



Dave Yost • Auditor of State

**AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY**

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**AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2015**

Federal Grantor <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Grant Year	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. Department of Agriculture						
<i>Passed Through the Ohio Department of Education:</i>						
National School Lunch Program	10.555	2015	<u>\$196,450</u>	<u>\$73,548</u>	<u>\$196,450</u>	<u>\$73,548</u>
Total U.S. Department of Agriculture			<u>196,450</u>	<u>73,548</u>	<u>196,450</u>	<u>73,548</u>
U.S. Department of Education						
<i>Passed Through the Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education-Grants to States	84.027	2014			26,607	
Special Education-Grants to States	84.027	2015	610,014		610,014	
Total Special Education-Grants to States			<u>610,014</u>		<u>636,621</u>	
Special Education Preschool	84.173	2015	17,734		17,734	
Total Special Education Cluster			<u>627,748</u>		<u>654,355</u>	
Title I, Grants to Local Educational Agencies	84.010	2014	23,685		27,110	
Title I, Grants to Local Educational Agencies	84.010	2015	137,164		137,164	
Total Title I, Grants to Local Educational Agencies			<u>160,849</u>		<u>164,274</u>	
Improving Teacher Quality State Grants	84.367	2014			3,543	
Improving Teacher Quality State Grants	84.367	2015	58,648		58,648	
Total Improving Teacher Quality State Grants			<u>58,648</u>		<u>62,191</u>	
Race to the Top	84.395	2015	16,375		16,375	
Total U.S. Department of Education			<u>863,620</u>		<u>897,195</u>	
Total Federal Assistance			<u>\$1,060,070</u>	<u>\$73,548</u>	<u>\$1,093,645</u>	<u>\$73,548</u>

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

**AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2015**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) reports the Avon Lake City School District's (the District's) federal award programs' receipts and disbursements. The Schedule has been prepared on the cash basis of accounting.

NOTE C - CHILD NUTRITION CLUSTER

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

NOTE D – FOOD DONATION PROGRAM

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



Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Avon Lake City School District, Lorain County, Ohio (the District) as of and for the year ended June 30, 2015, 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 30, 2015. We noted the District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Dave Yost
Auditor of State
Columbus, Ohio

December 30, 2015



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND ON THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES REQUIRED BY OMB CIRCULAR A-133

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

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited the Avon Lake City School District's (the District's) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Avon Lake City Schools District's major federal programs for the year ended June 30, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Avon Lake City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

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

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Federal Awards Expenditures Required by OMB Circular A-133

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Avon Lake City School District (the District) as of and for the year ended June 30, 2015, 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 30, 2015. Our opinion also explained that the District adopted *Governmental Accounting Standard No. 68 and 71* during the year. We conducted our audit to opine on the District's' basic financial statements. The accompanying schedule of federal awards receipts and expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State
Columbus, Ohio

December 30, 2015

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**AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2015**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	National School Lunch Program; CFDA # 10.555 and Title I, Grants to Local Educational Agencies; CFDA # 84.010
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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INTRODUCTORY SECTION



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

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Prepared by

**Autumn Streng
Treasurer**

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Avon Lake City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015
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AVON LAKE CITY SCHOOLS

175 Avon Belden Road
Avon Lake, Ohio 44012
www.avonlakecityschools.org



Board of Education

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

Superintendent

Robert D. Scott
440.933.6210
440.933.6711 fax

Treasurer

Autumn Streng
440.933.5163
440.933.7540 fax

December 30, 2015

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Avon Lake City School District for the fiscal year ended June 30, 2015. This CAFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the Avon Lake City School District with the comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the Avon Lake Public Library, major taxpayers, financial rating services and other interested parties.

The School District

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

In order to meet the needs of a growing community, the high school was expanded several times. In the mid-1970's instructional classrooms and a physical education complex were added and the Learwood Middle School, Erieview Elementary, Eastview Elementary, Westview Elementary, Redwood Elementary and Troy Junior High School were constructed. Troy Junior High School was closed for educational purposes in 1982 because of the energy crisis and decreased enrollment. In 1988, Troy Junior High was reopened as the Avon Lake Community Education Center. The Community Education Center ceased to operate in the Troy Building as of July, 1991 due to the economy of operations. The Troy Intermediate School building was reopened for instruction beginning in the fall of 1995. In 1999, Avon Lake City Schools began a building project that added classrooms to all six (6) buildings. Avon Lake High School completed a major renovation, which included additional physical education facilities and an auditorium that hosted the Cleveland Pops Orchestra for the dedication of the facilities. In 2009, two (2) additional bond issues were passed totaling \$18,500,000. These renovations and additions began in March 2010 on the stadium portion of the project with completion of the stadium renovations by August 2010. Classroom additions to five (5) buildings began in May 2010 and completed August 2011. A new Transportation Center opened in the summer of 2011. These projects were necessary to keep up with the growing enrollment. Today the citizens have an investment of \$102,309,103 in the School District land, land improvements, buildings, furniture and equipment, and vehicles (excludes accumulated depreciation).

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

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

Reporting Entity

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

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

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

Organizational Structure

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

The School District is located in Avon Lake, Lorain County, Ohio, and includes an area extending roughly twelve square miles around the City. It is staffed by 218 non-certified personnel, 229 certified full-time teaching personnel and 14 administrative employees to provide services to 3,737 students and other community members. The School District operates 4 elementary schools (K-4), 1 intermediate school (5-6), 1 middle school (7-8) and 1 high school (9-12).

Economic Condition and Outlook

The School District's tax base is primarily residential at 83% of the tax base followed by 12% commercial/industrial and 5% public utility personal property. The reliance on local funding continues to be challenging as the School District is still recovering from the reductions in State funding which occurred in fiscal year 2012 and 2013.

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 worth of taxable property in the school district changes, the tax rates are adjusted so income, or voted dollars, will remain about the same. In recent years, school districts have seen an inverse effect on millage rates due to H.B. 920. Historically, millage rates have been adjusted or rolled back due to a positive reappraisal. Inversely, millage rates may also be rolled up (never exceeding the original voted rate) in times of negative 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.

Ohio lawmakers also passed legislation that has reduced tangible taxes (the taxes paid by business on equipment and inventory) over the past decade. Effective July 1, 2006 with passage of H.B. 66, tangible taxes diminished, but the State Legislature at that time promised school districts would be made whole until 2015. These promises were not fulfilled once H.B. 153 was passed. The School District lost approximately \$735,000 in fiscal year 2012 and an additional \$735,000 in fiscal year 2013 due to the reduction in tangible personal property state reimbursements. The School District also realized revenue losses related to public utility personal property state reimbursements. Total State revenue received by the School District in fiscal year 2013 is approximately \$2,900,000 less than what was received in fiscal year 2011.

The School District is a member of the Alliance for High Quality Education and the Coalition for Fiscal Fairness in Ohio (CFFO). The Alliance for High Quality Education is an organization of school districts providing research based objective approaches to Ohio's school funding problems. The CFFO is also

comprised of public school districts working to educate the public and legislative body in Ohio of the devastating effects of eliminating tangible personal property taxes from school districts with no permanent funding replacement plan. They work collaboratively and cooperatively with other organizations regarding any legislative or regulatory initiative that might affect the efficiency and effectiveness of Ohio's schools or detrimentally affect CFFO member districts.

The financial future of the School District is not without its challenges. The School District is home to several businesses, but since 2012 has focused discussion around a power plant, which resides along the shoreline of Lake Erie. The power plant announced it would shut down in April 2015 due to the costs associated with meeting future EPA regulations for a coal fired plant. In December of 2012, the power plant was purchased by NRG which announced its intention to keep the plant open as a peaker plant. NRG was successful in securing a one year extension from the EPA regulations contingent upon building a natural gas pipeline to transport natural gas to the power plant. The public utility personal property (PUPP) value of the power plant was reduced for tax year 2013 by 54%. Unlike real estate value, the PUPP value is determined by the Ohio Department of Taxation (ODT) not by the County Auditor. Ohio law does not provide any recourse or due process for a city or school district to dispute the ODT preliminary value. Even with the 54% PUPP reduction, the power plant remains the largest taxpayer in Avon Lake. NRG filed a complaint in 2014 with the Lorain County Board of Revisions to reduce the real estate value of the power plant. Unlike the PUPP situation, the School District does have recourse to file a counter complaint against this appeal and has. The Board of Revision ruled in favor of the School District; therefore, NRG filed an appeal with the Ohio Board of Tax Appeals. This hearing is scheduled for April 2016.

The School District's reliance on local property taxes will continue based upon internal and external factors. The internal challenges locally the School District faces related to the power plant's value will remain a focal point for future planning. Externally, the School District will continue to monitor its financial situation as apprehension remains related to the current State funding model. State and Federal unfunded mandates will also continue to be realized by the School District.

