-instructional services				
Food service operation	1,252,674	849,356	288,024	(115,294)
Community services	511,931	-	324,991	(186,940)
Extracurricular activities	1,281,536	362,840	-	(918,696)
Interest and fiscal charges	1,995,629	-	-	(1,995,629)
Total	<u>\$ 48,852,092</u>	<u>\$ 2,216,055</u>	<u>\$ 1,671,614</u>	<u>(44,964,423)</u>

General revenues

Property taxes levied for:	
General purposes	29,868,528
Debt service	3,360,889
Capital improvements	549,918
Grants and entitlements not restricted to specific purposes	10,234,739
Investment earnings	213,539
Miscellaneous	505,036
Total general revenues	<u>44,732,649</u>

Change in net position (231,774)

Net position at beginning of year, restated (28,292,000)

Net position at end of year \$ (28,523,774)

See accompanying notes to the basic financial statements.

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AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2017

	General Fund	Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in pooled cash	\$ 16,481,661	\$ 3,209,813	\$ 2,707,307	\$ 22,398,781
Restricted cash	113,990	-	-	113,990
Receivables, net of allowance				
Taxes, current	31,853,591	3,611,962	582,563	36,048,116
Taxes, delinquent	899,900	102,100	16,500	1,018,500
Intergovernmental receivables	88,710	-	29,511	118,221
Interfund receivables	13,742	-	-	13,742
Inventories and supplies	38,487	-	13,060	51,547
<b>Total assets</b>	<b>\$ 49,490,081</b>	<b>\$ 6,923,875</b>	<b>\$ 3,348,941</b>	<b>\$ 59,762,897</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 161,346	\$ -	\$ 28,413	\$ 189,759
Accrued salaries, wages and benefits	3,441,535	-	124,653	3,566,188
Intergovernmental payable	231,861	-	3,807	235,668
Interfund payable	-	-	13,742	13,742
Matured compensated absences	260,941	-	4,539	265,480
<b>Total liabilities</b>	<b>4,095,683</b>	<b>-</b>	<b>175,154</b>	<b>4,270,837</b>
<b>Deferred inflows of resources</b>				
Property taxes levied for next year and unavailable resources	30,668,638	3,463,966	602,283	34,734,887
<b>Total deferred inflows of resources</b>	<b>30,668,638</b>	<b>3,463,966</b>	<b>602,283</b>	<b>34,734,887</b>
<b>Fund balances (deficits)</b>				
Nonspendable	38,487	-	13,060	51,547
Restricted	-	3,459,909	2,574,550	6,034,459
Committed	113,990	-	-	113,990
Assigned	1,447,992	-	-	1,447,992
Unassigned	13,125,291	-	(16,106)	13,109,185
<b>Total fund balances (deficits)</b>	<b>14,725,760</b>	<b>3,459,909</b>	<b>2,571,504</b>	<b>20,757,173</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 49,490,081</b>	<b>\$ 6,923,875</b>	<b>\$ 3,348,941</b>	<b>\$ 59,762,897</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, 2017

Total governmental fund balances		\$ 20,757,173
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.		50,416,829
Deposit on acquisition of capital asset		54,013
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		1,018,500
Unamortized premiums on bonds issued are not recognized in the funds.		(2,857,968)
Unamortized deferred charges on refundings are not recognized in the funds.		2,379,171
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(137,500)
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		1,309,644
The net pension 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	12,491,893	
Deferred inflow s - pension	(1,515,020)	
Net pension liability	(68,250,535)	(57,273,662)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences payable	(5,395,239)	
Bonds payable	(38,782,628)	
Capital lease payable	(12,107)	(44,189,974)
Net position of governmental activities		\$ (28,523,774)

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, 2017

	General Fund	Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
Revenue				
Taxes	\$ 30,061,328	\$ 3,383,189	\$ 553,118	\$ 33,997,635
Tuition and fees	875,906	-	2,478	878,384
Interest	195,964	-	6,435	202,399
Intergovernmental	8,864,292	1,446,355	1,595,706	11,906,353
Extracurricular	59,514	-	347,393	406,907
Charges for services	-	-	849,356	849,356
Miscellaneous	428,433	-	156,530	584,963
Total revenues	<u>40,485,437</u>	<u>4,829,544</u>	<u>3,511,016</u>	<u>48,825,997</u>
Expenditures				
Current				
Instruction				
Regular	18,495,885	-	213,253	18,709,138
Special	4,477,828	-	522,010	4,999,838
Adult/continuing	9,275	-	-	9,275
Other instruction	889,125	-	5,198	894,323
Supporting services				
Pupil	2,578,181	-	162,417	2,740,598
Instructional staff	1,823,315	-	72,226	1,895,541
Board of education	19,701	-	-	19,701
Administration	3,014,306	-	173,695	3,188,001
Fiscal services	1,115,408	61,023	9,667	1,186,098
Business	334,096	-	-	334,096
Operation and maintenance	4,505,389	-	16,232	4,521,621
Pupil transportation	1,769,838	-	162,637	1,932,475
Central services	202,474	-	33,586	236,060
Operation of non-instructional services				
Food service operation	-	-	1,234,810	1,234,810
Community services	66,296	-	423,333	489,629
Extracurricular activities	838,307	-	383,628	1,221,935
Debt service				
Principal	24,147	3,390,000	-	3,414,147
Interest	527	1,662,289	-	1,662,816
Total expenditures	<u>40,164,098</u>	<u>5,113,312</u>	<u>3,412,692</u>	<u>48,690,102</u>
Excess (deficiency) of revenues over expenditures	<u>321,339</u>	<u>(283,768)</u>	<u>98,324</u>	<u>135,895</u>
Other financing sources (uses)				
Transfers in	-	-	3,666	3,666
Transfers out	(3,666)	-	-	(3,666)
Proceeds from sale of assets	1,481	-	-	1,481
Total other financing sources (uses)	<u>(2,185)</u>	<u>-</u>	<u>3,666</u>	<u>1,481</u>
Net change in fund balances	319,154	(283,768)	101,990	137,376
Fund balances, beginning of year, restated	<u>14,406,606</u>	<u>3,743,677</u>	<u>2,469,514</u>	<u>20,619,797</u>
Fund balances, end of year	<u>\$ 14,725,760</u>	<u>\$ 3,459,909</u>	<u>\$ 2,571,504</u>	<u>\$ 20,757,173</u>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2017

Net change in fund balances - total governmental funds		\$ 137,376
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 expense. This is the amount by which depreciation expense exceeded net capital outlay in the current period.		
	Capital outlay, net	\$ 1,000,362
	Depreciation expense	<u>(2,421,794)</u>
		(1,421,432)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
	Property taxes	(218,300)
Repayment of bond, loan, note and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		3,414,147
In the statement of activities, interest accrued on outstanding bonds and bond and notes accretion are amortized over the term of the bonds and notes, whereas in governmental funds, the expenditure is reported when the bonds and notes are issued.		
	Accrued interest	(9,600)
	Annual accretion	(348,961)
	Amortization of bond premium	298,454
	Amortization of deferred charges	<u>(272,706)</u>
		(332,813)
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	216,437
Contractually required contributions are reported as expenditures in governmental funds, however, the statement of activities reports these amounts as deferred outflows.		
		3,484,262
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities		
		(4,916,102)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		<u>(595,349)</u>
Change in net position of governmental activities		<u>\$ (231,774)</u>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2017

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 30,747,575	\$ 31,223,994	\$ 31,248,835	\$ 24,841
Tuition and fees	766,612	778,491	779,110	619
Interest	192,145	195,122	195,277	155
Intergovernmental	8,722,101	8,857,245	8,864,292	7,047
Miscellaneous	345,178	350,526	350,805	279
<b>Total revenues</b>	<b>40,773,611</b>	<b>41,405,378</b>	<b>41,438,319</b>	<b>32,941</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Instruction</b>				
Regular	18,435,569	18,953,364	18,873,142	80,222
Special	4,873,320	5,010,197	4,988,990	21,207
Adult/continuing	9,063	9,317	9,278	39
Other	844,205	867,916	864,243	3,673
<b>Supporting services</b>				
Pupil	2,352,049	2,418,111	2,407,876	10,235
Instructional staff	1,788,252	1,838,480	1,830,697	7,783
Board of education	19,209	19,748	19,665	83
Administration	2,955,272	3,038,276	3,025,417	12,859
Fiscal services	1,094,870	1,125,621	1,120,857	4,764
Business	326,915	336,097	334,674	1,423
Operation and maintenance	4,591,076	4,720,026	4,700,047	19,979
Pupil transportation	1,713,946	1,762,086	1,754,628	7,458
Central services	205,512	211,283	210,389	894
<b>Operation of non-instructional services</b>				
Community services	62,825	64,589	64,316	273
<b>Extracurricular activities</b>				
Academic and subject oriented	85,355	87,753	87,382	371
Occupation oriented	1,309	1,346	1,340	6
Sports oriented	633,030	650,809	648,054	2,755
Co-curricular activities	51,862	53,319	53,093	226
<b>Total expenditures</b>	<b>40,043,639</b>	<b>41,168,338</b>	<b>40,994,088</b>	<b>174,250</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>729,972</b>	<b>237,040</b>	<b>444,231</b>	<b>207,191</b>
<b>Other financing sources</b>				
Gain on sale of assets	-	1,481	1,481	-
Advances in	-	145,573	145,573	-
Refund of prior year expenditures	-	28,283	28,283	-
Transfers-out	-	(61,561)	(61,561)	-
Advances out	-	(13,742)	(13,742)	-
<b>Total other financing sources</b>	<b>-</b>	<b>100,034</b>	<b>100,034</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>729,972</b>	<b>337,074</b>	<b>544,265</b>	<b>207,191</b>
<b>Prior year encumbrances</b>	<b>920,737</b>	<b>920,737</b>	<b>920,737</b>	<b>-</b>
<b>Fund balances, beginning of year</b>	<b>13,550,679</b>	<b>13,550,679</b>	<b>13,550,679</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 15,201,388</b>	<b>\$ 14,808,490</b>	<b>\$ 15,015,681</b>	<b>\$ 207,191</b>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

STATEMENT OF FUND NET POSITION  
INTERNAL SERVICE FUND

JUNE 30, 2017

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	<u>Self Insurance</u>
Assets	
Current assets	
Equity in pooled cash	\$ 1,313,491
Total assets	<u>\$ 1,313,491</u>
Liabilities	
Current liabilities	
Accounts and contracts payable	\$ 3,847
Total liabilities	<u>3,847</u>
Net position	
Unrestricted	<u>\$ 1,309,644</u>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2017

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	Self Insurance
Operating expenses	
Purchased services	\$ 10,230
Benefits	596,259
Total operating expenses	606,489
Operating loss	(606,489)
Nonoperating revenues	
Interest income	11,140
Total nonoperating revenues	11,140
Change in net position	(595,349)
Net position, beginning of year	1,904,993
Net position, end of year	\$ 1,309,644

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUND

FOR THE YEAR ENDED JUNE 30, 2017

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	<u>Self Insurance</u>
Cash flows from operating activities	
Cash payments for benefits	\$ (596,259)
Cash payments for goods and services	(9,899)
Net cash used in operating activities	<u>(606,158)</u>
Cash flows from investing activities	
Interest income	11,140
Net cash provided by investing activities	<u>11,140</u>
Net decrease in cash and cash equivalents	(595,018)
Cash and cash equivalents, beginning of year	<u>1,908,509</u>
Cash and cash equivalents, end of year	<u>\$ 1,313,491</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (606,489)
Adjustments	
Increase in accounts and contracts payable	331
Total adjustments	<u>331</u>
Net cash used in operating activities	<u>\$ (606,158)</u>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
JUNE 30, 2017

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	<u>Agency Funds</u>
Assets	
Equity in pooled cash	\$ 107,427
Total assets	<u>\$ 107,427</u>
Liabilities	
Accounts payable	\$ 383
Due to students	103,957
Due to others	3,087
Total liabilities	<u>\$ 107,427</u>

See accompanying notes to the basic financial statements.



AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

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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 229 non-certified personnel, 234 certified full-time teaching personnel, and 15 administrative employees to provide services to 3,809 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, 2017

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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 activity of the Internal Service Fund is eliminated to avoid "doubling up" revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation.

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 Internal Service Fund is presented in a single column on the face of the proprietary fund statements. 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, 2017

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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.

Proprietary Fund Type

Proprietary funds focus on the determination of operating income, changes in net position, financial position, and cash flows and are classified as either enterprise or internal service. The School District only has an Internal Service Fund.

Internal Service Fund - The Internal Service Fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost-reimbursement basis. The School District utilizes an internal service fund to account for the operation of the School District's self insurance fund's reserve balance for employee insurance related benefits.

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 agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency funds report resources that belong to the student bodies of the various schools and staff services outside the scope of normal operations.

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.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. MEASUREMENT FOCUS (continued)

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.

Like the government-wide statements, the Internal Service Fund is accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources along with all liabilities and deferred inflows of resources associated with the operation of the fund are included on the statement of fund net position. The statement of revenues, expenses, and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its Internal Service Fund activity.

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.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BASIS OF ACCOUNTING (continued)

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, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and pensions. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pensions are explained in Note 10.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, pensions, cafeteria receipts, and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2017, but which were levied to finance year 2018 operations. Cafeteria receipts represent the positive account balance on student lunch cards as of June 30, 2017, which amounts will be used to purchase lunch in future fiscal years. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pensions are reported on the government-wide statement of position. (See Note10)

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 agency 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.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. BUDGETARY PROCESS (continued)

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.

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 2017, interest revenue credited to the General Fund amounted to \$ 195,964 of which \$ 74,059 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 2017, investments were limited to STAR Ohio, commercial paper, 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 2017, 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 \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 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 19 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, 2017

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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, 2017, are reported as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

J. INVENTORY

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

K. CAPITAL ASSETS

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

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

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

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, and all payables, accrued liabilities and long-term obligations payable from the Internal Service Fund are reported on the Internal Service Fund 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, compensated absences and contractually required pension contributions 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. Bonds, capital lease obligations, long-term notes and loans are recognized as a liability on the governmental fund financial statements when due.

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 \$ 5,485,518 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, 2017

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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.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are charges for services for health insurance in the Internal Service Fund. 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.

R. PENSIONS

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

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 2017, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 77, "Tax Abatement Disclosures," GASB Statement No. 78, "Pensions Provided through Certain Multiple Employer Defined Benefit Pension Plans," and GASB Statement No. 80, "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14."

GASB Statement No. 77, "Tax Abatement Disclosures." The objective of this Statement is to provide financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs. The School District incorporated the corresponding GASB Statement No 77 guidance into their fiscal year 2017 financial statements; however, there is no effect on the beginning net position.

GASB Statement No 78, "Pensions Provided through Certain Multiple Employer Defined Benefit Pension Plans." The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the School District.

AVON LAKE CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES (continued)

A. CHANGE IN ACCOUNTING PRINCIPLES (continued)

GASB Statement No. 80, “Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14.” This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The implementation of GASB No. 80 did not have an effect on the financial statements of the School District.

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed or assigned fund balance (GAAP basis).

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	\$ 544,265
Adjustments, increase (decrease)	
Revenue accruals	(1,361,363)
Expenditure accruals	(188,787)
Funds budgeted elsewhere **	(11,726)
Encumbrances	1,336,765
GAAP basis, as reported	\$ 319,154

\*\* 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. This includes the Scholarship Fund, Michael Baumhauer Scholarship Fund, and the Public School Support Fund.

