



OHIO AUDITOR OF STATE  
**KEITH FABER**





AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

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**AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2025**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> <b>Program / Cluster Title</b>	<b>Federal AL Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
<i>Passed Through Ohio Department of Education and Workforce (DEW):</i>		
Child Nutrition Cluster:		
National School Lunch Program - Commodities	10.555	\$ 110,472
National School Lunch Program	10.555	335,371
COVID-19 Nutrition Supply Chain - National School Lunch Program	10.555	90,319
Total Child Nutrition Cluster		<u>536,162</u>
<b>Total U.S. Department of Agriculture</b>		<b><u>536,162</u></b>
<b>U.S. DEPARTMENT OF EDUCATION</b>		
<i>Passed Through Ohio Department of Education and Workforce (DEW):</i>		
Title I, Grants to Local Educational Agencies	84.010A	160,271
Title II-A, Supporting Effective Instruction State Grants	84.367A	89,497
Title IV-A Student Support and Academic Enrichment	84.424A	23,112
Special Education Cluster:		
Special Education Part B Grants	84.027A	765,900
Special Education Preschool Grant	84.173A	20,258
Total Special Education Cluster		<u>786,158</u>
ESSER Fund		
COVID-19 ARP ESSER	84.425U	119,141
COVID-19 ARP ESSER State Activity Supplement	84.425U	30,144
Total ESSER Funds		<u>149,285</u>
<b>Total U.S. Department of Education</b>		<b><u>1,208,323</u></b>
<b>U.S. DEPARTMENT OF TREASURY</b>		
<i>Passed Through Ohio School Facilities Commission</i>		
COVID-19 Ohio K-12 School Safety Grant through SLFRF	21.027	<u>1,831</u>
<b>Total U.S. Department of Treasury</b>		<b><u>1,831</u></b>
<b>Total Expenditures of Federal Awards</b>		<b><u>\$ 1,746,316</u></b>

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

**AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Avon Lake City School District (the District) under programs of the federal government for the year ended June 30, 2025. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

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

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

**NOTE C – INDIRECT COST RATE**

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

**NOTE D - CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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

**NOTE F - MATCHING REQUIREMENTS**

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

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2025

**NOTE G - TRANSFERS BETWEEN PROGRAM YEARS**

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODEW's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2025 to 2026 programs:

<u>Program Title</u>	<u>Assistance Listing Number</u>	<u>Amount Transferred</u>
Title II-A Supporting Effective Instruction State Grants	84.367A	\$ 2,836
COVID-19 Ohio K-12 School Safety Grant through SLFRF	84.027A	\$ 786
Title III Immigrant Grant	84.365A	\$ 1,602

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

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

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Avon Lake City School District, Lorain County, (the District) as of and for the year ended June 30, 2025, 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, 2025, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*.

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

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

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

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

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

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

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

***Purpose of This Report***

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

KEITH FABER  
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

December 26, 2025



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

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

To the Board of Education:

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

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

We have audited Avon Lake City School District's, Lorain County, (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Avon Lake City School District's major federal program for the year ended June 30, 2025. Avon Lake City School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Avon Lake City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

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

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

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

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

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

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

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

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

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

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

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

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

Avon Lake City School District

Lorain County

Independent Auditor's Report on Compliance with Requirements

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

Page 3

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

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

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

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

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Avon Lake City School District, Lorain County, (the District) as of and for the year ended June 30, 2025, 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, 2025, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KEITH FABER  
Ohio Auditor of State



Tiffany L Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

December 26, 2025

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AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY

SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2025

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.



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



**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
OF THE  
AVON LAKE CITY  
SCHOOL DISTRICT  
FOR THE  
FISCAL YEAR ENDED JUNE 30, 2025

PREPARED BY  
AUTUMN REED, TREASURER

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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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# INTRODUCTORY SECTION



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December 26, 2025

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

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Avon Lake City School District (the "School District") for the fiscal year ended June 30, 2025. This ACFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the School District with the comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the Avon Lake Public Library, major taxpayers, financial rating services and other interested parties.

### **The School District**

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

In order to meet the needs of a growing community, the high school was expanded several times. In the mid-1970's instructional classrooms and a physical education complex were added and the Learwood Middle School, Erieview Elementary, Eastview Elementary, Westview Elementary, Redwood Elementary and Troy Junior High School were constructed. Troy Junior High School was closed for educational purposes in 1982 because of the energy crisis and decreased enrollment. In 1988, Troy Junior High was reopened as the Avon Lake Community Education Center. The Community Education Center ceased to operate in the Troy Building as of July, 1991 due to the economy of operations. The Troy Intermediate School building was reopened for instruction beginning in the fall of 1995. In 1999, Avon Lake City Schools began a building project that added classrooms to all six (6) buildings. Avon Lake High School completed a major renovation, which included additional physical education facilities and an auditorium that hosted the Cleveland Pops Orchestra for the dedication of the facilities. In 2009, two (2) additional bond issues were passed totaling \$ 18,500,000. These renovations and additions began in March 2010 on the stadium portion of the project with completion of the stadium renovations by August 2010. Classroom additions to five (5) buildings began in May 2010 and completed August 2011. A new Transportation Center opened in the summer of 2011 and currently houses 33 buses and 2 vans. These projects were necessary to keep up with the growing enrollment. Today the citizens have an investment of \$111,731,402 in the School District land, land improvements, buildings, furniture and equipment, and vehicles (excludes accumulated depreciation). In May of 2025, the School District passed an \$88,085,000 bond issue and \$3,000,000 emergency operating levy. The bond issue will be used to build a new 5-8 middle school on the Learwood site, and renovate Eastview, Redwood and Westview elementary schools. The School District closed Erieview Elementary School in the June of 2025.

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

## **Reporting Entity**

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

The School District participates in five jointly governed organizations and is associated with one related organization. These organizations are Connect, the Lorain County Joint Vocational School District, the Ohio Schools Council, Suburban Health Consortium and the Avon Lake Public Library. These organizations are presented in Notes 13 and 14 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 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 252 non-certified personnel, 259 certified full-time teaching personnel (includes tutors) and 19 administrative employees to provide services to 3,426 students and other community members. The School District operates 4 elementary schools (K-4), 1 intermediate school (5-6), 1 middle school (7-8) and 1 high school (9-12).

## **Economic Condition and Outlook**

The School District’s tax base for tax year 2025 is primarily residential at 84% of the tax base followed by 9% commercial/industrial and 7% public utility personal property. House Bill 920 (H.B. 920), passed by the Ohio legislature in 1976, prohibits the inflationary growth of revenue generated by most voted tax issues. When the value of taxable property in the school district changes, the tax rates are adjusted so income, or voted dollars, will remain about the same. Historically, millage rates have been adjusted or rolled back due to a positive reappraisal. The School District’s millage rates were rolled back for many years; however, the City of Avon Lake experienced a negative reappraisal and triennial update in 2009 and 2015 respectively; therefore, the inverse occurred and millage rates were rolled up (never exceeding the original voted rate). The financial future of the School District is not without its challenges locally. The School District is home to several businesses, but since 2013 has focused discussion around its largest taxpayer a coal fired power plant located along the shoreline of Lake Erie. The power plant has contested both its real property and public utility personal property (PUPP) valuations for several of the previous tax years. Under Ohio law, a school district may file a counter complaint against a real property appeal; however, there is no recourse or due process for a school district to dispute PUPP values set by the Ohio Department of Taxation (ODT). The County Auditor determines the value of all real property; whereas, PUPP values are assessed by ODT. The power plant was shut down on April 4, 2022 and the property sold. The current owners are in the process of remediating the land for potential redevelopment of the site. The School District’s reliance on local property taxes will continue to be a challenge locally, as is recent legislation passed by the State of Ohio in December 2025. Externally, the State funding model continues to create apprehension for the School District. Unfunded State and Federal mandates will also continue to present challenges for the School District.

The City of Avon Lake is experiencing growth from a housing standpoint; however, the school district’s enrollment has declined over the past two years. This trend is expected to continue as enrollment is projected at approximately 3,200 students in fiscal year 2029.

## **Tax Incentive and Abatement Programs**

The City of Avon Lake (the “City”) offers tax abatement incentives through Community Reinvestment Areas (CRA) authorized by the Ohio Revised Code. The CRA’s provide real property tax exemptions for property owners who construct new buildings or renovate existing properties. The authorized tax abatements are equal to 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. In the short-term, the School District foregoes property taxes associated with the abated property. In the long-term, the School District will benefit as CRA’s spur economic development that grow the overall property tax base (increases property values), attract new residents/employees (increasing income tax), and creates jobs which benefits the local community.

## **Major Initiatives**

### **Ohio Report Card**

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

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

The 2022 State Report Card has again been modified. The State of Ohio now uses a “star” system. 5 stars being the top rating and 1 star being the lowest. In the categories reported for the 2022 school year, Avon Lake City School District received all 5’s. Avon Lake is dedicated to the success of all of our students and uses a variety of assessments (testing, non-testing, co-curricular, extra-curricular, academic and non-academic) which allow staff to focus on the success of the whole child. Starting in 2021-2022 the State Report Card will use a star system. The School District received 5 stars on the 2022-2023 and 2023-2024 report card, and 4.5 stars on the 2024-2025 report card.

### **Federal Projects**

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

## **Educational Programs and Facilities Improvement**

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

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

In 2021, the School District convened a "facilities committee" to evaluate future School District facility needs. The Ohio Facilities Construction Commission audited the current facilities, which was completed in December 2020. With the audit results the Facility Committee proposed replacement versus renovation of the 6 buildings that currently house Pre-K to 8<sup>th</sup> grade students. The Avon Lake City School Board placed a \$170,000,000 Bond Issue on the November 2023 ballot. The Bond Issue was defeated by 421 votes with 5,878 for the Bond Issue and 6,299 against the Bond Issue. Following the defeat in November 2023, the Avon Lake City School Board placed a \$155,000,000 Bond Issue on the November 2024 ballot. The ballot was defeated by 941 votes with 7,400 for the Bond Issue and 8,359 against the Bond Issue. In May of 2025, the district passed a \$88,085,000 bond issue and \$3,000,000 emergency operating levy. The bond issue will be used to build a new 5-8 middle school on the Learwood site, and renovate Eastview, Redwood and Westview elementary schools. The district closed Erieview Elementary School in the June of 2025.

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

## **Website**

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

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

## **Financial Information**

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

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

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

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

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

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

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

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

### **Financial Condition**

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

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

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

**Notes to the basic financial statements** - The notes provide additional information that are essential to a full understanding of the data provided in the government-wide and fund financial statements.

Management is responsible for preparing a Management Discussion and Analysis (MD&A) of the School District. This discussion follows the Independent Auditor's Report, providing an assessment of the School District's finances for fiscal year 2025 and a discussion of current issues affecting the School District in the future. The MD&A should be read in conjunction with this letter of transmittal.

## **Long-Term Financial Planning**

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

## **Independent Audit**

State statute requires the School District to be audited at least every two fiscal years by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent Auditor Keith Faber, Auditor of State, rendered an opinion on the School District's financial statements as of and for the year ended June 30, 2025. 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 (the "Certificate of Achievement") to the Avon Lake City School District for its ACFR for the fiscal year ended June 30, 2024. 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 ACFR, 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 of Excellence

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting (the “Certificate of Excellence”) for the fiscal year ended June 30, 2024 to the Avon Lake City School District. This award certifies that the ACFR substantially conformed to the principles and standards of financial reporting as recommended and adopted by the ASBO. 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 ACFR for fiscal year ended June 30, 2025, which will be submitted to ASBO for review, will conform to ASBO’s principles and standards.

The Auditor of State’s Office presents awards to public entities that meet the requirements of a “clean” audit. The Avon Lake City Schools has been the recipient of the Auditor of State’s award for the following years: 1999, 2000, 2002, 2006-2009, and 2011-2024. The School District considers this the highest of all honors.

### **Acknowledgments**

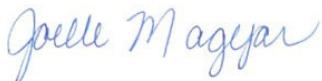
The publication of this ACFR is a significant step toward elevating the professional standards for School District’s financial reporting. It enhances the School District’s accountability to the residents and provides all interested parties with a broad historical perspective of the School District’s 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 Julian & Grube, Inc. for their assistance in the planning, design, and review of this financial report.

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



Autumn Reed, Treasurer



Joelle Magyar, Superintendent

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

*Principal Officials  
June 30, 2025*

***Board of Education***

Mr. Jim Stobe .....	President
Mr. Michael Sherban.....	Vice-President
Ms. Kendra Gardiner.....	Member
Ms. Jenefer Machovina .....	Member
Ms. Gail Soinski Opaskar .....	Member

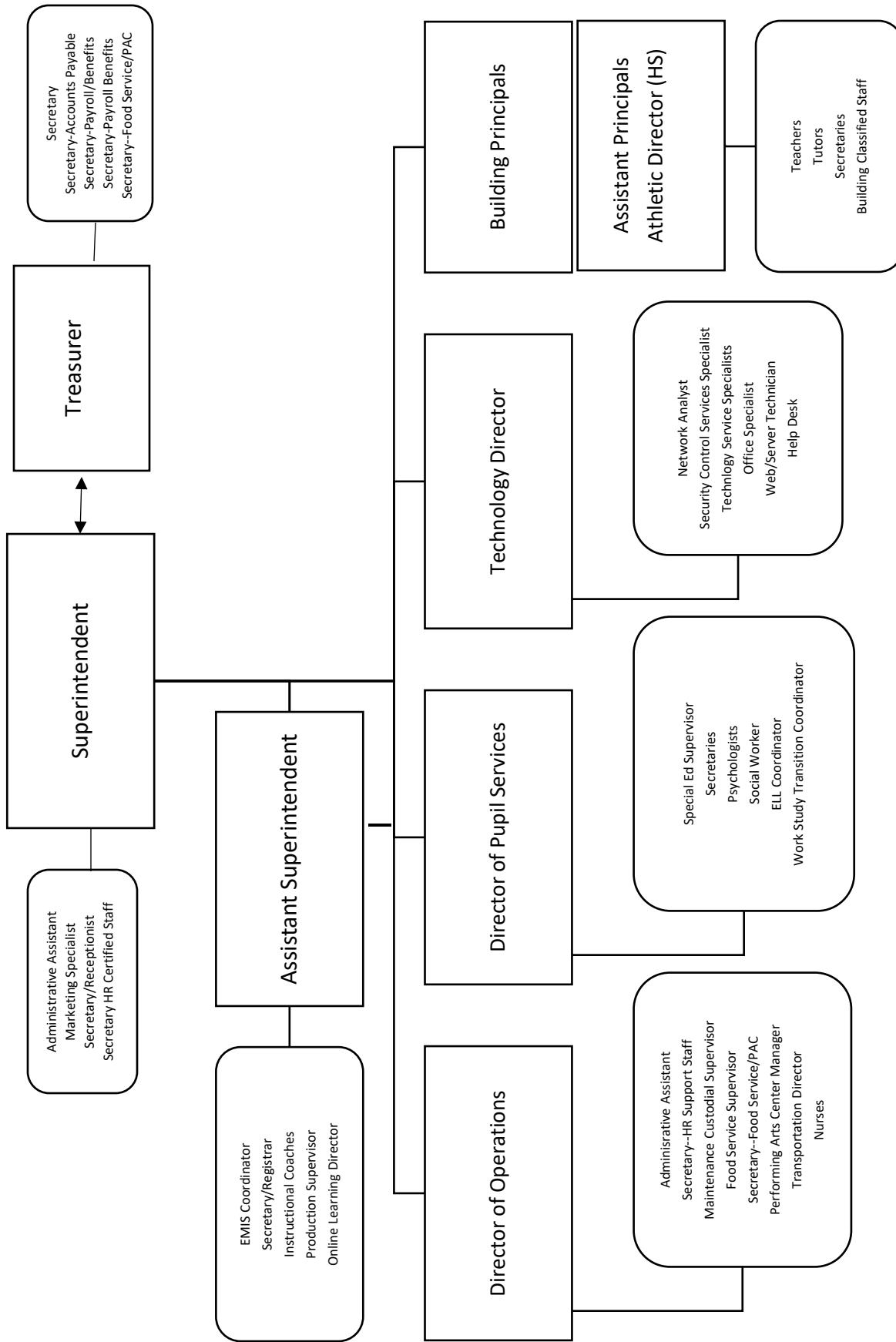
***Treasurer***

Ms. Autumn Reed

***Administration***

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

## Avon Lake City Schools Organizational Chart





Government Finance Officers Association

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

Presented to

**Avon Lake City School District  
Ohio**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Monell*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Avon Lake City School District  
for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2024.**

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



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

Ryan S. Stechschulte  
President

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

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

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# **FINANCIAL SECTION**



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

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

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

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Avon Lake City School District, Lorain County, Ohio (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Avon Lake City School District, Lorain County, Ohio as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

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

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

***Emphasis of Matter***

As discussed in Note 3 to the financial statements, during 2025, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

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

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

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

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

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

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

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

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

#### ***Required Supplementary Information***

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

#### ***Supplementary Information***

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

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

#### ***Other Information***

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

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

Avon Lake City School District  
Lorain County  
Independent Auditor's Report  
Page 4

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

In accordance with *Government Auditing Standards*, we will also issue our report dated December 26, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion of the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

KEITH FABER  
Ohio Auditor of State

*Tiffany L Ridenbaugh*

Tiffany L Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

December 26, 2025

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

The management's discussion and analysis of Avon Lake City School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2025. 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 notes to the basic financial statements and basic financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2025 are as follows:

- In total, net position increased \$4,211,160.
- For the governmental activities, general revenues accounted for \$54,274,509 in revenue or 89.45% of total revenues. For the governmental activities, program specific revenues in the form of charges for services and sales, operating/capital grants and contributions accounted for \$6,399,515 or 10.55% of total revenues.
- The School District had \$56,462,864 in expenses related to governmental activities; only \$6,399,515 of these expenses was offset by program specific charges for services, operating/capital grants or contributions resulting in a net cost of \$50,063,349 for the School District. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$54,274,509 were adequate to provide for these programs.
- The School District's major governmental funds are the general fund and bond retirement fund. The general fund had \$52,216,085 in revenues and other financing sources and \$55,663,109 in expenditures. During fiscal year 2025, the general fund's fund balance decreased \$3,447,024 from a balance of \$8,168,337 to \$4,721,313.
- The School District's bond retirement fund had revenues of \$4,879,064 and expenditures of \$4,966,677. During fiscal year 2025, the bond retirement fund's fund balance decreased \$87,613 from a balance of \$2,698,966 to \$2,611,353.
- Total outstanding bonds (including unamortized premiums) decreased \$3,872,102 to \$12,265,546 during fiscal year 2025.

**Using this Annual Financial Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific 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 tell 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. In the case of the School District, the general fund and bond retirement fund are by far the most significant funds, and the only governmental funds reported as major funds.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Reporting the School District as a Whole**

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

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2025?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current fund's revenues and expenses regardless of when cash is received or paid.

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 that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes 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, required educational programs and other factors.

The statement of net position and the statement of activities, include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, food service operations and uniform school supplies activities.

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

***Fund Financial Statements***

Fund financial reports 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 focus on the School District's most significant funds. The School District's major governmental funds are the general fund and bond retirement fund. All other governmental funds are considered non-major.

***Governmental Funds***

Most of 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 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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School District's budgetary schedule, net pension liability and net OPEB liability/asset.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**The School District as a Whole**

The statement of net position provides the perspective of the School District as a whole. For the following table, amounts for 2025 have been presented in accordance with the provisions of GASB Statement No. 101 (see Note 3.B in the notes to the basic financial statements) while amounts for 2024 have been presented in accordance with previous guidance. The table below provides a summary of the School District's net position at June 30, 2025 and 2024.

	<b>Net Position</b>	
	Governmental Activities	
	2025	2024
<b>Assets</b>		
Current and other assets	\$ 66,964,565	\$ 60,618,950
Net OPEB asset	3,170,299	3,263,870
Capital assets, net	<u>44,441,461</u>	<u>43,444,701</u>
Total assets	<u>114,576,325</u>	<u>107,327,521</u>
<b>Deferred outflows</b>		
Deferred charges on refunding	10,689	21,377
Pension	8,590,460	8,870,236
OPEB	<u>1,472,419</u>	<u>1,854,653</u>
Total deferred outflows	<u>10,073,568</u>	<u>10,746,266</u>
<b>Liabilities</b>		
Current liabilities	6,705,914	5,884,986
Long-term liabilities		
Due within one year	5,637,686	5,751,565
Due in more than one year		
Net pension liability	41,063,031	46,301,320
Net OPEB liability	1,801,088	3,118,663
Other amounts	<u>20,525,704</u>	<u>17,124,357</u>
Total liabilities	<u>75,733,423</u>	<u>78,180,891</u>
<b>Deferred inflows</b>		
Property taxes levied for the next fiscal year	48,928,265	39,022,723
Deferred revenue	-	67,403
Deferral on refunding	232,309	348,464
Pension	5,919,677	3,524,652
OPEB	<u>5,585,198</u>	<u>5,657,995</u>
Total deferred inflows	<u>60,665,449</u>	<u>48,621,237</u>
<b>Net position</b>		
Net investment in capital assets	32,595,081	27,321,891
Restricted	9,033,542	8,990,379
Unrestricted (deficit)	<u>(53,377,602)</u>	<u>(45,040,701)</u>
Total net position (deficit)	<u>\$ (11,748,979)</u>	<u>\$ (8,728,431)</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27.” The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.” For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District’s actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

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

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

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

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

**Analysis of Net Position**

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2025, the District's liabilities plus deferred inflows of resources exceeded assets plus deferred outflows of resources by \$11,748,979.

Current and other assets increased due to an increase in property taxes receivable. Lorain County experienced reappraisal in 2024. As a result, the District saw a 28% increase in Class I residential values and also benefited from inflationary growth on fixed rate levies due to being at the 20 mill floor. In addition, at the May 6, 2025 primary election, School District voters approved a 1.97-mill operating levy to support general operating expenses which collections will begin in fiscal year 2026. This increase was partially offset by a decrease in cash and cash equivalents used in operations.