School District enrollment has increased by 244 students since the 2006-2007 school year. Enrollment for the 2013-2014 school year was 3,772 students. Enrollment for the 2014-2015 school year was 3,735 students. The School District enlisted the assistance of a professional demographer to develop enrollment projections. Projections are developed assuming low, moderate and high growth rates in the School District. The last enrollment projections completed in October, 2015. The recommended growth rate in the student population is projected to decrease with student enrollment projections for the 2021-2022 school year estimated enrollment of 3,722 students.

School District Local Funding

School District management will carefully control expenses during the coming years to continue to assure that tax levy revenues are adequate and well spent. Voters approved an 8.28 mill new 10 year emergency levy in May of 2013, which generates \$6,500,000 annually.

Major Initiatives

Ohio Report Card

The State of Ohio's School/School District Report Card is issued in early fall of most school years depending on ODE's (the Ohio Department of Education) ability to gather and aggregate the testing data. The report uses data from the previous school year to inform the public of the School District's success or failure on the state standardized tests and achieving set indicators based on these tests. The Avon Lake City School District demonstrated 10 years of Excellence with Distinction through the 2011-2012 Ohio Local Report Card. The rating system used by the Ohio State Board of Education changed beginning with the 2012-2013 school year. The Local Report Card is now comprised of different components with letter grades assigned within each component. Since the change the District has received an A in the Achievement component for both Performance Index and Indicators Met. One Hundred Percent of the State's Indicators have been met. The Performance Index has risen yearly to over 108 which places the district in the top 5% in the State.

Federal Projects

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

Educational Programs and Facilities Improvement

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

Website

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

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

Financial Information

Internal Accounting and Budgetary Control

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

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

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

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

All disbursements and transfers of cash between funds require appropriation authority from the Board of Education. Budgets are controlled at the fund level. All purchase order requests must be approved by

the Purchasing Agent and certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests that exceed the available appropriation are rejected until additional appropriations are secured.

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

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

Financial Condition

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

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

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

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

Management is responsible for preparing a Management Discussion and Analysis (MD&A) of the School District. This discussion follows the Independent Auditor's Report, providing an assessment of the District's finances for fiscal year 2015 and a discussion of current issues affecting the School District in the future. The MD&A should be read in conjunction with this letter of transmittal. Because the MD&A focuses on major funds, only the Internal Service Fund is discussed briefly in this letter.

Financial Highlights – Internal Service Fund The only Internal Service Fund carried on the financial records of the School District is related to self-insurance. This fund was created in fiscal year 2004. This fund accounts for the revenues and expenses related to the provision of medical, prescription drug, dental and vision benefits for all School District employees. The Internal Service Fund had net position of \$ 2,470,147 at June 30, 2015.

Long-Term Financial Planning

Annually, the School District prepares a five-year financial forecast. The financial forecast is the foundation for the School District's operations and is used as a financial planning tool to assist the School District in determining its ability to meet certain financial obligations and plan future funding needs. The five-year forecast of revenue and expenditures serves as a financial planning tool, which provides a snapshot of historical and projected revenues and expense over the next five years and is accompanied by financial assumption notes. The assumptions are an integral part of the forecast and represent what the School District believes are significant factors impacting the forecast. Through a collaborative process, the administration assists the Board of Education in determining and prioritizing the needs of the School District. In accordance with State law, the Board of Education approves the financial forecast and submits it to the Ohio Department of Education prior to October 31 and approves an updated version prior to May 31. The financial forecast can be found on the School District's web site at www.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 Dave Yost, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2015. The opinion appears at the beginning of the financial section of this report.

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

Awards

GFOA Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Avon Lake City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in the area of governmental financial reporting.

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

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

ASBO Certificate - The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2014 to the Avon Lake City School District. This award certifies that the Comprehensive Annual Financial Report substantially conformed to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials.

Management believes that the Comprehensive Annual Financial Report for fiscal year ended June 30, 2015, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

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

Acknowledgments

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

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

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Autumn Streng".

Autumn Streng, Treasurer

A handwritten signature in cursive script that reads "Robert D. Scott".

Robert D. Scott, Superintendent

Avon Lake Board of Education

Principal Officials
June 30, 2015

Board of Education

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

Treasurer

Mrs. Autumn Streng

Administration

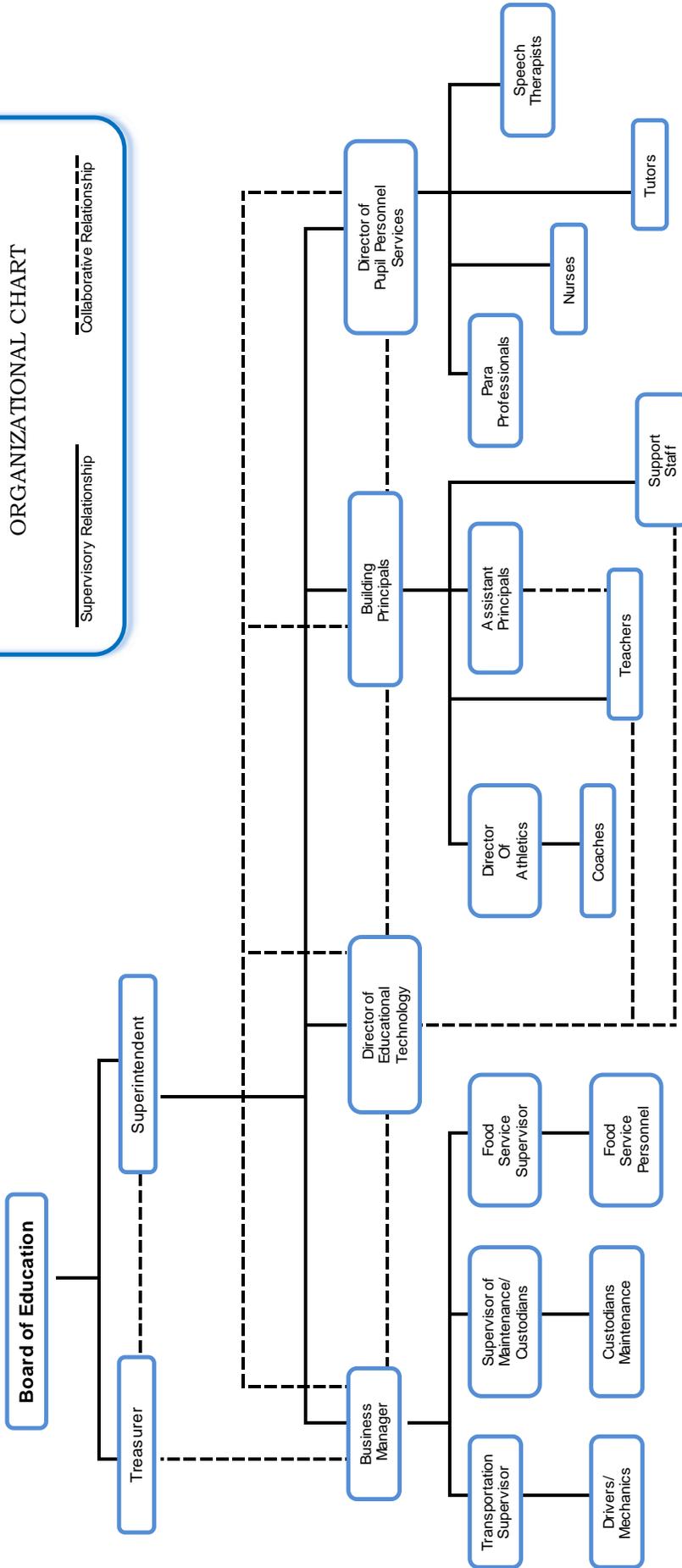
Mr. Robert D. Scott Superintendent
Mr. Thomas R. Barone Business Manager

Avon Lake City Schools, Avon Lake, Ohio

ORGANIZATIONAL CHART

Supervisory Relationship

Collaborative Relationship





Government Finance Officers Association

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

Presented to

**Avon Lake City School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Association of School Business Officials International



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

Avon Lake City School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

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



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

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

John D. Musso, CAE, RSBA
Executive Director

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**FINANCIAL
SECTION**



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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Avon Lake City School District, Lorain County, Ohio (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Avon Lake City School District, Lorain County, Ohio, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during the year ended June 30, 2015, the District adopted Governmental Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2015, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

December 30, 2015

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Avon Lake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

The management's discussion and analysis of the Avon Lake City School District's (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the transmittal letter, basic financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2015 are as follows:

- In total, net position for governmental activities increased by \$ 5.5 million in 2015.
- Revenues for governmental activities totaled \$ 48,696,404 in fiscal year 2015. Of this total \$ 45,068,816 or 92.55 percent consisted of general revenues while program revenues accounted for the balance of \$ 3,627,588 or 7.45 percent.
- Program expenses totaled \$ 43,212,817. Instructional expenses made up \$ 23,794,480 or 55.06 percent of this total while support services accounted for \$ 14,682,585 or 33.98 percent. Other expenses, \$ 4,735,752 rounded out the remaining 10.96 percent.
- Total outstanding debt had a net decrease of \$ 1,699,867 to \$ 48,722,802 in fiscal year 2015.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as an entity looks at all financial transactions and asks the question, "How did we do financially during the 2015 fiscal year?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. Accrual basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Avon Lake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 21. Fund financial statements provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions; however, these fund financial statements concentrate on the School District's most significant funds. The School District's major governmental funds are the General Fund and Bond Retirement Debt Service Fund.