AVON LAKE CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

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
Nonspendable				
Inventory	\$ 38,487	\$ -	\$ 13,060	\$ 51,547
Restricted for:				
Debt service	-	3,459,909	21,456	3,481,365
Capital projects	-	-	1,490,507	1,490,507
Food service	-	-	605,952	605,952
Extracurricular activities	-	-	126,848	126,848
State grants	-	-	1,144	1,144
Donations	-	-	328,643	328,643
Total restricted	<u>-</u>	<u>3,459,909</u>	<u>2,574,550</u>	<u>6,034,459</u>
Committed				
Budget reserve	113,990	-	-	113,990
Assigned to				
Scholarships	96,404	-	-	96,404
Field trips and assemblies	144,994	-	-	144,994
Student instruction	949,892	-	-	949,892
Student and staff support	256,702	-	-	256,702
Total assigned	<u>1,447,992</u>	<u>-</u>	<u>-</u>	<u>1,447,992</u>
Unassigned	13,125,291	-	(16,106)	13,109,185
Total fund balances	<u>\$ 14,725,760</u>	<u>\$ 3,459,909</u>	<u>\$ 2,571,504</u>	<u>\$ 20,757,173</u>

AVON LAKE CITY SCHOOL DISTRICT  
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NOTE 5 - DEPOSITS AND INVESTMENTS

A. LEGAL REQUIREMENTS

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

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

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

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

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.

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;

AVON LAKE CITY SCHOOL DISTRICT  
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FOR THE YEAR ENDED JUNE 30, 2017

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NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

A. LEGAL REQUIREMENTS (continued)

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.

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 \$ 13,300 in cash on hand which is included on the balance sheet of the School District as part of "Equity in Pooled Cash".

B. DEPOSITS

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned. The School District does not have a deposit policy for custodial credit risk. At fiscal year end, the carrying amount of the School District's deposits was \$ 11,754,281 and the bank balance was \$ 11,922,248. Of the bank balance, \$ 5,388,000 was covered by federal depository insurance and \$ 6,534,248 was uninsured. Of the remaining balance, \$ 6,534,248 was collateralized with securities held by the pledging institution's trust department not in the School District's name. Although the securities were held by the pledging financial institutions' trust department and 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.

The School District has no deposit policy for custodial risk beyond the requirements of State Statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

AVON LAKE CITY SCHOOL DISTRICT  
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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, 2017, the School District had the following investments:

	Fair Value	Percentage of Investments	Investment Maturities	
			Less than 1 year	3 years and longer
STAR Ohio	\$ 281,172	2.31%	\$ 281,172	\$ -
Federal securities	7,279,906	59.84%	-	7,279,906
Money market	819,082	6.73%	819,082	-
Commercial paper	3,785,948	31.12%	3,785,948	-
	<u>\$ 12,166,108</u>	<u>100.00%</u>	<u>\$ 4,886,202</u>	<u>\$ 7,279,906</u>

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the School District's recurring fair value measurements as of June 30, 2017. 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, 2017 the School District's investment in Star Ohio and the U.S. government money market mutual fund were rated AAAM by Standard & Poor's. The two commercial paper investments were rated A+ and AA- by Standard and 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  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

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 2017 represents collections of calendar year 2016 taxes. Real property taxes received in calendar year 2017 were levied after April 1, 2016, on the assessed value listed as of January 1, 2016, 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 2017 represents collections of calendar year 2016 taxes. Public utility real and tangible personal property taxes received in calendar year 2017 became a lien December 31, 2015, were levied after April 1, 2016 and are collected in 2017 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from 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, 2017, are available to finance fiscal year 2017 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, 2017 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 revenue.

The amount available as an advance at June 30, 2017 was \$ 2,084,853 in the General Fund, \$ 250,096 in the Bond Retirement Debt Service Fund and \$ 35,594 in the Permanent Improvements Capital Projects Fund. The amount available as an advance at June 30, 2016 was \$ 3,272,360 in the General Fund, \$ 387,096 in the Bond Retirement Debt Service Fund and \$ 57,346 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 2017 taxes were collected are:

	<u>2016 Second Half Collections</u>		<u>2017 First Half Collections</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Agricultural/ Residential and Other Real Estate	\$ 805,781,100	94.85 %	\$ 815,545,460	94.09 %
Public Utility Personal	43,768,750	5.15	51,256,120	5.91
	<u>\$ 849,549,850</u>	<u>100.00 %</u>	<u>\$ 866,801,580</u>	<u>100.00 %</u>
Tax Rate per \$ 1,000 of Assessed Valuation:	<u>\$ 72.69</u>		<u>\$ 72.41</u>	



AVON LAKE CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 7 – RECEIVABLES**

Receivables at June 30, 2017, consisted of property taxes, interfund 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, 2017 was as follows:

<u>Governmental Activities</u>	Balance June 30, 2016	Additions	Disposals	Balance June 30, 2017
Nondepreciable capital assets				
Land	\$ 6,050,145	\$ -	\$ -	\$ 6,050,145
Construction in process	-	533,510	-	533,510
Total nondepreciable capital assets	<u>6,050,145</u>	<u>533,510</u>	<u>-</u>	<u>6,583,655</u>
Depreciable capital assets				
Land improvements	2,857,370	-	-	2,857,370
Buildings and improvements	79,285,872	38,114	-	79,323,986
Furniture and equipment	12,086,066	212,089	64,768	12,233,387
Vehicles	2,602,326	162,636	77,488	2,687,474
Total capital assets being depreciated	<u>96,831,634</u>	<u>412,839</u>	<u>142,256</u>	<u>97,102,217</u>
Less accumulated depreciation				
Land improvements	1,835,363	51,446	-	1,886,809
Buildings and improvements	36,722,091	1,853,320	-	38,575,411
Furniture and equipment	10,546,086	365,998	64,768	10,847,316
Vehicles	1,885,965	151,030	77,488	1,959,507
Total accumulated depreciation	<u>50,989,505</u>	<u>2,421,794</u>	<u>142,256</u>	<u>53,269,043</u>
Depreciable capital assets, net of accumulated depreciation	<u>45,842,129</u>	<u>(2,008,955)</u>	<u>-</u>	<u>43,833,174</u>
Governmental activities capital assets, net	<u>\$ 51,892,274</u>	<u>\$ (1,475,445)</u>	<u>\$ -</u>	<u>\$ 50,416,829</u>

AVON LAKE CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

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NOTE 8 - CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental activities as follows:

Instruction	
Regular	\$ 1,681,191
Supporting services	
Administration	207,904
Operation and maintenance of plant	345,299
Pupil transportation	161,695
Operation of non-instructional services	
Food service	8,446
Extracurricular activities	
Sports oriented	17,259
Total depreciation expense	<u>\$ 2,421,794</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 2017 the School District contracted with Liberty Mutual Insurance for property insurance. Professional liability is protected by the Liberty Mutual Insurance with a \$ 1,000,000 aggregate limit. General Liability has a \$ 2,000,000 aggregate limit. The Umbrella limit is \$ 3,000,000. Vehicles are covered by the Liberty Mutual Insurance 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 \$ 50,000 position bond for the treasurer and business manager, a \$ 20,000 position bond for the Board of Education president, and a \$ 20,000 position bond for the superintendent. The School District maintains a \$ 250,000 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 and administrative costs.

B. EMPLOYEE MEDICAL COVERAGE

The School District is a member of the Suburban Health Consortium, a shared risk pool to provide employee medical, surgical, prescription drug, vision and dental benefits. Rates are set through an annual calculation process. 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 2017, the School District paid 85% of the cost of the monthly premium for all employees.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
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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* 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.

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2017, the allocation to pension, death benefits, and Medicare B was 14 percent.

The School District's contractually required contribution to SERS was \$ 942,983 for fiscal year 2017, which 100 percent was paid.

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).

AVON LAKE CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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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 will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 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, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2017, plan members were required to contribute 14 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2017 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$ 2,541,279 for fiscal year 2017, of which \$ 79,107 is reported as an intergovernmental payable.

AVON LAKE CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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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

The net pension liability was measured as of June 30, 2016, 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	\$ 14,844,772	\$ 53,405,763	\$ 68,250,535
Pension expense	\$ 1,419,468	\$ 3,496,633	\$ 4,916,101
Proportion of the net pension liability - prior measurement date	0.20439600%	0.16005300%	
Proportion of the net pension liability - current measurement date	<u>0.20282300%</u> <u>0.00157300%</u>	<u>0.15954871%</u> <u>0.00050429%</u>	

At June 30, 2017, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 200,220	\$ 2,157,849	\$ 2,358,069
Net difference between projected and actual earnings on pension plan investments	1,224,479	4,434,113	5,658,592
Change in assumptions	990,970	-	990,970
School District contributions subsequent to the measurement date	<u>942,983</u>	<u>2,541,279</u>	<u>3,484,262</u>
Total deferred outflows of resources	<u>\$ 3,358,652</u>	<u>\$ 9,133,241</u>	<u>\$ 12,491,893</u>
Deferred inflows of resources			
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	<u>\$ 106,069</u>	<u>\$ 1,408,951</u>	<u>\$ 1,515,020</u>
Total deferred inflows of resources	<u>\$ 106,069</u>	<u>\$ 1,408,951</u>	<u>\$ 1,515,020</u>

\$ 3,484,262 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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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)

Fiscal Year Ending June 30:	SERS	STRS	Total
2018	\$ 564,690	\$ 587,226	\$ 1,151,916
2019	563,807	587,227	1,151,034
2020	931,126	2,288,719	3,219,845
2021	249,977	1,719,839	1,969,816
	\$ 2,309,600	\$ 5,183,011	\$ 7,492,611

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, 2016, are presented below:

Wage inflation	3.00 percent
Future salary increases, including inflation	4.50 percent to 18.20 percent
COLA or Ad Hoc COLA	3.00 percent
Investment rate of return	7.50 percent of net of investments expense, including inflation
Actuarial cost method	Early age normal (Level Percent of Payroll)

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

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NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

E. ACTUARIAL ASSUMPTIONS – SERS (continued)

The most recent experience study was completed June 30, 2010.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Cash	1.00%	0.50%
U.S. stocks	22.50%	4.75%
Non-U.S. stocks	22.50%	7.00%
Fixed income	19.00%	1.50%
Private equity	10.00%	8.00%
Real assets	15.00%	5.00%
Multi-asset strategies	10.00%	3.00%
	<u>100.00%</u>	

Discount Rate - The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
School District's proportionate share of the net pension liability	<u>\$ 19,653,553</u>	<u>\$ 14,844,772</u>	<u>\$ 10,819,622</u>



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NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

F. ACTUARIAL ASSUMPTIONS - STRS

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

2.75 percent  
2.75 percent at age 70 to 12.25 percent at age 20  
7.75 percent, net of investment expenses  
2 percent simple applied as follows: for members retiring before  
August 1, 2013. 2 percent per year; for members retiring August 1, 2013,  
or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	31.00%	8.00%
International equity	26.00%	7.85%
Alternatives	14.00%	8.00%
Fixed income	18.00%	3.75%
Real estate	10.00%	6.75%
Liquidity reserves	1.00%	3.00%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. 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. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not 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, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2016.

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

F. ACTUARIAL ASSUMPTIONS - STRS

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 7.75 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 (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$ 70,971,919	\$ 53,405,763	\$ 38,587,674

Changes Between Measurement Date and Report Date - In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall decrease to the School District's Net Pension Liability is expected to be significant.

NOTE 11 - POSTEMPLOYMENT BENEFITS

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM

Postemployment Benefits - In addition to a cost-sharing multiple-employer defined benefit pension plan the School Employees Retirement System of Ohio (SERS) administers a postemployment benefit plan.

Health Care Plan - Sections 3309.375 and 3309.69 of the Ohio Revised Code permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The Ohio Revised Code provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plan.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 105(e). Each year after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer 14% contribution to the Health Care Fund in accordance with the funding policy. For the year ended June 30, 2017, the health care allocation is 0.00%. 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. By statute no employer shall pay a health care surcharge greater than 2.0% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge.

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NOTE 11 - POSTEMPLOYMENT BENEFITS (continued)

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (continued)

For fiscal year 2017, the minimum compensation level was established at \$23,500. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contributions assigned to health care for the years ended June 30, 2017, 2016, and 2015 were \$ 111,438, \$ 105,305 and \$ 156,213, respectively, which equaled the required contributions each year.

The SERS Retirement Board establishes 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.

The financial reports of SERS' Health Care plan are included in its Comprehensive Annual Financial Report. That report can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

B. STATE TEACHERS RETIREMENT SYSTEM

Plan Description – The School District participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS) 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 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 authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal years 2017, 2016 and 2017, STRS did not allocate any employer contributions to post-employment health care; therefore, the School District did not contribute to health care in the last three years.

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 - CAPITAL LEASES**

The School District has entered into several lease agreements for copiers, computer equipment and vehicles. The School District's lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases." Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by lease have been capitalized and depreciated as follows:

Asset	Cost	Accumulated Depreciation	Net Book Value
Copiers	\$ 267,299	\$ 267,299	\$ -
Computer equipment	42,450	18,395	24,055
	<u>\$ 309,749</u>	<u>\$ 285,694</u>	<u>\$ 24,055</u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2017.

	Year ending June 30,	Amount
Total minimum lease payments	2018	\$ 12,239
Less amount representing interest		132
Net present value of minimum lease payments		<u>\$ 12,107</u>

**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				
Refunding				
Serial and term	2004	2.0 - 4.40%	\$ 3,410,000	12/1/2019
Refunding				
Serial	2005	3.0 - 4.75%	\$ 32,415,000	12/1/2026
Capital appreciation	2005	24.104%	\$ 584,950	12/1/2013
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

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NOTE 14 - LONG-TERM OBLIGATIONS (continued)

In 2005, the School District defeased portions of certain general obligation bonds issued in 1993, 1995, and 1999, with two separate general obligation refundings. In 2015, the School District defeased general obligation bonds issued in 2005.

At June 30, 2017, \$ 49,250,000 of bonds outstanding are considered to be defeased.

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

	Principal Outstanding 6/30/2016	Additions	Reductions	Principal Outstanding 6/30/2017	Due in 1 year
General obligation bonds					
Refunding bonds - 2004					
Term and serial bonds	\$ 485,000	\$ -	\$ 115,000	\$ 370,000	\$ 120,000
Refunding bonds - 2005					
Serial bonds	1,000,000	-	-	1,000,000	-
Various purpose construction bonds - 2010					
Term and serial bonds	11,300,000	-	930,000	10,370,000	950,000
Capital appreciation bonds	25,866	-	-	25,866	-
Accretion on capital appreciation bonds	54,176	16,810	-	70,986	-
Refunding bonds - 2015					
Term and serial bonds	28,455,000	-	2,345,000	26,110,000	2,365,000
Capital appreciation bonds	399,934	-	-	399,934	-
Accretion on capital appreciation bonds	103,691	332,151	-	435,842	-
Unamortized bond premiums	3,156,422	-	298,454	2,857,968	-
Total general obligation bonds	<u>44,980,089</u>	<u>348,961</u>	<u>3,688,454</u>	<u>41,640,596</u>	<u>3,435,000</u>
Net pension liability					
STRS	44,233,915	9,171,848	-	53,405,763	-
SERS	11,663,057	3,181,715	-	14,844,772	-
	<u>55,896,972</u>	<u>12,353,563</u>	<u>-</u>	<u>68,250,535</u>	<u>-</u>
Capital leases	36,254	-	24,147	12,107	12,107
Compensated absences	5,928,964	938,980	1,207,225	5,660,719	1,122,110
Total governmental activities	<u>\$ 106,842,279</u>	<u>\$ 13,641,504</u>	<u>\$ 4,919,826</u>	<u>\$ 115,563,957</u>	<u>\$ 4,569,217</u>

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

Capital lease obligations will be paid from the General 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.