At year-end, capital assets represented 38.79% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, and vehicles. The net investment in capital assets at June 30, 2025, was \$32,595,081. These capital assets are used to provide services to the students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Current liabilities increased primarily in the areas of accrued wages and benefits payable and matured compensated absences payable. Matured compensated absences payable represent severance payments for employees who retired by June 30, 2025 but who will not be paid their severance payments till fiscal year 2026.

Long-term liabilities decreased due to (1) repayment of long-term debt, and (2) decreases in both the net pension liability and the net OPEB liability. Fluctuations in these liabilities result from changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). The School District's net pension liability and net OPEB liability are outside of the control of the School District. The School District contributes its statutorily required contributions to the pension systems; however, it is the pension systems that collect, hold and distribute pensions and OPEB to District employees, not the School District. See Note 11 and Note 12 for more detail. The decreases in the long-term liabilities were partially offset by an increase in the long-term compensated absences liability due to the implementation of GASB Statement No. 101 (see Note 3). GASB Statement No. 101 updated the recognition and measurement guidance for compensated absences.

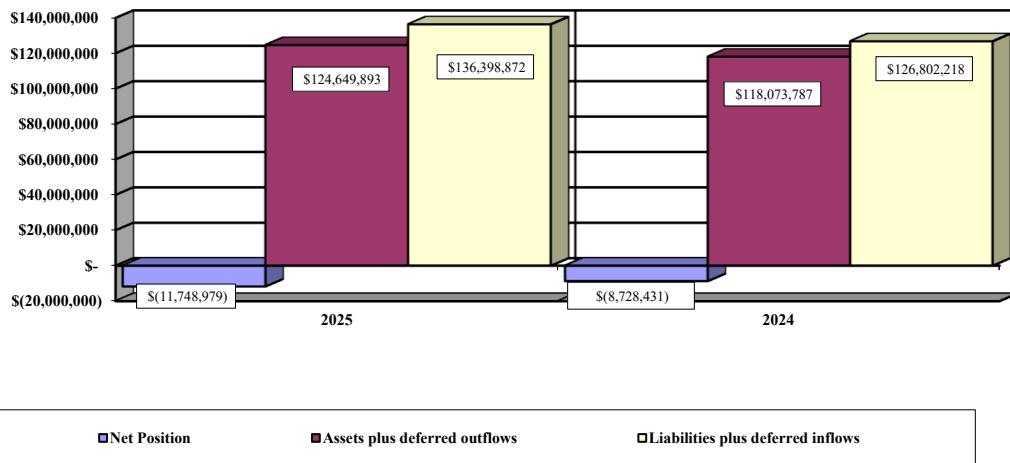
A portion of the School District's net position, \$9,033,542, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$53,377,602.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

The graphs below show the assets plus deferred outflows, liabilities plus deferred inflows and net position of the governmental activities and business-type activities at June 30, 2025 and 2024.

**Governmental Activities – Net Position**



During 2025, the School District implemented GASB Statement No. 101 (see Note 3.B in the notes to the basic financial statements). For the table below, the implementation has been reported as a change in accounting principle. The table that follows shows the change in net position for fiscal years 2025 and 2024.

	<b>Change in Net Position</b>	
	Governmental Activities	
	2025	2024
<b>Revenues</b>		
Program revenues:		
Charges for services and sales	\$ 2,613,344	\$ 2,655,284
Operating grants and contributions	3,786,171	3,243,382
General revenues:		
Property taxes	43,958,785	36,968,051
Grants and entitlements	9,442,291	10,117,082
Investment earnings	713,978	610,877
Other	159,455	1,046,887
Total revenues	<u>60,674,024</u>	<u>54,641,563</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<b>Change in Net Position</b>	
	Governmental Activities	
	2025	2024
<b>Expenses</b>		
Program expenses:		
Instruction	32,297,535	31,053,184
Support services:		
Pupil and instructional staff	6,000,220	5,599,363
Board of education, administration, fiscal services and business	6,077,711	5,081,268
Operations and maintenance	4,946,166	5,736,523
Pupil transportation	2,249,762	2,223,467
Central	325,967	268,534
Operation of non-instructional services		
Food service	1,577,678	1,436,807
Community services	378,651	233,145
Extracurricular activities	1,675,600	1,891,942
Interest	933,574	968,100
Total expenses	<u>56,462,864</u>	<u>54,492,333</u>
Changes in net position	4,211,160	149,230
Net position (deficit)		
at beginning of year, as previously reported	(8,728,431)	(8,877,661)
Restatement - change in accounting principle	<u>(7,231,708)</u>	-
Net position (deficit) at beginning of year, restated	<u>(15,960,139)</u>	<u>(8,877,661)</u>
Net position (deficit) at end of year	<u>\$ (11,748,979)</u>	<u>\$ (8,728,431)</u>

**Governmental Activities**

Net position of the School District's governmental activities increased \$4,211,160. Total governmental expenses of \$56,462,864 were offset by program revenues of \$6,399,515 and general revenues of \$54,274,509. Program revenues supported 11.33% of the total governmental expenses.

Charges for services program revenues and operating grants and contributions program revenues remained comparable to the prior year. Operating grants increased due to the receipt of QSCB and QSQB interest subsidies from the federal government to help offset interest costs.

The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 88.01% of total governmental revenue. Property tax revenue increased due to Lorain County experiencing a reappraisal in 2024. The School District saw a 28% increase in Class I residential values and also benefited from inflationary growth on fixed rate levies due to being at the 20 mill floor. Unrestricted grants and entitlements, primarily in the form of State of Ohio Foundation support, increased slightly from 2024.

Earnings on investments increased as the School District had more investments during fiscal year 2025 versus fiscal year 2024 and due to fluctuations in the fair value of investments. GAAP requires certain investments to be reported at fair value rather than cost. Fluctuations in the fair value of investments are reported as a component of interest earnings. The fair value of investments fluctuate as interest rates rise or fall over time. The School District intends to hold all investments to maturity thus eliminating the risk of fluctuations in fair value. Miscellaneous revenues decreased primarily due to less refunds and reimbursements being received in fiscal year 2025 versus 2024.

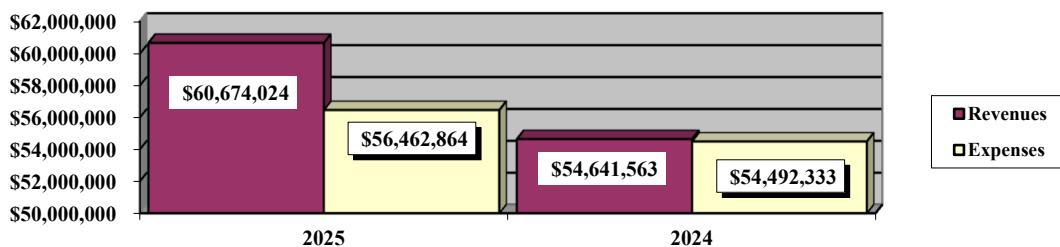
**AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Overall, expenses of governmental activities increased \$1,970,531. This increase is the result of increased instruction, administration and fiscal operating costs. Instruction expenses increased \$1,244,351, or 4.01%, from the prior year. This increase was due to normal and customary wages and benefit increases coupled with increased employee retirements and associated costs, and increased technology costs. Pupil and instructional staff expenses increased \$400,857, or 7.36%, from the prior year. This increase was due to technology equipment costs and retirement costs. Board of Education, administration, fiscal, and business expenses increased \$996,443, or 19.61%, due primarily to increased legal fees and insurance costs in fiscal year 2025. Operations and maintenance expenses decreased \$790,357, or 13.78%, due to fewer roof replacement and various maintenance projects performed in fiscal year 2025 compared to fiscal year 2024.

The graph below presents the School District's governmental activities revenue and expenses for fiscal year 2025 and 2024.

**Governmental Activities - Revenues and Expenses**



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2025 and 2024. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

**Governmental Activities**

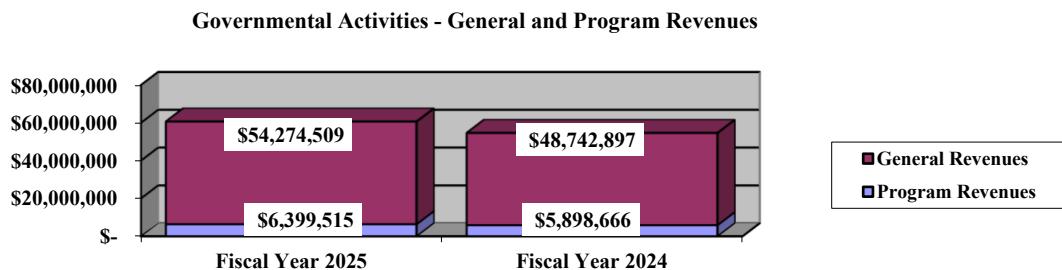
	Total Cost of Services 2025	Net Cost of Services 2025	Total Cost of Services 2024	Net Cost of Services 2024
Program expenses:				
Instruction:	\$ 32,297,535	\$ 29,893,732	\$ 31,053,184	\$ 28,299,899
Support services:				
Pupil and instructional staff	6,000,220	5,742,618	5,599,363	5,322,003
Board of education, administration, fiscal services and business	6,077,711	6,045,962	5,081,268	4,884,530
Operations and maintenance	4,946,166	4,841,794	5,736,523	5,720,557
Pupil transportation	2,249,762	2,045,880	2,223,467	2,223,467
Central	325,967	314,164	268,534	268,534
Operation of non-instructional services				
Food service operation	1,577,678	65,037	1,436,807	(56,414)
Community services	378,651	84,785	233,145	(6,602)
Extracurricular activities	1,675,600	804,694	1,891,942	969,593
Interest and fiscal charges	933,574	224,683	968,100	968,100
Total expenses	<u>\$ 56,462,864</u>	<u>\$ 50,063,349</u>	<u>\$ 54,492,333</u>	<u>\$ 48,593,667</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

The dependence upon tax revenues during fiscal year 2025 for governmental activities is apparent, as 92.56% of 2025 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 88.67%. The School District's taxpayers and unrestricted grants and entitlements from the State of Ohio are the primary support for School District's students.

The graph below presents the School District's governmental activities revenue for fiscal years 2025 and 2024.



**The School District's Funds**

**Governmental Funds**

The School District's governmental funds reported a combined fund balance of \$10,901,032, which is less than last year's fund total of \$13,919,979.

The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2025 and 2024.

	Fund Balance June 30, 2025	Fund Balance June 30, 2024	<u>Change</u>
General	\$ 4,721,313	\$ 8,168,337	\$ (3,447,024)
Bond retirement	2,611,353	2,698,966	(87,613)
Other governmental	<u>3,568,366</u>	<u>3,052,676</u>	<u>515,690</u>
<b>Total</b>	<b><u>\$ 10,901,032</u></b>	<b><u>\$ 13,919,979</u></b>	<b><u>\$ (3,018,947)</u></b>

**General Fund**

The School District's general fund balance decreased \$3,447,024. The table that follows assists in illustrating the revenues of the general fund.

<b>Revenues</b>	<u>2025 Amount</u>	<u>2024 Amount</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Property and other taxes	\$ 40,811,451	\$ 33,080,578	\$ 7,730,873	23.37 %
Intergovernmental	9,293,567	8,802,789	490,778	5.58 %
Investment earnings	713,978	558,796	155,182	27.77 %
Tuition and fees	776,098	854,991	(78,893)	(9.23) %
Other revenues	<u>616,491</u>	<u>996,420</u>	<u>(379,929)</u>	<u>(38.13) %</u>
<b>Total</b>	<b><u>\$ 52,211,585</u></b>	<b><u>\$ 44,293,574</u></b>	<b><u>\$ 7,918,011</u></b>	<b><u>17.88 %</u></b>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Property tax revenue increased due to Lorain County experiencing a reappraisal in 2024. The School District saw a 28% increase in Class I residential values and also benefited from inflationary growth on fixed rate levies due to being at the 20 mill floor. Intergovernmental revenues increased \$490,778 due to increased monies received from the State of Ohio in the form of foundation payments. Investment earnings increased \$155,182 due to improved interest rates on investments. Other revenues decreased primarily due to less refunds and reimbursements being received in fiscal year 2025 versus 2024.

The table that follows assists in illustrating the expenditures of the general fund.

	<u>2025 Amount</u>	<u>2024 Amount</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<b><u>Expenditures</u></b>				
Instruction	\$ 31,758,159	\$ 28,008,931	\$ 3,749,228	13.39 %
Support services	22,669,379	20,414,673	2,254,706	11.04 %
Operation of non-instructional services	68,709	67,904	805	1.19 %
Extracurricular activities	1,129,362	1,056,398	72,964	6.91 %
Facilities acquisition and construction	37,500	-	37,500	100.00 %
Capital outlay	-	12,500	(12,500)	(100.00) %
<b>Total</b>	<b>\$ 55,663,109</b>	<b>\$ 49,560,406</b>	<b>\$ 6,102,703</b>	<b>12.31 %</b>

In total, expenditures increased \$6,102,703 from 2024. Instruction expenditures increased primarily due to normal and customary wage and benefit increases coupled with increased employee retirements and associated costs, and increased technology costs. Support services increased primarily due to increased technology, retirement costs, and legal fees.

***Bond Retirement Fund***

The bond retirement fund had \$4,879,064 in revenues and \$4,966,677 in expenditures. During fiscal 2025, the bond retirement fund's fund balance decreased \$87,613 from \$2,698,966 to \$2,611,353.

**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 budgeted fund is the general fund.

For the general fund, the final budgeted revenue and other financing sources were \$52,060,968. The original budgeted revenue and other financing sources were \$46,961,991. Actual revenue and other financing sources were \$52,138,526. The difference between the final budgeted revenues and other financing sources and the actual revenues and other financing sources was \$77,558. The difference between the original and final budget of \$5,098,977 was primarily due to anticipated increased collections of property taxes.

Total actual expenditures and other financing uses on the budget basis (cash outlays plus encumbrances) were \$56,709,466. This amount was equal to the final budgeted amount (appropriations plus prior year encumbrances). The final budgeted expenditures and other financing uses, and the original budgeted amount were \$56,709,466 and \$55,691,402, respectively. Overall, fund balance on the budget basis decreased \$4,570,940 over the prior year.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal 2025, the School District had \$44,441,461 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles.

The table below shows fiscal 2025 balances compared to 2024:

**Capital Assets at June 30 (Net of Depreciation)**

	Governmental Activities	
	2025	2024
Land	\$ 6,050,145	\$ 6,050,145
Land improvements	1,938,702	1,792,145
Buildings and improvements	33,960,098	33,350,828
Furniture and equipment	1,110,244	991,045
Vehicles	<u>1,382,272</u>	<u>1,260,538</u>
Total	<u><u>\$ 44,441,461</u></u>	<u><u>\$ 43,444,701</u></u>

During fiscal year 2025, capital assets, net increased \$996,760 as additions of \$2,833,043 exceeded depreciation/amortization expense of \$1,836,283. See Note 7 to the basic financial statements for more detail on the School District's capital assets.

***Debt Administration***

At June 30, 2025, the School District has \$12,265,546 in long-term debt outstanding. Of this amount, \$3,800,000 is due within one year and \$8,465,546 is due in more than one year. The following table summarizes outstanding long-term debt:

**Outstanding Debt, at Year End**

<b>Long Term Debt:</b>	Governmental Activities	
	2025	2024
Term and serial bonds	\$ 11,370,000	\$ 15,115,000
Capital appreciation bonds	25,866	25,866
Accretion on capital appreciation bonds	419,166	341,928
Unamortized bond premiums	<u>450,514</u>	<u>654,854</u>
Total	<u><u>\$ 12,265,546</u></u>	<u><u>\$ 16,137,648</u></u>

See Note 8 to the basic financial statements for more detail on the School District's long-term obligations.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Current Financial Related Activities**

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 September 2025.

The School District has continued to struggle with many of the same economic issues as other school districts including increasing operating costs, unfunded mandates and decreasing revenue sources. The financial future of the School District is not without its internal, as well as external challenges. In the foreseeable future, the internal challenge will remain as long as the School District is required to rely on local property taxes to fund its operations. The School District passed a \$3,000,000 emergency levy in May 2025 with collections beginning in fiscal year 2026. The emergency levy is for operating expenditures and at the time the levy was passed was expected to last 10 years. The State of Ohio has pending legislation that has passed both the House and the Senate that is awaiting the Governor's signature that jeopardizes the financial sustainability for the next 10 years. The Ohio General Assembly passed House Bill 96, allowing county governments to offer "piggyback" homestead and owner occupied exemption. Unlike the state exemption, which reimburses local governments for the lost revenue, the piggyback exemption is locally funded, meaning the county, school districts, cities and libraries absorb the cost. The piggyback exemption was adopted by Lorain County for tax year 2025, resulting in approximately \$1,300,000 in revenue loss for the School District and over \$17 million revenue loss countywide. The Avon Lake community also supported the passage of an \$88,085,000 bond issue to build a new 5-8 middle school and repair three existing elementary schools. The School District closed Erieview Elementary School at the conclusion of the 2024-2025 school year.

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 Financial Management**

This financial report is designed 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 the money it receives. If you have any questions about this report or need additional information contact: Autumn Reed, Treasurer, at Avon Lake City School District, 175 Avon Belden Road, Avon Lake, Ohio 44012 or by email at [Autumn.Reed@alcsoh.org](mailto:Autumn.Reed@alcsoh.org).

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

**STATEMENT OF NET POSITION  
JUNE 30, 2025**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	\$ 14,637,635
Receivables:	
Property taxes	52,192,238
Accounts	3,498
Accrued interest	775
Intergovernmental	10,491
Prepayments	45,864
Materials and supplies inventory	52,973
Inventory held for resale	21,091
Net OPEB asset	3,170,299
Capital assets:	
Nondepreciable capital assets	6,050,145
Depreciable capital assets, net	<u>38,391,316</u>
Capital assets, net	<u>44,441,461</u>
Total assets	<u>114,576,325</u>
<b>Deferred outflows of resources:</b>	
Unamortized deferred charges on debt refunding	10,689
Pension	8,590,460
OPEB	<u>1,472,419</u>
Total deferred outflows of resources	<u>10,073,568</u>
<b>Liabilities:</b>	
Accounts payable	385,692
Accrued wages and benefits payable	4,816,215
Matured compensated absences payable	515,927
Accrued interest payable	96,268
Intergovernmental payable	891,812
Long-term liabilities:	
Due within one year	5,637,686
Due in more than one year:	
Net pension liability	41,063,031
Net OPEB liability	1,801,088
Other amounts due in more than one year	<u>20,525,704</u>
Total liabilities	<u>75,733,423</u>
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year	48,928,265
Unamortized deferred charge on debt refunding	232,309
Pension	5,919,677
OPEB	<u>5,585,198</u>
Total deferred inflows of resources	<u>60,665,449</u>
<b>Net position:</b>	
Net investment in capital assets	32,595,081
Restricted for:	
Net OPEB asset	3,170,299
Debt service	2,573,506
Capital projects	1,967,460
Food service operations	455,861
Student activities	236,817
Athletics	144,988
Donations	404,748
State funded programs	39,999
Other purposes	39,864
Unrestricted (deficit)	<u>(53,377,602)</u>
Total net position (deficit)	<u><u>\$ (11,748,979)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	
<b>Governmental activities:</b>				
Instruction:				
Regular	\$ 24,406,135	\$ 889,551	\$ 287,823	\$ (23,228,761)
Special	7,363,468	-	1,226,429	(6,137,039)
Adult/continuing	8,393	-	-	(8,393)
Other	519,539	-	-	(519,539)
Support services:				
Pupil	3,654,166	44,154	135,614	(3,474,398)
Instructional staff	2,346,054	-	77,834	(2,268,220)
Board of education	76,701	-	-	(76,701)
Administration	4,338,125	-	31,749	(4,306,376)
Fiscal	1,284,961	-	-	(1,284,961)
Business	377,924	-	-	(377,924)
Operations and maintenance	4,946,166	31,094	73,278	(4,841,794)
Pupil transportation	2,249,762	-	203,882	(2,045,880)
Central	325,967	-	11,803	(314,164)
Operation of non-instructional services:				
Food service operations	1,577,678	1,018,935	493,706	(65,037)
Community services	378,651	2,663	291,203	(84,785)
Extracurricular activities	1,675,600	626,947	243,959	(804,694)
Interest	933,574	-	708,891	(224,683)
<b>Totals</b>	<b>\$ 56,462,864</b>	<b>\$ 2,613,344</b>	<b>\$ 3,786,171</b>	<b>(50,063,349)</b>
<b>General revenues:</b>				
Property taxes levied for:				
General purposes				39,940,790
Debt service				3,371,415
Capital improvements				646,580
Grants and entitlements not restricted to specific programs				9,442,291
Investment earnings				713,978
Gain on disposal of capital assets				12,923
Miscellaneous				146,532
Total general revenues				<u>54,274,509</u>
Change in net position				4,211,160
<b>Net position (deficit) at beginning of year, as previously reported</b>				(8,728,431)
<b>Restatement - change in accounting principle</b>				<u>(7,231,708)</u>
<b>Net position (deficit) at beginning of year, restated</b>				<u>(15,960,139)</u>
<b>Net position (deficit) at end of year</b>				<u>\$ (11,748,979)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025**