Governmental Funds

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

The School District as a Whole

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

Total assets decreased by \$ 149,302. This decrease can be attributed primarily to decreases of \$ 2,274,719 in taxes receivable and \$ 2,108,016 in capital asset. This decrease was offset by an increase in equity in pooled cash of \$ 4,179,493.

Total liabilities decreased by \$ 10,701,463. Current liabilities decreased by \$ 147,645, primarily due to decreases in intergovernmental payables and accrued wages and benefits. Long-term liabilities decreased by \$ 10,553,818, primarily due to a decrease in net pension liability.

Deferred inflows of resources related to property taxes decreased by \$ 1,151,937.

Over time, net position can serve as an indicator of a government's financial position. At June 30, 2015, the School District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$ 33,829,972. Of this total, \$ 5,287,563 is restricted in use.

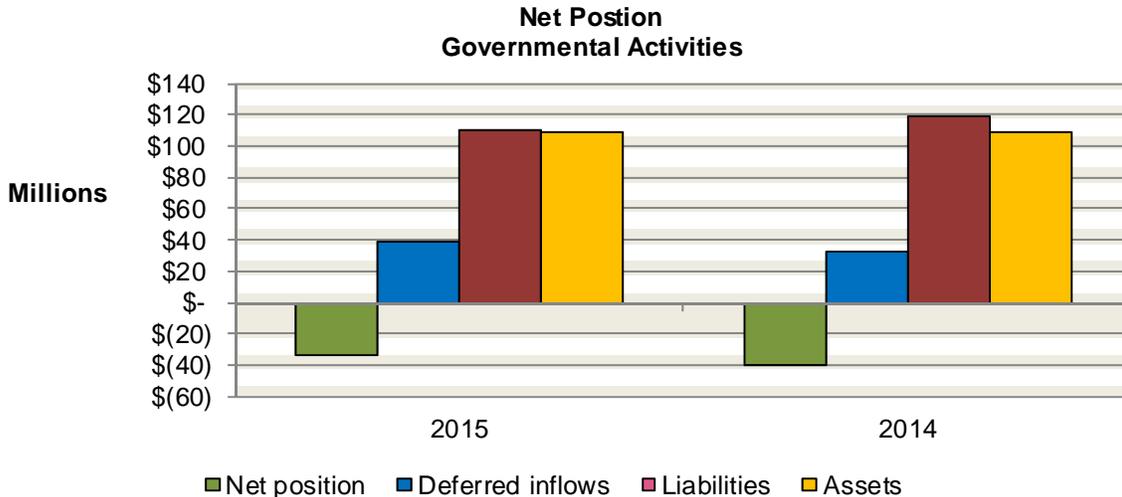
Avon Lake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

Table 1 provides a summary of the School District's net position for fiscal year 2015 compared to fiscal year 2014:

TABLE I
 Total Net Position

	2015	Restated 2014
Assets		
Current and other assets	\$ 54,846,358	\$ 52,887,644
Total capital assets, net	53,994,352	56,102,368
Total assets	108,840,710	108,990,012
Deferred outflows of resources		
Deferred charge on refunding	2,924,583	1,914,796
Pension	3,591,824	3,381,029
Total deferred outflows of resources	6,516,407	5,295,825
Liabilities		
Current liabilities	3,725,302	3,872,947
Long term liabilities		
Due within one year	5,114,195	4,044,044
Due in more than one year		
Net pension liability	51,508,946	61,189,478
Other amounts	49,940,938	51,884,375
Total liabilities	110,289,381	120,990,844
Deferred inflows of resources		
Property taxes levied for next year	31,424,022	32,575,959
Unavailable resources	38,375	32,593
Pension	7,435,311	-
Total deferred inflows of resources	38,897,708	32,608,552
Net position		
Net investment in capital assets	8,870,400	7,729,401
Restricted	5,287,563	5,404,860
Unrestricted	(47,987,935)	(52,447,820)
Total net position	\$(33,829,972)	\$(39,313,559)

Avon Lake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited



During 2015, the School District adopted GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27,” which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District’s actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

Under the new standards required by GASB 68, the net pension liability equals the School District’s proportionate share of each plan’s collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer’s promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Avon Lake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

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

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

As a result of implementing GASB 68, the School District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of decreasing net position at June 30, 2014, by \$ 57,808,449. See Note 2 of the notes to the basic financial statements.

Avon Lake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

Table 2 shows total revenues, expenses and changes in net position for fiscal year 2015 compared to fiscal year 2014. Total revenue for 2015 was \$ 4,170,050 higher than in 2014, while total expenses in 2015 were \$ 1,927,498 lower than the prior year.

Table 2
JUNE 30, 2015

	2015	Restated 2014
Revenues		
Program revenues		
Charges for services and sales	\$ 2,170,237	\$ 2,295,906
Operating grants, interest and contributions	1,457,351	1,596,335
Total program revenues	3,627,588	3,892,241
General revenues		
Property taxes	33,788,354	29,899,048
Grants and entitlements not restricted to specific purposes	10,764,213	10,162,477
Investment earnings	42,117	41,298
Miscellaneous	474,132	531,290
Total general revenues	45,068,816	40,634,113
Total revenues	48,696,404	44,526,354
Program expenses		
Instruction	23,794,480	24,718,070
Supporting services		
Pupil and instructional staff	3,566,048	3,695,601
Board of education, administration, fiscal services and business	4,541,271	4,264,031
Operation and maintenance	4,476,025	4,802,518
Pupil transportation	1,805,718	1,724,228
Central services	293,523	232,342
Operation of non-instructional services		
Food service operation	1,174,997	1,237,815
Community services	369,498	410,932
Extracurricular activities	1,132,041	1,266,615
Interest and fiscal charges	2,059,216	2,788,163
Total expenses	43,212,817	45,140,315
Increase (decrease) in net position	5,483,587	(613,961)
Net position at beginning of year, restated	(39,313,559)	N/A
Net position at end of year	\$(33,829,972)	\$(39,313,559)

Avon Lake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$ 3,381,029 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$ 651,487. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

Total 2015 program expenses under GASB 68	\$	43,212,817
Pension expense under GASB 68		(651,487)
2015 contractually required contributions		3,107,503
Adjusted 2015 program expenses		45,668,833
Total 2014 program expenses under GASB 27		(45,140,315)
Increase in program expenses not related to pension	\$	528,518

The vast majority of revenue supporting all Governmental Activities is general revenue. General revenue accounted for nearly \$ 45.1 million or 92.55 percent of the total revenue. The most significant portion of general revenue is local property tax. The other type of revenue that accounts for 7.45 percent of total revenue is called program revenues. Program revenues are derived directly from the program or entities outside the School District as a whole, and can help to reduce the net cost of services provided by the School District. Program revenues decreased by \$ 264,653 in 2015 from 2014. This decrease can be attributed to a decrease of \$ 125,669 in charges for services and sales and a decrease of \$ 138,984 in grants and contributions.

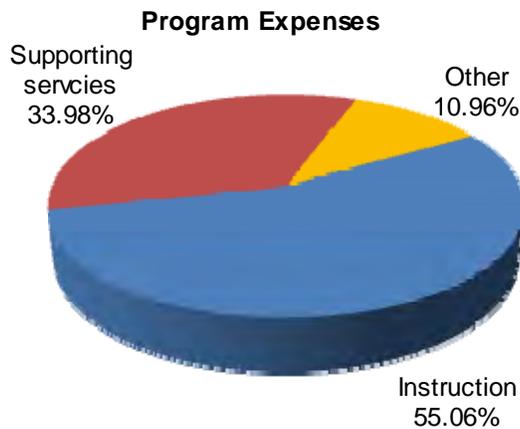
As you can see 55.06 percent of the School District's expenses were used to fund instructional expenses. Additional support services for pupils, staff, and business operation expenses were 33.98 percent. The remaining 10.96 percent of program expenses was used to facilitate other obligations of the School District such as interest and fiscal charges, the food service program and various extracurricular activities. Interest expense was primarily attributable to the outstanding bonds.