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NOTE 14 - LONG-TERM OBLIGATIONS (continued)

Refunding Bonds, Series 2004

On July 15, 2004, the School District issued \$ 3,839,998 in voted general obligation bonds for the purpose of refunding a portion of bonds issued on June 15, 1993 and to advance refund a portion of bonds issued on June 1, 1994. The bond issue included serial, term and capital appreciation bonds in the amount of \$ 2,710,000, \$ 700,000 and \$ 429,998 respectively. The bonds were issued at a premium of \$ 216,103. The bonds will be retired with a voted property tax levy from the Debt Service Fund. The capital appreciation bonds matured in fiscal years 2009 through 2010.

The term bonds maturing on December 1, 2019 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the principal amount as follows:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
2017	\$ 120,000
2018	120,000

The remaining principal amount of such current interest bonds, \$ 130,000, will be paid at stated maturity on December 1, 2019.

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.

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NOTE 14 - LONG-TERM OBLIGATIONS (continued)

Various Purpose Construction Bonds, 2010 Series

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

Refunding Bonds, Series 2015

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

The School District's overall legal debt margin was \$ 36,852,610 and the unvoted legal debt margin was \$ 866,802 at June 30, 2017. Principal and interest requirements to retire long-term obligations outstanding at June 30, 2017, are as follows:

June 30,	General Obligation Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 3,435,000	\$ 1,631,337	\$ -	\$ -	\$ 3,435,000	\$ 1,631,337
2019	3,480,000	1,589,728	-	-	3,480,000	1,589,728
2020	3,555,000	1,537,042	-	-	3,555,000	1,537,042
2021	3,490,000	1,475,647	-	-	3,490,000	1,475,647
2022	1,025,000	1,443,343	-	-	1,025,000	1,443,343
2023-2027	19,130,000	5,647,673	399,934	2,155,066	19,529,934	7,802,739
2028-2032	3,735,000	421,663	25,866	679,134	3,760,866	1,100,797
	<u>\$ 37,850,000</u>	<u>\$ 13,746,433</u>	<u>\$ 425,800</u>	<u>\$ 2,834,200</u>	<u>\$ 38,275,800</u>	<u>\$ 16,580,633</u>

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NOTE 15- JOINTLY GOVERNED ORGANIZATIONS

A. CONNECT

The North Coast Council became known as Connect effective April 1, 2016. The new governing Board of Directors, the Educational Service Centers of Cuyahoga, 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 Cuyahoga County (fiscal agent), located at 6393 Oak Tree Boulevard, Independence, Ohio 44131. During the year ended June 30, 2017, the School District paid \$ 66,722 to Connect for basic service charges.

B. LORAIN COUNTY JOINT VOCATIONAL SCHOOL DISTRICT

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

C. OHIO SCHOOLS COUNCIL ASSOCIATION

The Ohio Schools Council (Council) is a jointly governed organization among 196 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 ended June 30, 2017, the School District paid \$ 226,748 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 151 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.



AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

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NOTE 15- JOINTLY GOVERNED ORGANIZATIONS

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 coverage's for their employees and the eligible dependents and designated beneficiaries of such employees. The Consortium was formed and operates as a legally separate entity under Ohio Revised Code Section 9.833. The Board of Directors shall be the governing body of the Consortium.

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

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

Upon withdrawal of a Consortium Member, the Consortium shall pay the run out of all claims for such Consortium Member provided such Consortium Member has paid to the Consortium, prior to the effective date of withdrawal a withdrawal fee in the amount equal to two months' premiums at the Consortium Member's current rate. Payment of the withdrawal fee does not extend insurance coverage for two months. Upon automatic withdrawal, for non-payment of premiums required by the Consortium Agreement, the Consortium shall pay the run out of all claims for such Consortium Member provided that the Consortium has received from such Consortium Member all outstanding and unpaid premiums and other amounts and the withdrawal fee equal to two months' premiums at the Consortium Member's current rates. Any Consortium Member which withdraws from the Consortium pursuant to the Consortium Agreement shall have no claim to the Consortium's assets. Financial information for the Consortium can be obtained from the Treasurer of the Orange City School District (the "Fiscal Agent") at 32000 Chagrin Blvd, Pepper Pike, Ohio 44124. During the year the year ended June 30, 2017, the School District paid \$ 5,039,332 to the Consortium.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

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**NOTE 16 - RELATED ORGANIZATION**

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

**NOTE 17 - OPERATING LEASES**

The School District is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations. During 2017, expenditures for operating leases totaled \$ 108,063.

The following is a schedule of future minimum lease payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2017.

	Year ending June 30,	Amount
Total minimum lease payments	2018	\$ 123,739
	2019	73,715
	2020	61,179
		\$ 258,633

**NOTE 18 - 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, 2017.

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 2017 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2017 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 19 - 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, 2017, 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, 2016	\$ 113,990	\$ -
Current year set-aside requirements	-	644,779
Qualifying disbursements	-	(1,052,940)
Total	\$ 113,990	\$ (408,161)
Set-aside balance carried forward to future fiscal years	\$ -	\$ -
Set-aside reserve balance as of June 30, 2017	\$ 113,990	\$ (408,161)

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.

NOTE 20 – INTERFUND BALANCES

On the fund financial statements at June 30, 2017, interfund balances consisted of the following:

	Due from Nonmajor Governmental Funds
Due to:	
General Fund	\$ 13,742

General fund loans made to non-major governmental funds were made to support programs and projects in the Special Revenue Auxiliary Service Fund and are scheduled to be repaid in the subsequent year.

NOTE 21 – 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.

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 21 – TAX ABATEMENT (continued)

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 2017, 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 22 – PRIOR PERIOD ADJUSTMENT

GOVERNMENTAL ACTIVITIES - In the Government-Wide statements, beginning net position has been restated to adjust for corrections related STRS deferred outflows, deferred inflows and net pension liability reported in prior years. The restatement was as follows:

	<u>Governmental Activities</u>
Net position June 30, 2016	\$ (29,361,431)
Adjustments	1,069,431
Restated net position June 30, 2016	<u>\$ (28,292,000)</u>

The effect of the above adjustment to the change in net position of the prior year is not determinable.

GOVERNMENTAL FUNDS - In the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances, beginning fund balances have been restated to reclassify fund activity that had previously been included in the General Fund to a Special Revenue Fund. The restatement was as follows:

	<u>General Fund</u>	<u>Bond Retirement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balance June 30, 2016	\$ 14,761,672	\$ 3,743,677	\$ 2,114,448	\$ 20,619,797
Adjustments	(355,066)	-	355,066	-
Restated fund balance June 30, 2016	<u>\$ 14,406,606</u>	<u>\$ 3,743,677</u>	<u>\$ 2,469,514</u>	<u>\$ 20,619,797</u>

The effect of the above adjustment to the net change in fund balances of the prior year is not determinable.

NOTE 23 – COMPLIANCE AND ACCOUNTABILITY

Not apparent in the basic financial statements are the following deficit fund equity balances:

Title VI-B	\$ 1,213
Title I	12,152
Early Childhood Education Development	2,583
Title II-A	158
	<u>\$ 16,106</u>

The General Fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. These deficit fund balances resulted from reflecting expenditures in accordance with the modified accrual basis of accounting, which are larger than amounts recognized on the budget basis. The School District, in accordance with its budget basis, will appropriate such expenditures from resources of the subsequent year.

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 FOUR FISCAL YEARS (1)

	2017	2016	2015	2014
School District's proportion of the net pension liability	0.202823%	0.204396%	0.204731%	0.204731%
School District's proportionate share of the net pension liability	\$ 14,844,772	\$ 11,663,057	\$ 10,361,320	\$ 12,174,695
School District's covered-employee payroll	\$ 6,015,535	\$ 6,183,455	\$ 5,721,082	\$ 5,925,975
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	246.77%	188.62%	181.11%	205.45%
Plan fiduciary net position as a percentage of the total pension liability	62.98%	69.16%	71.70%	65.52%

(1) Information prior to 2014 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.

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 FOUR FISCAL YEARS (1)

	2017	2016	2015	2014
School District's proportion of the net pension liability	0.15954871%	0.16005300%	0.169168%	0.169168%
School District's proportionate share of the net pension liability	\$ 53,405,763	\$ 44,233,915	\$ 41,147,626	\$ 49,014,783
School District's covered-employee payroll	\$ 16,717,462	\$ 16,704,889	\$ 17,297,477	\$ 18,060,615
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	319.46%	264.80%	237.88%	271.39%
Plan fiduciary net position as a percentage of the total pension liability	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2014 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.

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

	2017	2016	2015	2014
Contractually required contribution	\$ 942,983	\$ 842,175	\$ 814,979	\$ 792,942
Contributions in relation to the contractually required contribution	(942,983)	(842,175)	(814,979)	(792,942)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
School District covered-employee payroll	\$ 6,735,593	\$ 6,015,535	\$ 6,183,455	\$ 5,721,082
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	13.18%	13.86%



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2013	2012	2011	2010	2009	2008
\$ 820,155	\$ 752,662	\$ 718,849	\$ 759,519	\$ 495,564	\$ 486,887
(820,155)	(752,662)	(718,849)	(759,519)	(495,564)	(486,887)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 5,925,975	\$ 5,596,000	\$ 5,718,767	\$ 5,609,446	\$ 5,036,220	\$ 4,958,116
13.84%	13.45%	12.57%	13.54%	9.84%	9.82%

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

	2017	2016	2015	2014
Contractually required contribution	\$ 2,541,279	\$ 2,340,443	\$ 2,338,684	\$ 2,248,672
Contributions in relation to the contractually required contribution	(2,541,279)	(2,340,443)	(2,338,684)	(2,248,672)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
School District covered-employee payroll	\$ 18,151,993	\$ 16,717,462	\$ 16,704,889	\$ 17,297,477
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	14.00%	13.00%

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2013	2012	2011	2010	2009	2008
<u>\$ 2,347,880</u>	<u>\$ 2,390,611</u>	<u>\$ 2,377,345</u>	<u>\$ 2,277,435</u>	<u>\$ 2,132,033</u>	<u>\$ 2,078,683</u>
<u>(2,347,880)</u>	<u>(2,390,611)</u>	<u>(2,377,345)</u>	<u>(2,277,435)</u>	<u>(2,132,033)</u>	<u>(2,078,683)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 18,060,615</u>	<u>\$ 18,389,315</u>	<u>\$ 18,287,269</u>	<u>\$ 17,518,731</u>	<u>\$ 16,400,254</u>	<u>\$ 15,989,869</u>
<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2017

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SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

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

Changes in assumptions - There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates and (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

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

Changes in assumptions - There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

Combining  
and  
Individual Fund Statements  
and Schedules

AVON LAKE CITY SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017

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**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.

**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.

**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.

**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.

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); however, 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.

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

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

(continued)

AVON LAKE CITY SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017

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

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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.

***Nonmajor Capital Projects 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, 2017

	Total Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in pooled cash	\$ 1,230,938	\$ 21,456	\$ 1,454,913	\$ 2,707,307
Receivables, net of allowance				
Taxes, current	-	-	582,563	582,563
Taxes, delinquent	-	-	16,500	16,500
Intergovernmental receivables	29,511	-	-	29,511
Inventories and supplies	13,060	-	-	13,060
<b>Total assets</b>	<b>\$ 1,273,509</b>	<b>\$ 21,456</b>	<b>\$ 2,053,976</b>	<b>\$ 3,348,941</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 28,413	\$ -	\$ -	\$ 28,413
Accrued salaries, wages and benefits	124,653	-	-	124,653
Intergovernmental payable	3,807	-	-	3,807
Interfund payable	13,742	-	-	13,742
Matured compensated absences	4,539	-	-	4,539
<b>Total liabilities</b>	<b>175,154</b>	<b>-</b>	<b>-</b>	<b>175,154</b>
<b>Deferred inflows of resources</b>				
Property taxes levied for next year and unavailable resources	38,814	-	563,469	602,283
<b>Total deferred inflows of resources</b>	<b>38,814</b>	<b>-</b>	<b>563,469</b>	<b>602,283</b>
<b>Fund balances</b>				
Nonspendable	13,060	-	-	13,060
Restricted	1,062,587	21,456	1,490,507	2,574,550
Unassigned (deficit)	(16,106)	-	-	(16,106)
<b>Total fund balances (deficit)</b>	<b>1,059,541</b>	<b>21,456</b>	<b>1,490,507</b>	<b>2,571,504</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficit)</b>	<b>\$ 1,273,509</b>	<b>\$ 21,456</b>	<b>\$ 2,053,976</b>	<b>\$ 3,348,941</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, 2017

	Total Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenue				
Taxes	\$ -	\$ -	\$ 553,118	\$ 553,118
Tuition and fees	2,478	-	-	2,478
Interest	6,435	-	-	6,435
Intergovernmental	1,530,386	-	65,320	1,595,706
Extracurricular	347,393	-	-	347,393
Charges for services	849,356	-	-	849,356
Miscellaneous	156,530	-	-	156,530
Total revenues	<u>2,892,578</u>	<u>-</u>	<u>618,438</u>	<u>3,511,016</u>
Expenditures				
Current				
Instruction				
Regular	169,567	-	43,686	213,253
Special	522,010	-	-	522,010
Other instruction	5,198	-	-	5,198
Supporting services				
Pupil	162,417	-	-	162,417
Instructional staff	72,226	-	-	72,226
Administration	173,695	-	-	173,695
Fiscal services	-	-	9,667	9,667
Operation and maintenance	6,232	-	10,000	16,232
Pupil transportation	-	-	162,637	162,637
Central services	33,586	-	-	33,586
Operation of non-instructional services				
Food service operation	1,234,810	-	-	1,234,810
Community services	423,333	-	-	423,333
Extracurricular activities	383,628	-	-	383,628
Capital outlay	-	-	-	-
Total expenditures	<u>3,186,702</u>	<u>-</u>	<u>225,990</u>	<u>3,412,692</u>
Excess (deficiency) of revenues over expenditures	<u>(294,124)</u>	<u>-</u>	<u>392,448</u>	<u>98,324</u>
Other financing sources (uses)				
Transfers in	3,666	-	-	3,666
Total other financing sources (uses)	<u>3,666</u>	<u>-</u>	<u>-</u>	<u>3,666</u>
Net change in fund balances	(290,458)	-	392,448	101,990
Fund balances, beginning of year, restated	<u>1,349,999</u>	<u>21,456</u>	<u>1,098,059</u>	<u>2,469,514</u>
Fund balances, end of year	<u>\$ 1,059,541</u>	<u>\$ 21,456</u>	<u>\$ 1,490,507</u>	<u>\$ 2,571,504</u>