	<b>General</b>	<b>Bond Retirement</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 8,480,794	\$ 2,408,759	\$ 3,634,092	\$ 14,523,645
Restricted equity in pooled cash cash and cash equivalents	113,990	-	-	113,990
<b>Receivables:</b>				
Property taxes	46,105,664	5,402,964	683,610	52,192,238
Accounts	524	-	2,974	3,498
Accrued interest	775	-	-	775
Interfund loans	15,328	-	-	15,328
Intergovernmental	-	-	10,491	10,491
Prepayments	45,864	-	-	45,864
Materials and supplies inventory	49,130	-	3,843	52,973
Inventory held for resale	-	-	21,091	21,091
Total assets	<u>\$ 54,812,069</u>	<u>\$ 7,811,723</u>	<u>\$ 4,356,101</u>	<u>\$ 66,979,893</u>
<b>Liabilities:</b>				
Accounts payable	\$ 369,302	\$ -	\$ 16,390	\$ 385,692
Accrued wages and benefits payable	4,716,662	-	99,553	4,816,215
Intergovernmental payable	878,988	-	12,824	891,812
Interfund loans payable	-	-	15,328	15,328
Matured compensated absences payable	515,927	-	-	515,927
Total liabilities	<u>6,480,879</u>	<u>-</u>	<u>144,095</u>	<u>6,624,974</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	43,131,638	5,163,405	633,222	48,928,265
Delinquent property tax revenue not available	478,239	36,965	10,418	525,622
Total deferred inflows of resources	<u>43,609,877</u>	<u>5,200,370</u>	<u>643,640</u>	<u>49,453,887</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory	49,130	-	3,843	52,973
Prepays	45,864	-	-	45,864
Unclaimed monies	39,864	-	-	39,864
Restricted:				
Debt service	-	2,611,353	21,456	2,632,809
Capital improvements	-	-	1,957,042	1,957,042
Food service operations	-	-	750,239	750,239
Non-public schools	-	-	9,234	9,234
State funded programs	-	-	39,999	39,999
Athletics	-	-	144,988	144,988
Student activities	-	-	236,817	236,817
Donations	-	-	404,748	404,748
Committed:				
Budget reserve	113,990	-	-	113,990
Assigned:				
Student instruction	198,632	-	-	198,632
Student and staff support	1,092,685	-	-	1,092,685
Scholarships	71,449	-	-	71,449
Field trips and assemblies	254,509	-	-	254,509
Other purposes	448	-	-	448
Unassigned	<u>2,854,742</u>	<u>-</u>	<u>-</u>	<u>2,854,742</u>
Total fund balances	<u>4,721,313</u>	<u>2,611,353</u>	<u>3,568,366</u>	<u>10,901,032</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 54,812,069</u>	<u>\$ 7,811,723</u>	<u>\$ 4,356,101</u>	<u>\$ 66,979,893</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2025**

<b>Total governmental fund balances</b>	\$ 10,901,032
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	44,441,461
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.	
Property taxes receivable	<u>\$ 525,622</u>
Total	525,622
Unamortized premiums on bonds issued are not recognized in the governmental funds.	(450,514)
Unamortized deferred charges on debt refundings are not recognized in the governmental funds.	(221,620)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the governmental funds.	(96,268)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.	
Deferred outflows - pension	8,590,460
Deferred inflows - pension	(5,919,677)
Net pension liability	(41,063,031)
Deferred outflows - OPEB	1,472,419
Deferred inflows - OPEB	(5,585,198)
Net OPEB asset	3,170,299
Net OPEB liability	<u>(1,801,088)</u>
Total	(41,135,816)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
General obligation bonds	(11,815,032)
Compensated absences	<u>(13,897,844)</u>
Total	<u>(25,712,876)</u>
<b>Net position of governmental activities</b>	<u><u>\$ (11,748,979)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<b>General</b>	<b>Bond</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b>General</b>	<b>Retirement</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>				
Property taxes	\$ 40,811,451	\$ 3,458,750	\$ 659,262	\$ 44,929,463
Intergovernmental	9,293,567	1,420,314	2,063,336	12,777,217
Investment earnings	713,978	-	45,829	759,807
Tuition and fees	776,098	-	-	776,098
Extracurricular	237,868	-	430,075	667,943
Rental income	31,094	-	-	31,094
Charges for services	119,273	-	1,018,935	1,138,208
Contributions and donations	81,724	-	250,517	332,241
Miscellaneous	146,532	-	73,176	219,708
Total revenues	<u>52,211,585</u>	<u>4,879,064</u>	<u>4,541,130</u>	<u>61,631,779</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	24,311,177	-	145,639	24,456,816
Special	6,882,028	-	798,326	7,680,354
Adult/continuing	9,294	-	-	9,294
Other	555,660	-	-	555,660
Support services:				
Pupil	3,839,178	-	117,115	3,956,293
Instructional staff	2,533,785	-	76,419	2,610,204
Board of education	77,501	-	-	77,501
Administration	4,535,039	-	24,423	4,559,462
Fiscal	1,266,482	53,202	9,981	1,329,665
Business	391,262	-	-	391,262
Operations and maintenance	7,438,248	-	39,382	7,477,630
Pupil transportation	2,255,448	-	260,450	2,515,898
Central	332,436	-	5,700	338,136
Operation of non-instructional services:				
Food service operations	-	-	1,633,819	1,633,819
Community services	68,709	-	311,119	379,828
Extracurricular activities	1,129,362	-	595,240	1,724,602
Facilities acquisition and construction	37,500	-	16,250	53,750
Debt service:				
Principal retirement	-	3,745,000	-	3,745,000
Interest	-	1,168,475	-	1,168,475
Total expenditures	<u>55,663,109</u>	<u>4,966,677</u>	<u>4,033,863</u>	<u>64,663,649</u>
Excess of revenues over (under) expenditures	(3,451,524)	(87,613)	507,267	(3,031,870)
<b>Other financing sources:</b>				
Sale of assets	4,500	-	8,423	12,923
Net change in fund balances	(3,447,024)	(87,613)	515,690	(3,018,947)
<b>Fund balances at beginning of year</b>	<b>8,168,337</b>	<b>2,698,966</b>	<b>3,052,676</b>	<b>13,919,979</b>
<b>Fund balances at end of year</b>	<b><u>\$ 4,721,313</u></b>	<b><u>\$ 2,611,353</u></b>	<b><u>\$ 3,568,366</u></b>	<b><u>\$ 10,901,032</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

<b>Net change in fund balances - total governmental funds</b>	\$ (3,018,947)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Capital asset additions	\$ 2,833,043
Current year depreciation	<u>(1,836,283)</u>
Total	996,760
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	
Property taxes	<u>(970,678)</u>
Total	(970,678)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.	
	3,745,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:	
Decrease in accrued interest payable	2,332
Accreted interest on capital appreciation bonds	(77,238)
Amortization of bond premium	204,340
Amortization of deferred charge on debt refundings	<u>105,467</u>
Total	234,901
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
Pension	4,411,147
OPEB	<u>129,039</u>
Total	4,540,186
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.	
Pension	(1,847,659)
OPEB	<u>785,528</u>
Total	(1,062,131)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
	<u>(253,931)</u>
<b>Change in net position of governmental activities</b>	<u>\$ 4,211,160</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

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 252 non-certified personnel, 259 certified full-time teaching personnel, and 19 administrative employees to provide services to 3,426 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).

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

A 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, and student related activities of the School District.

Within the School District boundaries, there are various nonpublic schools. Current State legislation provides funding to these nonpublic schools. These monies are received and disbursed by the School District on behalf of the nonpublic schools by the Treasurer of the School District, as directed by the nonpublic schools. These transactions are reported as a governmental activity of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's Governing Board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; or (3) 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 (4) 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 the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the School District has no component units. The basic financial statements of the reporting entity include only those of the School District (the primary government).

The School District participates in four jointly governed organizations and is associated with one related organization. The jointly governed organizations are Connect, the Lorain County Joint Vocational School District, the Ohio Schools Council Association, and the Suburban Health Consortium. The related organization is the Avon Lake Public Library. The jointly governed organizations are described in Note 13 of the basic financial statements and the related organization is described in Note 14 of the basic financial statements.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**B. Basis of Presentation**

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

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

The statement of net position presents the financial condition of the governmental activities of the School District at 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 limitations. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

*Fund Financial Statements* - During the 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 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. Fiduciary funds are reported by type.

**C. Fund Accounting**

The School District uses funds to maintain its financial records during the 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 typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance.

The following are the School District's major governmental funds:

*General Fund* - The general fund accounts 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Other governmental funds of the School District are used to account for:

***Nonmajor special revenue funds*** – These special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

***Nonmajor debt service fund*** – This debt service fund is used to account for the accumulation of tax monies that are restricted to expenditure for general obligation bond principal and interest for the bonds issued for the Avon Lake Public Library.

***Nonmajor capital projects fund*** – This capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

***FIDUCIARY FUNDS***

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District has no fiduciary funds.

**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 resources associated with the operation of the School District are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

***Fund Financial Statements*** - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources and 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 a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**E. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources and deferred outflows 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 the 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 5). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 11 and 12 for deferred outflows of resources related to net pension liability and net OPEB liability/asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2025, but which were levied to finance fiscal year 2026 operations. These amounts have been recorded as a deferred inflow of resources 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. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease.

See Notes 11 and 12 for deferred inflows of resources related to net pension liability and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Expenses/Expenditures* - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

**F. Cash and Cash Equivalents**

To improve cash management, cash received by the School District is pooled in a central bank account. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the basic financial statements.

During fiscal year 2025, investments were limited to negotiable certificates of deposit, U.S. Government money market mutual funds, and investment in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for investments in STAR Ohio, investments are reported at fair value, which is based on quoted market prices.

The School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2025 amounted to \$713,978, which includes \$234,599 assigned from other School District funds.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are considered cash equivalents. Investments with an initial maturity of more than three months are reported as investments. An analysis of the School District's investment account at fiscal year-end is provided in Note 4.

**G. Restricted Assets**

Assets are reported as restricted when limitations on their use change the 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 15 for additional information regarding set-asides.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**H. Budgetary Data**

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

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

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated resources. 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 over from prior years. The amounts reported as the final budgeted amounts in the budgetary schedules reflect the final appropriations passed by the Board during the year.

**I. Prepayments**

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepayments in both government-wide and fund financial statements. These items are reported in the financial statements using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At fiscal year-end, because prepayments are not available to finance future governmental fund expenditures, the fund balance is considered nonspendable in an amount equal to the carrying value of the asset on the fund financial statements.

**J. Inventory**

Within the basic financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories of the general fund consist of bus garage supplies held for consumption. Inventories of the food service enterprise fund consist of donated and purchased food and supplies.

**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. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of \$5,000. 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 the asset or materially extend an asset's life are not. In addition, assets having an estimated useful life of more than one year that are below the capitalization threshold and not considered repair or maintenance costs are collectively capitalized on the financial statements when the aggregate of those assets are considered significant.

All reported capital assets except land 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>Description</u>	<u>Estimated Lives</u>
Land Improvements	3-25 Years
Buildings and Improvements	5-90 Years
Furniture and Equipment	3-40 Years
Vehicles	7-13 Years

**L. Compensated Absences**

The School District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences - vacation, sick leave and personal time. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The School District uses the first-in, first-out (FIFO) flow assumption for calculating the liability. The liability for compensated absences includes salary-related benefits, where applicable.

*Vacation*

The School District's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

*Sick Leave*

The School District's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the School District and, upon separation from service, the employee receives compensation in accordance with the severance policy. A liability for estimated value of sick leave that will be used by employees as time off and at separation is included in the liability for compensated absences.

*Personal Time*

The School District's policy permits employees to accumulate earned but unused personal time.

**AVON LAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**M. Accrued Liabilities and Long-Term Obligations**

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

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

**N. Net Position**

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing (including contracts and retainage payable) used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its 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 School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**O. 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 classification includes amounts that cannot be spent because they are not in spendable form or legally 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.

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

**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 (the highest level of decision making authority). 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.

**AVON LAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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 nor 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 includes giving the Treasurer the authority to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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 only used to report a deficit fund 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 restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

**P. 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.

**Q. Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Transfers between governmental funds are eliminated for reporting on the government-wide statement of activities. Interfund services provided and used are not eliminated for reporting on the government-wide statement of activities.

**R. Pensions/Other Postemployment Benefits (OPEB)**

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

**S. Unamortized Bond Premiums and Discounts/Accounting Gain or Loss**

Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an addition to the face amount of the bonds. Bond discounts are presented as a reduction to the face amount of the bonds.

**AVON LAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

For advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

On the governmental fund financial statements, issuance costs, bond premiums, bond discounts, and deferred charges from refunding are recognized in the current period. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 8.

**T. Estimates**

The preparation of financial statements in conformity with GAAP 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.

**U. Fair Value Measurements**

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.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2025, the School District has implemented GASB Statement No. 101, “Compensated Absences” and GASB Statement No. 102, “Certain Risk Disclosures”.

GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

GASB Statement No. 102 improves financial reporting by providing users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government’s financial condition. The implementation of GASB Statement No. 102 did not have an effect on the financial statements of the School District.

**B. Restatement of Net Position**

During fiscal year 2025, there was a change in accounting principle related to the implementation of GASB Statement No. 101, “Compensated Absences”. The effect of changing the accounting principle is to decrease net position as previously reported. This is displayed where applicable in the financial statements as “restatement - change in accounting principle”.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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. Except as noted above, 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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Custodial credit risk for an investment is the risk that in the event of failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's investment in repurchase agreements is to be secured by the specific government securities upon which the repurchase agreements are based. These securities, held by the counterparty and not in the School District's name, must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. Ohio law requires the fair value of the securities subject to repurchase agreements must exceed the principal value of the securities subject to a repurchase agreement by 2%. The School District's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

**A. Deposits with Financial Institutions**

At June 30, 2025, the carrying amount of all School District deposits was \$3,124,488 and the bank balance of all School District deposits was \$3,570,807. Of the bank balance, \$250,000 was covered by the FDIC, \$2,822,686 was collateralized by the Ohio Pooled Collateral System, and \$498,121 was exposed to custodial credit risk discussed below because those deposits were uninsured and uncollateralized.

Custodial credit risk is the risk that, in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The School District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2025, the School District's financial institutions were approved for a collateral rate of 85 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**B. Investments**

As of June 30, 2025, the School District had the following investments and maturities:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>Investment Maturities</u>	
		<u>Less Than 1 Year</u>	<u>Greater than 3 Years</u>
<i>Amortized cost:</i>			
STAR Ohio	\$ 10,409,709	\$ 10,409,709	\$ -
<i>Fair value:</i>			
Negotiable CDs	738,759	-	738,759
U.S. Government money market mutual funds	361,379	361,379	-
<b>Totals</b>	<b>\$ 11,509,847</b>	<b>\$ 10,771,088</b>	<b>\$ 738,759</b>

The weighted average maturity of investments is 0.30 years.

The School District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The School District's investments in negotiable CDs are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

*Interest Rate Risk:* The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The School District's policy indicates that the investments must mature within five years, unless matched to a specific obligation or debt of the School District.

*Credit Risk:* STAR Ohio and U.S. Government money market mutual funds carry a rating of AA by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. Negotiable CDs were not rated and are insured by the FDIC. The School District's investment policy does not specifically address credit risk beyond requiring the School District to only invest in securities authorized by State statute.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District 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.

**AVON LAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Concentration of Credit Risk:* The School District places no limit on the amount the School District may invest in any one issuer. The following table includes the percentage of each investment type held by the School District at June 30, 2025:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Amortized cost:</i>		
STAR Ohio	\$ 10,409,709	90.44
<i>Fair value:</i>		
Negotiable CDs	738,759	6.42
U.S. Government money market mutual funds	<u>361,379</u>	<u>3.14</u>
Total	<u>\$ 11,509,847</u>	<u>100.00</u>

**C. Reconciliation of cash and investments to the statement of net position**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported above on the statement of net position as of June 30, 2025:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 3,124,488
Investments	11,509,847
Cash on hand	<u>3,300</u>
Total	<u>\$ 14,637,635</u>

<u>Cash and cash equivalents per statement of net position</u>	
Governmental activities	<u>\$ 14,637,635</u>

**NOTE 5 - 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 property and public utility property. Real property tax revenues received in calendar year 2025 represent the collection of calendar year 2024 taxes. Real property taxes received in calendar year 2025 were levied after April 1, 2024, on the assessed values as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, 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 revenues received in calendar year 2025 represent the collection of calendar year 2024 taxes. Public utility real and personal property taxes received in calendar year 2025 became a lien on December 31, 2023, were levied after April 1, 2024, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

**AVON LAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 5 - PROPERTY TAXES - (Continued)**

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, 2025, are available to finance fiscal year 2025 operations. The amount available as an advance at June 30, 2025 and 2024 were:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Major governmental funds:		
General fund	\$ 2,495,787	\$ 2,240,805
Bond retirement fund	202,594	214,506
Nonmajor governmental funds:		
Permanent improvement fund	39,970	37,107

The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2025 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

The assessed values upon which the fiscal year 2025 taxes were collected are:

	2024 Second Half Collections		2025 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,125,220,380	95.01	\$ 1,458,486,810	95.87
Public utility personal	<u>59,151,120</u>	<u>4.99</u>	<u>62,770,360</u>	<u>4.13</u>
Total	<u>\$ 1,184,371,500</u>	<u>100.00</u>	<u>\$ 1,521,257,170</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 67.09		\$ 63.81	

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 6 - RECEIVABLES**

Receivables at June 30, 2025 consisted of taxes, accounts, accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of Federal funds.

A summary of the principal items of receivables reported on the statement of net position follows:

**Governmental activities:**

Property taxes	\$ 52,192,238
Accounts	3,498
Accrued interest	775
Intergovernmental	<u>10,491</u>
 Total	 <u>\$ 52,207,002</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

**NOTE 7 - CAPITAL ASSETS**

Governmental activities capital asset activity for the fiscal year ended June 30, 2025, was as follows:

	Balance 06/30/24	Additions	Deductions	Balance 06/30/25
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated</i>				
Land	\$ 6,050,145	\$ -	\$ -	\$ 6,050,145
Total capital assets, not being depreciated	<u>6,050,145</u>	<u>-</u>	<u>-</u>	<u>6,050,145</u>
<i>Capital assets, being depreciated</i>				
Land improvements	4,107,834	270,075	-	4,377,909
Buildings and improvements	83,048,909	2,086,625	-	85,135,534
Furniture and equipment	12,198,688	213,894	(27,485)	12,385,097
Vehicles	3,641,823	262,449	(121,555)	3,782,717
Total capital assets, being depreciated	<u>102,997,254</u>	<u>2,833,043</u>	<u>(149,040)</u>	<u>105,681,257</u>
<i>Less: accumulated depreciation</i>				
Land improvements	2,315,689	123,518	-	2,439,207
Buildings and improvements	49,698,081	1,477,355	-	51,175,436
Furniture and equipment	11,207,643	94,695	(27,485)	11,274,853
Vehicles	2,381,285	140,715	(121,555)	2,400,445
Total accumulated depreciation	<u>65,602,698</u>	<u>1,836,283</u>	<u>(149,040)</u>	<u>67,289,941</u>
Depreciable capital assets, net of accumulated depreciation and amortization	<u>37,394,556</u>	<u>996,760</u>	<u>-</u>	<u>38,391,316</u>
Governmental activities capital assets, net	<u>\$ 43,444,701</u>	<u>\$ 996,760</u>	<u>\$ -</u>	<u>\$ 44,441,461</u>

**AVON LAKE CITY SCHOOL DISTRICT  
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**NOTE 7 - CAPITAL ASSETS - (Continued)**

Depreciation expense was charged to governmental functions as follows:

**Governmental activities:**

Instruction:

Regular	\$ 1,483,304
Special	643

Support Services:

Instructional staff	1,244
Business	625
Operations and maintenance	156,110
Pupil transportation	153,933

Operation of non-instructional:

Food service operations	4,453
Extracurricular activities	35,971
Total governmental activities	<u>\$ 1,836,283</u>

**NOTE 8 - 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
<b>General obligation bonds:</b>				
Series 2010 school facilities:				
Term and serial	2010	1.0-6.05%	\$ 18,470,000	12/1/2031
Capital appreciation	2010	20.00%	\$ 25,866	12/1/2027
<b>Series 2014 refunding:</b>				
Term and serial	2014	0.35-4.00%	\$ 31,195,000	12/1/2031
Capital appreciation	2014	27.00%	\$ 399,934	12/1/2021
<b>Series 2021 refunding:</b>				
Serial	2021	1.00-4.00%	\$ 10,945,000	12/1/2026

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 8 - LONG-TERM OBLIGATIONS – (Continued)**

Due to the implementation of GASB Statement No. 101 (see Note 3.B), the School District has restated compensated absences as of June 30, 2024, for governmental activities, which is reflected in the schedule below. During fiscal year 2025, the following activity occurred in the governmental activities long-term obligations.

<b>Governmental activities:</b>	Restated Balance 06/30/24			<b>Increases</b>	<b>Decreases</b>	<b>Balance 06/30/25</b>	<b>Amount Due Within One Year</b>
	<u>06/30/24</u>	<u>Increases</u>	<u>Decreases</u>				
General obligation bonds:							
Series 2010 various purpose construction:							
Term and serial	\$ 3,330,000	\$ -	\$ (1,090,000)	\$ 2,240,000	\$ 1,110,000		
Capital appreciation	25,866	-	-	25,866			
Accretion on capital appreciation bonds	341,928	77,238	-	419,166			
Series 2014 refunding:							
Term and serial	3,735,000	-	-	3,735,000			
Series 2021 refunding:							
Serial	8,050,000	-	(2,655,000)	5,395,000	2,690,000		
Unamortized bond premiums	654,854	-	(204,340)	450,514			
Total general obligation bonds	<u>16,137,648</u>	<u>77,238</u>	<u>(3,949,340)</u>	<u>12,265,546</u>	<u>3,800,000</u>		
Net pension liability:							
STRS	36,139,958	-	(3,979,802)	32,160,156			
SERS	10,161,362	-	(1,258,487)	8,902,875			
Total net pension liability	<u>46,301,320</u>	<u>-</u>	<u>(5,238,289)</u>	<u>41,063,031</u>			
Net OPEB liability:							
SERS	3,118,663	-	(1,317,575)	1,801,088			
Total net OPEB liability	<u>3,118,663</u>	<u>-</u>	<u>(1,317,575)</u>	<u>1,801,088</u>			
Compensated absences <sup>(1)</sup>	13,969,982	-	(72,138)	13,897,844	1,837,686		
Total governmental activities	<u>\$ 79,527,613</u>	<u>\$ 77,238</u>	<u>\$ (10,577,342)</u>	<u>\$ 69,027,509</u>	<u>\$ 5,637,686</u>		

<sup>(1)</sup> The change in compensated absences liability is presented as a net change in the preceding governmental activities long-term debt obligation schedule.