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

Avon Lake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

Table 3
 Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Program expenses				
Instruction	\$ 23,794,480	\$ 24,718,070	\$(22,662,991)	\$(23,550,144)
Supporting services				
Pupil and instructional staff	3,566,048	3,695,601	(3,024,257)	(2,989,323)
Board of education, administration, fiscal services and business	4,541,271	4,264,031	(4,522,317)	(4,247,872)
Operation and maintenance	4,476,025	4,802,518	(4,476,025)	(4,799,675)
Pupil transportation	1,805,718	1,724,228	(1,805,718)	(1,724,228)
Central services	293,523	232,342	(254,267)	(194,365)
Operation of non-instructional services				
Food service operation	1,174,997	1,237,815	42,093	24,822
Community services	369,498	410,932	(62,418)	(124,603)
Extracurricular activities	1,132,041	1,266,615	(760,113)	(854,523)
Interest and fiscal charges	2,059,216	2,788,163	(2,059,216)	(2,788,163)
Total expenses	<u>\$ 43,212,817</u>	<u>\$ 45,140,315</u>	<u>\$(39,585,229)</u>	<u>\$(41,248,074)</u>



The dependence upon tax revenues for governmental activities is apparent. Over 78.19 percent of total expenses are supported through taxes. Grants and entitlements not restricted to specific programs support 24.91 percent, while program revenue supports 8.39 percent. Investment and other miscellaneous type revenue support the remaining activity costs. The community, as a whole, is the primary support for the School District students.

Avon Lake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

The School District's Funds

Information about the School District's major funds starts on page 21. These governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$ 49,111,596, expenditures of \$ 51,288,025 and other financing sources (uses) of \$ 5,549,813. In total, the net change in fund balance was an increase of \$ 3,373,384.

The net change in fund balance for the year was most significant in the General Fund. In 2015, the General Fund's total revenue was \$ 2,556,749 higher than 2014. This was primarily the result of increases in taxes revenue of \$ 2,009,206 and \$ 707,856 in intergovernmental revenue. Expenditures of the General Fund were \$ 1,460,060 higher than the prior year. The increase in General Fund expenditures is primarily due to increases in instruction and supporting services of \$ 978,089 and \$ 582,205, respectively.

The following schedule shows the significant changes between fiscal year 2015 and 2014 for the General Fund.

	General Fund		
	2015	2014	Change
Revenue			
Taxes	\$ 30,070,699	\$ 28,061,493	\$ 2,009,206
Tuition and fees	451,868	607,823	(155,955)
Interest	35,217	42,411	(7,194)
Intergovernmental	9,142,419	8,434,563	707,856
Extracurricular	261,657	246,514	15,143
Rental	-	-	-
Miscellaneous	470,122	482,429	(12,307)
Total revenues	<u>40,431,982</u>	<u>37,875,233</u>	<u>2,556,749</u>
Expenditures			
Current			
Instruction	22,934,650	21,956,561	978,089
Supporting services	13,552,263	12,970,058	582,205
Operation of non-instructional services	82,887	92,102	(9,215)
Extracurricular activities	833,287	926,754	(93,467)
Debt service			
Principal	96,399	89,540	6,859
Interest	6,971	11,382	(4,411)
Total expenditures	<u>37,506,457</u>	<u>36,046,397</u>	<u>1,460,060</u>
Other financing sources (uses)			
Transfers in	15,000	-	15,000
Proceeds from capital lease	42,450	-	42,450
Total other financing sources (uses)	<u>57,450</u>	<u>-</u>	<u>57,450</u>
Net change in fund balances	2,982,975	1,828,836	1,154,139
Fund balances, beginning of year	<u>6,608,345</u>	<u>4,779,509</u>	<u>1,828,836</u>
Fund balances, end of year	<u>\$ 9,591,320</u>	<u>\$ 6,608,345</u>	<u>\$ 2,982,975</u>

Avon Lake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

During 2015 the School District issued bonds in the amount of \$ 31,594,934. Proceeds of these bonds were used in a current refunding of \$ 3,780,000 of bonds issued in 2010 and to advance refund \$ 27,835,000 of bonds issued in 2005.

The following schedule shows the significant changes between fiscal year 2015 and 2014 for the Bond Retirement Fund.

	Bond Retirement Fund		
	2015	2014	Change
Revenue			-
Taxes	\$ 3,528,524	\$ 3,947,419	\$ (418,895)
Interest	6,770	-	6,770
Intergovernmental	1,479,707	1,215,834	263,873
Total revenues	5,015,001	5,163,253	(148,252)
Expenditures			
Current			
Supporting services			
Fiscal services	66,393	56,882	9,511
Debt service			
Principal	6,955,000	2,760,000	4,195,000
Interest	3,303,275	2,486,690	816,585
Total expenditures	10,324,668	5,303,572	5,021,096
expenditures	(5,309,667)	(140,319)	(5,169,348)
Other financing sources (uses)			
Proceeds of refunding debt	31,594,934	-	31,594,934
Premium on debt issue	1,732,429	-	1,732,429
Payment to refunding escrow agent	(27,835,000)	-	(27,835,000)
Total other financing sources (uses)	5,492,363	-	5,492,363
Net change in fund balances	182,696	(140,319)	323,015
Fund balances, beginning of year	3,656,665	3,796,984	(140,319)
Fund balances, end of year	\$ 3,839,361	\$ 3,656,665	\$ 182,696

General Fund Budgeting Highlights

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

During the course of fiscal year 2015, the School District amended its General Fund budget several times to reflect changes in unanticipated receipts and amended appropriations. For the General Fund, the final budget basis revenue estimate, excluding other financing sources, was \$ 40,748,155 which was \$ 786,479 less than the original budget estimate and \$ 18,200 less than actual revenue. The final budget basis expenditures estimate, excluding other financing uses, totaled \$ 38,699,569 which was the same as the original budget estimate. Actual expenditures were \$ 472,705 less than final budget basis expenditures. The unencumbered ending cash balance totaled \$ 9,363,323.

Avon Lake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2015, the School District, net of depreciation, had \$ 53,994,352 invested in land, construction in process, land improvements, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2015 values compared to fiscal year 2014. More detailed information is presented in Note 8 of the notes to the basic financial statements.

Table 4
 Capital Assets
 (Net of Accumulated Depreciation)

	2015	2014
Land	\$ 6,041,645	\$ 6,041,645
Construction in progress	152,252	-
Land improvements	1,392,187	1,441,962
Buildings and improvements	45,459,036	47,426,757
Furniture and equipment	230,166	439,163
Vehicles	719,066	752,841
Total net capital assets	\$ 53,994,352	\$ 56,102,368

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

Debt

At June 30, 2015, the Avon Lake School District had \$ 48,722,802 in bonds and capital leases, a decrease of \$ 1,699,867 from fiscal year 2014. \$ 3,421,898 of the bonds and capital leases are due within one year. Table 5 below summarizes the School District's bonds and capital leases. More detailed information is presented in Notes 13 and 14 of the notes to the basic financial statements.

Table 5
 Outstanding Debt Year-End

	2015	2014
Term and serial bonds	\$ 44,590,000	\$ 48,185,000
Capital appreciation bonds	425,800	25,866
Accretion on capital appreciation bonds	143,976	28,803
Unamortized bond premiums	3,454,874	2,020,899
Capital leases	108,152	162,101
Total outstanding debt	\$ 48,722,802	\$ 50,422,669

Avon Lake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

Current Issues

The Avon Lake Board of Education and administration closely monitor revenues and expenditures in accordance with its financial forecast. This monitoring process was affirmed by Moody's Investors Services in July 2014.

A school district can refinance its outstanding bond issues much like a homeowner refinances an existing mortgage to lower their annual payments. The School District successfully completed two such refinancings on July 17, 2014. The first refinancing involved the District's Series 2005 bonds. The District's Series 2005 bonds were originally issued in the amount of \$ 32,999,950 in June of 2005. Those 2005 Bonds actually refinanced the District's Series 1999 Bonds and, at that time, the District saved nearly \$ 2.1 million in interest over the life of the issue or approximately \$ 95,000 a year. Nine years later, given historically low interest rates, the District refinanced its \$ 28,835,000 Series 2005 Bonds for additional interest savings. Total interest savings over the life of the issue is \$ 1,675,533 or approximately \$ 135,000 per year. The other refinancing involved the District's outstanding Build America Bonds (BABs). In 2010, the District issued \$ 18,495,866.45 in long-term bonds. The issue included \$ 3,780,000 in BABs. BABs were included in the American Recovery and Reinvestment Act signed into law by President Obama in 2009. BAB issuers receive a subsidy from the federal government for their annual interest payments. When sequestration was implemented in 2013 and the U.S. Treasury reduced its subsidy the District was immediately permitted to refinance the BABs. In today's interest rate environment, refinancing the District's BABs was financially beneficial. The District saved nearly \$ 276,000 in interest over the life of the BABs or another \$ 14,000 - \$ 18,000 of interest per year.