AVON LAKE CITY SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2017

	Food Service	Local Grants	Athletics	Auxiliary Service
<b>Assets</b>				
Equity in pooled cash	\$ 715,622	343,907	\$ 140,036	\$ 31,373
Intergovernmental receivables	-	-	-	-
Inventories and supplies	13,060	-	-	-
<b>Total assets</b>	<b>\$ 728,682</b>	<b>343,907</b>	<b>\$ 140,036</b>	<b>\$ 31,373</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 23	15,251	\$ 13,139	\$ -
Accrued salaries, wages and benefits	65,614	-	-	29,508
Intergovernmental payable	680	13	49	721
Interfund payable	-	-	-	-
Matured compensated absences	4,539	-	-	-
<b>Total liabilities</b>	<b>70,856</b>	<b>15,264</b>	<b>13,188</b>	<b>30,229</b>
<b>Deferred inflows of resources</b>				
Property taxes levied for next year and unavailable resources	38,814	-	-	-
<b>Total deferred inflows of resources</b>	<b>38,814</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>				
Nonspendable	13,060	-	-	-
Restricted	605,952	328,643	126,848	1,144
Unassigned (deficit)	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>619,012</b>	<b>328,643</b>	<b>126,848</b>	<b>1,144</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficit)</b>	<b>\$ 728,682</b>	<b>343,907</b>	<b>\$ 140,036</b>	<b>\$ 31,373</b>

Title VI-B	Title I	Early Childhood Education Development	Title II-A	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,230,938
-	29,511	-	-	29,511
-	-	-	-	13,060
<u>\$ -</u>	<u>\$ 29,511</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,273,509</u>
\$ -	\$ -	\$ -	\$ -	\$ 28,413
-	26,981	2,550	-	124,653
1,213	940	33	158	3,807
-	13,742	-	-	13,742
-	-	-	-	4,539
<u>1,213</u>	<u>41,663</u>	<u>2,583</u>	<u>158</u>	<u>175,154</u>
-	-	-	-	38,814
-	-	-	-	38,814
-	-	-	-	13,060
-	-	-	-	1,062,587
(1,213)	(12,152)	(2,583)	(158)	(16,106)
<u>(1,213)</u>	<u>(12,152)</u>	<u>(2,583)</u>	<u>(158)</u>	<u>1,059,541</u>
<u>\$ -</u>	<u>\$ 29,511</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,273,509</u>

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, 2017

	Food Service	Local Grants	Athletics	Auxiliary Service
Revenue				
Tuition and fees	\$ -	\$ 2,478	\$ -	\$ -
Interest	5,712	-	-	723
Intergovernmental	288,024	-	-	300,364
Extracurricular	-	-	347,393	-
Charges for services	849,356	-	-	-
Miscellaneous	-	141,083	15,447	-
Total revenues	<u>1,143,092</u>	<u>143,561</u>	<u>362,840</u>	<u>301,087</u>
Expenditures				
Current				
Instruction				
Regular	-	132,862	-	-
Special	-	2,550	-	-
Other instruction	-	-	-	-
Supporting services				
Pupil	-	-	-	-
Instructional staff	-	5,291	-	-
Administration	-	1,575	-	-
Operation and maintenance	-	5,678	554	-
Central services	-	33,586	-	-
Operation of non-instructional services				
Food service operation	1,232,171	2,639	-	-
Community services	-	465	-	398,241
Extracurricular activities	-	-	383,628	-
Total expenditures	<u>1,232,171</u>	<u>184,646</u>	<u>384,182</u>	<u>398,241</u>
Excess (deficiency) of revenues over expenditures	<u>(89,079)</u>	<u>(41,085)</u>	<u>(21,342)</u>	<u>(97,154)</u>
Other financing sources (uses)				
Transfers in	-	3,666	-	-
Total other financing sources (uses)	<u>-</u>	<u>3,666</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(89,079)	(37,419)	(21,342)	(97,154)
Fund balances, beginning of year	<u>708,091</u>	<u>366,062</u>	<u>148,190</u>	<u>98,298</u>
Fund balances (deficit), end of year	<u>\$ 619,012</u>	<u>\$ 328,643</u>	<u>\$ 126,848</u>	<u>\$ 1,144</u>

<u>Title VI-B</u>	<u>Title I</u>	<u>Early Childhood Education Development</u>	<u>Title II-A</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,478
-	-	-	-	6,435
643,895	223,243	18,502	56,358	1,530,386
-	-	-	-	347,393
-	-	-	-	849,356
-	-	-	-	156,530
<u>643,895</u>	<u>223,243</u>	<u>18,502</u>	<u>56,358</u>	<u>2,892,578</u>
-	-	-	36,705	169,567
283,562	214,813	21,085	-	522,010
-	5,198	-	-	5,198
162,417	-	-	-	162,417
48,657	-	-	18,278	72,226
172,120	-	-	-	173,695
-	-	-	-	6,232
-	-	-	-	33,586
-	-	-	-	1,234,810
23,094	-	-	1,533	423,333
-	-	-	-	383,628
<u>689,850</u>	<u>220,011</u>	<u>21,085</u>	<u>56,516</u>	<u>3,186,702</u>
<u>(45,955)</u>	<u>3,232</u>	<u>(2,583)</u>	<u>(158)</u>	<u>(294,124)</u>
-	-	-	-	3,666
-	-	-	-	3,666
(45,955)	3,232	(2,583)	(158)	(290,458)
<u>44,742</u>	<u>(15,384)</u>	<u>-</u>	<u>-</u>	<u>1,349,999</u>
<u>\$ (1,213)</u>	<u>\$ (12,152)</u>	<u>\$ (2,583)</u>	<u>\$ (158)</u>	<u>\$ 1,059,541</u>

## ***Fund Descriptions***

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### **Agency Funds**

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These funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

***Student Activities Fund*** To account for purchases of supplies on behalf of those student activity programs which have student participation in the activity and have student involvement in the management of the program.

***Staff Services Fund*** To account for purchases of supplies and equipment on behalf of employees of the School District.

***District Agency Fund*** This fund reflects resources that are collected for various tournaments and remitted to the Ohio High School Athletic Association (OHSAA).

AVON LAKE CITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	Beginning Balance June 30, 2016	Additions	Reductions	Ending Balance June 30, 2017
<b>Student Activities Fund</b>				
Assets				
Equity in pooled cash	\$ 57,894	\$ 260,404	\$ 213,958	\$ 104,340
Total assets	<u>\$ 57,894</u>	<u>\$ 260,404</u>	<u>\$ 213,958</u>	<u>\$ 104,340</u>
Liabilities				
Accounts payable	\$ 1,477	\$ 383	\$ 1,477	\$ 383
Due to students	56,417	260,021	212,481	103,957
Total liabilities	<u>\$ 57,894</u>	<u>\$ 260,404</u>	<u>\$ 213,958</u>	<u>\$ 104,340</u>
<b>Staff Services Fund</b>				
Assets				
Equity in pooled cash	\$ 4,612	\$ -	\$ 1,525	\$ 3,087
Total assets	<u>\$ 4,612</u>	<u>\$ -</u>	<u>\$ 1,525</u>	<u>\$ 3,087</u>
Liabilities				
Due to others	\$ 4,612	\$ -	\$ 1,525	\$ 3,087
Total liabilities	<u>\$ 4,612</u>	<u>\$ -</u>	<u>\$ 1,525</u>	<u>\$ 3,087</u>
<b>District Agency Fund</b>				
Assets				
Equity in pooled cash	\$ -	\$ 18,238	\$ 18,238	\$ -
Total assets	<u>\$ -</u>	<u>\$ 18,238</u>	<u>\$ 18,238</u>	<u>\$ -</u>
Liabilities				
Due to others	\$ -	\$ 18,238	\$ 18,238	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 18,238</u>	<u>\$ 18,238</u>	<u>\$ -</u>
<b>Total Agency Funds</b>				
Assets				
Equity in pooled cash	\$ 62,506	\$ 278,642	\$ 233,721	\$ 107,427
Total assets	<u>\$ 62,506</u>	<u>\$ 278,642</u>	<u>\$ 233,721</u>	<u>\$ 107,427</u>
Liabilities				
Accounts payable	\$ 1,477	\$ 383	\$ 1,477	\$ 383
Due to students	56,417	260,021	212,481	103,957
Due to others	4,612	18,238	19,763	3,087
Total liabilities	<u>\$ 62,506</u>	<u>\$ 278,642</u>	<u>\$ 233,721</u>	<u>\$ 107,427</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, 2017

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Taxes	\$ 30,747,575	\$ 31,223,994	\$ 31,248,835	\$ 24,841
Tuition and fees	766,612	778,491	779,110	619
Interest	192,145	195,122	195,277	155
Intergovernmental	8,722,101	8,857,245	8,864,292	7,047
Miscellaneous	345,178	350,526	350,805	279
Total revenues	<u>40,773,611</u>	<u>41,405,378</u>	<u>41,438,319</u>	<u>32,941</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	12,400,070	12,748,348	12,694,389	53,959
Benefits	4,388,443	4,511,700	4,492,604	19,096
Purchased services	919,228	945,046	941,046	4,000
Materials and supplies	640,806	658,804	656,016	2,788
Capital outlay	87,022	89,466	89,087	379
Total regular	<u>18,435,569</u>	<u>18,953,364</u>	<u>18,873,142</u>	<u>80,222</u>
Special				
Salaries	2,469,135	2,538,486	2,527,741	10,745
Benefits	721,703	741,974	738,833	3,141
Purchased services	1,654,211	1,700,672	1,693,474	7,198
Materials and supplies	19,319	19,862	19,778	84
Capital outlay	8,952	9,203	9,164	39
Total special	<u>4,873,320</u>	<u>5,010,197</u>	<u>4,988,990</u>	<u>21,207</u>
Adult/continuing				
Salaries	7,900	8,121	8,087	34
Benefits	1,163	1,196	1,191	5
Total adult/continuing	<u>9,063</u>	<u>9,317</u>	<u>9,278</u>	<u>39</u>
Other				
Salaries	143,831	147,871	147,245	626
Benefits	26,066	26,798	26,685	113
Purchased services	650,796	669,075	666,243	2,832
Other	23,512	24,172	24,070	102
Total other instruction	<u>844,205</u>	<u>867,916</u>	<u>864,243</u>	<u>3,673</u>
Total instruction	<u>24,162,157</u>	<u>24,840,794</u>	<u>24,735,653</u>	<u>105,141</u>

(continued)



AVON LAKE CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Supporting services				
Pupil				
Salaries	1,443,164	1,483,698	1,477,418	6,280
Benefits	527,087	541,892	539,598	2,294
Purchased services	353,868	363,807	362,267	1,540
Materials and supplies	27,143	27,905	27,787	118
Capital outlay	787	809	806	3
Total pupil	<u>2,352,049</u>	<u>2,418,111</u>	<u>2,407,876</u>	<u>10,235</u>
Instructional staff				
Salaries	779,162	801,047	797,656	3,391
Benefits	292,106	300,310	299,039	1,271
Purchased services	331,200	340,502	339,061	1,441
Materials and supplies	25,860	26,587	26,474	113
Capital outlay	359,788	369,894	368,328	1,566
Other	136	140	139	1
Total instructional staff	<u>1,788,252</u>	<u>1,838,480</u>	<u>1,830,697</u>	<u>7,783</u>
Board of education				
Salaries	7,326	7,532	7,500	32
Benefits	1,018	1,046	1,042	4
Purchased services	3,713	3,817	3,801	16
Other	7,152	7,353	7,322	31
Total board of education	<u>19,209</u>	<u>19,748</u>	<u>19,665</u>	<u>83</u>
Administration				
Salaries	1,777,122	1,827,035	1,819,302	7,733
Benefits	826,683	849,902	846,305	3,597
Purchased services	294,773	303,053	301,770	1,283
Materials and supplies	21,224	21,820	21,728	92
Capital outlay	1,670	1,717	1,710	7
Other	33,800	34,749	34,602	147
Total administration	<u>2,955,272</u>	<u>3,038,276</u>	<u>3,025,417</u>	<u>12,859</u>
Fiscal				
Salaries	327,009	336,194	334,771	1,423
Benefits	148,268	152,432	151,787	645
Purchased services	34,134	35,093	34,944	149
Materials and supplies	1,946	2,000	1,992	8
Other	583,513	599,902	597,363	2,539
Total fiscal	<u>1,094,870</u>	<u>1,125,621</u>	<u>1,120,857</u>	<u>4,764</u>

(continued)

AVON LAKE CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Business				
Salaries	214,802	220,835	219,900	935
Benefits	95,281	97,958	97,543	415
Purchased services	11,098	11,409	11,361	48
Capital outlay	4,129	4,245	4,227	18
Other	1,605	1,650	1,643	7
Total business	<u>326,915</u>	<u>336,097</u>	<u>334,674</u>	<u>1,423</u>
Operation and maintenance				
Salaries	1,438,205	1,478,599	1,472,341	6,258
Benefits	566,153	582,055	579,591	2,464
Purchased services	2,304,827	2,369,563	2,359,533	10,030
Materials and supplies	272,909	280,575	279,387	1,188
Capital outlay	8,982	9,234	9,195	39
Total operation and maintenance	<u>4,591,076</u>	<u>4,720,026</u>	<u>4,700,047</u>	<u>19,979</u>
Pupil transportation				
Salaries	1,098,767	1,129,628	1,124,847	4,781
Benefits	274,940	282,662	281,466	1,196
Purchased services	141,048	145,010	144,396	614
Materials and supplies	198,510	204,086	203,222	864
Other	681	700	697	3
Total pupil transportation	<u>1,713,946</u>	<u>1,762,086</u>	<u>1,754,628</u>	<u>7,458</u>
Central services				
Salaries	8,278	8,510	8,474	36
Purchased services	45,138	46,405	46,209	196
Other	152,096	156,368	155,706	662
Total central services	<u>205,512</u>	<u>211,283</u>	<u>210,389</u>	<u>894</u>
Total supporting services	<u>15,047,101</u>	<u>15,469,728</u>	<u>15,404,250</u>	<u>65,478</u>
Operation of non-instructional services				
Community services				
Salaries	52,126	53,590	53,363	227
Benefits	6,468	6,650	6,622	28
Purchased services	1,368	1,406	1,400	6
Materials and supplies	2,624	2,697	2,686	11
Capital outlay	239	246	245	1
Total community services	<u>62,825</u>	<u>64,589</u>	<u>64,316</u>	<u>273</u>
Total operation of non-instructional services	<u>62,825</u>	<u>64,589</u>	<u>64,316</u>	<u>273</u>

(continued)