General obligation bonds will be paid from property taxes received in the bond retirement fund.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 8 - LONG-TERM OBLIGATIONS – (Continued)**

**Various Purpose Construction Bonds, Series 2010**

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 bond retirement 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 2014**

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

**Refunding Bonds, Series 2021**

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

At June 30, 2025, the balance of the refunded bonds considered defeased was \$15,815,000.

Principal and interest requirements to retire bonds outstanding at June 30, 2025, were as follows:

Fiscal Year	General Obligation Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 3,800,000	\$ 1,101,399	\$ -	\$ -	\$ 3,800,000	\$ 1,101,399
2027	3,835,000	593,787	-	-	3,835,000	593,787
2028	145,000	137,438	25,866	679,133	170,866	816,571
2029	855,000	119,937	-	-	855,000	119,937
2030	885,000	164,288	-	-	885,000	164,288
2031-2032	1,850,000	74,800	-	-	1,850,000	74,800
Total	\$ 11,370,000	\$ 2,191,649	\$ 25,866	\$ 679,133	\$ 11,395,866	\$ 2,870,782

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**NOTE 8 - LONG-TERM OBLIGATIONS – (Continued)**

Net Pension Liability

See Note 11 for further information on the School District's net pension liability. The School District pays obligations related to employee compensation from the fund benefitting from their service.

Net OPEB Liability/Asset

See Note 12 for further information on the School District's net OPEB liability/asset. The School District pays obligations related to employee compensation from the fund benefitting from their service.

Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the School District shall never exceed 9% of the total assessed valuation of the School District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the School District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the School District. The assessed valuation used in determining the School District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the School District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2025, are a voted debt margin of \$127,947,494 (including available funds of \$2,430,215) and an unvoted debt margin of \$1,521,257.

**NOTE 9 - INTERFUND BALANCES**

Interfund balances at June 30, 2025 as reported on the fund financial statements, consist of the following individual interfund loans receivable and payable:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ <u>15,328</u>

The primary purpose of interfund balances is to cover costs in specific funds where revenues were not received by June 30. Interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year. Interfund balances between governmental funds are eliminated on the government-wide financial statements.

**AVON LAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 10 - 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 2025, the School District contracted with Utica National for property and liability insurance. Professional liability is protected by Utica National with a \$1,000,000 aggregate limit. General Liability has a \$3,000,000 aggregate limit and the Umbrella limit is \$3,000,000. Vehicles are covered by the Utica National, deductibles vary on weight of vehicle. \$2,000 comp/\$2,000 collision and \$3,000 comp/\$3,000 collision for comprehensive and \$1,000 deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability.

Crime Coverage is carried through Utica National. The limit is \$500,000 for these coverages: (1) Forgery or Alteration \$500,000, (2) Computer and Funds Transfer Fraud, (3) Employee Theft (Per Loss Coverage \$500,000).

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

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

**B. Workers' Compensation**

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

**C. Employee Health, Prescription Drug and Dental Insurance**

The School District is a member of the Suburban Health Consortium (SHC), a shared risk pool to provide employee medical, prescription drug and dental benefits. Rates are set through an annual calculation process prepared by the Consortium's health insurance consultant and recommended to the SHC Board of Directors. The SHC Board of Directors votes on the rate renewal annually. The School District pays a monthly contribution and a pro-rata share of their "buy-in" contribution to existing plan reserves which is placed in a common fund from which the claim payments are made for all participating districts. For 2025, the School District paid 85% of the cost of the monthly premium for all eligible employees who elected coverage.

**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

***Net Pension Liability/Net OPEB Liability/Asset***

The net pension liability and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

The 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/OPEB are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients.

The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

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

***Plan Description - School Employees Retirement System (SERS)***

Plan Description - The School District's 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, 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.

Age and service requirements for retirement are as follows:

	Eligible to Retire 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; or 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.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5% cost-of-living adjustment (COLA) for calendar year 2024.

**Funding Policy** - Plan members are required to contribute 10.00% of their annual covered salary and the School District is required to contribute 14.00% 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 10.00% for plan members and 14.00% 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, 2025, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2025, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was \$1,059,414 for fiscal year 2025. Of this amount, \$73,612 is reported as an intergovernmental payable.

***Plan Description - State Teachers Retirement System (STRS)***

**Plan Description** - Licensed teachers and other faculty members participate in STRS, 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 website at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (CO) 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. The calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of credited service. Effective August 1, 2023, any member can retire with unreduced benefits with 34 years of service credit at any age; or five years of service credit and age 65. Effective June 1, 2025 - July 1, 2027, any member can retire with unreduced benefits with 33 years of service credit at any age; or five years of service credit and age 65. Effective on or after August 1, 2027, any member can retire with unreduced benefits with 34 years of service credit at any age; or five years of service credit and age 65.

In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of-living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a permanent 1 percent COLA of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Eligibility changes for DB Plan members who retire with actuarially reduced benefits effective Aug. 1, 2023, can retire with 29 years of service credit at any age; or five years of service credit and age 60. Effective June 1, 2025 - July 1, 2027, retirement eligibility for reduced benefits is 28 years of service credit at any age; or five years of service credit and age 60. Effective on or after Aug. 1, 2027, retirement eligibility for reduced benefits is 29 years of service credit at any age; or five years of service credit and age 60.

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

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

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

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

**Funding Policy -** Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2025 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2025, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$3,351,733 for fiscal year 2025. Of this amount, \$539,756 is reported as an intergovernmental payable.

***Net 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, 2024, 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.

**AVON LAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.183898900%	0.167820120%	
Proportion of the net pension liability current measurement date	<u>0.174034000%</u>	<u>0.167138540%</u>	
Change in proportionate share	<u>-0.009864900%</u>	<u>-0.000681580%</u>	
Proportionate share of the net pension liability	\$ 8,902,875	\$ 32,160,156	\$ 41,063,031
Pension expense	\$ 382,548	\$ 1,465,111	\$ 1,847,659

At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 339,905	\$ 2,025,251	\$ 2,365,156
Changes of assumptions	79,644	1,482,115	1,561,759
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	252,398	252,398
Contributions subsequent to the measurement date	<u>1,059,414</u>	<u>3,351,733</u>	<u>4,411,147</u>
Total deferred outflows of resources	<u>\$ 1,478,963</u>	<u>\$ 7,111,497</u>	<u>\$ 8,590,460</u>
 <b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 17,610	\$ 17,610
Net difference between projected and actual earnings on pension plan investments	556,871	2,765,114	3,321,985
Changes of assumptions	-	1,115,607	1,115,607
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>607,310</u>	<u>857,165</u>	<u>1,464,475</u>
Total deferred inflows of resources	<u>\$ 1,164,181</u>	<u>\$ 4,755,496</u>	<u>\$ 5,919,677</u>

\$4,411,147 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 fiscal year ending June 30, 2026.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2026	\$ (696,411)	\$ (1,922,897)	\$ (2,619,308)
2027	321,883	2,714,977	3,036,860
2028	(206,356)	(1,053,151)	(1,259,507)
2029	<u>(163,748)</u>	<u>(734,661)</u>	<u>(898,409)</u>
Total	<u>\$ (744,632)</u>	<u>\$ (995,732)</u>	<u>\$ (1,740,364)</u>

***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 terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2137.

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2024 and June 30, 2023, are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.40%	2.40%
Future salary increases, including inflation	3.25% to 13.58%	3.25% to 13.58%
COLA or ad hoc COLA	2.00% on or after April 1, 2018, COLAs for future retirees will be delayed for 3 years following commencement	2.00% on or after April 1, 2018, COLAs for future retirees will be delayed for 3 years following commencement
Investment rate of return	7.00% net of system expenses	7.00% net of system expenses
Actuarial cost method	Entry age normal (level percent of payroll)	Entry age normal (level percent of payroll)

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

In 2024, mortality rates were based on the following:

**Service Retirement:** PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

**Disabled Retirement:** PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

**Contingent Survivor:** PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. Ohio Revised Code Section 3309.15 and the Board-adopted Investment Policy govern investment activity at SERS. 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 average 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.

As of June 30, 2024:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (geometric)
Cash	3.00 %	0.97 %
US Equity	22.00	4.68
Non-US Equity Developed	12.00	4.96
Non-US Equity Emerging	6.00	5.66
Fixed Income/Global Bonds	18.00	2.38
Private Equity	14.00	7.10
Real Estate	13.00	3.64
Infrastructure	7.00	4.80
Private Debt/Private Credit	5.00	5.86
Total	<u><u>100.00 %</u></u>	

**AVON LAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**Discount Rate** - Total pension liability for 2024 was calculated using the discount rate of 7.00%. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 20-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2024 was 14%. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return, 7.00%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2024 was 9.31%.

***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 proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%), or one percentage point higher (8.00%) than the current rate.

	Current Discount Rate		
	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 13,620,170	\$ 8,902,875	\$ 4,931,171

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2024 and June 30, 2023, actuarial valuations are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%, effective July 1, 2017	0.00%, effective July 1, 2017

For the June 30, 2024 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Actuarial assumptions used in the June 30, 2024 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Long-Term Expected Real Rate of Return **</u>
Domestic Equity	26.00 %	6.90 %
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
Total	<u>100.00 %</u>	

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

\*\*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.40% and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2024.

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

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 51,879,967	\$ 32,160,156	\$ 15,480,583

**Assumption and Benefit Changes Since the Prior Measurement Date** - The discount rate remained at 7.00% for June 30, 2024 valuation.

Retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages.

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

**AVON LAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 12 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability/Asset***

See Note 11 for a description of the net OPEB liability (asset).

***Plan Description - School Employees Retirement System (SERS)***

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2025, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2025, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% 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. For fiscal year 2025, the School District's surcharge obligation was \$129,039.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$129,039 for fiscal year 2025. Of this amount, \$129,039 is reported as intergovernmental payable.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Plan Description - State Teachers Retirement System (STRS)***

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. 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.

Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows STRS Ohio to recover part of the cost for providing prescription coverage since all eligible STRS Ohio health care plans include creditable prescription drug coverage.

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2025, STRS did not allocate any employer contributions to post-employment health care.

***Net OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability/asset was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability/asset was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.189303000%	0.167820120%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.176838100%</u>	<u>0.167138540%</u>	
Change in proportionate share	<u>-0.012464900%</u>	<u>-0.000681580%</u>	
Proportionate share of the net OPEB liability	\$ 1,801,088	\$ -	\$ 1,801,088
Proportionate share of the net OPEB asset	\$ -	\$ 3,170,299	\$ 3,170,299
OPEB expense	\$ (97,682)	\$ (687,846)	\$ (785,528)

**AVON LAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 137,819	\$ 137,819
Net difference between projected and actual earnings on OPEB plan investments	8,791	-	8,791
Changes of assumptions	773,027	390,217	1,163,244
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	17,597	15,929	33,526
Contributions subsequent to the measurement date	<u>129,039</u>	<u>-</u>	<u>129,039</u>
Total deferred outflows of resources	<u><u>\$ 928,454</u></u>	<u><u>\$ 543,965</u></u>	<u><u>\$ 1,472,419</u></u>
 <b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 1,942,036	\$ 341,662	\$ 2,283,698
Net difference between projected and actual earnings on OPEB plan investments	-	136,123	136,123
Changes of assumptions	827,352	1,429,785	2,257,137
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>906,469</u>	<u>1,771</u>	<u>908,240</u>
Total deferred inflows of resources	<u><u>\$ 3,675,857</u></u>	<u><u>\$ 1,909,341</u></u>	<u><u>\$ 5,585,198</u></u>

\$129,039 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
<b>Fiscal Year Ending June 30:</b>			
2026	\$ (667,542)	\$ (483,554)	\$ (1,151,096)
2027	(493,210)	(210,734)	(703,944)
2028	(396,978)	(270,410)	(667,388)
2029	(356,240)	(251,876)	(608,116)
2030	(353,593)	(203,501)	(557,094)
Thereafter	<u>(608,879)</u>	<u>54,699</u>	<u>(554,180)</u>
<b>Total</b>	<b><u><u>\$ (2,876,442)</u></u></b>	<b><u><u>\$ (1,365,376)</u></u></b>	<b><u><u>\$ (4,241,818)</u></u></b>

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Actuarial Assumptions - SERS***

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2024 and June 30, 2023 are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.40%	2.40%
Future salary increases, including inflation	3.25% to 13.58%	3.25% to 13.58%
Investment rate of return	7.00% net of investment expense, including inflation	7.00% net of investment expense, including inflation
Actuarial cost method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Fiduciary net position is projected to be depleted	2059	2048
Municipal bond index rate	3.93%	3.86%
Single equivalent interest rate, net of plan investment expense, including price inflation	4.88%	4.27%
Medical trend assumption	7.00 to 4.40%	6.75 to 4.40%

In 2024, the following mortality assumptions were used:

**Healthy Retirees** - PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.

**Disabled Retirees** - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.

**Contingent Survivors** - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

**Actives** - PUB-2010 General Amount Weighted Below Median Employee mortality table.

**Mortality Projection** - Mortality rates are projected using a fully generational projection with Scale MP-2020.

In the prior measurement date, the following mortality assumptions were used:

**Healthy Retirees** - PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.

**Disabled Retirees** - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.

**Contingent Survivors** - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.

**Actives** - PUB-2010 General Amount Weighted Below Median Employee mortality table.

**Mortality Projection** - Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

The long-term expected rate on plan assets of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent five-year experience study was performed for the period covering fiscal years 2016 through 2020 and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The long-term expected nominal rate of return has been determined by calculating a weighted average 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.

**AVON LAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

As of June 30, 2024:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (geometric)
Cash	3.00 %	0.97 %
US Equity	22.00	4.68
Non-US Equity Developed	12.00	4.96
Non-US Equity Emerging	6.00	5.66
Fixed Income/Global Bonds	18.00	2.38
Private Equity	14.00	7.10
Real Estate	13.00	3.64
Infrastructure	7.00	4.80
Private Debt/Private Credit	5.00	5.86
Total	<u><u>100.00 %</u></u>	

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2024, was 4.88%. The discount rate used to measure total OPEB liability prior to June 30, 2024, was 4.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position is projected to be depleted in 2059 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2023 and the June 30, 2024 total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.93% at June 30, 2024 and 3.86% at June 30, 2023.

**Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the proportionate share of the net OPEB liability, what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.88%) and higher (5.88%) than the current discount rate (4.88%). Also shown is what the proportionate share of the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 2,401,686	\$ 1,801,088	\$ 1,323,831
	Current		
	1% Decrease	Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 1,217,468	\$ 1,801,088	\$ 2,568,209

**AVON LAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2024 actuarial valuation, compared with June 30, 2023 actuarial valuation, are presented below:

	June 30, 2024		June 30, 2023	
Projected salary increases	Varies by service from 2.50% to 8.50%		Varies by service from 2.50% to 8.50%	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Discount rate of return	7.00%		7.00%	
Health care cost trends				
Medical	Initial	Ultimate	Initial	Ultimate
Pre-Medicare	7.50%	3.94%	7.50%	4.14%
Medicare	-112.22%	3.94%	-10.94%	4.14%
Prescription Drug				
Pre-Medicare	8.00%	3.94%	-11.95%	4.14%
Medicare	-15.14%	3.94%	1.33%	4.14%

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

For the June 30, 2024 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

Actuarial assumptions used in the June 30, 2024 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

***Assumption Changes Since the Prior Measurement Date*** - The discount rate remained unchanged at 7.00% for the June 30, 2024 valuation.

***Benefit Term Changes Since the Prior Measurement Date*** - Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for Years 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.90 %
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	<u>1.00</u>	2.40
Total	<u><u>100.00 %</u></u>	

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

\*\*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.40% and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** - The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on health care plan investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2024.

**Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate** - The following table represents the net OPEB asset as of June 30, 2024, calculated using the current period discount rate assumption of 7.00%, as well as what the proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the proportionate share of the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 2,577,662	\$ 3,170,299	\$ 3,686,022
<hr/>			
	Current		
	1% Decrease	Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 3,720,858	\$ 3,170,299	\$ 2,508,180

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS**

**A. Connect**

The North Coast Council became known as Connect effective April 1, 2016. The new governing Board of Directors, the Educational Service Centers of Northeast Ohio, Lorain and Medina County and the Ohio Schools Council, have accepted the ownership, responsibility and liability of Connect in order to provide exemplary service to member districts. The Superintendent/Executive Director of the three ESCs and Ohio Schools Council shall serve on Connect's Board of Directors. The purpose of Connect is applying modern technology (with the aid of computers and other electronic equipment) to administrative and instructional functions for member districts. Fiscal information for Connect is available from the Treasurer of the Educational Service Center of Northeast Ohio (fiscal agent), located at 6393 Oak Tree Boulevard, Independence, Ohio 44131. During the year, the School District paid \$137,514 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 327 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. Financial information can be obtained by contacting the Executive Director at the Ohio Schools Council at 6393 Oak Tree Blvd., Suite 377, Independence, Ohio 44131. During the year the School District paid \$33,063 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 over 180 participants in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

**D. Suburban Health Consortium**

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS – (Continued)**

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

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

Upon withdrawal of a Consortium Member, the Consortium shall pay the run out of all claims for such Consortium Member provided such Consortium Member has paid to the Consortium, prior to the effective date of withdrawal a withdrawal fee in the amount equal to two months' premiums at the Consortium Member's current rate. Payment of the withdrawal fee does not extend insurance coverage for two months. Upon automatic withdrawal, for non-payment of premiums required by the Consortium Agreement, the Consortium shall pay the run out of all claims for such Consortium Member provided that the Consortium has received from such Consortium Member all outstanding and unpaid premiums and other amounts and the withdrawal fee equal to two months' premiums at the Consortium Member's current rates. Any Consortium Member which withdraws from the Consortium pursuant to the Consortium Agreement shall have no claim to the Consortium's assets. Financial information for the Consortium can be obtained from the Treasurer of the Orange City School District (the "Fiscal Agent") at 32000 Chagrin Blvd, Pepper Pike, Ohio 44124. During the year, the School District paid \$7,266,401 to the Consortium.

**NOTE 14 – RELATED ORGANIZATION**

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 15 - SET-ASIDES**

The School District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year. In prior fiscal years, the School District was also required to set aside money for budget stabilization. At June 30, 2025, 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 amount for capital improvements. Disclosure of this information is required by State statute.

	<b>Budget Stabilization Reserve</b>	<b>Capital Improvements</b>
Set-aside balance June 30, 2024	\$ 113,990	\$ -
Current year set-aside requirement	-	815,014
Current year qualifying expenditures	-	(1,260,813)
Current year offsets	-	(722,213)
Total	<u><u>\$ 113,990</u></u>	<u><u>\$ (1,168,012)</u></u>
Balance carried forward to fiscal year 2026	<u><u>\$ 113,990</u></u>	<u><u>\$ -</u></u>
Set-aside balance June 30, 2025	<u><u>\$ 113,990</u></u>	<u><u>\$ -</u></u>

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

**NOTE 16 - CONTINGENCIES AND SIGNIFICANT COMMITMENTS**

**A. Grants**

The School District received financial assistance from federal and State agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2025.

**B. Litigation**

The School District is not party to any claims or lawsuits that would, in the School District's opinion, have a material effect of the basic financial statements.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 16 - CONTINGENCIES AND SIGNIFICANT COMMITMENTS – (Continued)**

**C. Foundation Funding**

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education and Workforce (ODEW) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year-end. As of the date of this report, ODEW has finalized the impact of enrollment adjustments to the June 30, 2025 Foundation funding. The School District had no material Foundation adjustments to report.

**NOTE 17 - OTHER COMMITMENTS**

The School District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the School District's commitments for encumbrances in the governmental funds, excluding amounts already reported in payables, were as follows:

<u>Fund</u>	<u>Year-End</u>
General fund	\$ 1,291,765
Nonmajor governmental funds	<u>84,106</u>
Total	<u><u>\$ 1,375,871</u></u>

**NOTE 18 – 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 years 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. Certified employees who at the time of acceptance for retirement by the State Teachers Retirement System (STRS) receive payment for 50% of accrued but unused sick leave credit to a maximum of 180 days not to exceed 90 days of severance pay. Classified employees at the time of acceptance for retirement by the School Employees Retirement System (SERS) receive 33% of accrued but unused sick leave credit up to a maximum of 200 days not exceed 66 days of severance pay.

**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  
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 19 - TAX ABATEMENT**

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

The establishment of the Reinvestment Area gave the City the ability to maintain and expand businesses located in the City and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate . For fiscal year 2025, the Avon Lake City School District has foregone approximately \$563,000 in tax revenue as a result of the abatements the City has entered into.

**NOTE 20 - SUBSEQUENT EVENT**

On October 22, 2025, the School District issued \$88,085,000 in Series 2025, School Facilities Bonds which were approved by the voters on May 6, 2025. The bonds were issued to build a new 5-8 middle school and make repairs to existing elementary schools. The bonds were issued with interest rates ranging from 4.625-5.000% and mature December 1, 2062.