The School District has continued to struggle with many of the same economic issues as other school districts including increasing operating costs, unfunded mandates and decreasing revenue sources. The financial future of the District is not without its internal, as well as, external challenges. In the foreseeable future, the internal challenge will remain as long as the School District is required to rely on local property taxes to fund its operations. External challenges continue to evolve as the economy and the State of Ohio determine the outcome and viability of the State's educational funding system. The ongoing legislative efforts to support the existence of community (charter) schools continue to come at the expense of our current State funding. Over \$450,000 was deducted from the School District's State funding and redirected to community (charter) schools in fiscal year 2015.

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 awards since 1994.

Contacting the School District's Fiscal Management

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

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AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY

STATEMENT OF NET POSITION

JUNE 30, 2015

	Governmental Activities
Assets	
Equity in pooled cash	\$ 19,123,247
Intergovernmental receivables	26,000
Accounts receivable and other	18,131
Inventories and supplies	64,300
Taxes receivable	35,614,680
Capital assets	
Nondepreciable capital assets	6,193,897
Depreciable capital assets	47,800,455
Total assets	108,840,710
Deferred outflow s of resources	
Deferred charge on refunding	2,924,583
Pension	3,591,824
Total deferred outflow s of resources	6,516,407
Liabilities	
Accounts and contracts payable	157,672
Accrued salaries, w ages and benefits	3,127,010
Accrued interest payable	141,059
Intergovernmental payable	299,561
Long-term liabilities	
Due w ithin one year	5,114,195
Due in more than one year	
Net pension liability	51,508,946
Other amounts due in more than one year	49,940,938
Total liabilities	110,289,381
Deferred inflow s of resources	
Property taxes levied for next year	31,424,022
Deferred cafeteria revenue	38,375
Pension	7,435,311
Total deferred inflow s of resources	38,897,708
Net position	
Net investment in capital assets	8,870,400
Restricted for:	
Debt service	3,264,367
Capital projects	832,430
Food service	572,922
Extracurricular activities	167,148
Donations	450,696
Unrestricted	(47,987,935)
Total net position	\$ (33,829,972)

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Charges for Services and Sales	Operating Grants, Interest and Contributions	
Governmental activities:				
Instruction				
Regular	\$ 18,710,477	\$ 659,001	\$ 75,023	\$ (17,976,453)
Special	4,264,727	74,884	315,811	(3,874,032)
Adult/continuing	9,972	-	-	(9,972)
Other instruction	809,304	-	6,770	(802,534)
Supporting services				
Pupil	2,239,083	103,403	422,035	(1,713,645)
Instructional staff	1,326,965	16,353	-	(1,310,612)
Board of education	20,544	-	-	(20,544)
Administration	3,102,611	515	18,439	(3,083,657)
Fiscal services	1,134,761	-	-	(1,134,761)
Business	283,355	-	-	(283,355)
Operation and maintenance	4,476,025	-	-	(4,476,025)
Pupil transportation	1,805,718	-	-	(1,805,718)
Central services	293,523	26,656	12,600	(254,267)
Operation of non-instructional services				
Food service operation	1,174,997	917,497	299,593	42,093
Community services	369,498	-	307,080	(62,418)
Extracurricular activities	1,132,041	371,928	-	(760,113)
Interest and fiscal charges	2,059,216	-	-	(2,059,216)
Total	<u>\$ 43,212,817</u>	<u>\$ 2,170,237</u>	<u>\$ 1,457,351</u>	<u>(39,585,229)</u>

General revenues	
Property taxes levied for:	
General purposes	29,777,599
Debt service	3,486,624
Capital improvements	524,131
Grants and entitlements not restricted to specific purposes	10,764,213
Investment earnings	42,117
Miscellaneous	474,132
Total general revenues	<u>45,068,816</u>
Change in net position	5,483,587
Net position at beginning of year, restated	(39,313,559)
Net position at end of year	<u>\$ (33,829,972)</u>

See accompanying notes to the basic financial statements.

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AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in pooled cash	\$ 10,822,573	\$ 3,469,709	\$ 2,245,958	\$ 16,538,240
Restricted cash	113,990	-	-	113,990
Receivables, net of allowance				
Taxes, current	30,734,388	3,601,644	553,048	34,889,080
Taxes, delinquent	639,200	74,900	11,500	725,600
Accounts and other	-	-	18,131	18,131
Intergovernmental receivables	-	-	26,000	26,000
Inventories and supplies	48,362	-	15,938	64,300
Total assets	\$ 42,358,513	\$ 7,146,253	\$ 2,870,575	\$ 52,375,341
Liabilities				
Accounts and contracts payable	\$ 97,316	\$ -	\$ 59,486	\$ 156,802
Accrued salaries, wages and benefits	3,028,978	-	98,032	3,127,010
Intergovernmental payable	278,031	-	21,530	299,561
Matured compensated absences	1,031,857	-	-	1,031,857
Total liabilities	4,436,182	-	179,048	4,615,230
Deferred inflows of resources				
Property taxes levied for next year and unavailable resources	28,331,011	3,306,892	550,094	32,187,997
Total deferred inflows of resources	28,331,011	3,306,892	550,094	32,187,997
Fund balances (deficits)				
Nonspendable	48,362	-	15,938	64,300
Restricted	-	3,839,361	2,144,248	5,983,609
Committed	113,990	-	-	113,990
Assigned	1,507,312	-	-	1,507,312
Unassigned	7,921,656	-	(18,753)	7,902,903
Total fund balances (deficits)	9,591,320	3,839,361	2,141,433	15,572,114
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 42,358,513	\$ 7,146,253	\$ 2,870,575	\$ 52,375,341

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

JUNE 30, 2015

Total governmental fund balances		\$ 15,572,114
Amount reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.		53,994,352
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes receivable		725,600
Unamortized premiums on bonds issued are not recognized in the funds.		(3,454,874)
Unamortized deferred charges on refundings are not recognized in the funds.		2,924,583
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(141,059)
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		2,470,147
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflow s/outflow s are not reported in the funds.		
Deferred outflow s - pension	3,591,824	
Deferred inflow s - pension	(7,435,311)	
Net pension liability	(51,508,946)	(55,352,433)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences payable	(5,300,474)	
Bonds payable	(45,159,776)	
Capital lease payable	(108,152)	(50,568,402)
Net position of governmental activities		\$ (33,829,972)

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
Revenue				
Taxes	\$ 30,070,699	\$ 3,528,524	\$ 529,331	\$ 34,128,554
Tuition and fees	451,868	-	10,585	462,453
Interest	35,217	6,770	413	42,400
Intergovernmental	9,142,419	1,479,707	1,599,438	12,221,564
Extracurricular	261,657	-	283,819	545,476
Charges for services	-	-	917,497	917,497
Miscellaneous	470,122	-	323,530	793,652
Total revenues	<u>40,431,982</u>	<u>5,015,001</u>	<u>3,664,613</u>	<u>49,111,596</u>
Expenditures				
Current				
Instruction				
Regular	17,971,759	-	248,046	18,219,805
Special	4,120,845	-	342,033	4,462,878
Adult/continuing	10,840	-	-	10,840
Other instruction	831,206	-	6,770	837,976
Supporting services				
Pupil	2,015,280	-	447,134	2,462,414
Instructional staff	1,343,328	-	19,068	1,362,396
Board of education	21,594	-	-	21,594
Administration	2,942,630	-	18,954	2,961,584
Fiscal services	1,078,101	66,393	10,095	1,154,589
Business	294,868	-	-	294,868
Operation and maintenance	3,903,271	-	350,632	4,253,903
Pupil transportation	1,683,966	-	168,429	1,852,395
Central services	269,225	-	26,000	295,225
Operation of non-instructional services				
Food service operation	-	-	1,160,788	1,160,788
Community services	82,887	-	291,990	374,877
Extracurricular activities	833,287	-	333,326	1,166,613
Capital outlay	-	-	33,635	33,635
Debt service				
Principal	96,399	6,955,000	-	7,051,399
Interest	6,971	3,303,275	-	3,310,246
Total expenditures	<u>37,506,457</u>	<u>10,324,668</u>	<u>3,456,900</u>	<u>51,288,025</u>
Excess (deficiency) of revenues over expenditures	<u>2,925,525</u>	<u>(5,309,667)</u>	<u>207,713</u>	<u>(2,176,429)</u>
Other financing sources (uses)				
Transfers in	15,000	-	-	15,000
Capitalized lease	42,450	-	-	42,450
Proceeds of refunding debt	-	31,594,934	-	31,594,934
Premium on debt issue	-	1,732,429	-	1,732,429
Payment to refunding escrow agent	-	(27,835,000)	-	(27,835,000)
Total other financing sources (uses)	<u>57,450</u>	<u>5,492,363</u>	<u>-</u>	<u>5,549,813</u>
Net change in fund balances	2,982,975	182,696	207,713	3,373,384
Fund balances, beginning of year, restated	<u>6,608,345</u>	<u>3,656,665</u>	<u>1,933,720</u>	<u>12,198,730</u>
Fund balances, end of year	<u>\$ 9,591,320</u>	<u>\$ 3,839,361</u>	<u>\$ 2,141,433</u>	<u>\$ 15,572,114</u>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds		\$ 3,373,384
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded net capital outlay in the current period.		
	Capital outlay, net	\$ 584,888
	Depreciation expense	<u>(2,692,904)</u>
		(2,108,016)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
	Interest	(1,600)
	Property taxes	<u>(340,200)</u>
		(341,800)
Other financing sources in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues in the statement of activities.		
	Bonds issued	(31,594,934)
	Capital lease	<u>(42,450)</u>
		(31,637,384)
Repayment of bond, loan, note and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		34,886,399
In the statement of activities, interest accrued on outstanding bonds and bond and notes accretion are amortized over the term of the bonds and notes, whereas in governmental funds, the expenditure is reported when the bonds and notes are issued.		
	Accrued interest	57,962
	Annual accretion	(115,173)
	Amortization of bond premium	(1,433,975)
	Amortization of deferred charges	<u>1,009,787</u>
		(481,399)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
	Compensated absences	(104,598)
Contractually required contributions are reported as expenditures in governmental funds, however, the statement of activities reports these amounts as deferred outflows.		
		3,107,503
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities		
		(651,487)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		<u>(559,015)</u>
Change in net position of governmental activities		<u>\$ 5,483,587</u>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2015