AVON LAKE CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017

	(Concluded)		General Fund		Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual		
	Original	Final			
Extracurricular activities					
Academic and subject oriented					
Salaries	70,097	72,066	71,761		305
Benefits	10,405	10,697	10,652		45
Purchased services	1,836	1,888	1,880		8
Materials and supplies	3,017	3,102	3,089		13
Total academic and subject oriented	<u>85,355</u>	<u>87,753</u>	<u>87,382</u>		<u>371</u>
Occupation oriented					
Salaries	1,148	1,180	1,175		5
Benefits	161	166	165		1
Total occupation oriented	<u>1,309</u>	<u>1,346</u>	<u>1,340</u>		<u>6</u>
Sports oriented					
Salaries	524,515	539,246	536,964		2,282
Benefits	90,499	93,041	92,647		394
Purchased services	17,400	17,889	17,813		76
Capital outlay	484	497	495		2
Other	132	136	135		1
Total sports oriented	<u>633,030</u>	<u>650,809</u>	<u>648,054</u>		<u>2,755</u>
Co-curricular activities					
Salaries	45,694	46,978	46,779		199
Benefits	6,168	6,341	6,314		27
Total co-curricular activities	<u>51,862</u>	<u>53,319</u>	<u>53,093</u>		<u>226</u>
Total extracurricular activities	<u>771,556</u>	<u>793,227</u>	<u>789,869</u>		<u>3,358</u>
Total expenditures	<u>40,043,639</u>	<u>41,168,338</u>	<u>40,994,088</u>		<u>174,250</u>
Excess (deficiency) of revenues over expenditures	<u>729,972</u>	<u>237,040</u>	<u>444,231</u>		<u>207,191</u>
Other financing sources					
Gain on sale of assets	-	1,481	1,481		-
Advances in	-	145,573	145,573		-
Refund of prior year expenditures	-	28,283	28,283		-
Transfers-out	-	(61,561)	(61,561)		-
Advances out	-	(13,742)	(13,742)		-
Total other financing sources	<u>-</u>	<u>100,034</u>	<u>100,034</u>		<u>-</u>
Net change in fund balance	729,972	337,074	544,265		207,191
Prior year encumbrances	920,737	920,737	920,737		-
Fund balances, beginning of year	13,550,679	13,550,679	13,550,679		-
Fund balances, end of year	<u>\$ 15,201,388</u>	<u>\$ 14,808,490</u>	<u>\$ 15,015,681</u>		<u>\$ 207,191</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, 2017

	Bond Retirement Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 4,150,409	\$ 4,966,542	\$ 4,966,542	\$ -
Total expenditures and other uses	4,720,310	5,113,312	5,113,312	-
Net change in fund balance	(569,901)	(146,770)	(146,770)	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	3,356,581	3,356,581	3,356,581	-
Fund balances, end of year	\$ 2,786,680	\$ 3,209,811	\$ 3,209,811	\$ -

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, 2017

	Food Service			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 1,300,000	\$ 1,085,740	\$ 1,086,545	\$ 805
Total expenditures and other uses	1,137,994	1,287,994	1,148,396	139,598
Net change in fund balance	162,006	(202,254)	(61,851)	140,403
Prior year encumbrances	4,549	4,549	4,549	-
Fund balances, beginning of year	771,885	771,885	771,885	-
Fund balances, end of year	<u>\$ 938,440</u>	<u>\$ 574,180</u>	<u>\$ 714,583</u>	<u>\$ 140,403</u>

	Local Grants Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ -	\$ -	\$ 134,773	\$ 134,773
Total expenditures and other uses	-	-	198,599	(198,599)
Net change in fund balance	-	-	(63,826)	(63,826)
Prior year encumbrances	39,893	39,893	39,893	-
Fund balances, beginning of year	342,490	342,490	342,490	-
Fund balances, end of year	<u>\$ 382,383</u>	<u>\$ 382,383</u>	<u>\$ 318,557</u>	<u>\$ (63,826)</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, 2017

	Athletic Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 354,950	\$ 380,890	\$ 388,311	\$ 7,421
Total expenditures and other uses	389,822	439,822	436,551	3,271
Net change in fund balance	(34,872)	(58,932)	(48,240)	10,692
Prior year encumbrances	38,972	38,972	38,972	-
Fund balances, beginning of year	112,531	112,531	112,531	-
Fund balances, end of year	\$ 116,631	\$ 92,571	\$ 103,263	\$ 10,692

	Auxiliary Services Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 250,000	\$ 301,058	\$ 301,086	\$ 28
Total expenditures and other uses	304,002	567,693	538,364	29,329
Net change in fund balance	(54,002)	(266,635)	(237,278)	29,357
Prior year encumbrances	54,002	54,002	54,002	-
Fund balances, beginning of year	212,633	212,633	212,633	-
Fund balances, end of year	\$ 212,633	\$ -	\$ 29,357	\$ 29,357

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, 2017

	Title VI-B Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 643,420	\$ 643,895	\$ 643,895	\$ -
Total expenditures and other uses	689,719	690,194	690,194	-
Net change in fund balance	(46,299)	(46,299)	(46,299)	-
Prior year encumbrances	24,316	24,316	24,316	-
Fund balances, beginning of year	21,983	21,983	21,983	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	Title I Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 220,684	\$ 207,474	\$ 207,474	\$ -
Total expenditures and other uses	225,938	212,728	212,728	-
Net change in fund balance	(5,254)	(5,254)	(5,254)	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	5,254	5,254	5,254	-
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, 2017

Early Childhood Education Development Fund				
	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total revenues and other sources	\$ 17,750	\$ 18,501	\$ 18,501	\$ -
Total expenditures and other uses	17,750	18,501	18,501	-
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>

Title II-A Fund				
	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total revenues and other sources	\$ 58,638	\$ 56,358	\$ 56,358	\$ -
Total expenditures and other uses	58,638	56,358	56,358	-
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, 2017

	Scholarship Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 5,000	\$ 12,117	\$ 12,174	\$ 57
Total expenditures and other uses	2,000	2,000	2,000	-
Net change in fund balance	3,000	10,117	10,174	57
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	83,399	83,399	83,399	-
Fund balances, end of year	<u>\$ 86,399</u>	<u>\$ 93,516</u>	<u>\$ 93,573</u>	<u>\$ 57</u>

	Michael Baumhauer Scholarship Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ -	\$ -	\$ -	\$ -
Total expenditures and other uses	-	-	-	-
Net change in fund balance	-	-	-	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	2,831	2,831	2,831	-
Fund balances, end of year	<u>\$ 2,831</u>	<u>\$ 2,831</u>	<u>\$ 2,831</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, 2017

	Public School Support Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 258,839	\$ 221,866	\$ 222,452	\$ 586
Total expenditures and other uses	114,220	314,220	264,438	49,782
Net change in fund balance	144,619	(92,354)	(41,986)	50,368
Prior year encumbrances	23,569	23,569	23,569	-
Fund balances, beginning of year	146,148	146,148	146,148	-
Fund balances, end of year	<u>\$ 314,336</u>	<u>\$ 77,363</u>	<u>\$ 127,731</u>	<u>\$ 50,368</u>

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

AVON LAKE CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017

	Permanent Improvements Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 626,972	\$ 690,190	\$ 690,190	\$ -
Total expenditures and other uses	682,241	782,241	773,900	8,341
Net change in fund balance	(55,269)	(92,051)	(83,710)	8,341
Prior year encumbrances	172,636	172,636	172,636	-
Fund balances, beginning of year	868,077	868,077	868,077	-
Fund balances, end of year	<u>\$ 985,444</u>	<u>\$ 948,662</u>	<u>\$ 957,003</u>	<u>\$ 8,341</u>

	Self Insurance Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ -	\$ 9,970	\$ 11,140	\$ 1,170
Total expenditures and other uses	827,771	827,771	608,878	218,893
Net change in fund balance	(827,771)	(817,801)	(597,738)	220,063
Prior year encumbrances	114,371	114,371	114,371	-
Fund balances, beginning of year	1,794,138	1,794,138	1,794,138	-
Fund balances, end of year	<u>\$ 1,080,738</u>	<u>\$ 1,090,708</u>	<u>\$ 1,310,771</u>	<u>\$ 220,063</u>

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# STATISTICAL SECTION



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## STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	<b>S 2</b>
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>S 12</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 27</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 32</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 34</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 comprehensive annual financial reports for the relevant year.

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

	2017	2016	2015	2014
Governmental activities				
Net investment in capital assets	\$ 12,128,924	\$ 10,190,220	\$ 8,870,400	\$ 7,729,401
Restricted	5,485,518	5,234,676	5,287,563	5,404,860
Unrestricted	(46,138,216)	(43,716,896)	(47,987,935)	(52,447,820)
Total primary government net position	<u>\$ (28,523,774)</u>	<u>\$ (28,292,000)</u>	<u>\$ (33,829,972)</u>	<u>\$ (39,313,559)</u>

**Note:**

Year 2012 has been restated to reflect the effects of a prior period adjustment recorded in 2013.  
Years 2011 and 2010 have been restated to reflect the effects of a prior period adjustment recorded in 2012.  
Year 2014 has been restated due to the implementation of GASB Statement No. 68.  
Year 2016 has been restated due to a prior period adjustment related to deferred inflow s, deferred outflow s and net pension liability.



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2013	2012	2011	2010	2009	2008
\$ 8,694,493	\$ 8,871,320	\$ 12,743,280	\$ 11,156,547	\$ 10,893,237	\$ 9,766,753
6,424,518	5,964,568	4,720,978	4,999,853	4,855,418	5,505,639
4,095,943	5,494,757	5,324,122	9,744,093	11,777,501	10,858,024
<u>\$ 19,214,954</u>	<u>\$ 20,330,645</u>	<u>\$ 22,788,380</u>	<u>\$ 25,900,493</u>	<u>\$ 27,526,156</u>	<u>\$ 26,130,416</u>

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

	2017	2016	2015	2014
<b>Expenses</b>				
Governmental activities:				
Instruction				
Regular	\$ 20,522,649	\$ 20,312,398	\$ 18,710,477	\$ 19,441,025
Special	5,176,972	4,760,004	4,264,727	4,135,900
Vocational	-	-	-	3,273
Adult/continuing	9,751	9,562	9,972	11,580
Other instruction	911,223	887,928	809,304	1,126,292
Supporting services				
Pupil	2,780,478	2,762,880	2,239,083	2,572,330
Instructional staff	1,901,395	1,608,512	1,326,965	1,123,271
Board of education	19,701	19,446	20,544	24,029
Administration	3,635,512	3,560,633	3,102,611	3,049,875
Fiscal services	1,212,368	1,257,474	1,134,761	992,046
Business	360,590	318,233	283,355	198,081
Operation and maintenance	5,085,469	4,329,269	4,476,025	4,802,518
Pupil transportation	1,956,379	1,817,520	1,805,718	1,724,228
Central services	237,835	290,224	293,523	232,342
Operation of non-instructional services				
Food service operation	1,252,674	1,254,263	1,174,997	1,237,815
Community services	511,931	649,046	369,498	410,932
Extracurricular activities	1,281,536	1,261,581	1,132,041	1,266,615
Interest and fiscal charges	1,995,629	1,660,446	2,059,216	2,788,163
Total primary government expenses	<u>48,852,092</u>	<u>46,759,419</u>	<u>43,212,817</u>	<u>45,140,315</u>
<b>Program revenues</b>				
Governmental activities:				
Charges for services and sales				
Instruction	857,411	703,726	733,885	684,434
Supporting services	146,448	214,753	146,927	232,665
Food service	849,356	957,348	917,497	966,715
Extracurricular activities	362,840	624,206	371,928	412,092
Operating grants, interest and contributions	1,671,614	1,720,987	1,457,351	1,596,335
Capital grants and contributions	-	-	-	-
Total primary government program revenues	<u>3,887,669</u>	<u>4,221,020</u>	<u>3,627,588</u>	<u>3,892,241</u>
<b>Net (expense) revenue</b>				
Total primary government net expense	<u>\$ (44,964,423)</u>	<u>\$ (42,538,399)</u>	<u>\$ (39,585,229)</u>	<u>\$ (41,248,074)</u>

**Note:**

Year 2012 has been restated to reflect the effects of a prior period adjustment recorded in 2013.

Years 2011 and 2010 have been restated to reflect the effects of a prior period adjustment recorded in 2012.

2013	2012	2011	2010	2009	2008
\$ 21,373,667	\$ 19,371,019	\$ 21,087,414	\$ 19,551,234	\$ 18,279,003	\$ 17,922,399
3,014,516	2,727,407	2,982,052	3,061,161	2,818,062	2,436,905
106,982	65,886	217,831	213,572	204,700	224,077
12,586	17,130	24,489	19,879	18,913	12,723
1,371,889	1,544,720	1,430,175	1,147,296	1,000,656	873,473
4,243,694	3,685,135	3,771,628	3,304,479	3,318,731	2,823,282
968,197	895,534	975,585	974,710	922,353	761,803
16,134	21,129	19,913	32,737	20,568	22,687
3,195,086	3,516,540	3,408,972	3,492,495	3,334,181	2,961,136
1,068,458	1,111,341	1,130,131	1,135,733	997,105	1,004,099
153,061	144,746	146,305	417,440	114,110	152,539
4,187,039	7,165,255	7,717,754	6,781,144	4,926,928	4,891,117
1,802,544	1,362,748	1,724,226	1,530,111	1,500,578	1,507,204
320,972	217,284	160,103	158,131	190,642	280,156
1,356,079	1,377,802	1,305,908	1,246,386	1,161,495	1,088,114
279,348	259,851	283,718	219,142	261,704	340,766
1,335,805	1,297,017	1,318,728	1,212,842	1,195,904	1,186,993
3,015,472	3,036,866	3,394,925	2,220,063	2,241,575	2,219,378
<u>47,821,529</u>	<u>47,817,410</u>	<u>51,099,857</u>	<u>46,718,555</u>	<u>42,507,208</u>	<u>40,708,851</u>
614,733	507,683	614,720	797,192	552,773	390,215
68,539	50,507	64,416	16,155	34,303	37,203
1,069,630	1,106,780	1,065,511	1,053,176	946,830	866,132
416,515	480,230	494,972	380,392	324,217	497,279
1,604,613	1,815,456	1,748,392	1,743,573	1,353,955	1,341,274
-	-	-	-	-	-
<u>3,774,030</u>	<u>3,960,656</u>	<u>3,988,011</u>	<u>3,990,488</u>	<u>3,212,078</u>	<u>3,132,103</u>
<u>\$ (44,047,499)</u>	<u>\$ (43,856,754)</u>	<u>\$ (47,111,846)</u>	<u>\$ (42,728,067)</u>	<u>\$ (39,295,130)</u>	<u>\$ (37,576,748)</u>

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

	2017	2016	2015	2014
Net (expense) revenue				
Total primary government net expense	\$ (44,964,423)	\$ (42,538,399)	\$ (39,585,229)	\$ (41,248,074)
General revenues and other changes in net position				
Governmental activities:				
Property taxes levied for:				
General purposes	29,868,528	31,534,627	29,777,599	26,118,293
Debt service	3,360,889	3,596,979	3,486,624	3,584,698
Capital improvements	549,918	576,943	524,131	522,441
Grants and entitlements				
not restricted to specific purposes	10,234,739	10,650,510	10,764,213	10,162,477
Investment earnings	213,539	149,799	42,117	41,298
Miscellaneous	505,036	498,082	474,132	531,290
Total primary government	<u>44,732,649</u>	<u>47,006,940</u>	<u>45,068,816</u>	<u>40,960,497</u>
Change in net position				
Total primary government	<u>\$ (231,774)</u>	<u>\$ 4,468,541</u>	<u>\$ 5,483,587</u>	<u>\$ (287,577)</u>

**Note:**

Year 2012 has been restated to reflect the effects of a prior period adjustment recorded in 2013.

Years 2011 and 2010 have been restated to reflect the effects of a prior period adjustment recorded in 2012.