## REQUIRED SUPPLEMENTARY INFORMATION

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget - over (under) Actual Amounts</b>
	<b>Original</b>	<b>Final</b>		
Budgetary revenues and other financing sources	\$ 46,961,991	\$ 52,060,968	\$ 52,138,526	\$ 77,558
Budgetary expenditures and other financing uses	<u>55,691,402</u>	<u>56,709,466</u>	<u>56,709,466</u>	<u>-</u>
Net change in fund balance	(8,729,411)	(4,648,498)	(4,570,940)	77,558
<b>Budgetary fund balance at beginning of year</b>	8,932,895	8,932,895	8,932,895	-
<b>Prior year encumbrances appropriated</b>	2,258,117	2,258,117	2,258,117	-
<b>Budgetary fund balance at end of year</b>	<u>\$ 2,461,601</u>	<u>\$ 6,542,514</u>	<u>\$ 6,620,072</u>	<u>\$ 77,558</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY AND  
SCHOOL DISTRICT PENSION CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO**

LAST TEN FISCAL YEARS

<b>Fiscal Year (1)</b>	<b>School District's Proportion of the Net Pension Liability</b>	<b>School District's Proportionate Share of the Net Pension Liability</b>	<b>School District's Covered Payroll</b>	<b>School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2025	0.17403400%	\$ 8,902,875	\$ 7,021,815	126.79%	78.52%
2024	0.18389000%	10,161,362	7,193,111	141.27%	76.06%
2023	0.19129320%	10,346,624	7,651,856	135.22%	75.82%
2022	0.20015410%	7,385,106	7,032,452	105.01%	82.86%
2021	0.19181000%	12,686,718	6,541,934	193.93%	68.55%
2020	0.19681150%	11,775,577	7,019,779	167.75%	70.85%
2019	0.20526990%	11,756,187	6,678,752	176.02%	71.36%
2018	0.19551270%	11,681,452	6,735,593	173.43%	69.50%
2017	0.20282300%	14,844,772	6,015,535	246.77%	62.98%
2016	0.20439600%	11,663,057	5,721,082	203.86%	69.16%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>School District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2025	\$ 1,059,414	\$ (1,059,414)	\$ -	\$ 7,567,243	14.00%
2024	983,054	(983,054)	-	7,021,815	14.00%
2023	1,007,036	(1,007,036)	-	7,193,111	14.00%
2022	1,071,260	(1,071,260)	-	7,651,856	14.00%
2021	984,543	(984,543)	-	7,032,452	14.00%
2020	915,871	(915,871)	-	6,541,934	14.00%
2019	947,670	(947,670)	-	7,019,779	13.50%
2018	901,632	(901,632)	-	6,678,752	13.50%
2017	942,983	(942,983)	-	6,735,593	14.00%
2016	842,175	(842,175)	-	6,015,535	14.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY AND  
SCHOOL DISTRICT PENSION CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO**

LAST TEN FISCAL YEARS

<b>Fiscal Year (1)</b>	<b>School District's Proportion of the Net Pension Liability</b>	<b>School District's Proportionate Share of the Net Pension Liability</b>	<b>School District's Covered Payroll</b>	<b>School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2025	0.16713854%	\$ 32,160,156	\$ 21,983,325	146.29%	82.55%
2024	0.16782012%	36,139,958	22,597,887	159.93%	80.02%
2023	0.17009209%	37,811,686	22,650,056	166.94%	78.88%
2022	0.17164382%	21,946,205	20,972,391	104.64%	87.78%
2021	0.16513233%	39,956,148	19,416,042	205.79%	75.48%
2020	0.16512790%	36,517,043	19,365,543	188.57%	77.40%
2019	0.16697392%	36,713,816	18,805,491	195.23%	77.31%
2018	0.16360304%	38,864,253	18,151,993	214.10%	75.30%
2017	0.15954871%	53,405,763	16,717,462	319.46%	66.80%
2016	0.16005300%	44,233,915	16,704,889	264.80%	72.10%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>School District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2025	\$ 3,351,733	\$ (3,351,733)	\$ -	\$ 23,940,950	14.00%
2024	3,077,666	(3,077,666)	-	21,983,325	14.00%
2023	3,163,704	(3,163,704)	-	22,597,887	14.00%
2022	3,171,008	(3,171,008)	-	22,650,056	14.00%
2021	2,936,135	(2,936,135)	-	20,972,391	14.00%
2020	2,718,246	(2,718,246)	-	19,416,042	14.00%
2019	2,711,176	(2,711,176)	-	19,365,543	14.00%
2018	2,632,769	(2,632,769)	-	18,805,491	14.00%
2017	2,541,279	(2,541,279)	-	18,151,993	14.00%
2016	2,340,443	(2,340,443)	-	16,717,462	14.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY AND  
SCHOOL DISTRICT OPEB CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO**

LAST NINE AND TEN FISCAL YEARS

<b>Fiscal Year (1) (2)</b>	<b>School District's Proportion of the Net OPEB Liability</b>	<b>School District's Proportionate Share of the Net OPEB Liability</b>	<b>School District's Covered Payroll</b>	<b>School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
2025	0.17683810%	\$ 1,801,088	\$ 7,021,815	25.65%	44.50%
2024	0.18930300%	3,118,663	7,193,111	43.36%	30.02%
2023	0.19609350%	2,753,173	7,651,856	35.98%	30.34%
2022	0.20674950%	3,912,904	7,032,452	55.64%	24.08%
2021	0.19996350%	4,345,861	6,541,934	66.43%	18.17%
2020	0.20206270%	5,081,452	7,019,779	72.39%	15.57%
2019	0.20787480%	5,767,008	6,678,752	86.35%	13.57%
2018	0.19903940%	5,341,695	6,735,593	79.31%	12.46%
2017	0.20581850%	5,866,610	6,015,535	97.52%	11.49%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>School District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2025	\$ 129,039	\$ (129,039)	\$ -	\$ 7,567,243	1.71%
2024	124,242	(124,242)	-	7,021,815	1.77%
2023	138,764	(138,764)	-	7,193,111	1.93%
2022	130,589	(130,589)	-	7,651,856	1.71%
2021	134,501	(134,501)	-	7,032,452	1.91%
2020	132,825	(132,825)	-	6,541,934	2.03%
2019	160,164	(160,164)	-	7,019,779	2.28%
2018	144,047	(144,047)	-	6,678,752	2.16%
2017	111,438	(111,438)	-	6,735,593	1.65%
2016	105,345	(105,345)	-	6,015,535	1.75%

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

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY/(ASSET) AND  
SCHOOL DISTRICT OPEB CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO**

LAST NINE AND TEN FISCAL YEARS

<b>Fiscal Year (1) (2)</b>	<b>School District's Proportion of the Net OPEB Liability/(Asset)</b>	<b>School District's Proportionate Share of the Net OPEB Liability/(Asset)</b>	<b>School District's Covered Payroll</b>	<b>School District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)</b>
2025	0.16713854%	\$ (3,170,299)	\$ 21,983,325	14.42%	158.01%
2024	0.16782012%	(3,263,870)	22,597,887	14.44%	168.52%
2023	0.17009209%	(4,404,251)	22,650,056	19.44%	230.73%
2022	0.17164382%	(3,618,969)	20,972,391	17.26%	174.73%
2021	0.16513233%	(2,902,197)	19,416,042	14.95%	182.10%
2020	0.16512790%	(2,734,914)	19,365,543	14.12%	174.74%
2019	0.16697392%	(2,683,101)	18,805,491	14.27%	176.00%
2018	0.16360304%	6,383,187	18,151,993	35.17%	47.10%
2017	0.15954871%	8,532,706	16,717,462	51.04%	37.30%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>School District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2025	\$ -	\$ -	\$ -	\$ 23,940,950	0.00%
2024	-	-	-	21,983,325	0.00%
2023	-	-	-	22,597,887	0.00%
2022	-	-	-	22,650,056	0.00%
2021	-	-	-	20,972,391	0.00%
2020	-	-	-	19,416,042	0.00%
2019	-	-	-	19,365,543	0.00%
2018	-	-	-	18,805,491	0.00%
2017	-	-	-	18,151,993	0.00%
2016	-	-	-	16,717,462	0.00%

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

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 1 - BUDGETARY PROCESS**

While 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 and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) 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 that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis is as follows:

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ (4,570,940)
Net adjustment for revenue and other financing sources accruals	40,900
Net adjustment for expenditure and other financing uses accruals	(529,679)
Funds budgeted elsewhere <sup>(1)</sup>	6,162
Adjustments for encumbrances	<u>1,606,533</u>
GAAP Basis	<u><u>\$ (3,447,024)</u></u>

<sup>(1)</sup> As part of Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting”, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis.

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**PENSION**

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- For fiscal year 2023, SERS changed from a Cost of Living Adjustment (COLA) of 2.0% to 2.5%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2024.
- There were no changes in benefit terms from the amounts reported for fiscal year 2025.

*Change in assumptions:*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 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, (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 and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50% - 18.20% to 3.25% - 13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024.

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2025.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2024.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2025.

*Changes in assumptions:*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2025.

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

**OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

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

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- There were no changes in benefit terms from the amounts reported for fiscal year 2018.
- There were no changes in benefit terms from the amounts reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts reported for fiscal year 2021.
- There were no changes in benefit terms from the amounts reported for fiscal year 2022.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts reported for fiscal year 2024.
- There were no changes in benefit terms from the amounts reported for fiscal year 2025.

*Change in assumptions:*

- For fiscal year 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) 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 the following: 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, (g) mortality among disabled members was updated to the following: 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.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) 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 the following: 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, (g) mortality among disabled members was updated to the following: 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, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50% - 5.00% to a range of 5.375% - 4.75% and Pre-Medicare were changed from a range of 7.50% - 5.00% to a range of 7.25% - 4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375% - 4.75% to a range of 5.25% - 4.75% and Pre-Medicare were changed from a range of 7.25% - 4.75% to a range of 7.00% - 4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.
- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50% - 18.20% to 3.25% - 13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate went from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.
- For fiscal year 2024, the following changes of assumptions affect the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 3.69% to 3.86%, (b) single equivalent interest rate went from 4.08% to 4.27% and (c) medical trend assumptions went from 7.00% to 4.40% to 6.75% to 4.40%.
- For fiscal year 2025, the following changes of assumptions affect the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 3.86% to 3.93%, (b) single equivalent interest rate went from 4.27% to 4.88% and (c) medical trend assumptions went from 6.75% to 4.40% to 7.00% to 4.40%.

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

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the non-Medicare subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2024.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2025.

*Change in assumptions:*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, “*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*,” (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, “*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*” and (b) decrease in health care cost trend rates from 6.00% - 11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate; and prescription drug Medicare from (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.
- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to - 6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from - 6.69% initial - 4.00% ultimate down to - 16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from - 16.18% initial - 4.00% ultimate to - 68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to - 5.47% initial - 3.94% ultimate.

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

- For fiscal year 2024, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) health care cost trend rates were changed to the following: medical Pre-Medicare from 7.50% initial - 3.94% ultimate to 7.50% initial - 4.14% ultimate; medical Medicare from - 68.78% initial - 3.94% ultimate to - 10.94% initial - 4.14% ultimate; prescription drug Pre-Medicare from 9.00% initial - 3.94% ultimate to - 11.95% initial - 4.14% ultimate; and prescription drug Medicare from - 5.47% initial - 3.94% ultimate to 1.33% initial - 4.14% ultimate.
- For fiscal year 2025, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) health care cost trend rates were changed to the following: medical Pre-Medicare from 7.50% initial - 4.14% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from - 10.94% initial - 4.14% ultimate to - 112.22% initial - 3.94% ultimate; prescription drug Pre-Medicare from - 11.95% initial - 4.14% ultimate to 8.00% initial - 3.94% ultimate; and prescription drug Medicare from 1.33% initial - 4.14% ultimate to - 15.14% initial - 3.94% ultimate.

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COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

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

**MAJOR FUNDS**

**General Fund**

The general fund accounts for and reports all financial resources not accounted for and reported in another fund. These general fund's activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation, and administration.

**OTHER MAJOR FUND**

***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.

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
BOND RETIREMENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget - over (under) Actual Amounts</b>
	<b>Original</b>	<b>Final</b>		
Budgetary revenues and other financing sources	\$ 4,956,623	\$ 4,890,976	\$ 4,890,976	\$ -
Budgetary expenditures and other financing uses	4,965,386	4,966,677	4,966,677	-
Net change in fund balance	(8,763)	(75,701)	(75,701)	-
Fund balance at beginning of year	2,484,460	2,484,460	2,484,460	-
<b>Fund balance at end of year</b>	<b>\$ 2,475,697</b>	<b>\$ 2,408,759</b>	<b>\$ 2,408,759</b>	<b>\$ -</b>

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

**NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS**

**Nonmajor Special Revenue Funds**

Special revenue funds are used to account for and report specific revenue sources that are restricted or committed to expenditure for a specific purpose. A description of the District's special revenue funds follows:

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

**Local Grants Fund** This fund accounts for monies received to promote community involvement and to support activities between the school and the community.

**Student Activities Fund** This fund accounts for student activity programs which have student participation in the activity and have students involved in the management of the programs.

**Athletics Fund** This fund accounts for gate receipts and other revenues from athletic events and all costs (except supplemental coaching contracts) of the School District's athletic program.

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

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

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

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

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

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

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

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

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

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

**NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS**

**Nonmajor Special Revenue Funds - (Continued)**

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

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

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

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**Nonmajor Debt Service Fund**

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

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

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**Nonmajor Capital Project Fund**

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Capital Project 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  
LORAIN COUNTY, OHIO**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2025**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 1,695,564	\$ 21,456	\$ 1,917,072	\$ 3,634,092
Receivables:				
Property taxes	-	-	683,610	683,610
Accounts	2,974	-	-	2,974
Intergovernmental	10,491	-	-	10,491
Materials and supplies inventory	3,843	-	-	3,843
Inventory held for resale	<u>21,091</u>	<u>-</u>	<u>-</u>	<u>21,091</u>
Total assets	<u><u>\$ 1,733,963</u></u>	<u><u>\$ 21,456</u></u>	<u><u>\$ 2,600,682</u></u>	<u><u>\$ 4,356,101</u></u>
<b>Liabilities:</b>				
Accounts payable	\$ 16,390	\$ -	\$ -	\$ 16,390
Accrued wages and benefits	99,553	-	-	99,553
Intergovernmental payable	12,824	-	-	12,824
Interfund loans payable	<u>15,328</u>	<u>-</u>	<u>-</u>	<u>15,328</u>
Total liabilities	<u><u>144,095</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>144,095</u></u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	-	-	633,222	633,222
Delinquent property tax revenue not available	<u>-</u>	<u>-</u>	<u>10,418</u>	<u>10,418</u>
Total deferred inflows of resources	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>643,640</u></u>	<u><u>643,640</u></u>
<b>Fund Balances:</b>				
Nonspendable:				
Materials and supplies inventory	3,843	-	-	3,843
Restricted:				
Debt service	-	21,456	-	21,456
Capital improvements	-	-	1,957,042	1,957,042
Food service operations	750,239	-	-	750,239
Non-public schools	9,234	-	-	9,234
State funded programs	39,999	-	-	39,999
Athletics	144,988	-	-	144,988
Student activities	236,817	-	-	236,817
Donations	<u>404,748</u>	<u>-</u>	<u>-</u>	<u>404,748</u>
Total fund balances	<u><u>1,589,868</u></u>	<u><u>21,456</u></u>	<u><u>1,957,042</u></u>	<u><u>3,568,366</u></u>
Total liabilities, deferred inflows and fund balances	<u><u>\$ 1,733,963</u></u>	<u><u>\$ 21,456</u></u>	<u><u>\$ 2,600,682</u></u>	<u><u>\$ 4,356,101</u></u>

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

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>				
Property taxes	\$ -	\$ -	\$ 659,262	\$ 659,262
Intergovernmental	1,997,522	-	65,814	2,063,336
Investment earnings	45,829	-	-	45,829
Extracurricular	430,075	-	-	430,075
Charges for services	1,018,935	-	-	1,018,935
Contributions and donations	250,517	-	-	250,517
Miscellaneous	73,176	-	-	73,176
 Total revenues	 3,816,054	 -	 725,076	 4,541,130
 <b>Expenditures:</b>				
Current:				
Instruction:				
Regular	144,139	-	1,500	145,639
Special	798,326	-	-	798,326
Support services:				
Pupil	117,115	-	-	117,115
Instructional staff	76,419	-	-	76,419
Administration	24,423	-	-	24,423
Fiscal	-	-	9,981	9,981
Operations and maintenance	39,382	-	-	39,382
Pupil transportation	-	-	260,450	260,450
Central	5,700	-	-	5,700
Operation of non-instructional services:				
Food service operations	1,633,819	-	-	1,633,819
Community services	311,119	-	-	311,119
Extracurricular activities	595,240	-	-	595,240
Facilities acquisition and construction	16,250	-	-	16,250
 Total expenditures	 3,761,932	 -	 271,931	 4,033,863
 Excess of revenues over (under) expenditures	 54,122	 -	 453,145	 507,267
 <b>Other financing sources:</b>				
Sale of assets	8,423	-	-	8,423
Net change in fund balances	62,545	-	453,145	515,690
 <b>Fund balances at beginning of year</b>	 1,527,323	 21,456	 1,503,897	 3,052,676
 <b>Fund balances at end of year</b>	 \$ 1,589,868	 \$ 21,456	 \$ 1,957,042	 \$ 3,568,366

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

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2025**

	<b>Food Service</b>	<b>Local Grants</b>	<b>Student Activities</b>	<b>Athletics</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 836,931	\$ 404,748	\$ 240,969	\$ 150,160
Receivables:				
Accounts	-	-	-	2,974
Intergovernmental	-	-	-	-
Materials and supplies inventory	3,843	-	-	-
Inventory held for resale	21,091	-	-	-
<b>Total assets</b>	<b><u>\$ 861,865</u></b>	<b><u>\$ 404,748</u></b>	<b><u>\$ 240,969</u></b>	<b><u>\$ 153,134</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 2,236	\$ -	\$ 289	\$ 7,951
Accrued wages and benefits	93,818	-	-	-
Intergovernmental payable	11,729	-	-	195
Interfund loans payable	-	-	3,863	-
<b>Total liabilities</b>	<b><u>107,783</u></b>	<b><u>-</u></b>	<b><u>4,152</u></b>	<b><u>8,146</u></b>
<b>Fund Balances:</b>				
Nonspendable:				
Materials and supplies inventory	3,843	-	-	-
Restricted:				
Food service operations	750,239	-	-	-
Non-public schools	-	-	-	-
State funded programs	-	-	-	-
Athletics	-	-	-	144,988
Student activities	-	-	236,817	-
Donations	-	404,748	-	-
<b>Total fund balances</b>	<b><u>754,082</u></b>	<b><u>404,748</u></b>	<b><u>236,817</u></b>	<b><u>144,988</u></b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b><u>\$ 861,865</u></b>	<b><u>\$ 404,748</u></b>	<b><u>\$ 240,969</u></b>	<b><u>\$ 153,134</u></b>

Auxiliary Service	Miscellaneous State Grants	Title VI-B	Title II-A	Total Nonmajor Special Revenue Funds
\$ 17,626	\$ 39,999	\$ 5,131	\$ -	\$ 1,695,564
-	-	-	-	2,974
-	-	4,157	6,334	10,491
-	-	-	-	3,843
-	-	-	-	21,091
<b>\$ 17,626</b>	<b>\$ 39,999</b>	<b>\$ 9,288</b>	<b>\$ 6,334</b>	<b>\$ 1,733,963</b>
 \$ 1,757	\$ -	\$ 4,157	\$ -	\$ 16,390
5,735	-	-	-	99,553
900	-	-	-	12,824
-	-	5,131	6,334	15,328
<b>8,392</b>	<b>-</b>	<b>9,288</b>	<b>6,334</b>	<b>144,095</b>
 -	-	-	-	3,843
-	-	-	-	750,239
9,234	-	-	-	9,234
-	39,999	-	-	39,999
-	-	-	-	144,988
-	-	-	-	236,817
-	-	-	-	404,748
<b>9,234</b>	<b>39,999</b>	<b>-</b>	<b>-</b>	<b>1,589,868</b>
<b>\$ 17,626</b>	<b>\$ 39,999</b>	<b>\$ 9,288</b>	<b>\$ 6,334</b>	<b>\$ 1,733,963</b>

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

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<b>Food Service</b>	<b>Local Grants</b>	<b>Student Activities</b>	<b>Athletics</b>
<b>Revenues:</b>				
Intergovernmental	\$ 451,633	\$ -	\$ -	\$ -
Investment earnings	42,073	-	-	-
Extracurricular	-	-	174,187	255,888
Charges for services	1,018,935	-	-	-
Contributions and donations	-	138,796	4,075	107,646
Miscellaneous	-	-	-	73,176
 Total revenues	 1,512,641	 138,796	 178,262	 436,710
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	-	16,851	-	-
Special	-	496	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	-	-	-
Administration	-	-	-	-
Operations and maintenance	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	1,633,819	-	-	-
Community services	-	-	1,999	-
Extracurricular activities	-	-	138,377	456,863
Facilities acquisition and construction	-	-	-	16,250
 Total expenditures	 1,633,819	 17,347	 140,376	 473,113
Excess of revenues over (under) expenditures	(121,178)	121,449	37,886	(36,403)
<b>Other financing sources:</b>				
Sale of assets	8,423	-	-	-
Net change in fund balances	(112,755)	121,449	37,886	(36,403)
<b>Fund balances (deficit) at beginning of year</b>	<b>866,837</b>	<b>283,299</b>	<b>198,931</b>	<b>181,391</b>
<b>Fund balances at end of year</b>	<b>\$ 754,082</b>	<b>\$ 404,748</b>	<b>\$ 236,817</b>	<b>\$ 144,988</b>

Auxiliary Service	Miscellaneous State Grants	ESSER	Title VI-B	Title I	Drug Free Schools
\$ 248,328 3,756	\$ 77,356	\$ 149,285	\$ 770,057	\$ 160,271	\$ 23,112
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>252,084</u>	<u>77,356</u>	<u>149,285</u>	<u>770,057</u>	<u>160,271</u>	<u>23,112</u>
-	-	85,698	-	3,363	22,132
-	-	-	620,664	156,908	-
-	-	-	117,115	-	-
-	-	4,716	-	-	-
-	-	24,423	-	-	-
-	31,657	-	-	-	-
-	5,700	-	-	-	-
-	-	-	-	-	-
274,163	-	-	32,278	-	980
-	-	-	-	-	-
-	-	-	-	-	-
<u>274,163</u>	<u>37,357</u>	<u>114,837</u>	<u>770,057</u>	<u>160,271</u>	<u>23,112</u>
(22,079)	39,999	34,448	-	-	-
-	-	-	-	-	-
(22,079)	39,999	34,448	-	-	-
<u>31,313</u>	<u>-</u>	<u>(34,448)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 9,234</u>	<u>\$ 39,999</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