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Taxes	\$ 31,249,173	\$ 30,657,454	\$ 30,671,147	\$ 13,693
Tuition and fees	377,319	370,175	370,340	165
Interest	42,740	41,930	41,949	19
Intergovernmental	9,314,716	9,138,337	9,142,419	4,082
Extracurricular	239,760	235,220	235,325	105
Miscellaneous	310,926	305,039	305,175	136
Total revenues	<u>41,534,634</u>	<u>40,748,155</u>	<u>40,766,355</u>	<u>18,200</u>
Expenditures				
Current				
Instruction				
Regular	18,868,100	18,868,100	18,637,631	230,469
Special	3,973,218	3,973,218	3,924,686	48,532
Adult/continuing	11,024	11,024	10,890	134
Other	854,407	854,407	843,972	10,435
Supporting services				
Pupil	2,142,932	2,142,932	2,116,757	26,175
Instructional staff	1,290,635	1,290,635	1,274,870	15,765
Board of education	21,838	21,838	21,571	267
Administration	3,012,710	3,012,710	2,975,909	36,801
Fiscal services	1,107,212	1,107,212	1,093,688	13,524
Business	302,258	302,258	298,565	3,693
Operation and maintenance	4,167,726	4,167,726	4,116,818	50,908
Pupil transportation	1,706,887	1,706,887	1,686,037	20,850
Central services	385,185	385,185	380,481	4,704
Operation of non-instructional services				
Community services	73,710	73,710	72,811	899
Extracurricular activities				
Academic and subject oriented	96,500	96,500	95,322	1,178
Occupation oriented	1,226	1,226	1,211	15
Sports oriented	634,733	634,733	626,979	7,754
Co-curricular activities	49,268	49,268	48,666	602
Total expenditures	<u>38,699,569</u>	<u>38,699,569</u>	<u>38,226,864</u>	<u>472,705</u>
Excess (deficiency) of revenues over expenditures	<u>2,835,065</u>	<u>2,048,586</u>	<u>2,539,491</u>	<u>490,905</u>
Other financing sources				
Refund of prior year expenditures	-	345,167	345,167	-
Total other financing sources	-	345,167	345,167	-
Net change in fund balance	2,835,065	2,393,753	2,884,658	490,905
Prior year encumbrances	670,985	670,985	670,985	-
Fund balances, beginning of year	5,807,680	5,807,680	5,807,680	-
Fund balances, end of year	<u>\$ 9,313,730</u>	<u>\$ 8,872,418</u>	<u>\$ 9,363,323</u>	<u>\$ 490,905</u>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY

STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUND

JUNE 30, 2015

	<u>Self Insurance</u>
Assets	
Current assets	
Equity in pooled cash	\$ 2,471,017
Total assets	<u>\$ 2,471,017</u>
Liabilities	
Current liabilities	
Accounts and contracts payable	\$ 870
Total liabilities	<u>870</u>
Net position	
Unrestricted	<u>\$ 2,470,147</u>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Self Insurance
Operating expenses	
Purchased services	\$ 10,869
Claims	534,463
Total operating expenses	545,332
 Operating loss	 (545,332)
 Nonoperating revenues	
Interest income	1,317
Total nonoperating revenues	1,317
 Transfers out	 (15,000)
 Change in net position	 (559,015)
 Net position, beginning of year	 3,029,162
 Net position, end of year	 \$ 2,470,147

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY

STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Self Insurance</u>
Cash flow s from operating activities	
Cash payments for claims	\$ (550,402)
Cash payments for goods and services	(11,844)
Net cash used in operating activities	<u>(562,246)</u>
Cash flow s from noncapital financing activities	
Transfers to other funds	(15,000)
Net cash used in noncapital financing activities	<u>(15,000)</u>
Cash flow s from investing activities	
Interest income	1,317
Net cash provided by investing activities	<u>1,317</u>
Net decrease in cash and cash equivalents	(575,929)
Cash and cash equivalents, beginning of year	<u>3,046,946</u>
Cash and cash equivalents, end of year	<u>\$ 2,471,017</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (545,332)
Adjustments	
Decrease in accounts and contracts payable	(975)
Decrease in accrued wages and benefits	(15,939)
Total adjustments	<u>(16,914)</u>
Net cash used in operating activities	<u>\$ (562,246)</u>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS

JUNE 30, 2015

	<u>Agency Funds</u>
Assets	
Equity in pooled cash	\$ 87,229
Total assets	<u>\$ 87,229</u>
Liabilities	
Accounts payable	\$ 2,669
Due to students	80,788
Due to others	3,772
Total liabilities	<u>\$ 87,229</u>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

The School District is located in Avon Lake, Lorain County, Ohio, and includes an area extending roughly twelve square miles around the City. It is staffed by 225 non-certified personnel, 250 certified full-time teaching personnel, and 14 administrative employees to provide services to 3,772 students and other community members. The School District operates 4 elementary schools (K-4), 1 intermediate school (5-6), 1 middle school (7-8), and 1 high school (9-12).

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

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

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

B. BASIS OF PRESENTATION

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION (continued)

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

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the Internal Service Fund is eliminated to avoid "doubling up" revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation.

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

Fund Financial Statements

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

C. FUND ACCOUNTING

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

Governmental Funds

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. FUND ACCOUNTING (continued)

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

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

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

Proprietary Fund Type

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

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

Fiduciary Fund Type

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency funds report resources that belong to the student bodies of the various schools and staff services outside the scope of normal operations.

D. MEASUREMENT FOCUS

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. MEASUREMENT FOCUS (continued)

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

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

E. BASIS OF ACCOUNTING

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

Revenues - Exchange and Non-exchange Transactions

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

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BASIS OF ACCOUNTING (continued)

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

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, pensions, cafeteria receipts, and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2015, but which were levied to finance year 2016 operations. Cafeteria receipts represent the positive account balance on student lunch cards as of June 30, 2015, which amounts will be used to purchase lunch in future fiscal years. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pensions are reported on the government-wide statement of position. (See Note10)

Expenses/Expenditures

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

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

F. BUDGETARY PROCESS

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. BUDGETARY PROCESS (continued)

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

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

G. CASH AND CASH EQUIVALENTS

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as "equity in pooled cash".

During fiscal year 2015, investments were limited to STAR Ohio and Federal securities.

Investments are reported at fair value which is based on quoted market prices, with the exception of repurchase agreements, which are reported at cost.

STAR 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2015.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2015 amounted to \$ 35,217 which includes \$ 12,501 assigned from other funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are reported as cash equivalents.

H. RESTRICTED ASSETS

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets in the General Fund include amounts required by State Statute to be set-aside for the creation of a reserve for budget stabilization. See Note 19 for additional information regarding set-asides.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond June 30, 2015, are reported as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

J. INVENTORY

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

K. CAPITAL ASSETS

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

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

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

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. INTERFUND BALANCES

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

M. COMPENSATED ABSENCES

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

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

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

N. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the Internal Service Fund are reported on the Internal Service Fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds, capital lease obligations, long-term notes and loans are recognized as a liability on the governmental fund financial statements when due.