2013	2012	2011	2010	2009	2008
<u>\$ (44,047,499)</u>	<u>\$ (43,856,754)</u>	<u>\$ (47,111,846)</u>	<u>\$ (42,728,067)</u>	<u>\$ (39,295,130)</u>	<u>\$ (37,576,748)</u>
27,718,418	25,420,556	26,250,202	25,322,233	25,550,920	25,621,127
4,682,640	4,058,496	4,289,589	3,484,747	2,876,031	2,816,421
627,991	571,993	588,220	570,598	584,393	591,528
9,341,447	10,707,023	11,894,621	11,093,394	10,613,902	9,621,349
55,891	94,718	180,345	305,142	701,154	991,730
505,421	563,411	796,756	326,290	364,470	514,745
<u>42,931,808</u>	<u>41,416,197</u>	<u>43,999,733</u>	<u>41,102,404</u>	<u>40,690,870</u>	<u>40,156,900</u>
<u>\$ (1,115,691)</u>	<u>\$ (2,440,557)</u>	<u>\$ (3,112,113)</u>	<u>\$ (1,625,663)</u>	<u>\$ 1,395,740</u>	<u>\$ 2,580,152</u>

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund				
Nondisposable	\$ 38,487	\$ 50,056	\$ 48,362	\$ 34,038
Committed	113,990	113,990	113,990	113,990
Assigned	1,447,992	1,117,869	1,507,312	898,319
Unassigned	13,125,291	13,479,757	7,921,656	5,561,998
Total General Fund	<u>\$ 14,725,760</u>	<u>\$ 14,761,672</u>	<u>\$ 9,591,320</u>	<u>\$ 6,608,345</u>
All other governmental funds				
Nondisposable	\$ 13,060	\$ 12,766	\$ 15,938	\$ 12,053
Restricted	6,034,459	5,860,743	5,983,609	5,844,916
Unassigned	(16,106)	(15,384)	(18,753)	-
Total all other governmental funds	<u>\$ 6,031,413</u>	<u>\$ 5,858,125</u>	<u>\$ 5,980,794</u>	<u>\$ 5,856,969</u>

The District implemented GASB Statement No. 54 in 2011.

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2013	2012	2011	2010
\$ 47,316	\$ 45,491	\$ 35,732	\$ 32,990
113,990	113,990	113,990	113,990
665,041	2,359,708	1,762,398	190,855
3,953,162	6,738,578	10,644,654	14,004,294
<u>\$ 4,779,509</u>	<u>\$ 9,257,767</u>	<u>\$ 12,556,774</u>	<u>\$ 14,342,129</u>

\$ 14,359	\$ 15,520	\$ 11,702	\$ 12,286
5,904,638	5,775,418	6,850,257	16,541,940
(363,414)	(123,968)	(50,134)	-
<u>\$ 5,555,583</u>	<u>\$ 5,666,970</u>	<u>\$ 6,811,825</u>	<u>\$ 16,554,226</u>

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

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	2009	2008
General Fund		
Reserved	\$ 3,346,802	\$ 3,946,887
Unreserved	10,818,347	8,013,360
Total General Fund	\$ 14,165,149	\$ 11,960,247
All other governmental funds		
Reserved	\$ 530,529	\$ 1,049,532
Unreserved, reported in		
Special Revenue Funds	456,708	399,154
Debt Service Funds	3,528,921	3,510,634
Capital Projects Funds	366,052	563,974
Total all other governmental funds	\$ 4,882,210	\$ 5,523,294

The District implemented GASB Statement No. 54 in 2011.



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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Taxes	\$ 33,997,635	\$ 35,197,349	\$ 34,128,554	\$ 32,684,832
Tuition and fees	878,384	764,372	462,453	617,658
Interest	202,399	143,850	42,400	42,567
Intergovernmental	11,906,353	12,371,497	12,221,564	11,758,812
Extracurricular	406,907	581,284	545,476	557,933
Charges for services	849,356	957,348	917,497	966,715
Rental	-	-	-	-
Other	<u>584,963</u>	<u>711,428</u>	<u>793,652</u>	<u>684,890</u>
Total	<u>\$ 48,825,997</u>	<u>\$ 50,727,128</u>	<u>\$ 49,111,596</u>	<u>\$ 47,313,407</u>

Source: School District Financial Records, Total Governmental Funds.

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<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 30,618,749	\$ 29,737,745	\$ 30,522,111	\$ 29,380,946	\$ 28,993,866	\$ 28,945,490
683,272	558,190	561,156	813,347	637,145	392,331
49,359	87,668	183,515	314,202	624,928	964,222
10,946,060	12,522,479	13,643,013	12,836,967	11,967,857	10,962,623
416,515	480,230	612,952	380,392	324,217	532,721
1,069,630	1,106,780	1,065,511	1,053,176	946,830	866,132
-	107,967	-	-	-	-
528,239	455,819	497,609	366,952	313,843	519,105
<u>\$ 44,311,824</u>	<u>\$ 45,056,878</u>	<u>\$ 47,085,867</u>	<u>\$ 45,145,982</u>	<u>\$ 43,808,686</u>	<u>\$ 43,182,624</u>

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

	2017	2016	2015	2014
Expenditures				
Current				
Instruction				
Regular	\$ 18,709,138	\$ 17,198,203	\$ 18,219,805	\$ 17,332,276
Special	4,999,838	4,517,206	4,462,878	4,110,175
Vocational	-	-	-	3,273
Adult/continuing	9,275	9,058	10,840	11,580
Other instruction	894,323	879,565	837,976	1,119,051
Supporting services				
Pupil	2,740,598	2,640,708	2,462,414	2,559,018
Instructional staff	1,895,541	1,483,311	1,362,396	1,104,025
Board of education	19,701	18,900	21,594	24,029
Administration	3,188,001	3,169,280	2,961,584	2,857,123
Fiscal services	1,186,098	1,202,841	1,154,589	998,075
Business	334,096	301,237	294,868	164,140
Operation and maintenance	4,521,621	3,990,320	4,253,903	4,364,108
Pupil transportation	1,932,475	1,726,321	1,852,395	1,693,821
Central services	236,060	288,673	295,225	232,342
Operation of non-instructional services				
Food service operation	1,234,810	1,193,148	1,160,788	1,183,381
Community services	489,629	632,357	374,877	408,039
Extracurricular activities	1,221,935	1,198,015	1,166,613	1,319,363
Capital outlay	-	122,944	33,635	40,654
Debt service				
Principal	3,414,147	3,421,898	7,051,399	3,154,540
Interest	1,662,816	1,685,460	3,310,246	2,504,172
Total expenditures	<u>\$ 48,690,102</u>	<u>\$ 45,679,445</u>	<u>\$ 51,288,025</u>	<u>\$ 45,183,185</u>
Debt service as a percentage of noncapital expenditures	<u>10.65%</u>	<u>11.35%</u>	<u>20.44%</u>	<u>12.60%</u>

Source: School District Financial Records, Total Governmental Funds.

Year 2012 has been restated to reflect the effects of a prior period adjustment recorded in 2013.

Years 2011 and 2010 have been restated to reflect the effects of a prior period adjustment recorded in 2012.

2013	2012	2011	2010	2009	2008
\$ 19,616,034	\$ 19,398,187	\$ 18,704,165	\$ 17,796,812	\$ 17,382,770	\$ 16,937,907
3,006,578	2,769,506	2,938,897	2,960,127	2,690,806	2,465,979
102,771	104,068	211,155	210,124	177,680	225,510
12,586	17,130	24,489	19,879	18,913	12,723
1,365,666	1,540,655	1,424,724	1,140,459	999,671	873,680
4,181,604	3,600,350	3,772,336	3,228,080	3,204,774	2,822,913
959,047	881,209	977,290	956,756	894,123	813,483
16,134	21,129	19,913	32,737	20,568	22,687
3,040,381	3,139,182	3,039,568	3,340,083	3,052,822	2,825,802
1,059,950	1,132,733	1,122,087	1,125,868	986,045	1,006,220
145,900	137,857	140,589	117,271	109,264	152,428
4,421,660	4,505,781	4,905,476	4,980,130	4,695,334	4,246,416
1,891,030	1,563,521	1,576,223	1,641,022	1,439,131	1,566,804
320,972	217,284	160,103	158,131	190,642	280,156
1,311,263	1,318,768	1,264,265	1,198,927	1,122,933	1,045,573
259,618	252,561	272,656	214,944	260,846	340,386
1,306,724	1,301,928	1,492,792	1,184,128	1,131,542	1,136,892
1,039,794	2,833,760	14,427,006	3,857,450	283,812	459,960
2,318,449	2,817,336	18,184,699	2,532,353	2,356,701	2,360,022
2,525,308	2,366,009	2,738,143	1,630,373	1,678,758	1,712,152
<u>\$ 48,901,469</u>	<u>\$ 49,918,954</u>	<u>\$ 77,396,576</u>	<u>\$ 48,325,654</u>	<u>\$ 42,697,135</u>	<u>\$ 41,307,693</u>
<u>10.31%</u>	<u>11.34%</u>	<u>32.28%</u>	<u>9.10%</u>	<u>9.91%</u>	<u>10.02%</u>

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

	2017	2016	2015	2014
Excess of revenues over (under) expenditures	\$ 135,895	\$ 5,047,683	\$ (2,176,429)	\$ 2,130,222
Other financing sources (uses)				
Proceeds of refunding bonds	-	-	31,594,934	-
Transfers-in	3,666	-	15,000	-
Note issuance	-	-	-	-
Bond issuance	-	-	-	-
Premium on debt issuance	-	-	1,732,429	-
Proceeds from sale of assets	1,481	-	-	-
Capital lease proceeds	-	-	42,450	-
Transfers-out	(3,666)	-	-	-
Payment to bond escrow agent	-	-	(27,835,000)	-
Total other financing sources (uses)	1,481	-	5,549,813	-
Net change in fund balances	\$ 137,376	\$ 5,047,683	\$ 3,373,384	\$ 2,130,222

Source: School District Financial Records, Total Governmental Funds.

Year 2012 has been restated to reflect the effects of a prior period adjustment recorded in 2013.

Years 2011 and 2010 have been restated to reflect the effects of a prior period adjustment recorded in 2012.

2013	2012	2011	2010	2009	2008
\$ (4,589,645)	\$ (4,862,076)	\$ (30,310,709)	\$ (3,179,672)	\$ 1,111,551	\$ 1,874,931
-	-	-	-	-	-
-	224,620	223,545	221,850	224,604	330,858
-	-	-	15,000,000	-	-
-	-	18,495,866	-	-	-
-	-	287,087	-	-	-
-	-	-	-	-	-
-	418,214	-	28,668	452,267	-
-	(224,620)	(223,545)	(221,850)	(224,604)	(330,858)
-	-	-	-	-	-
-	418,214	18,782,953	15,028,668	452,267	-
\$ (4,589,645)	\$ (4,443,862)	\$ (11,527,756)	\$ 11,848,996	\$ 1,563,818	\$ 1,874,931

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

Year	Agriculture, Residential and Other Real Property		Public Utility Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value (3)
2017	\$ 815,545,460	\$ 2,330,129,886	\$ 51,256,120	\$ 58,245,591	\$ - (4)	\$ -
2016	805,781,100	2,302,231,714	43,768,750	49,737,216	- (4)	-
2015	748,573,960	2,138,782,743	39,187,470	44,531,216	- (4)	-
2014	739,254,670	2,112,156,200	38,214,330	43,425,375	- (4)	-
2013	729,211,340	2,083,460,971	56,087,710	63,736,034	- (4)	-
2012	774,133,040	2,211,808,686	55,420,640	62,978,000	- (4)	-
2011	768,801,730	2,196,576,371	57,136,730	64,928,102	- (4)	-
2010	760,700,870	2,173,431,057	56,540,920	64,251,045	348,889 (4)	1,395,556
2009	784,317,250	2,240,906,429	78,262,550	88,934,716	357,129 (4)	1,428,516
2008	764,003,830	2,182,868,086	80,644,620	91,641,614	16,228,352 (4)	259,653,632

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) The amount in calculated based on an assessed value of 25 percent of actual value.
- (4) Decrease is due to effect of State legislation enacted in June 2005 which phased out over four years, from 2006 to 2009, the taxation of personal property. Tangible personal property value beginning in 2009 consisted of telephone communications tangible value, for which 2010 was the final collection year.
- (5) Total assessed rate is per \$ 1,000 assessed valuation.



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Assessed Value	Total Estimated Actual Value	Total Assessed Rate (5)
\$ 866,801,580	\$ 2,388,375,477	72.41
849,549,850	2,351,968,930	72.69
787,761,430	2,183,313,959	74.57
777,469,000	2,155,581,575	75.10
785,299,050	2,147,197,005	67.23
829,553,680	2,274,786,686	65.57
825,938,460	2,261,504,473	65.89
817,590,679	2,239,077,658	66.03
862,936,929	2,331,269,661	68.62
860,876,802	2,534,163,332	60.26

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	
2017	66.28	4.63	1.50	72.41
2016	66.54	4.65	1.50	72.69
2015	67.99	5.08	1.50	74.57
2014	68.15	5.45 (1)	1.50	75.10
2013	59.43	6.30 (1)	1.50	67.23
2012	58.93	5.14 (1)	1.50	65.57
2011	58.96	5.43 (1)	1.50	65.89
2010	59.06	5.47 (1)	1.50	66.03
2009	58.50	3.89 (1)	1.50	63.89
2008	58.57	3.95 (1)	1.50	64.02

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

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

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Library	County Levy	JVS Levy	City Levy	Total Direct and Overlapping Governments
2.80	15.08	2.45	8.08	100.82
2.80	15.08	2.45	8.10	101.12
2.80	14.49	2.45	8.12	102.43
2.80	14.48	2.45	8.13	102.96
2.80	13.66	2.45	8.13	94.27
2.80	13.69	2.45	7.34	91.85
1.80	13.69	2.45	7.34	91.17
1.80	13.39	2.45	7.35	91.02
1.80	13.39	2.45	7.36	88.89
1.80	13.39	2.45	6.95	88.61

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)
2017	\$ 40,053,461	\$ 39,490,769	98.60%	\$ 788,154	\$ 40,278,923
2016	39,270,119	38,620,473	98.35%	711,613	39,332,086
2015	38,765,645	38,248,862	98.67%	969,829	39,218,691
2014	40,848,669	40,146,050	98.28%	839,757	40,985,807
2013	35,554,953	33,201,145	93.38%	659,679	33,860,824
2012	35,151,187	34,962,596	99.46%	688,241	35,650,837
2011	34,849,546	32,758,150	94.00%	795,340	33,553,490
2010 (4)	Not available	Not available	Not available	Not available	Not available
2009	32,564,062	31,764,096	97.54%	843,204	32,607,300
2008	33,151,604	32,586,663	98.30%	541,056	33,127,719

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.

(4) This data, provided by the Lorain County Auditor, is a "snapshot" in time. Due to implementation of a new computer system at the offices of the Lorain County Auditor, this data was not generated for 2010, and cannot be recreated.