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

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<b>Early Childhood Education Development</b>	<b>Title II-A</b>	<b>Miscellaneous Federal Grants</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Revenues:</b>				
Intergovernmental	\$ 20,258	\$ 89,497	\$ 7,725	\$ 1,997,522
Investment earnings	-	-	-	45,829
Extracurricular	-	-	-	430,075
Charges for services	-	-	-	1,018,935
Contributions and donations	-	-	-	250,517
Miscellaneous	-	-	-	73,176
<b>Total revenues</b>	<b>20,258</b>	<b>89,497</b>	<b>7,725</b>	<b>3,816,054</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	-	16,095	-	144,139
Special	20,258	-	-	798,326
Support services:				
Pupil	-	-	-	117,115
Instructional staff	-	71,703	-	76,419
Administration	-	-	-	24,423
Operations and maintenance	-	-	7,725	39,382
Central	-	-	-	5,700
Operation of non-instructional services:				
Food service operations	-	-	-	1,633,819
Community services	-	1,699	-	311,119
Extracurricular activities	-	-	-	595,240
Facilities acquisition and construction	-	-	-	16,250
<b>Total expenditures</b>	<b>20,258</b>	<b>89,497</b>	<b>7,725</b>	<b>3,761,932</b>
Excess of revenues over (under) expenditures	-	-	-	54,122
<b>Other financing sources:</b>				
Sale of assets	-	-	-	8,423
Net change in fund balances	-	-	-	62,545
<b>Fund balances (deficit) at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,527,323</b>
<b>Fund balances at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,589,868</b>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<b>Budgeted Amounts</b>	<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget - over (under) Actual Amounts</b>
	<b>Final</b>		
<b>Food Service Fund</b>			
Budgetary revenues and other financing sources	\$ 1,363,658	\$ 1,366,779	\$ 3,121
Budgetary expenditures and other financing uses	<u>1,523,332</u>	<u>1,523,332</u>	-
Net change in fund balances	(159,674)	(156,553)	3,121
Budgetary fund balance at beginning of year	979,031	979,031	-
Prior year encumbrances appropriated	<u>1,027</u>	<u>1,027</u>	-
Budgetary fund balance at end of year	<u><u>\$ 820,384</u></u>	<u><u>\$ 823,505</u></u>	<u><u>\$ 3,121</u></u>
<b>Local Grants Fund</b>			
Budgetary revenues and other financing sources	\$ 138,796	\$ 138,796	\$ -
Budgetary expenditures and other financing uses	<u>27,440</u>	<u>27,440</u>	-
Net change in fund balances	111,356	111,356	-
Budgetary fund balance at beginning of year	<u>292,299</u>	<u>292,299</u>	-
Budgetary fund balance at end of year	<u><u>\$ 403,655</u></u>	<u><u>\$ 403,655</u></u>	<u><u>\$ -</u></u>
<b>Student Activities Fund</b>			
Budgetary revenues and other financing sources	\$ 183,735	\$ 183,735	\$ -
Budgetary expenditures and other financing uses	<u>174,649</u>	<u>174,649</u>	-
Net change in fund balances	9,086	9,086	-
Budgetary fund balance at beginning of year	195,338	195,338	-
Prior year encumbrances appropriated	<u>10,091</u>	<u>10,091</u>	-
Budgetary fund balance at end of year	<u><u>\$ 214,515</u></u>	<u><u>\$ 214,515</u></u>	<u><u>\$ -</u></u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<b>Budgeted Amounts</b>	<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget - over (under) Actual Amounts</b>
	<b>Final</b>		
<b>Athletics Fund</b>			
Budgetary revenues and other financing sources	\$ 434,936	\$ 434,936	\$ -
Budgetary expenditures and other financing uses	<u>522,656</u>	<u>522,656</u>	-
Net change in fund balances	(87,720)	(87,720)	-
Budgetary fund balance at beginning of year	159,186	159,186	-
Prior year encumbrances appropriated	<u>40,561</u>	<u>40,561</u>	-
Budgetary fund balance at end of year	<u><u>\$ 112,027</u></u>	<u><u>\$ 112,027</u></u>	<u><u>\$ -</u></u>
<b>Auxiliary Services Fund</b>			
Budgetary revenues and other financing sources	\$ 252,019	\$ 252,084	\$ 65
Budgetary expenditures and other financing uses	<u>302,839</u>	<u>301,673</u>	<u>(1,166)</u>
Net change in fund balances	(50,820)	(49,589)	1,231
Budgetary fund balance at beginning of year	20,918	20,918	-
Prior year encumbrances appropriated	<u>30,839</u>	<u>30,839</u>	-
Budgetary fund balance at end of year	<u><u>\$ 937</u></u>	<u><u>\$ 2,168</u></u>	<u><u>\$ 1,231</u></u>
<b>Miscellaneous State Grants Fund</b>			
Budgetary revenues and other financing sources	\$ 61,400	\$ 61,400	\$ -
Budgetary expenditures and other financing uses	<u>77,356</u>	<u>37,357</u>	<u>(39,999)</u>
Net change in fund balances	(15,956)	24,043	39,999
Budgetary fund balance at beginning of year	<u>15,956</u>	<u>15,956</u>	-
Budgetary fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 39,999</u></u>	<u><u>\$ 39,999</u></u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<b>Budgeted Amounts</b>	<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget - over (under) Actual Amounts</b>
	<b>Final</b>		
<b>ESSER Grant Fund</b>			
Budgetary revenues and other financing sources	\$ 361,084	\$ 361,084	\$ -
Budgetary expenditures and other financing uses	<u>370,749</u>	<u>370,749</u>	-
Net change in fund balances	(9,665)	(9,665)	-
Budgetary fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	<u>9,665</u>	<u>9,665</u>	-
Budgetary fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Title VI-B Fund</b>			
Budgetary revenues and other financing sources	\$ 771,031	\$ 771,031	\$ -
Budgetary expenditures and other financing uses	<u>771,031</u>	<u>771,031</u>	-
Net change in fund balances	-	-	-
Budgetary fund balance at beginning of year	-	-	-
Budgetary fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Title I Fund</b>			
Budgetary revenues and other financing sources	\$ 168,108	\$ 168,108	\$ -
Budgetary expenditures and other financing uses	<u>168,108</u>	<u>168,108</u>	-
Net change in fund balances	-	-	-
Budgetary fund balance at beginning of year	-	-	-
Budgetary fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<b>Budgeted Amounts</b>	<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget - over (under) Actual Amounts</b>
	<b>Final</b>		
<b>Drug Free Schools Fund</b>			
Budgetary revenues and other financing sources	\$ 23,112	\$ 23,112	\$ -
Budgetary expenditures and other financing uses	<u>35,293</u>	<u>35,293</u>	-
Net change in fund balances	(12,181)	(12,181)	-
Budgetary fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	<u>12,181</u>	<u>12,181</u>	-
Budgetary fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Early Childhood Education Development Fund</b>			
Budgetary revenues and other financing sources	\$ 20,258	\$ 20,258	\$ -
Budgetary expenditures and other financing uses	<u>20,258</u>	<u>20,258</u>	-
Net change in fund balances	-	-	-
Budgetary fund balance at beginning of year	-	-	-
Budgetary fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Title II-A Fund</b>			
Budgetary revenues and other financing sources	\$ 100,056	\$ 90,886	\$ (9,170)
Budgetary expenditures and other financing uses	<u>100,056</u>	<u>97,220</u>	<u>(2,836)</u>
Net change in fund balances	-	(6,334)	(6,334)
Budgetary fund balance at beginning of year	-	-	-
Budgetary fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ (6,334)</u></u>	<u><u>\$ (6,334)</u></u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<b>Budgeted Amounts</b>	<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget - over (under) Actual Amounts</b>
	<b>Final</b>		
<b>Miscellaneous Federal Grants Fund</b>			
Budgetary revenues and other financing sources	\$ 2,299	\$ 2,299	\$ -
Budgetary expenditures and other financing uses	<u>10,024</u>	<u>10,024</u>	-
Net change in fund balances	(7,725)	(7,725)	-
Budgetary fund balance at beginning of year	3,275	3,275	-
Prior year encumbrances appropriated	<u>4,450</u>	<u>4,450</u>	-
Budgetary fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Scholarship Fund</b>			
Budgetary revenues and other financing sources	\$ 22,208	\$ 22,467	\$ 259
Budgetary expenditures and other financing uses	<u>10,850</u>	<u>10,850</u>	-
Net change in fund balances	11,358	11,617	259
Budgetary fund balance at beginning of year	<u>99,696</u>	<u>99,696</u>	-
Budgetary fund balance at end of year	<u><u>\$ 111,054</u></u>	<u><u>\$ 111,313</u></u>	<u><u>\$ 259</u></u>
<b>Public School Support Fund</b>			
Budgetary revenues and other financing sources	\$ 83,306	\$ 83,306	\$ -
Budgetary expenditures and other financing uses	<u>96,056</u>	<u>96,056</u>	-
Net change in fund balances	(12,750)	(12,750)	-
Budgetary fund balance at beginning of year	256,100	256,100	-
Prior year encumbrances appropriated	<u>4,797</u>	<u>4,797</u>	-
Budgetary fund balance at end of year	<u><u>\$ 248,147</u></u>	<u><u>\$ 248,147</u></u>	<u><u>\$ -</u></u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<b>Budgeted Amounts</b>	<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget - over (under) Actual Amounts</b>
	<b>Final</b>		
<b>Library Bond Retirement Fund</b>			
Budgetary fund balance at beginning of year	\$ 21,456	\$ 21,456	\$ -
Budgetary fund balance at end of year	<u>\$ 21,456</u>	<u>\$ 21,456</u>	<u>\$ -</u>
<b>Permanent Improvements Fund</b>			
Budgetary revenues and other financing sources	\$ 772,213	\$ 772,213	\$ -
Budgetary expenditures and other financing uses	<u>321,931</u>	<u>321,931</u>	<u>\$ -</u>
Net change in fund balances	450,282	450,282	-
Budgetary fund balance at beginning of year	<u>1,466,790</u>	<u>1,466,790</u>	<u>\$ -</u>
Budgetary fund balance at end of year	<u>\$ 1,917,072</u>	<u>\$ 1,917,072</u>	<u>\$ -</u>

# STATISTICAL SECTION



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

**STATISTICAL SECTION**

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</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>98</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	<b>114</b>
<b>Debt Capacity</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>120</b>
<b>Demographic and Economic Information</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>126</b>
<b>Operating Information</b> These schedules contain service and infrastructure 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.	<b>127</b>

**Sources:** Sources are noted on the individual schedules.

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

**NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	2025	2024	2023	2022
Governmental activities				
Net investment in capital assets	\$ 32,595,081	\$ 27,321,891	\$ 22,883,215	\$ 18,944,832
Restricted	9,033,542	8,990,379	10,354,126	9,810,476
Unrestricted	(53,377,602)	(45,040,701)	(42,115,002)	(38,974,412)
Total primary government net position	<u><u>\$ (11,748,979)</u></u>	<u><u>\$ (8,728,431)</u></u>	<u><u>\$ (8,877,661)</u></u>	<u><u>\$ (10,219,104)</u></u>

**Note:**

<sup>(1)</sup> Year 2016 has been restated due to a prior period adjustment related to deferred inflows, deferred outflows and net pension liability.

<sup>(2)</sup> Year 2017 has been restated due to the implementation of GASB Statement No. 75.

2021	2020	2019	2018	2017 <sup>(2)</sup>	2016 <sup>(1)</sup>
\$ 18,375,711	\$ 17,000,885	\$ 14,756,361	\$ 13,024,434	\$ 12,128,924	\$ 10,190,220
8,744,646	8,581,227	8,962,709	6,506,101	5,485,518	5,234,676
(43,952,684)	(36,979,459)	(34,944,782)	(33,642,110)	(60,426,094)	(43,716,896)
<u>\$ (16,832,327)</u>	<u>\$ (11,397,347)</u>	<u>\$ (11,225,712)</u>	<u>\$ (14,111,575)</u>	<u>\$ (42,811,652)</u>	<u>\$ (28,292,000)</u>

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

**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE) REVENUE  
LAST TEN FISCAL YEARS  
(ACCRAUL BASIS OF ACCOUNTING)**

	2025	2024	2023	2022
<b>Expenses</b>				
<b>Governmental activities:</b>				
<b>Instruction</b>				
Regular	\$ 24,406,135	\$ 24,142,400	\$ 26,971,818	\$ 22,003,758
Special	7,363,468	6,365,957	6,312,497	6,049,915
Adult/continuing	8,393	8,901	8,851	-
Other instruction	519,539	535,926	546,822	526,738
<b>Supporting services</b>				
Pupil	3,654,166	3,578,552	3,694,496	3,131,363
Instructional staff	2,346,054	2,020,811	2,014,555	1,960,372
Board of education	76,701	58,842	24,234	22,745
Administration	4,338,125	3,802,475	3,711,374	3,755,720
Fiscal services	1,284,961	987,882	1,230,015	1,359,939
Business	377,924	232,069	353,013	425,630
Operation and maintenance	4,946,166	5,736,523	4,710,844	4,516,856
Pupil transportation	2,249,762	2,223,467	1,896,819	2,011,825
Central services	325,967	268,534	392,302	271,812
<b>Operation of non-instructional services</b>				
Food service operation	1,577,678	1,436,807	1,433,480	1,415,731
Community services	378,651	233,145	353,809	300,716
Extracurricular activities	1,675,600	1,891,942	1,767,072	1,207,469
Interest and fiscal charges	933,574	968,100	1,005,822	1,817,819
<b>Total primary government expenses</b>	<b>56,462,864</b>	<b>54,492,333</b>	<b>56,427,823</b>	<b>50,778,408</b>
<b>Program revenues</b>				
<b>Governmental activities:</b>				
<b>Charges for services and sales</b>				
Instruction	889,551	654,951	938,705	819,998
Supporting services	75,248	91,628	74,321	65,266
Food service	1,018,935	989,567	1,003,556	261,545
Community services	2,663	4,582	1,269	4,595
Extracurricular activities	626,947	914,556	762,757	652,567
<b>Operating grants, interest and contributions</b>	<b>3,786,171</b>	<b>3,243,382</b>	<b>4,038,654</b>	<b>4,043,241</b>
<b>Total primary government program revenues</b>	<b>6,399,515</b>	<b>5,898,666</b>	<b>6,819,262</b>	<b>5,847,212</b>
<b>Net (expense) revenue</b>				
<b>Total primary government net expense</b>	<b>\$ (50,063,349)</b>	<b>\$ (48,593,667)</b>	<b>\$ (49,608,561)</b>	<b>\$ (44,931,196)</b>

**Note:**

<sup>(1)</sup> The decrease in expenses in 2018 is due to net negative expense of \$17,926,372 related to the effects of GASB 68 and GASB 75.

2021	2020	2019	2018 <sup>(1)</sup>	2017	2016
\$ 25,584,021	\$ 23,456,762	\$ 18,873,401	\$ 7,818,029	\$ 20,522,649	\$ 20,312,398
6,610,500	6,406,105	5,322,915	2,633,328	5,176,972	4,760,004
-	7,043	8,937	7,757	9,751	9,562
749,517	883,593	660,789	651,549	911,223	887,928
3,424,373	3,021,675	2,537,561	1,562,912	2,780,478	2,762,880
2,088,089	1,784,274	1,694,975	1,187,636	1,901,395	1,608,512
18,977	23,933	26,392	22,218	19,701	19,446
3,997,597	3,475,379	3,255,267	2,088,751	3,635,512	3,560,633
1,249,255	1,091,973	1,228,626	1,079,161	1,212,368	1,257,474
362,137	218,283	451,251	300,319	360,590	318,233
4,434,688	4,289,916	4,474,810	4,672,811	5,085,469	4,329,269
1,796,924	1,863,969	2,074,319	1,728,198	1,956,379	1,817,520
450,250	432,598	1,034,013	242,029	237,835	290,224
1,197,400	1,298,033	1,328,217	1,176,719	1,252,674	1,254,263
335,204	263,514	233,452	187,543	511,931	649,046
1,293,358	1,317,463	1,165,364	624,601	1,281,536	1,261,581
2,694,600	1,926,538	1,885,612	1,863,852	1,995,629	1,660,446
<u>56,286,890</u>	<u>51,761,051</u>	<u>46,255,901</u>	<u>27,847,413</u>	<u>48,852,092</u>	<u>46,759,419</u>
307,055	585,273	696,240	966,891	857,411	703,726
34,992	68,261	86,596	141,455	146,448	214,753
122,117	672,815	933,262	921,460	849,356	957,348
-	-	-	-	-	-
412,007	370,867	524,505	282,118	362,840	624,206
3,032,625	1,769,655	1,734,026	1,638,082	1,671,614	1,720,987
<u>3,908,796</u>	<u>3,466,871</u>	<u>3,974,629</u>	<u>3,950,006</u>	<u>3,887,669</u>	<u>4,221,020</u>
<u>\$ (52,378,094)</u>	<u>\$ (48,294,180)</u>	<u>\$ (42,281,272)</u>	<u>\$ (23,897,407)</u>	<u>\$ (44,964,423)</u>	<u>\$ (42,538,399)</u>

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

**GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	2025	2024	2023	2022
Net (expense) revenue				
Total primary government net expense	<u>\$ (50,063,349)</u>	<u>\$ (48,593,667)</u>	<u>\$ (49,608,561)</u>	<u>\$ (44,931,196)</u>
 General revenues and other changes in net position				
Governmental activities:				
Property taxes levied for:				
General purposes	39,940,790	33,339,878	36,759,152	37,769,736
Debt service	3,371,415	3,057,135	3,392,306	3,619,254
Capital improvements	646,580	571,038	649,587	686,797
Grants and entitlements				
not restricted to specific purposes	9,442,291	10,117,082	9,264,857	9,009,491
Investment earnings	713,978	610,877	314,399	103,570
Miscellaneous	159,455	1,046,887	569,703	355,571
Total primary government	<u>54,274,509</u>	<u>48,742,897</u>	<u>50,950,004</u>	<u>51,544,419</u>
 Change in net position				
Total primary government	<u>\$ 4,211,160</u>	<u>\$ 149,230</u>	<u>\$ 1,341,443</u>	<u>\$ 6,613,223</u>

2021	2020	2019	2018	2017	2016
<u>\$ (52,378,094)</u>	<u>\$ (48,294,180)</u>	<u>\$ (42,281,272)</u>	<u>\$ (23,897,407)</u>	<u>\$ (44,964,423)</u>	<u>\$ (42,538,399)</u>
33,011,285	34,348,711	31,048,943	37,265,363	29,868,528	31,534,627
3,378,117	3,584,286	3,367,851	4,247,695	3,360,889	3,596,979
623,394	634,878	582,244	682,101	549,918	576,943
9,096,918	9,001,015	9,272,952	9,728,165	10,234,739	10,650,510
219,686	488,680	376,506	265,039	213,539	149,799
482,308	64,975	518,639	409,121	505,036	498,082
<u>46,811,708</u>	<u>48,122,545</u>	<u>45,167,135</u>	<u>52,597,484</u>	<u>44,732,649</u>	<u>47,006,940</u>
<u>\$ (5,566,386)</u>	<u>\$ (171,635)</u>	<u>\$ 2,885,863</u>	<u>\$ 28,700,077</u>	<u>\$ (231,774)</u>	<u>\$ 4,468,541</u>

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

**FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2025	2024	2023	2022
General Fund				
Nonspendable	\$ 134,858	\$ 64,729	\$ 68,507	\$ 53,935
Committed	113,990	113,990	113,990	113,990
Assigned	1,617,723	1,918,340	1,361,313	1,395,394
Unassigned	2,854,742	6,071,278	11,938,153	11,342,675
Total General Fund	<u><u>\$ 4,721,313</u></u>	<u><u>\$ 8,168,337</u></u>	<u><u>\$ 13,481,963</u></u>	<u><u>\$ 12,905,994</u></u>
All other governmental funds				
Nonspendable	\$ 3,843	\$ 16,293	\$ 12,700	\$ 22,068
Restricted	6,175,876	5,769,797	6,025,357	6,061,461
Unassigned	-	(34,448)	(68,910)	(13,761)
Total all other governmental funds	<u><u>\$ 6,179,719</u></u>	<u><u>\$ 5,751,642</u></u>	<u><u>\$ 5,969,147</u></u>	<u><u>\$ 6,069,768</u></u>

2021	2020	2019	2018	2017	2016
\$ 50,261	\$ 72,062	\$ 44,263	\$ 55,469	\$ 38,487	\$ 50,056
113,990	113,990	113,990	113,990	113,990	113,990
1,224,556	1,463,528	1,312,601	975,342	1,447,992	1,117,869
14,157,686	17,052,028	17,045,376	18,734,427	13,125,291	13,479,757
<u>\$ 15,546,493</u>	<u>\$ 18,701,608</u>	<u>\$ 18,516,230</u>	<u>\$ 19,879,228</u>	<u>\$ 14,725,760</u>	<u>\$ 14,761,672</u>
\$ 12,239	\$ 26,669	\$ 13,124	\$ 10,207	\$ 13,060	\$ 12,766
5,931,043	5,872,063	6,363,434	6,466,009	6,034,459	5,860,743
(30,574)	-	(1,099)	(27,607)	(16,106)	(15,384)
<u>\$ 5,912,708</u>	<u>\$ 5,898,732</u>	<u>\$ 6,375,459</u>	<u>\$ 6,448,609</u>	<u>\$ 6,031,413</u>	<u>\$ 5,858,125</u>

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

**GENERAL GOVERNMENTAL REVENUES BY SOURCE  
LAST TEN FISCAL YEAR  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Taxes	\$ 44,929,463	\$ 36,681,151	\$ 43,019,045	\$ 39,876,487
Tuition and fees	776,098	854,991	966,474	1,023,122
Interest	759,807	610,877	314,399	103,570
Intergovernmental	12,777,217	13,360,464	13,303,511	13,052,732
Extracurricular	667,943	654,218	749,665	480,125
Charges for services	1,138,208	989,567	1,003,556	261,545
Donations and contributions	332,241	140,946	254,277	202,310
Miscellaneous	<u>250,802</u>	<u>1,062,449</u>	<u>379,680</u>	<u>187,406</u>
<b>Total</b>	<b><u>\$ 61,631,779</u></b>	<b><u>\$ 54,354,663</u></b>	<b><u>\$ 59,990,607</u></b>	<b><u>\$ 55,187,297</u></b>

<sup>(1)</sup> Donations and contributions included in Miscellaneous.

Source: School District Financial Records, Total Governmental Funds.