O. NET POSITION

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

The government-wide statement of net position reports \$ 5,287,563 of restricted net position, none of which is restricted by enabling legislation.

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. FUND BALANCE

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

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

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

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

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

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

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

Q. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are charges for services for health insurance in the Internal Service Fund. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. PENSIONS

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

S. EXTRAORDINARY AND SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

T. ESTIMATES

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

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENTS

For fiscal year 2015, the School District implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure.

Other than employer contributions subsequent to the measurement date, the School District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

Beginning net position of governmental activities has been restated to correctly reflect deferred outflows of resources related to prior years' bond refundings and unamortized bond premiums.

In 2014, the School District incorrectly recognized property taxes revenue related to the Library Debt Service fund.

AVON LAKE CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENTS (continued)

Net position and change in net position of governmental activities have been restated as follows:

	Governmental Activities
Net position June 30, 2014	\$ 18,927,377
Adjustments:	
Deferred outflows on bond refundings	1,914,796
Unamortized bond premiums	(2,020,899)
Property taxes revenue	(326,384)
Net pension liability	(61,189,478)
Deferred outflow - payments subsequent to measurement date	3,381,029
Restated net position June 30, 2014	\$ (39,313,559)
Change in net position June 30, 2014	\$ (287,577)
Effect of correction for:	
Deferred outflows on bond refundings	1,914,796
Unamortized bond premiums	(2,020,899)
Property tax revenue	(326,384)
Restated change in net position June 30, 2014	\$ (720,064)

Fund balance and change in net fund balance of governmental funds have been restated as follows:

	General Fund	Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
Fund balance June 30, 2014	\$4,779,509	\$3,796,984	\$ 1,758,599	\$ 12,465,314
Adjustments:				
Property taxes revenue	-	-	(266,584)	(266,584)
Restated fund balance June 30, 2014	\$4,779,509	\$3,796,984	\$ 1,492,015	\$ 12,198,730
Change in fund balance June 30, 2014	\$ 1,828,836	\$ (140,319)	\$ 441,705	\$ 2,130,222
Effect of correction for property taxes	-	-	(266,584)	(266,584)
Restated change in net position June 30, 2014	\$ 1,828,836	\$ (140,319)	\$ 175,121	\$ 1,863,638

AVON LAKE CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

Net Change in Fund Balance	
	General Fund
Budget basis	\$ 2,884,658
Adjustments, increase (decrease)	
Revenue accruals	(909,965)
Expenditure accruals	(283,743)
Funds budgeted elsewhere **	17,306
Encumbrances	1,274,719
GAAP basis, as reported	\$ 2,982,975

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4 – FUND BALANCES

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

Fund balances	General Fund	Bond Retirement Fund	Nonmajor Governmental Funds	Total
Nonspendable				
Inventory	\$ 48,362	\$ -	\$ 15,938	\$ 64,300
Restricted for:				
Debt service	-	3,839,361	21,456	3,860,817
Capital projects	-	-	820,930	820,930
Food service	-	-	627,842	627,842
Extracurricular activities	-	-	167,148	167,148
State grants	-	-	56,176	56,176
Donations	-	-	450,696	450,696
Total restricted	<u>-</u>	<u>3,839,361</u>	<u>2,144,248</u>	<u>5,983,609</u>
Committed				
Budget reserve	<u>113,990</u>	<u>-</u>	<u>-</u>	<u>113,990</u>
Assigned to				
Encumbrances	1,215,964	-	-	1,215,964
Scholarships	93,233	-	-	93,233
Field trips and assemblies	198,115	-	-	198,115
Total assigned	<u>1,507,312</u>	<u>-</u>	<u>-</u>	<u>1,507,312</u>
Unassigned	<u>7,921,656</u>	<u>-</u>	<u>(18,753)</u>	<u>7,902,903</u>
Total fund balances	<u>\$ 9,591,320</u>	<u>\$ 3,839,361</u>	<u>\$ 2,141,433</u>	<u>\$ 15,572,114</u>

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 5 - DEPOSITS AND INVESTMENTS

A. LEGAL REQUIREMENTS

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

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

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

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

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

Interim monies may be invested in the following securities:

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

A. LEGAL REQUIREMENTS (continued)

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Commercial paper and bankers' acceptances (if authorized by the Board of Education), and;
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

At fiscal year end, the School District had \$ 3,580 in cash on hand which is included on the balance sheet of the School District as part of "Equity in Pooled Cash".

B. DEPOSITS

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned. The School District does not have a deposit policy for custodial credit risk. At fiscal year end, the carrying amount of the School District's deposits was \$ 15,178,705 and the bank balance was \$ 16,017,166. Of the bank balance, \$ 6,978,029 was covered by federal depository insurance and \$ 9,039,137 was uninsured. Of the remaining balance, \$ 9,039,137 was collateralized with securities held by the pledging institution's trust department not in the School District's name. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

C. INVESTMENTS

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee. As of June 30, 2015, the School District had the following investments:

	Fair Value	Percentage of Investments	Investment Maturities		
			Less than 1 year	1 - 2 years	3 years and longer
STAR Ohio	\$ 278,191	6.91%	\$ 278,191	\$ -	\$ -
Federal securities	3,750,000	93.09%	-	2,000,000	1,750,000
	<u>\$ 4,028,191</u>	<u>100.00%</u>	<u>\$ 278,191</u>	<u>\$ 2,000,000</u>	<u>\$ 1,750,000</u>

D. INTEREST RATE RISK

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

E. CREDIT RISK

The School District follows the Ohio Revised Code that limits its investment choices, as disclosed in Note 5 A. As of June 30, 2015 the School District's investment in Star Ohio was rated AAAM by Standard & Poor's.

F. CONCENTRATION OF CREDIT RISK

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

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2015 represents collections of calendar year 2014 taxes. Real property taxes received in calendar year 2015 were levied after April 1, 2014, on the assessed value listed as of January 1, 2014, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State Statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2015 represents collections of calendar year 2014 taxes. Public utility real and tangible personal property taxes received in calendar year 2015 became a lien December 31, 2013, were levied after April 1, 2014 and are collected in 2015 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 6 - 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, 2015, are available to finance fiscal year 2015 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2015 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only delinquent settlement of tangible personal property taxes and the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2015 was \$ 3,042,577 in the General Fund, \$ 369,652 in the Bond Retirement Debt Service Fund and \$ 52,829 in the Permanent Improvements Capital Projects Fund. The amount available as an advance at June 30, 2014 was \$ 3,643,025 in the General Fund, \$ 522,386 in the Bond Retirement Debt Service Fund and \$ 82,229 in the Permanent Improvements Capital Projects Fund.

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

The assessed values upon which the fiscal year 2015 taxes were collected are:

	2014 Second Half Collections		2015 First Half Collections	
	Amount	%	Amount	%
Agricultural/ Residential and Other Real Estate	\$ 739,254,670	95.08 %	\$ 748,573,960	95.03 %
Public Utility Personal	38,214,330	4.92	39,187,470	4.97
	<u>\$ 777,469,000</u>	<u>100.00 %</u>	<u>\$ 787,761,430</u>	<u>100.00 %</u>
 Tax Rate per \$ 1,000 of Assessed Valuation:	 <u>\$ 75.10</u>		 <u>\$ 74.57</u>	

NOTE 7 – RECEIVABLES

Receivables at June 30, 2015, consisted of property taxes, amounts due from other governments and accounts receivable. 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 fiscal year guarantee of federal funds. All receivables are expected to be collected within one year.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

<u>Governmental Activities</u>	Balance June 30, 2014	Additions	Disposals	Balance June 30, 2015
Nondepreciable capital assets				
Land	\$ 6,041,645	\$ -	\$ -	\$ 6,041,645
Construction in process	-	152,252	-	152,252
Total nondepreciable capital assets	<u>6,041,645</u>	<u>152,252</u>	<u>-</u>	<u>6,193,897</u>
Depreciable capital assets				
Land improvements	2,812,750	22,620	-	2,835,370
Buildings and improvements	78,935,880	15,212	129,381	78,821,711
Furniture and equipment	11,787,518	315,553	164,158	11,938,913
Vehicles	2,437,774	153,960	72,522	2,519,212
Total capital assets being depreciated	<u>95,973,922</u>	<u>507,345</u>	<u>366,061</u>	<u>96,115,206</u>
Less accumulated depreciation				
Land improvements	1,370,788	72,395	-	1,443,183
Buildings and improvements	31,509,123	1,913,991	60,439	33,362,675
Furniture and equipment	11,348,355	518,783	158,391	11,708,747
Vehicles	1,684,933	187,735	72,522	1,800,146
Total accumulated depreciation	<u>45,913,199</u>	<u>2,692,904</u>	<u>291,352</u>	<u>48,314,751</u>
Depreciable capital assets, net of accumulated depreciation	<u>50,060,723</u>	<u>(2,185,559)</u>	<u>74,709</u>	<u>47,800,455</u>
Governmental activities capital assets, net	<u>\$ 56,102,368</u>	<u>\$ (2,033,307)</u>	<u>\$ 74,709</u>	<u>\$ 53,994,352</u>

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 8 - CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental activities as follows:

Instruction	
Regular	\$ 1,857,839
Supporting services	
Administration	211,081
Fiscal	620
Operation and maintenance of plant	382,808
Pupil transportation	167,370
Operation of non-instructional services	
Food service	52,312
Extracurricular activities	
Sports oriented	20,874
Total depreciation expense	\$ 2,692,904

NOTE 9 - RISK MANAGEMENT

A. PROPERTY AND LIABILITY

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2015 the School District contracted with Ohio Casualty Insurance Company for property insurance. Professional liability is protected by the Ohio Casualty Insurance Company with a \$ 3,000,000 aggregate limit. Vehicles are covered by the Ohio Casualty Insurance Company and hold a \$ 1,000 deductible for comprehensive and \$ 1,000 deductible for collision. Automobile liability has a \$ 1,000,000 combined single limit of liability.