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<u>Ratio of Total Tax Collections to Total Tax Levy (3)</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
100.56%	\$ 1,018,493	2.54%
100.16%	1,236,811	3.15%
101.17%	725,637	1.87%
100.34%	1,125,547	2.76%
95.24%	3,584,931	10.08%
101.42%	1,846,481	5.25%
96.28%	861,370	2.47%
Not available	Not available	Not available
100.13%	554,362	1.70%
99.93%	272,778	0.82%

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AVON LAKE CITY SCHOOL DISTRICT  
 PRINCIPAL TAXPAYERS –  
 REAL ESTATE TAX  
 AS OF JUNE 30, 2017 AND JUNE 30, 2008

December 31, 2016		
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Ford Motor Company	\$ 4,757,750	0.55%
Health Care Reit Inc	4,495,020	0.52%
181 Somerset Realty I LLC	4,356,650	0.50%
PolyOne Corporation	3,977,040	0.46%
Hampshire Highlands One	2,877,290	0.33%
Learwood Square Co LLC	2,230,590	0.26%
Kopf Properties II Ltd	2,156,510	0.25%
Legacy Pointe Ltd	2,084,340	0.24%
Haas Sandra	1,969,800	0.23%
Towne Independent Living	1,892,090	0.22%
	\$ 30,797,080	3.56%
 Total assessed value	 \$ 866,801,580	

December 31, 2007		
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Ford Motor Company	7,510,160	0.87%
American Transmission	4,379,710	0.51%
Polyone Corporation	4,126,190	0.48%
American Landmark LTD	3,405,920	0.40%
Legacy Pointe Ltd	3,245,530	0.38%
Waterside Crossings Ltd	2,892,920	0.34%
Avon Lake Village LLC	2,720,690	0.32%
Towne Care Center LLC	2,529,490	0.29%
Kopf Properties II Ltd	2,259,190	0.26%
Learwood Square Co LLC	2,109,980	0.25%
	\$ 35,179,780	4.10%
 Total assessed value	 \$ 860,876,802	

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 2016 and 2007 collection year, respectively.

AVON LAKE CITY SCHOOL DISTRICT  
 PRINCIPAL TAXPAYERS –  
 PUBLIC UTILITY TAX  
 AS OF JUNE 30, 2017 AND JUNE 30, 2008

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December 31, 2016

Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
American Transmission	\$ 20,283,640	2.34%
Orion Power Midwest	17,373,350	2.00%
NRG Power Midwest	16,279,550	1.88%
Cleveland Electric	11,968,250	1.38%
Columbia Gas of Ohio LLC	2,768,040	0.32%
	<u>\$ 68,672,830</u>	<u>7.92%</u>
 Total assessed value	 <u>\$ 866,801,580</u>	

December 31, 2007

Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Orion Power Midwest LP	\$ 84,515,250	9.82%
Cleveland Electric	9,817,410	1.14%
Columbia Gas of Ohio Inc	1,217,050	0.14%
	<u>\$ 95,549,710</u>	<u>11.10%</u>
 Total assessed value	 <u>\$ 860,876,802</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 2016 and 2007 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, 2016

Jurisdiction	General Obligation Debt Outstanding	Total Assessed Value	Percentage Applicable to School District (1)	Amount Applicable to School District
<b>Direct</b>				
Avon Lake City School District	\$ 41,640,596	\$ 849,549,850	100.00%	\$ 41,640,596
<b>Overlapping</b>				
Lorain County (2)	21,780,000	6,511,088,340	13.05%	2,842,290
City of Avon Lake (2)	<u>7,842,286</u>	849,549,850	100.00%	<u>7,842,286</u>
Sub Total				<u>10,684,576</u>
<b>Total</b>	<u><u>\$ 71,262,882</u></u>			<u><u>\$ 52,325,172</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, 2016

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

Year	General Obligation Bonded Debt (1) (3) (5)	Notes Payable	Loans Payable	Capital Leases (4)	Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)	Per ADM (2)
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	11,825
2015	48,614,650	-	-	108,152	48,722,802	5.39%	2,158	13,045
2014	48,239,669	-	-	162,101	48,401,770	5.25%	2,143	12,832
2013	51,136,537	-	-	251,641	51,388,178	5.48%	2,276	13,502
2012	52,867,070	-	-	345,090	53,212,160	5.85%	2,357	13,875
2011	54,427,867	220,000	-	148,517	54,796,384	5.95%	2,427	14,496
2010	38,090,898	15,430,000	-	378,216	53,899,114	9.19%	2,970	14,611
2009	39,639,503	630,000	-	561,902	40,831,405	6.96%	2,250	11,292
2008	41,122,890	825,000	-	226,336	42,174,226	7.19%	2,324	12,095

Source:

- (1) School District Financial Records
- (2) See Schedule S-32 for personal income, population, and ADM data.  
 These ratios are calculated using data for the prior calendar year.
- (3) Years 2011 and 2010 have been restated to reflect the effects of a prior period adjustment recorded in 2012.
- (4) Year 2012 has been restated to reflect the effects of a prior period adjustment in 2013.
- (5) Year 2015 has been restated to include unamortized premiums.

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

Year	General Obligation Bonded Debt (1)	Debt Service Funds Available	Net Bonded Debt	Percentage of Actual Taxable Property Value (2)	Per Capita (3)
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)	48,614,650	3,491,165	45,123,485	2.07%	1,998
2014	48,239,669	3,154,171	45,085,498	2.09%	1,997
2013	51,136,537	3,448,932	47,687,605	2.22%	2,112
2012	52,867,070	3,355,203	49,511,867	2.18%	2,193
2011	54,427,867	3,511,799	50,916,068	2.25%	2,255
2010	38,090,898	3,988,789	34,102,109	1.52%	1,879
2009	39,639,503	3,988,789	35,650,714	1.53%	1,965
2008	41,122,890	3,528,921	37,593,969	1.48%	2,072

Source: (1) School District Financial Records.

(2) See Schedule S-19 for assessed valuation of property.

(3) See Schedule S-32 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

	2017	2016	2015	2014
Assessed Valuation	\$ 866,801,580	\$ 849,549,850	\$ 787,761,430	\$ 777,469,000
Debt Limit -9% of Assessed Value (2)	78,012,142	76,459,487	70,898,529	69,972,210
Debt applicable to limitation				
Total voted general obligation debt	44,390,801	44,390,801	46,830,800	48,210,866
Total unvoted general obligation debt	-	-	-	-
Less amount available in debt service funds	(3,231,269)	(3,378,037)	(3,491,165)	(3,154,172)
Amount of debt subject to debt limit:	41,159,532	41,012,764	43,339,635	45,056,694
Overall debt margin	\$ 36,852,610	\$ 35,446,723	\$ 27,558,894	\$ 24,915,516
Legal Debt Margin as a Percentage of Debt Limit	47.24%	46.36%	38.87%	35.61%
Overall Limit - .10% of Assessed Value (1)	\$ 866,802	\$ 849,550	\$ 787,761	\$ 777,469
Amount of debt subject to debt limit:	-	-	-	-
Unvoted Debt Margin	\$ 866,802	\$ 849,550	\$ 787,761	\$ 777,469
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%
Additional Limit for Unvoted Energy Conservation Bonds and Notes:				
Debt Limit - .9% of Assessed Value	\$ 7,801,214	\$ 7,645,949	\$ 7,089,853	\$ 6,997,221
Amount of debt subject to debt limit:	-	-	-	-
Additional Unvoted Debt Margin	\$ 7,801,214	\$ 7,645,949	\$ 7,089,853	\$ 6,997,221
Energy Conservation Debt - Additional Unvoted Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%

Source: Lorain County Auditor and School District Financial Records.

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

2013	2012	2011	2010	2009	2008
<u>\$ 785,299,050</u>	<u>\$ 829,553,680</u>	<u>\$ 825,938,460</u>	<u>\$ 817,590,679</u>	<u>\$ 784,317,250</u>	<u>\$ 764,003,830</u>
<u>70,676,915</u>	<u>74,659,831</u>	<u>74,334,461</u>	<u>73,583,161</u>	<u>70,588,553</u>	<u>68,760,345</u>
49,810,207	50,545,816	51,456,509	52,951,059	35,191,070	37,084,925
-	-	220,000	430,000	630,000	825,000
(3,448,932)	(3,355,203)	(3,511,799)	(3,988,789)	(3,528,921)	(3,510,634)
<u>46,361,275</u>	<u>47,190,613</u>	<u>48,164,710</u>	<u>49,392,270</u>	<u>32,292,149</u>	<u>34,399,291</u>
<u>\$ 24,315,640</u>	<u>\$ 27,469,218</u>	<u>\$ 26,169,751</u>	<u>\$ 24,190,891</u>	<u>\$ 38,296,404</u>	<u>\$ 34,361,054</u>
<u>34.40%</u>	<u>36.79%</u>	<u>35.21%</u>	<u>32.88%</u>	<u>54.25%</u>	<u>49.97%</u>
\$ 785,299	\$ 829,554	\$ 825,938	\$ 817,591	\$ 784,317	\$ 764,004
-	-	-	-	-	-
<u>\$ 785,299</u>	<u>\$ 829,554</u>	<u>\$ 825,938</u>	<u>\$ 817,591</u>	<u>\$ 784,317</u>	<u>\$ 764,004</u>
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
\$ 7,067,691	\$ 7,465,983	\$ 7,433,446	\$ 7,358,316	\$ 7,058,855	\$ 6,876,034
-	-	220,000	430,000	630,000	825,000
<u>\$ 7,067,691</u>	<u>\$ 7,465,983</u>	<u>\$ 7,213,446</u>	<u>\$ 6,928,316</u>	<u>\$ 6,428,855</u>	<u>\$ 6,051,034</u>
<u>100.00%</u>	<u>100.00%</u>	<u>97.04%</u>	<u>94.16%</u>	<u>91.08%</u>	<u>88.00%</u>

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 (3)	Unemployment Rate (4)		
					Lorain County	Ohio	U.S.
2017	22,581 (1)	\$ 42,366	\$ 956,666,646	3,809	6.8%	5.4%	4.4%
2016	22,581 (1)	41,195	930,224,295	3,807	6.0%	4.9%	4.9%
2015	22,581 (1)	40,049	904,346,469	3,735	6.9%	5.2%	5.3%
2014	22,581 (1)	40,858	922,614,498	3,772	6.6%	5.9%	6.1%
2013	22,581 (1)	41,559	938,443,779	3,806	8.3%	7.3%	7.6%
2012	22,581 (1)	40,269	909,314,289	3,835	8.3%	7.7%	8.2%
2011	22,581 (1)	40,790	921,078,990	3,780	8.2%	9.2%	9.2%
2010	18,145 (2)	32,336	586,736,720	3,689	9.8%	10.4%	9.5%
2009	18,145 (2)	32,336	586,736,720	3,616	11.5%	11.2%	9.5%
2008	18,145 (2)	32,336	586,736,720	3,487	7.8%	6.6%	5.5%

Source:

(1) Based on the 2010 Census.

(2) Based on the 2000 Census.

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

(4) Bureau of Labor Statistics.

AVON LAKE CITY SCHOOL DISTRICT  
 PRINCIPAL EMPLOYERS  
 AS OF JUNE 30, 2017 AND 2008

December 2016

Employer	Nature of Activity or Business	Approximate Number of Employees (1)	Percentage To Total Employment (2)	Rank
Ford Motor Company	Van and sport utility vehicle assembly	1,862	Not available	1
Polyone Corporation	Distributor of thermoplastics, compounds & resins	720	Not available	2
Avon Lake City Schools	Public education	539	Not available	3
City of Avon Lake	Government	392	Not available	4
Lubrizol Advanced Materials Inc.	Manufactures polymers & specialties chemicals	243	Not available	5
Grace Management Services Inc.	Retirement village	203	Not available	6
CSIG Property Solutions Inc.	Property Solutions	199	Not available	7
Riser Foods Co.	Grocery store	192	Not available	8
Allumalloy Metal Casting Company	Metal	147	Not available	9
Thogus Products Co.	Provider of plastic injection molding services	136	Not available	10

December 2007

Employer	Nature of Activity or Business	Approximate Number of Employees (1)	Percentage To Total Employment (2)	Rank
Ford Motor Company	Van and sport utility vehicle assembly	2,404	Not available	1
Avon Lake City School District	Public education	764	Not available	2
PolyOne Corporation	Distributor of thermoplastics, compounds & resins	603	Not available	3
Babcock & Wilcox Construction	Construction	377	Not available	4
The City of Avon Lake	Governmental	339	Not available	5
CEVA Logistics US		236	Not available	6
Lubrizol Advances Materials	Manufactures polymers & specialties chemicals	190	Not available	7
Discount Drug Mart	Drug Store	190	Not available	8
Watteredge LLC	Manufactures industrial devices and accessories	138	Not available	9
Orion Power Operating Svcs MI	Power company	115	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

	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
Professional Staff				
<u>Teaching Staff:</u>				
Elementary K-6	110.90	105.75	105.30	106.30
Middle	37.50	38.50	35.00	37.19
High	57.51	58.50	56.00	58.61
Mutiple Buidings	6.00	13.00	13.00	11.27
Tutors	15.69	14.02	17.76	9.93
<u>Administrators</u>				
District/Building	14.14	14.00	14.00	14.00
<u>Auxiliary Positions</u>				
Psychologist	2.00	2.00	1.00	1.00
Nurse	4.00	5.00	5.00	5.00
Speech & Language Therapist	4.62	4.32	3.05	3.32
Physical Therapist	1.00	1.00	1.00	1.00
Occupational Therapist/Assistant	2.00	2.00	2.00	2.00
<u>Support Staff</u>				
Counseling	7.50	8.70	8.31	8.31
Computer Tech	3.00	4.00	3.00	3.00
Printer	1.00	1.00	1.00	1.00
Librarian/Media	2.00	2.00	2.00	2.00
Library Aide	7.63	6.63	7.63	5.75
Clerical	25.65	26.05	26.05	27.13
Teaching Aide	49.11	44.17	40.80	41.91
General Maintenance	5.00	5.00	5.00	6.00
Mechanic	2.00	2.00	2.00	2.00
Transportation Supervisor	1.00	1.00	1.00	1.00
Bus Drivers	23.45	24.65	26.03	24.04
Custodial	29.62	28.25	29.25	30.25
Food Service	18.27	18.12	19.32	19.17
Security	1.00	1.13	1.00	1.12
Attendants & Monitors	20.43	22.48	22.03	22.16
Total	<u>452.02</u>	<u>453.27</u>	<u>447.53</u>	<u>444.46</u>

Source: School District records.