2021	2020	2019	2018	2017 <sup>(1)</sup>	2016 <sup>(1)</sup>
\$ 37,268,796	\$ 38,189,875	\$ 35,925,838	\$ 41,180,759	\$ 33,997,635	\$ 35,197,349
504,044	758,465	885,725	953,897	878,384	764,372
219,686	488,680	371,088	251,970	202,399	143,850
12,129,543	10,770,670	10,993,921	11,354,275	11,906,353	12,371,497
197,421	251,618	364,649	320,617	406,907	581,284
122,117	672,815	933,262	947,402	849,356	957,348
221,677	97,203	114,500	37,953	-	-
276,039	354,518	453,706	460,471	584,963	711,428
<u>\$ 50,939,323</u>	<u>\$ 51,583,844</u>	<u>\$ 50,042,689</u>	<u>\$ 55,507,344</u>	<u>\$ 48,825,997</u>	<u>\$ 50,727,128</u>

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

**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Expenditures</b>				
<b>Current</b>				
<b>Instruction</b>				
Regular	24,456,816	22,947,222	24,338,620	\$ 22,839,161
Special	7,680,354	6,516,859	6,253,436	6,583,939
Adult/continuing	9,294	8,901	8,851	-
Other instruction	555,660	534,371	520,788	562,976
<b>Supporting services</b>				
Pupil	3,956,293	3,627,005	3,639,058	3,419,777
Instructional staff	2,610,204	2,080,793	2,071,371	2,145,941
Board of education	77,501	59,347	25,092	24,159
Administration	4,559,462	3,935,711	3,647,920	4,154,768
Fiscal services	1,329,665	1,007,718	1,258,373	1,433,710
Business	391,262	284,172	358,328	463,992
Operation and maintenance	7,477,630	7,562,893	5,631,619	4,889,045
Pupil transportation	2,515,898	2,471,081	2,404,909	2,287,457
Central services	338,136	276,604	403,696	292,980
<b>Operation of non-instructional services</b>				
Food service operation	1,633,819	1,483,262	1,484,828	1,506,533
Community services	379,828	236,460	358,983	335,215
Extracurricular activities	1,724,902	1,912,747	1,740,541	1,345,764
Capital outlay	53,750	70,173	382,271	229,519
<b>Debt service</b>				
Principal	3,745,000	3,650,000	3,685,000	1,654,934
Interest	1,168,475	1,220,475	1,301,575	3,505,900
<b>Total expenditures</b>	<b><u>\$ 64,663,949</u></b>	<b><u>\$ 59,885,794</u></b>	<b><u>\$ 59,515,259</u></b>	<b><u>\$ 57,675,770</u></b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b><u>7.95%</u></b>	<b><u>8.44%</u></b>	<b><u>8.64%</u></b>	<b><u>9.10%</u></b>

Source: School District Financial Records, Total Governmental Funds.

2021	2020	2019	2018	2017	2016
\$ 21,882,743	\$ 20,679,314	\$ 20,276,325	\$ 19,812,791	\$ 18,709,138	\$ 17,198,203
6,271,132	6,191,814	5,867,979	5,245,426	4,999,838	4,517,206
-	6,418	8,881	9,132	9,275	9,058
721,240	847,904	736,480	864,129	894,323	879,565
3,313,635	2,888,204	2,776,722	2,692,922	2,740,598	2,640,708
2,011,490	1,684,566	1,847,901	1,617,268	1,895,541	1,483,311
18,977	23,933	26,392	22,218	19,701	18,900
3,745,032	3,320,308	3,562,264	3,410,229	3,188,001	3,169,280
1,246,630	1,051,215	1,219,757	1,173,188	1,186,098	1,202,841
382,404	195,186	446,858	344,425	334,096	301,237
4,513,382	4,095,557	4,462,910	4,272,405	4,521,621	3,990,320
1,828,180	1,803,706	1,968,427	1,778,629	1,932,475	1,726,321
448,838	415,474	258,094	263,635	236,060	288,673
1,183,235	1,262,468	1,319,546	1,250,428	1,234,810	1,193,148
324,659	277,855	275,062	390,772	489,629	632,357
1,283,130	1,405,655	1,289,343	1,117,792	1,221,935	1,198,015
322,534	642,067	73,567	593,775	-	122,944
3,490,000	3,555,000	3,480,000	3,447,107	3,414,147	3,421,898
1,427,455	1,537,043	1,589,729	1,631,469	1,662,816	1,685,460
<u>\$ 54,414,696</u>	<u>\$ 51,883,687</u>	<u>\$ 51,486,237</u>	<u>\$ 49,937,740</u>	<u>\$ 48,690,102</u>	<u>\$ 45,679,445</u>
<u>9.16%</u>	<u>10.01%</u>	<u>9.89%</u>	<u>10.19%</u>	<u>10.65%</u>	<u>11.35%</u>

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

**OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2025	2024	2023	2022
Excess of revenues over (under) expenditures	<u>\$ (3,032,170)</u>	<u>\$ (5,531,131)</u>	<u>\$ 475,348</u>	<u>\$ (2,488,473)</u>
Other financing sources (uses)				
Proceeds of refunding bonds	-	-	-	-
Transfers-in	20,096	72,618	43,548	3,055
Premium on debt issuance	-	-	-	-
Proceeds from sale of assets	12,923	-	-	5,034
Transfers-out	(20,096)	(72,618)	(43,548)	(3,055)
Payment to bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>12,923</u>	<u>-</u>	<u>-</u>	<u>5,034</u>
Net change in fund balances	<u>\$ (3,019,247)</u>	<u>\$ (5,531,131)</u>	<u>\$ 475,348</u>	<u>\$ (2,483,439)</u>

Source: School District Financial Records, Total Governmental Funds.

2021	2020	2019	2018	2017	2016
\$ (3,475,373)	\$ (299,843)	\$ (1,443,548)	\$ 5,569,604	\$ 135,895	\$ 5,047,683
10,945,000	-	-	-	-	-
54,814	12,499	-	371	3,666	-
1,117,434	-	-	-	-	-
37,181	8,494	7,400	1,060	1,481	-
(54,814)	(12,499)	-	(371)	(3,666)	-
(11,896,787)	-	-	-	-	-
202,828	8,494	7,400	1,060	1,481	-
\$ (3,272,545)	\$ (291,349)	\$ (1,436,148)	\$ 5,570,664	\$ 137,376	\$ 5,047,683

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

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

Year	Agriculture, Residential and Other Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value <sup>(1)</sup>	Assessed Value	Estimated Actual Value <sup>(2)</sup>
2025	\$ 1,458,486,810	\$ 4,167,105,171	\$ 62,770,360	\$ 71,329,955
2024	1,125,220,380	3,214,915,371	59,151,120	67,217,182
2023	1,114,331,330	3,183,803,800	64,184,560	72,937,000
2022	978,333,350	2,795,238,143	206,335,550	234,472,216
2021	963,685,100	2,753,386,000	74,951,190	85,171,807
2020	949,848,060	2,713,851,600	64,726,250	73,552,557
2019	937,185,980	2,677,674,229	65,134,520	74,016,500
2018	827,576,400	2,364,504,000	54,806,360	62,279,955
2017	815,545,460	2,330,129,886	51,256,120	58,245,591
2016	805,781,100	2,302,231,714	43,768,750	49,737,216

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.

<sup>(1)</sup> This amount is calculated based upon an assessed value of 35 percent of actual value.

<sup>(2)</sup> This amount is calculated based upon the current assessed value of 88 percent of actual value.

<sup>(3)</sup> Total assessed rate is per \$ 1,000 assessed valuation.

Total		Total Assessed Rate <sup>(3)</sup>
Assessed Value	Estimated Actual Value	
\$ 1,521,257,170	\$ 4,238,435,126	63.81
1,184,371,500	3,282,132,553	67.09
1,178,515,890	3,256,740,800	67.00
1,184,668,900	3,029,710,359	66.98
1,038,636,290	2,838,557,807	69.07
1,014,574,310	2,787,404,157	69.24
1,002,320,500	2,751,690,729	69.41
882,382,760	2,426,783,955	72.28
866,801,580	2,388,375,477	72.41
849,549,850	2,351,968,930	72.69

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

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$1,000 ASSESSED VALUATION)  
LAST TEN FISCAL YEARS**

Year	Avon Lake City School District			
	General Fund	Debt Service Fund	Capital Projects Fund	Total Direct Tax Rate
2025	59.69	2.62	1.50	63.81
2024	62.32	3.27	1.50	67.09
2023	62.10	3.40	1.50	67.00
2022	62.08	3.40	1.50	66.98
2021	63.68	3.89	1.50	69.07
2020	63.84	3.90	1.50	69.24
2019	63.84	4.07	1.50	69.41
2018	66.15	4.63	1.50	72.28
2017	66.28	4.63	1.50	72.41
2016	66.54	4.65	1.50	72.69

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.

Library	County Levy	JVS Levy	City Levy	Total Direct and Overlapping Governments
2.80	16.52	2.45	7.92	93.50
2.80	16.08	2.45	7.98	96.40
2.80	15.43	2.45	7.98	95.65
2.80	15.30	2.45	7.98	95.51
2.80	15.58	2.45	8.02	97.92
2.80	15.08	2.45	8.03	97.60
2.80	15.08	2.45	8.04	97.78
2.80	15.58	2.45	8.08	101.19
2.80	15.08	2.45	8.08	100.82
2.80	15.08	2.45	8.10	101.12

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

**PROPERTY TAX LEVIES AND COLLECTIONS <sup>(1)</sup>  
LAST TEN FISCAL YEARS**

Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections <sup>(2)</sup>	Total Tax Collections <sup>(3)</sup>
2025	\$ 53,681,145	\$ 52,708,340	98.19%	\$ 1,020,807	\$ 53,729,147
2024	46,630,055	45,624,638	97.84%	(446,747)	45,177,891
2023	46,590,903	45,837,588	98.38%	2,654,361	48,491,949
2022	47,100,910	44,123,789	93.68%	458,742	44,582,531
2021	43,853,375	43,081,404	98.24%	919,434	44,000,838
2020	42,815,075	41,735,997	97.48%	383,158	42,119,155
2019	42,485,157	41,799,902	98.39%	530,181	42,330,083
2018	40,890,274	38,981,253	95.33%	603,341	39,584,594
2017	40,053,461	39,490,769	98.60%	788,154	40,278,923
2016	39,270,119	38,620,473	98.35%	711,613	39,332,086

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.

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

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

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

Ratio of Total Tax Collections to Total Tax Levy <sup>(3)</sup>	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
100.09%	\$ 525,622	0.98%
96.89%	1,496,293	3.21%
104.08%	1,209,419	2.60%
94.65%	3,427,470	7.28%
100.34%	1,218,109	2.78%
98.37%	1,484,104	3.47%
99.63%	1,106,041	2.60%
96.81%	2,032,945	4.97%
100.56%	1,018,493	2.54%
100.16%	1,236,811	3.15%

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

PRINCIPAL TAXPAYERS -  
REAL ESTATE TAX  
CURRENT YEAR AND NINE YEARS AGO

December 31, 2024

December 31, 2015

Name of Taxpayer	Assessed Value <sup>(1)</sup>	Percent of Total Assessed Value
Ford Motor Company	4,739,550	0.56%
181 Smerset Realty I LLC	4,356,650	0.51%
Health Care Reit Inc	4,133,560	0.49%
PolyOne Corporation	3,977,040	0.47%
Legacy Pointe II Ltd	2,536,180	0.30%
Learwood Square Co LLC	2,230,590	0.26%
Kopf Properties II Ltd	2,156,510	0.25%
Haas Sandra	1,969,800	0.23%
Towne Independent Living	1,892,090	0.22%
Landings Shop & Offices Ltd.	1,595,080	0.19%
	<u>\$ 29,587,050</u>	<u>3.48%</u>
Total assessed value	\$ 849,549,850	

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.

<sup>(1)</sup> Assessed Values are for the 2025 and 2016 collection year, respectively.

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

**PRINCIPAL TAXPAYERS -  
PUBLIC UTILITY TAX  
CURRENT YEAR AND NINE YEARS AGO**

December 31, 2024

Name of Taxpayer	Assessed Value <sup>(1)</sup>	Percent of Total Assessed Value
American Transmission Systems, Inc	\$ 42,305,080	2.78%
Cleveland Electric Illuminating Co	15,938,420	1.05%
Columbia Gas of Ohio INC	4,632,930	0.30%
	<u><u>\$ 62,876,430</u></u>	<u><u>4.13%</u></u>
Total assessed value	<u><u>\$ 1,521,257,170</u></u>	

December 31, 2015

Name of Taxpayer	Assessed Value <sup>(1)</sup>	Percent of Total Assessed Value
Orion Power Midwest LP	\$ 19,034,690	2.24%
NRG Power Midwest	16,700,480	1.97%
American Transmission	12,549,900	1.48%
Cleveland Electric	11,986,910	1.41%
Colubia Gas of Ohio LLC	2,577,170	0.30%
	<u><u>62,849,150</u></u>	<u><u>7.40%</u></u>
Total assessed value	<u><u>\$ 849,549,850</u></u>	

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

<sup>(1)</sup> Assessed Values are for the 2025 and 2016 collection year, respectively.

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

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

**COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT  
AS OF JUNE 30, 2025**

Jurisdiction	General Obligation Debt Outstanding	Percentage Applicable to School District <sup>(1)</sup>	Amount Applicable to School District
Direct			
Avon Lake City School District	\$ 12,265,546	100.00%	<u>\$ 12,265,546</u>
Overlapping			
Lorain County <sup>(2)</sup>	78,135,000	12.86%	10,048,161
City of Avon Lake <sup>(2)</sup>	13,295,000	100.00%	13,295,000
Lorain County Career Center	<u>787,252</u>	14.39%	<u>113,286</u>
Sub Total	<u>92,217,252</u>		<u>23,456,447</u>
Total	<u>\$ 104,482,798</u>		<u>\$ 35,721,993</u>

Source: Ohio Municipal Advisory Council

<sup>(1)</sup> 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.

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.

<sup>(2)</sup> Debt is as of December 31, 2024.

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

**OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Year	General Obligation Bonded Debt <sup>(1)</sup>	Leases Payable	Total Primary Government	Percentage of Personal Income <sup>(2)</sup>	Per Capita <sup>(2)</sup>	Per ADM <sup>(2)</sup>
2025	\$ 12,265,546	\$ -	\$ 12,265,546	0.80%	\$ 482	\$ 3,580
2024	16,137,648	-	16,137,648	1.41%	640	4,432
2023	19,928,156	-	19,928,156	1.59%	791	5,396
2022	23,764,742	-	23,764,742	2.07%	943	6,435
2021	27,482,224	-	27,482,224	2.41%	1,090	7,370
2020	31,300,935	-	31,300,935	3.05%	1,386	8,300
2019	34,724,848	-	34,724,848	3.60%	1,538	9,001
2018	38,168,373	-	38,168,373	4.10%	1,690	9,958
2017	41,640,596	12,107	41,652,703	4.35%	1,845	10,935
2016	44,980,089	36,254	45,016,343	4.84%	1,994	11,818

Source:

<sup>(1)</sup> School District Financial Records

Includes accrued interest on capital appreciation bonds and unamortized premiums.

<sup>(2)</sup> See schedule "Demographic and Economic Statistics, Last Ten Fiscal Years".  
for population, personal income, and student enrollment.

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

**RATIOS OF GENERAL NET BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

Year	General Obligation Bonded Debt <sup>(1)</sup>	Debt Service Funds Available <sup>(4)</sup>	Net Bonded Debt	Percentage of Actual Taxable Property Value <sup>(2)</sup>	Per Capita <sup>(3)</sup>
2025	\$ 12,265,546	\$ 2,430,215	\$ 9,835,331	0.23%	\$ 386
2024	16,137,648	2,484,460	13,653,188	0.42%	526
2023	19,928,156	2,608,218	17,319,938	0.53%	676
2022	23,764,742	2,777,985	20,986,757	0.69%	833
2021	27,482,224	3,015,688	24,466,536	0.86%	971
2020	31,300,935	2,803,917	28,497,018	1.02%	1,262
2019	34,724,848	3,013,901	31,710,947	1.15%	1,404
2018	38,168,373	3,184,773	34,983,600	1.44%	1,549
2017	41,640,596	3,231,269	38,409,327	1.61%	1,701
2016	44,980,089	3,378,037	41,602,052	1.77%	1,842

**Source:**

<sup>(1)</sup> See notes to the financial statements regarding the School District's outstanding debt information.  
Includes accrued interest on capital appreciation bonds and unamortized premiums.

<sup>(2)</sup> See schedule "Assessed and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years" for assessed valuation of property.

<sup>(3)</sup> See schedule "Demographic and Economic Statistics, Last Ten Fiscal Years" for population information.

<sup>(4)</sup> See schedule "Computation of Legal Debt Margin" for amount available in debt service fund.

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

**COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS**

	2025	2024	2023	2022
Assessed Valuation	<u>\$ 1,521,257,170</u>	<u>\$ 1,184,371,500</u>	<u>\$ 1,178,515,890</u>	<u>\$ 1,184,668,900</u>
Debt Limit -9% of Assessed Value <sup>(1)</sup>	<u>136,913,145</u>	<u>106,593,435</u>	<u>106,066,430</u>	<u>106,620,201</u>
Debt applicable to limitation				
Total voted general obligation debt <sup>(2)</sup>	11,395,866	15,140,866	18,765,000	22,475,866
Total unvoted general obligation debt	-	-	-	-
Less amount available in debt service funds	<u>(2,430,215)</u>	<u>(2,484,460)</u>	<u>(2,608,218)</u>	<u>(2,777,985)</u>
Amount of debt subject to debt limit:	<u>8,965,651</u>	<u>12,656,406</u>	<u>16,156,782</u>	<u>19,697,881</u>
Overall debt margin	<u>\$ 127,947,494</u>	<u>\$ 93,937,029</u>	<u>\$ 89,909,648</u>	<u>\$ 86,922,320</u>
Legal Debt Margin as a Percentage of Debt Limit	<u>93.45%</u>	<u>88.13%</u>	<u>84.77%</u>	<u>81.53%</u>
Overall Limit - .10% of Assessed Value <sup>(1)</sup>	<u>\$ 1,521,257</u>	<u>\$ 1,184,372</u>	<u>\$ 1,178,516</u>	<u>\$ 1,184,669</u>
Amount of debt subject to debt limit:	-	-	-	-
Unvoted Debt Margin	<u>\$ 1,521,257</u>	<u>\$ 1,184,372</u>	<u>\$ 1,178,516</u>	<u>\$ 1,184,669</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Additional Limit for Unvoted Energy Conservation Bonds and Notes:				
Debt Limit - .9% of Assessed Value <sup>(1)</sup>	\$ 13,691,315	\$ 10,659,344	\$ 10,606,643	\$ 10,662,020
Amount of debt subject to debt limit:	-	-	-	-
Additional Unvoted Debt Margin	<u>\$ 13,691,315</u>	<u>\$ 10,659,344</u>	<u>\$ 10,606,643</u>	<u>\$ 10,662,020</u>
Energy Conservation Debt - Additional Unvoted Legal Debt Magrin as a Percentage of the Debt Limit	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: Lorain County Auditor and School District Financial Records.

<sup>(1)</sup> Ohio Bond Law established a limit of 9% for voted debt, 1/10 of 1% for unvoted debt, and 9/10 of 1% for energy conservation bonds and notes.

<sup>(2)</sup> Excludes unamortized premiums and accreted interest on capital appreciation bonds.

2021	2020	2019	2018	2017	2016
\$ 1,038,636,290	\$ 1,014,574,310	\$ 1,002,320,500	\$ 882,382,760	\$ 866,801,580	\$ 849,549,850
<u>93,477,266</u>	<u>91,311,688</u>	<u>90,208,845</u>	<u>79,414,448</u>	<u>78,012,142</u>	<u>76,459,487</u>
24,130,800	29,338,332	32,463,791	39,445,801	44,390,801	44,390,801
(3,015,688)	(2,803,917)	(3,013,901)	(3,184,773)	(3,231,269)	(3,378,037)
<u>21,115,112</u>	<u>26,534,415</u>	<u>29,449,890</u>	<u>36,261,028</u>	<u>41,159,532</u>	<u>41,012,764</u>
<u>\$ 72,362,154</u>	<u>\$ 64,777,273</u>	<u>\$ 60,758,955</u>	<u>\$ 43,153,420</u>	<u>\$ 36,852,610</u>	<u>\$ 35,446,723</u>
<u>77.41%</u>	<u>70.94%</u>	<u>67.35%</u>	<u>54.34%</u>	<u>47.24%</u>	<u>46.36%</u>
\$ 1,038,636	\$ 1,014,574	\$ 1,002,321	\$ 882,383	\$ 866,802	\$ 849,550
<u>\$ 1,038,636</u>	<u>\$ 1,014,574</u>	<u>\$ 1,002,321</u>	<u>\$ 882,383</u>	<u>\$ 866,802</u>	<u>\$ 849,550</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>
\$ 9,347,727	\$ 9,131,169	\$ 9,020,885	\$ 7,941,445	\$ 7,801,214	\$ 7,645,949
<u>\$ 9,347,727</u>	<u>\$ 9,131,169</u>	<u>\$ 9,020,885</u>	<u>\$ 7,941,445</u>	<u>\$ 7,801,214</u>	<u>\$ 7,645,949</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>

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

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

Calendar Year	Population <sup>(1)</sup>	Per Capita Income <sup>(2)</sup>	Personal Income <sup>(3)</sup>	Average Daily Student Enrollment <sup>(4)</sup>	Unemployment Rate <sup>(5)</sup>		
					Lorain County	Ohio	U.S.
2025	25,456	\$ 60,146	\$ 1,531,076,576	3,426	4.0%	5.0%	4.3%
2024	25,942	60,146	1,560,307,532	3,641	3.6%	4.5%	4.1%
2023	25,617	56,123	1,437,702,891	3,479	3.8%	3.4%	3.8%
2022	25,206	45,652	1,150,704,312	3,693	4.7%	3.7%	3.6%
2021	25,206	45,318	1,142,285,508	3,729	5.9%	5.1%	5.2%
2020	22,581	45,501	1,027,458,081	3,771	13.7%	10.9%	11.1%
2019	22,581	42,683	963,824,823	3,858	4.9%	4.2%	3.7%
2018	22,581	41,668	940,905,108	3,833	6.4%	4.1%	4.0%
2017	22,581	42,366	956,666,646	3,809	6.8%	5.4%	4.4%
2016	22,581	41,195	930,224,295	3,807	6.0%	4.9%	4.9%

**Source:**

<sup>(1)</sup> Years 2016-2020 based on the 2010 Census data. Years 2021-2025 based upon 2020 Census data and estimates ([www.censusreporter.org](http://www.censusreporter.org)).

<sup>(2)</sup> Per capita income from [www.censusreporter.org](http://www.censusreporter.org).

<sup>(3)</sup> Personal income is population x per capita income.

<sup>(4)</sup> School District records

<sup>(5)</sup> Ohio Department of Job and Family Services, Office of Workforce Development - Bureau of Labor Market Information. Percentages for August 2025.

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

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

December 31, 2024

Employer	Nature of Activity or Business	Approximate Number of Employees <sup>(1)</sup>	Percentage To Total Employment <sup>(2)</sup>	Rank
Ford Motor Company	Van and truck assembly	2,018	Not available	1
Avon Lake City Schools	Public Education	720	Not available	2
Avient Corporation	Distrubutor of thermoplastics, compounds & resins	640	Not available	3
Grace Management Services Inc.	Retirement village	455	Not available	4
City of Avon Lake	Government	444	Not available	5
NVA Avon Lake Management LLC	Veterinary	281	Not available	6
Lubrizol Advances Materials	Manufactures polymers & specialties chemicals	247	Not available	7
The Cleveland Clinic Foundation	Medical center	243	Not available	8
Discount Drug Mart, Inc.	Discount store company	185	Not available	9
Hinkley Lighting Inc.	Lighting Manufacturer and Distributor	175	Not available	10

December 31, 2015

Employer	Nature of Activity or Business	Approximate Number of Employees <sup>(1)</sup>	Percentage To Total Employment <sup>(2)</sup>	Rank
Ford Motor Company	Van and sport utility vehicle assembly	1,844	Not available	1
PolyOne Corporation	Distributor of thermoplastics, compounds & resins	699	Not available	2
Avon Lake City School District	Public Education	545	Not available	3
City of Avon Lake	Government	393	Not available	4
Lubrizol Advanced Materials Inc.	Manufactures polymers & specialties chemicals	243	Not available	5
Grace Management Services Inc.	Retirement Village	200	Not available	6
CSIG Property Solutions, Inc.	Property solutions	196	Not available	7
Thogus Products	Provider of plastic injection molding services	196	Not available	8
Riser Foods Co.	Grocery store	188	Not available	9
Avon Lake Animal Clinic Inc.	Animal clinic	185	Not available	10

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

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

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

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

**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES  
LAST TEN FISCAL YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Professional Staff</b>				
<b><u>Teaching Staff:</u></b>				
Elementary K-6	101.00	115.60	113.68	112.79
Middle	36.00	35.75	36.72	37.72
High	63.00	63.05	63.88	62.26
Mutiple Buidings	13.00	11.60	11.00	12.00
Tutors	14.00	14.04	14.00	19.00
<b><u>Administrators</u></b>				
District/Building	20.50	21.30	20.50	21.50
<b><u>Auxiliary Positions</u></b>				
Psychologist	3.08	3.16	3.16	2.12
Nurse	4.00	4.00	4.00	4.00
Speech & Language Therapist	2.60	2.60	2.60	2.44
Physical Therapist	1.00	1.00	1.00	1.00
Occupational Therapist/Assistant	1.00	2.00	2.00	1.00
<b><u>Support Staff</u></b>				
Counseling	10.05	10.05	8.97	9.90
Computer Tech	5.00	5.00	5.00	4.00
Printer	0.00	0.00	0.00	0.00
Librarian/Media	2.00	2.00	2.00	2.00
Library Aide	7.61	8.95	8.69	8.60
Clerical	25.49	27.10	29.19	28.71
Teaching Aide	36.83	43.00	45.00	48.00
Maintenance Supervisor	1.00	1.00	1.00	1.00
General Maintenance	4.00	3.00	4.00	4.00
Mechanic	2.00	2.00	2.00	2.00
Transportation Supervisor	1.00	1.00	1.00	1.00
Bus Drivers	23.81	27.54	29.21	28.21
Custodial	30.30	28.38	28.12	27.68
Food Service	21.60	21.60	21.60	22.20
Security	1.00	1.00	1.00	1.00
Groundskeeping	2.00	2.00	2.00	2.00
TV Production	1.00	2.00	1.50	1.00
Attendants & Monitors	<u>37.87</u>	<u>37.34</u>	<u>39.46</u>	<u>41.09</u>
<b>Total</b>	<b><u>471.74</u></b>	<b><u>497.06</u></b>	<b><u>502.28</u></b>	<b><u>508.22</u></b>

Source: School District records.

<sup>(1)</sup> Reporting methodology changed due to new software integration in Fiscal Year 2012

<sup>(2)</sup> Groundskeeping staff added , TV Production category added

<sup>(3)</sup> FTE calculations were revised per ODEW EMIS Guidelines

<sup>(4)</sup> Maintenance Supervisor category added

<sup>(5)</sup> Technology, Pupil Services, Food Service added to Administrators

2021	2020 <sup>(4),(5)</sup>	2019	2018 <sup>(2),(3)</sup>	2017 <sup>(1)</sup>	2016 <sup>(1)</sup>
119.57	109.89	108.89	109.79	110.90	105.75
38.11	37.00	37.50	39.31	37.50	38.50
64.98	61.60	61.21	61.09	57.51	58.50
12.50	12.61	10.61	10.60	6.00	13.00
15.39	17.31	18.31	19.30	15.69	14.02
 21.50	 19.00	 15.50	 15.80	 14.14	 14.00
 2.12	 2.00	 2.00	 2.00	 2.00	 2.00
4.00	4.00	5.00	4.00	4.00	5.00
2.03	2.03	1.94	1.93	4.62	4.32
1.00	1.00	1.00	1.00	1.00	1.00
1.00	2.00	2.00	2.00	2.00	2.00
 8.82	 8.62	 7.83	 7.78	 7.50	 8.70
4.00	3.00	3.00	3.00	3.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00
8.00	9.00	9.96	9.00	7.63	6.63
28.71	29.71	29.57	29.21	25.65	26.05
43.00	45.04	46.09	46.79	49.11	44.17
1.00	1.00				
4.00	4.00	5.00	5.00	5.00	5.00
2.00	2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00	1.00
28.32	28.70	28.76	29.54	23.45	24.65
28.38	28.94	29.32	28.88	29.62	28.25
22.10	22.90	23.76	23.16	18.27	18.12
1.00	1.00	1.00	1.00	1.00	1.13
2.00	2.00	2.00	2	-	-
1.00	1.00	1.00	1	-	-
 39.90	 44.52	 45.47	 45.60	 20.43	 22.48
 <b>508.43</b>	 <b>503.87</b>	 <b>502.72</b>	 <b>504.78</b>	 <b>452.02</b>	 <b>453.27</b>

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

**OPERATING STATISTICS  
LAST TEN FISCAL YEARS**

Year	Average Daily Student Enrollment <sup>(1)</sup>	General Fund Expenditures	Cost Per Pupil <sup>(2)</sup>	Percent Change	Teaching Staff	Pupil Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2025	3,426	\$ 55,678,607	\$ 16,252	19.39%	222	15.43	14.70%
2024	3,641	49,560,406	13,612	0.99%	226	16.11	18.32%
2023	3,546	47,795,457	13,479	4.76%	227	15.62	13.05%
2022	3,693	47,518,281	12,867	6.04%	266	13.88	10.00%
2021	3,729	45,247,490	12,134	6.10%	267	13.97	20.42%
2020	3,771	43,123,675	11,436	2.86%	225	16.76	20.42%
2019	3,858	42,895,098	11,118	3.46%	223	17.30	17.00%
2018	3,833	41,188,686	10,746	1.91%	225	17.04	18.00%
2017	3,809	40,164,098	10,545	5.27%	228	16.71	20.00%
2016	3,807	38,134,195	10,017	-0.25%	225	16.92	19.00%

Source: School District Financial Records.

<sup>(1)</sup> Ohio Department of Education and Workforce - EFM Expenditure per Pupil Report.

<sup>(2)</sup> Cost per pupil is calculated based on General Fund Expenditures divided by average daily enrollment.

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

**TEACHER BASE SALARIES  
LAST TEN FISCAL YEARS**

Year	Minimum Salary <sup>(1)</sup>	Maximum Salary <sup>(2)</sup>	Avon Lake Average Salary <sup>(2)</sup>
2025	\$ 43,463	\$ 99,923	\$ 84,448
2024	41,832	93,285	79,811
2023	41,418	92,362	77,573
2022	40,606	90,531	75,119
2021	39,809	88,775	67,585
2020	39,415	87,896	70,565
2019	39,415	87,896	71,739
2018	39,219	87,459	68,228
2017	38,735	85,604	64,427
2016	37,790	83,516	61,856

**Sources:**

<sup>(1)</sup> District salary schedules

<sup>(2)</sup> Ohio Department of Education and Workforce (ODEW)

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

**TEACHER EDUCATION AND EXPERIENCE  
JUNE 30, 2025**

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	9	4.05%
Bachelor + 10	4	1.80%
Bachelor + 20	14	6.31%
Master's Degree	26	11.71%
Master's + 10	28	12.61%
Master's + 20	37	16.67%
Master's + 30	41	18.47%
Master's + 45	<u>63</u>	<u>28.38%</u>
	<u>222</u>	<u>100.00%</u>

<u>Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	17	7.66%
6-10	28	12.61%
11 and over	<u>177</u>	<u>79.73%</u>
	<u>222</u>	<u>100.00%</u>

Source: School District records.

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

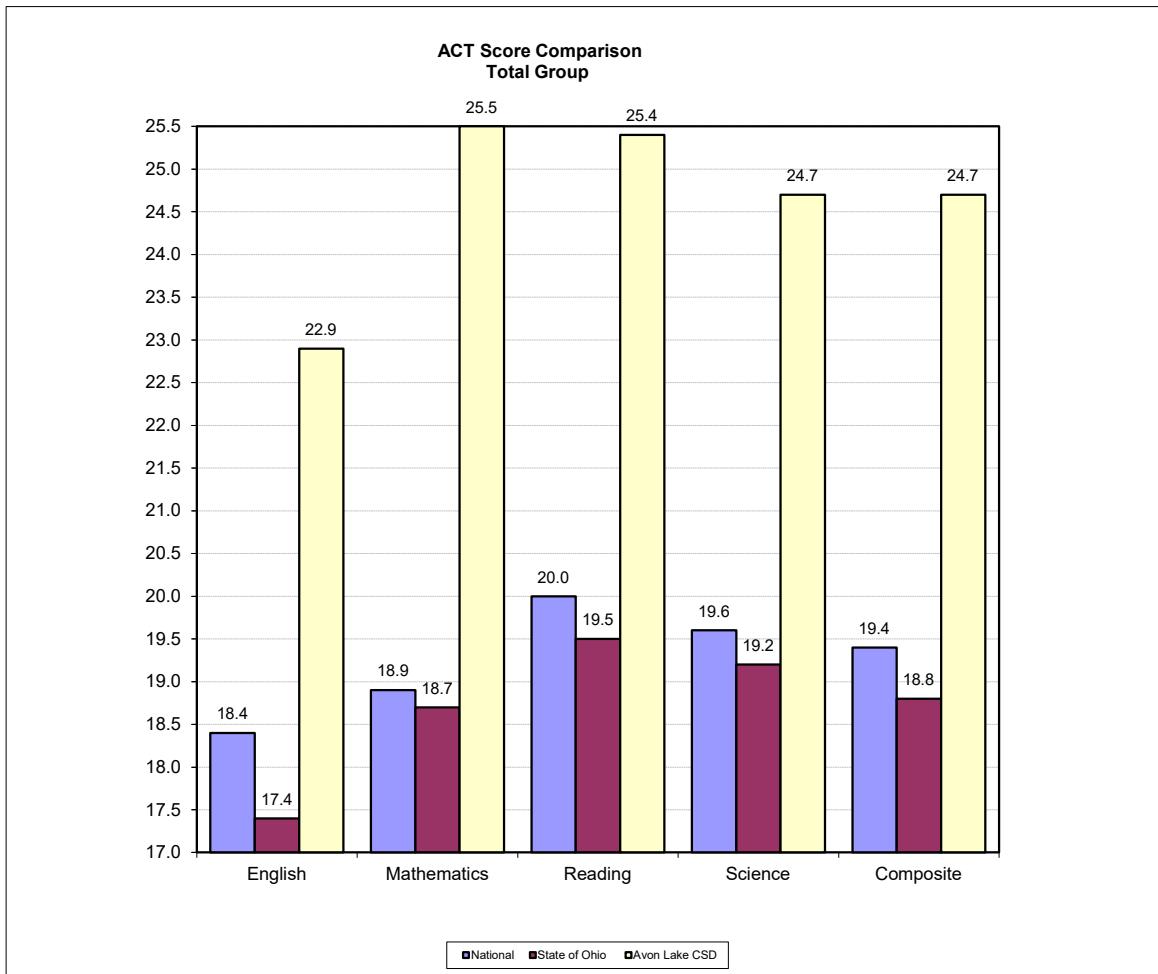
**AVERAGE ACT SCORES  
LAST TEN FISCAL YEARS**

English:	Avon Lake	State of Ohio	National	Science:	Avon Lake	State of Ohio	National
2024 - 2025	22.9	17.4	18.4	2024 - 2025	24.7	19.2	19.6
2023 - 2024	22.7	17.8	18.6	2023 - 2024	23.8	19.3	19.6
2022 - 2023	23.5	17.9	18.6	2022 - 2023	24.3	19.5	19.6
2021 - 2022	23.9	18.2	19.0	2021 - 2022	24.2	19.7	19.9
2020 - 2021	23.7	18.5	19.6	2020 - 2021	23.9	19.8	20.4
2019 - 2020	24.8	18.8	19.9	2019 - 2020	24.9	20.0	20.6
2018 - 2019	25.5	19.0	20.1	2018 - 2019	25.3	20.1	20.6
2017 - 2018	24.4	19.3	20.2	2017 - 2018	24.3	20.4	20.7
2016 - 2017	24.6	21.2	20.3	2016 - 2017	25.3	22.0	21.0
2015 - 2016	24.4	21.2	20.1	2015 - 2016	24.9	22.0	20.8
Math:	Avon Lake	State of Ohio	National	Composite:	Avon Lake	State of Ohio	National
2024 - 2025	25.5	18.7	18.9	2024 - 2025	24.7	18.8	19.4
2023 - 2024	24.1	18.9	19.0	2023 - 2024	23.8	19.0	19.4
2022 - 2023	24.9	19.0	19.0	2022 - 2023	24.3	19.2	19.5
2021 - 2022	24.7	19.2	19.3	2021 - 2022	24.4	19.4	19.8
2020 - 2021	24.9	19.5	19.9	2020 - 2021	24.4	19.6	20.3
2019 - 2020	25.7	19.8	20.2	2019 - 2020	25.3	19.9	20.6
2018 - 2019	25.9	19.9	20.4	2018 - 2019	25.8	20.0	20.7
2017 - 2018	24.8	20.3	20.5	2017 - 2018	24.8	20.3	20.8
2016 - 2017	25.3	21.6	20.7	2016 - 2017	25.2	22.0	21.0
2015 - 2016	25.0	21.6	20.6	2015 - 2016	25.0	22.0	20.8
Reading:	Avon Lake	State of Ohio	National				
2024 - 2025	25.4	19.5	20.0				
2023 - 2024	24.1	19.6	20.1				
2022 - 2023	24.2	19.8	20.1				
2021 - 2022	24.4	20.0	20.4				
2020 - 2021	24.3	20.2	20.9				
2019 - 2020	25.1	20.4	21.2				
2018 - 2019	25.8	20.5	21.2				
2017 - 2018	25.3	20.8	21.3				
2016 - 2017	25.0	22.5	21.4				
2015 - 2016	23.4	22.1	21.3				

Source: American College Testing Program

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

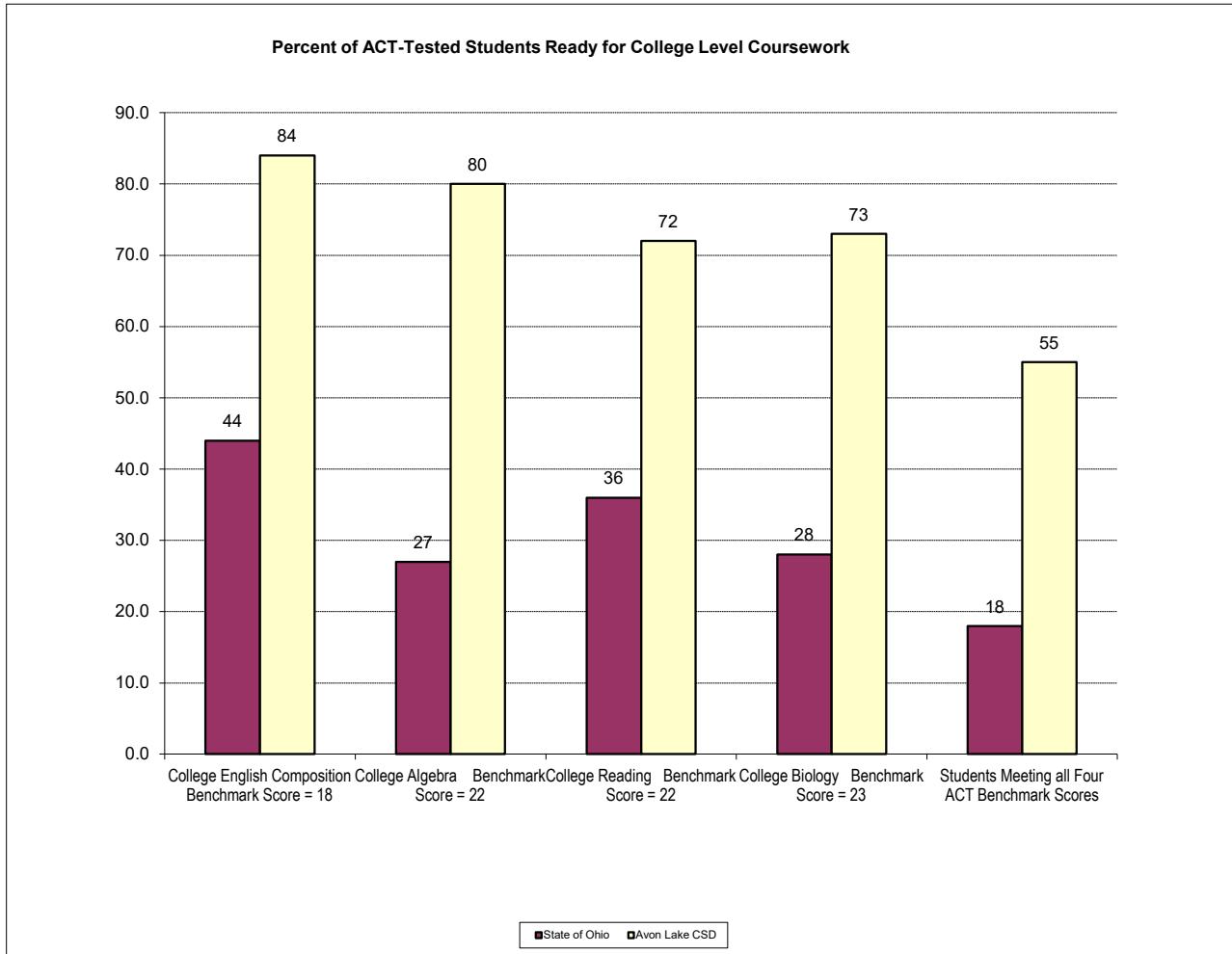
**2025 ACT SCORE COMPARISON  
JUNE 30, 2025**



Source: American College Testing Program

AVON LAKE CITY SCHOOL DISTRICT  
LORAIN COUNTY, OHIO

PERCENT OF ACT TESTED STUDENTS READY FOR COLLEGE LEVEL COURSEWORK  
JUNE 30, 2025



Source: American College Testing Program

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

**SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Elementary Schools</b>					
Eastview (1950)					
Square feet	42,048	42,048	42,048	42,048	42,048
Enrollment	344	351	343	380	407
Erieview (1950)					
Square feet	34,593	34,593	34,593	34,593	34,593
Enrollment	273	282	280	294	289
Redwood (1962)					
Square feet	58,780	58,780	58,780	58,780	58,780
Enrollment	394	416	418	402	430
Troy (1970)					
Square feet	86,150	86,150	86,150	86,150	85,150
Enrollment	537	551	541	553	529
Westview (1957)					
Square feet	41,961	41,961	41,961	41,961	41,961
Enrollment	276	280	277	255	257
<b>Middle School</b>					
Learwood (1959)					
Square feet	110,911	110,911	110,911	110,911	110,911
Enrollment	557	572	551	516	607
<b>High School</b>					
Avon Lake High (1927)					
Square feet	314,612	314,612	314,612	314,612	314,612
Enrollment	1,045	1,158	1,069	1,142	1,210

Source: District records.

2020	2019	2018	2017	2016
42,048 422	42,048 431	42,048 413	42,048 436	42,048 418
34,593 293	34,593 280	34,593 278	34,593 280	34,593 291
58,780 441	58,780 427	58,780 440	58,780 438	58,780 453
85,150 540	85,150 604	85,150 607	85,150 595	85,150 617
41,961 240	41,961 225	41,961 220	41,961 216	41,961 235
110,911 615	110,911 621	110,911 648	110,911 616	110,911 627
314,612 1,220	314,612 1,270	314,612 1,227	314,612 1,228	314,612 1,166

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# OHIO AUDITOR OF STATE KEITH FABER



AVON LAKE CITY SCHOOL DISTRICT

LORAIN COUNTY

## AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/13/2026

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

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