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



<u>2013 (1)</u>	<u>2012 (1)</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
107.30	106.90	110.40	113.65	113.20	110.00
37.19	36.00	38.59	39.58	38.50	39.00
65.24	67.00	69.11	76.72	76.46	70.50
11.64	10.42	-	-	-	-
9.88	6.89	7.64	11.65	13.15	19.41
14.00	14.00	14.00	15.00	14.00	15.00
1.00	1.00	1.00	2.00	2.00	1.00
4.00	4.00	4.00	2.52	1.89	1.64
3.41	3.32	3.32	3.32	3.23	3.23
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00
8.31	8.31	9.31	10.31	10.28	9.10
3.00	3.00	3.00	3.00	2.00	3.00
1.00	1.00	1.00	1.00	1.00	1.00
2.91	2.91	2.80	3.69	3.78	3.00
5.75	5.00	6.00	5.25	4.50	4.50
28.48	28.59	27.59	35.52	26.53	24.78
43.80	44.30	49.83	35.85	34.76	26.26
6.00	6.00	6.00	6.00	6.00	6.00
2.00	2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	2.00	1.00	1.00
23.90	20.75	22.44	17.62	21.60	23.03
29.88	29.37	32.99	30.50	28.00	28.00
17.91	17.13	18.44	17.73	16.47	15.84
1.62	1.12	1.12	3.78	2.99	3.32
22.71	21.05	21.23	20.50	19.99	24.03
<u>454.93</u>	<u>444.06</u>	<u>455.81</u>	<u>462.19</u>	<u>446.33</u>	<u>437.64</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 ( c )
2017	3,809	\$ 40,164,098	\$ 10,545	5.27%	228	16.71	20.00%
2016	3,807	38,134,195	10,017	-0.25%	225	16.92	19.00%
2015	3,735	37,506,457	10,042	5.09%	239	15.63	18.00%
2014	3,772	36,046,397	9,556	-6.60%	226	16.69	18.00%
2013	3,806	38,940,060	10,231	-5.77%	232	16.41	19.00%
2012	3,835	38,625,770	10,858	-0.42%	239	15.56	19.00%
2011	3,780	38,748,151	10,904	3.22%	232	16.29	20.00%
2010	3,689	36,689,971	10,564	2.23%	230	16.04	not available
2009	3,616	34,810,283	10,334	2.86%	229	15.79	not available
2008	3,487	33,446,761	10,047	4.08%	230	15.16	not available

Source: School District Financial Records.

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

(b) Cost per pupil for 2013 and later is calculated based on General Fund Expenditures divided by average daily enrollment. Cost per pupil for years 2012 and earlier was provided by the Ohio Department of Education.

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

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Year	Minimum Salary (a)	Maximum Salary (a)	Avon Lake Average Salary (b)
2017	38,735	85,604	\$ 64,427 (d)
2016	37,790	83,516	\$ 61,856 (d)
2015	(c) 36,779	81,282	n/a (d)
2014	(c) 36,779	81,282	63,195
2013	(c) 36,779	81,282	64,756
2012	(c) 36,779	81,282	62,969
2011	(c) 36,779	81,282	62,969
2010	36,779	81,282	61,599
2009	35,879	79,293	59,822
2008	34,318	74,985	57,721

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, 2016

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<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	12	5.3%
Bachelor + 10	9	3.9%
Bachelor + 20	10	4.4%
Master's Degree	64	28.1%
Master's + 10	46	20.2%
Master's + 20	27	11.8%
Master's + 30	32	14.0%
Master's + 45	<u>28</u>	<u>12.3%</u>
	<u><u>228</u></u>	<u><u>100.0%</u></u>

<u>Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	46	20.2%
6-10	57	25.0%
11 and over	<u>125</u>	<u>54.8%</u>
	<u><u>228</u></u>	<u><u>100.0%</u></u>

Source: School District records.

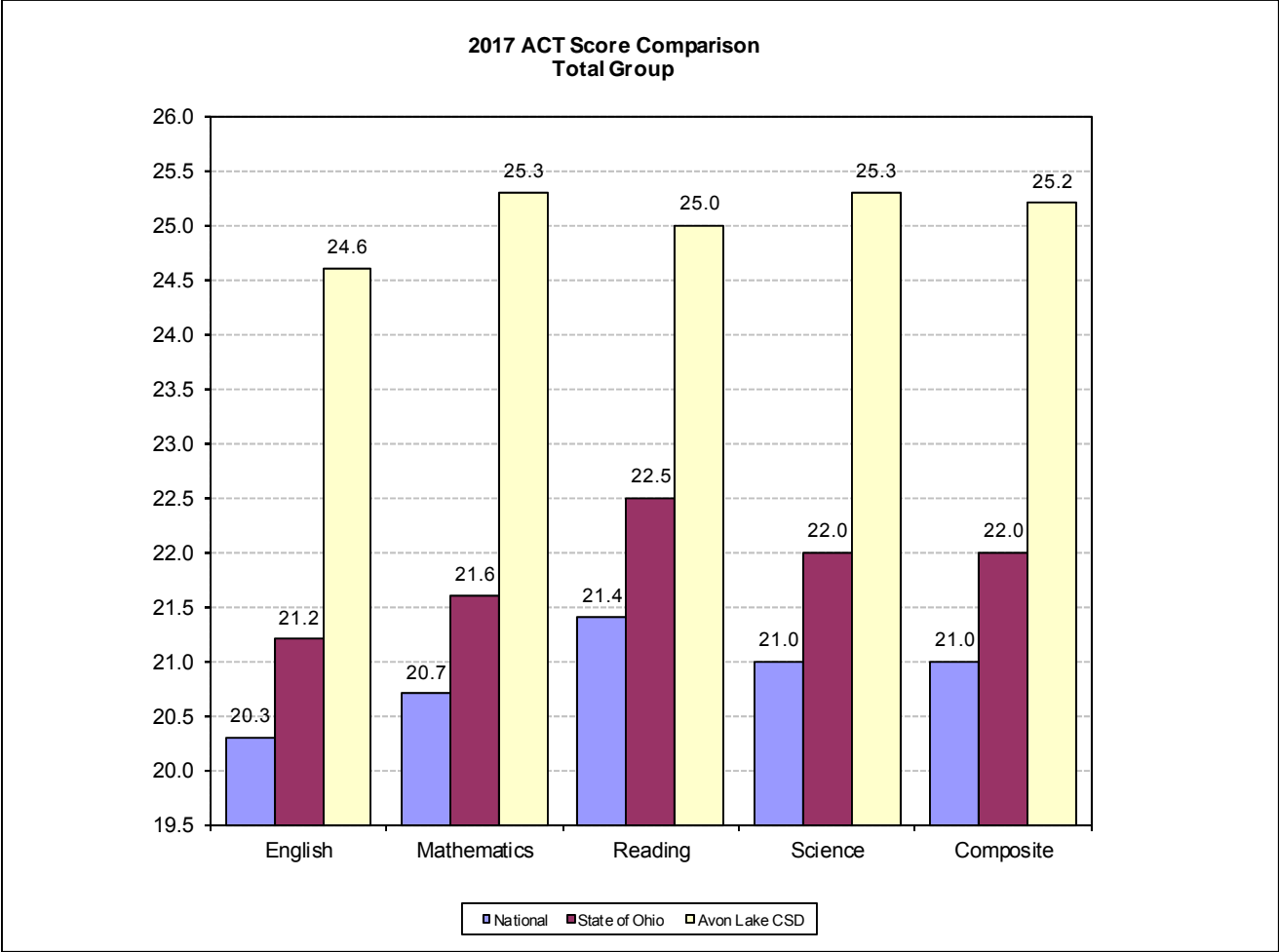
AVON LAKE CITY SCHOOL DISTRICT  
 AVERAGE ACT SCORES  
 LAST TEN FISCAL YEARS

English:	Avon Lake	State of Ohio	National	Science:	Avon Lake	State of Ohio	National
2016 - 2017	24.6	21.2	20.3	2016 - 2017	25.3	22.0	21.0
2015 - 2016	24.4	21.2	20.1	2015 - 2016	24.9	22.0	20.8
2014 - 2015	24.1	21.4	20.4	2014 - 2015	24.4	22.0	20.9
2013 - 2014	24.0	21.4	20.3	2013 - 2014	24.7	22.0	20.8
2012 - 2013	25.0	21.2	20.2	2012 - 2013	24.6	21.8	20.7
2011 - 2012	22.9	21.1	20.5	2011 - 2012	23.9	21.8	20.9
2010 - 2011	23.3	21.1	20.6	2010 - 2011	23.9	21.8	20.9
2009 - 2010	23.9	21.2	20.5	2009 - 2010	24.3	21.8	20.9
2008 - 2009	23.5	21.1	20.6	2008 - 2009	23.9	21.7	20.9
2007 - 2008	22.8	21.1	20.6	2007 - 2008	23.1	21.7	20.8

Math:	Avon Lake	State of Ohio	National	Composite:	Avon Lake	State of Ohio	National
2016 - 2017	25.3	21.6	20.7	2016 - 2017	25.2	22.0	21.0
2015 - 2016	25.0	21.6	20.6	2015 - 2016	25.0	22.0	20.8
2014 - 2015	24.6	21.7	20.8	2014 - 2015	24.6	22.0	21.0
2013 - 2014	25.0	21.7	20.9	2013 - 2014	24.8	22.0	21.0
2012 - 2013	25.1	21.5	20.9	2012 - 2013	25.0	21.8	20.9
2011 - 2012	24.3	21.5	21.1	2011 - 2012	23.8	21.8	21.1
2010 - 2011	24.3	21.5	21.1	2010 - 2011	24.0	21.8	21.1
2009 - 2010	24.9	21.5	21.0	2009 - 2010	24.5	21.8	21.0
2008 - 2009	24.5	21.4	21.0	2008 - 2009	24.1	21.7	21.1
2007 - 2008	24.1	21.5	21.0	2007 - 2008	23.5	21.7	21.1

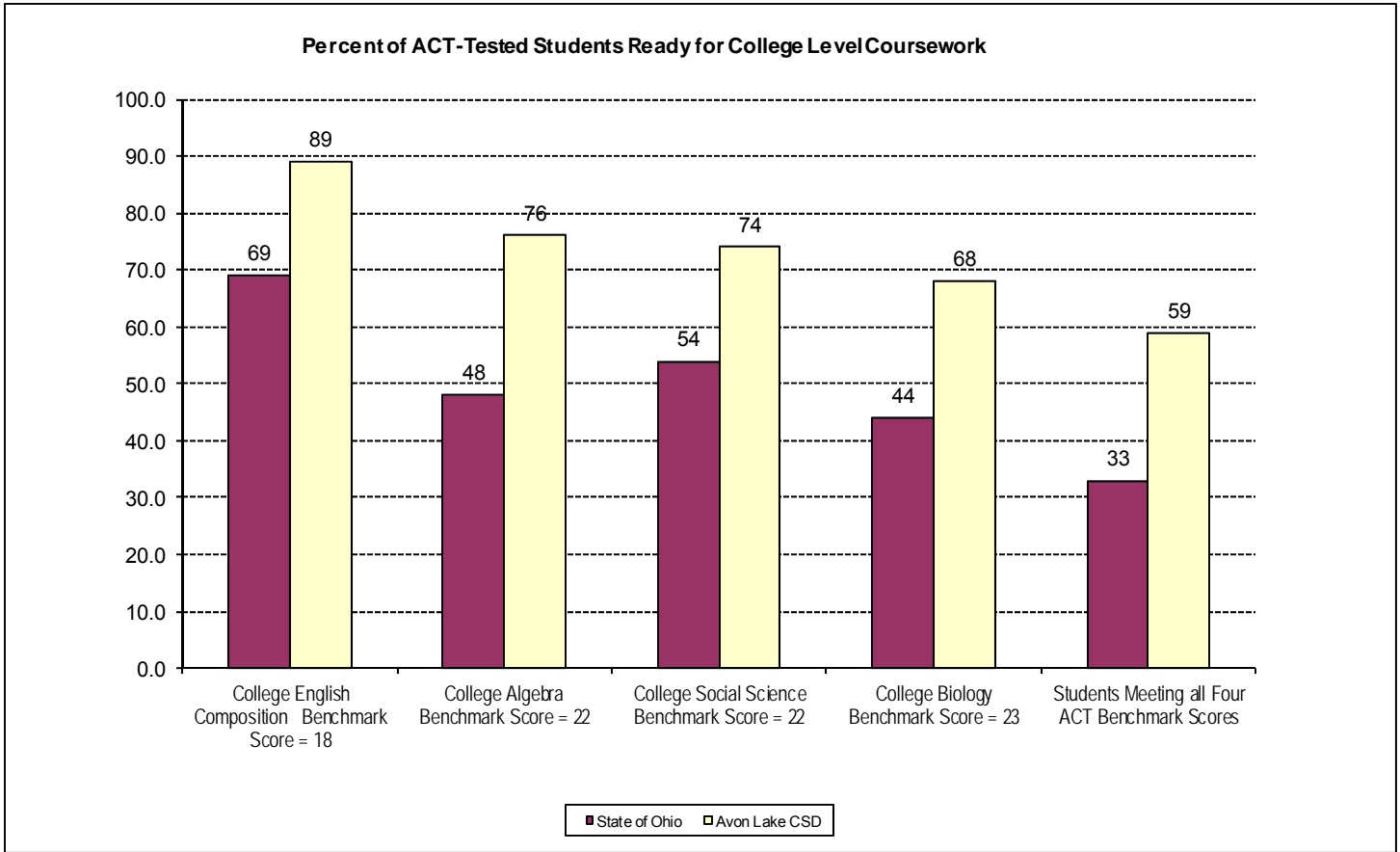
Reading:	Avon Lake	State of Ohio	National
2016 - 2017	25.0	22.5	21.4
2015 - 2016	23.4	22.1	21.3
2014 - 2015	24.8	22.5	21.4
2013 - 2014	24.7	22.4	21.3
2012 - 2013	25.1	22.2	21.1
2011 - 2012	23.4	22.1	21.3
2010 - 2011	24.1	22.1	21.3
2009 - 2010	24.2	22.1	21.3
2008 - 2009	24.0	22.2	21.4
2007 - 2008	23.3	22.1	21.4

AVON LAKE CITY SCHOOL DISTRICT  
2017 ACT SCORE COMPARISON  
JUNE 30, 2017



Source: American College Testing Program

AVON LAKE CITY SCHOOL DISTRICT  
 PERCENT OF ACT TESTED STUDENTS READY FOR COLLEGE LEVEL COURSEWORK  
 JUNE 30, 2017



Source: American College Testing Program

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

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	2017	2016	2015	2014
<b>Elementary Schools</b>				
Eastview (1950)				
Square feet	42,048	42,048	42,048	42,048
Enrollment	436	418	429	448
Erievew (1950)				
Square feet	34,593	34,593	34,593	34,593
Enrollment	280	291	273	288
Redw ood (1962)				
Square feet	58,780	58,780	58,780	58,780
Enrollment	438	453	455	462
Troy (1970)				
Square feet	85,150	85,150	85,150	85,150
Enrollment	595	617	608	615
Westview (1957)				
Square feet	41,961	41,961	41,961	41,961
Enrollment	216	235	211	226
<b>Middle School</b>				
Learw ood (1959)				
Square feet	110,911	110,911	110,911	110,911
Enrollment	616	627	613	573
<b>High School</b>				
Avon Lake High (1927)				
Square feet	314,612	314,612	314,612	314,612
Enrollment	1,228	1,166	1,148	1,171

Source: District records.



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2013	2012	2011	2010	2009	2008
42,048 428	42,048 408	42,048 350	34,158 340	34,158 337	34,158 315
34,593 288	34,593 289	34,593 286	31,445 282	31,445 280	31,445 261
58,780 460	58,780 484	58,780 498	50,220 448	50,220 441	50,220 379
86,150 601	86,150 590	86,150 594	86,150 566	86,150 537	86,150 529
41,961 261	41,961 272	41,961 280	39,505 279	39,505 264	39,505 257
110,911 605	110,911 582	110,911 576	98,767 572	98,767 582	98,767 581
314,612 1,178	314,612 1,210	314,612 1,197	314,612 1,202	314,612 1,175	314,612 1,164

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# Dave Yost • Auditor of State

**AVON LAKE CITY SCHOOL DISTRICT**

**LORAIN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 23, 2018**