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

The School District maintains a \$ 50,000 public official bond for the treasurer, a \$ 20,000 public official bond for the Board of Education president, and a \$ 20,000 public official bond for the superintendent. The School District maintains a \$ 250,000 employee dishonesty policy for all other employees with a \$ 1,000 deductible with Cincinnati Insurance.

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

B. EMPLOYEE MEDICAL COVERAGE

The School District is a member of the Suburban Health Consortium, a shared risk pool to provide employee medical, surgical, prescription drug, vision and dental benefits. Rates are set through an annual calculation process. The School District pays a monthly contribution and a pro-rata share of their "buy-in" contribution to existing plan reserves which is placed in a common fund from which the claim payments are made for all participating districts. For 2015 the School District paid 85% of the cost of the monthly premium for all employees.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 10 - DEFINED BENEFIT PENSION PLANS

A. NET PENSION LIABILITY

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

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

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

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

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

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

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

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

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The School District's contractually required contribution to SERS was \$ 814,979 for fiscal year 2015, which 100 percent was paid.

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

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$ 2,338,684 for fiscal year 2015, which 100% was paid.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

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

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate share of the net pension liability	\$ 10,361,320	\$ 41,147,626	\$ 51,508,946
Proportion of the net pension liability	0.204731%	0.169168%	
Pension expense	\$ 272,997	\$ 378,490	\$ 651,487

At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 88,186	\$ 396,135	\$ 484,321
School District contributions subsequent to the measurement date	<u>848,046</u>	<u>2,259,457</u>	<u>3,107,503</u>
Total deferred outflows of resources	<u>\$ 936,232</u>	<u>\$ 2,655,592</u>	<u>\$ 3,591,824</u>

Deferred inflows of resources			
Net difference between projected and actual earnings on pension plan investments	<u>\$ 1,345,337</u>	<u>\$ 6,089,974</u>	<u>\$ 7,435,311</u>

\$ 3,107,503 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

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

Fiscal Year Ending June 30:	SERS	STRS	Total
2016	\$ (314,288)	\$ (1,423,460)	\$ (1,737,748)
2017	(314,288)	(1,423,460)	(1,737,748)
2018	(314,288)	(1,423,460)	(1,737,748)
2019	(314,287)	(1,423,459)	(1,737,746)
	<u>\$ (1,257,151)</u>	<u>\$ (5,693,839)</u>	<u>\$ (6,950,990)</u>

E. ACTUARIAL ASSUMPTIONS - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2014, are presented below:

Wage inflation	3.25 percent
Future salary increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment rate of return	7.75 percent of net of investments expense, including inflation
Actuarial cost method	Early age normal

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

E. ACTUARIAL ASSUMPTIONS – SERS (continued)

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Cash	1.00%	0.00%
U.S. stocks	22.50%	5.00%
Non-U.S. stocks	22.50%	5.50%
Fixed income	19.00%	1.50%
Private equity	10.00%	10.00%
Real assets	10.00%	5.00%
Multi-asset strategies	15.00%	7.50%
	<u>100.00%</u>	

Discount Rate - The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
School District's proportionate share of the net pension liability	<u>\$ 14,782,524</u>	<u>\$ 10,361,320</u>	<u>\$ 6,642,704</u>

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

F. ACTUARIAL ASSUMPTIONS - STRS

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment rate of return	7.75 percent, net of investment expenses
Cost-of-living adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

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

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

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

Discount Rate - The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

F. ACTUARIAL ASSUMPTIONS - STRS

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$ 58,907,314	\$ 41,147,626	\$ 26,128,907

NOTE 11 - POSTEMPLOYMENT BENEFITS

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM

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 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of 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 basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2015, 0.82 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2015, this amount was \$ 20,450. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2015, the School District's surcharge obligation was \$ 105,509.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 11 - POSTEMPLOYMENT BENEFITS (continued)

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (continued)

The School District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$ 156,213, \$ 118,686, and \$ 104,118 respectively. The full amount has been contributed for fiscal years 2015, 2014 and 2013.

B. STATE TEACHERS RETIREMENT SYSTEM

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2015, STRS did not allocate any employer contributions to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$ 0, \$ 172,975, and \$ 180,606 respectively. The full amount has been contributed for fiscal years 2015, 2014 and 2013.

NOTE 12 - OTHER EMPLOYEE BENEFITS

A. COMPENSATED ABSENCES

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

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

B. LIFE INSURANCE

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 13 - CAPITAL LEASES

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

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

Asset	Cost	Accumulated Depreciation	Net Book Value
Copiers	\$ 267,299	\$ 209,385	\$ 57,914
Computer equipment	42,450	1,416	41,034
	<u>\$ 309,749</u>	<u>\$ 210,801</u>	<u>\$ 98,948</u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2015.

	Year ending June 30,	Amount
	2016	\$ 74,605
	2017	24,673
	2018	12,239
Total minimum lease payments		111,517
Less amount representing interest		3,365
Net present value of minimum lease payments		<u>\$ 108,152</u>

NOTE 14 - LONG-TERM OBLIGATIONS

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

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
General obligation bonds				
Refunding				
Serial and term	2004	2.0 - 4.40%	\$ 3,410,000	12/1/2019
Refunding				
Serial	2005	3.0 - 4.75%	\$ 32,415,000	12/1/2026
Capital appreciation	2005	24.104%	\$ 584,950	12/1/2013
School facilities term and serial	2010	1.0 - 6.05%	\$ 18,470,000	12/1/2031
School facilities capital appreciation	2010	20.00%	\$ 25,866	12/1/2027
Refunding				
Serial and term	2015	.35 - 4.00%	\$ 31,195,000	12/1/2031
Capital appreciation	2015	27.0%	\$ 399,934	12/1/2021

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 14 - LONG-TERM OBLIGATIONS (continued)

In 2015, the School District issued \$ 31,594,934 of general obligation bonds for the current refunding of \$ 3,780,000 of bonds issued in 2010 and to advance refund \$ 27,835,000 of bonds issued in 2005. The refundings were undertaken to reduce debt service payments over the next 16 years by \$ 1,951,510 and to obtain an economic gain of \$ 1,608,995.

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

Bond proceeds used for the advance refundings have been placed in an irrevocable trust to provide for all future debt service payments of the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements.

At June 30, 2015, \$ 56,855,000 of bonds outstanding are considered to be defeased.

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

	Restated Principal Outstanding 6/30/2014	Additions	Reductions	Principal Outstanding 6/30/2015	Due in 1 year
General obligation bonds					
Refunding bonds - 2004					
Term and serial bonds	\$ 700,000	\$ -	\$ 105,000	\$ 595,000	\$ 110,000
Refunding bonds - 2005					
Serial bonds	30,600,000	-	29,600,000	1,000,000	-
Various purpose construction bonds - 2010					
Term and serial bonds	16,885,000	-	4,675,000	12,210,000	910,000
Capital appreciation bonds	25,866	-	-	25,866	-
Accretion on capital appreciation bonds	28,803	11,482	-	40,285	-
Refunding bonds - 2015					
Term and serial bonds	-	31,195,000	410,000	30,785,000	2,330,000
Capital appreciation bonds	-	399,934	-	399,934	-
Accretion on capital appreciation bonds	-	103,691	-	103,691	-
Unamortized bond premiums	2,020,899	1,732,429	298,454	3,454,874	-
Total general obligation bonds	<u>50,260,568</u>	<u>33,442,536</u>	<u>35,088,454</u>	<u>48,614,650</u>	<u>3,350,000</u>
Net pension liability					
STRS	49,014,783	-	7,867,157	41,147,626	-
SERS	12,174,695	-	1,813,375	10,361,320	-
	<u>61,189,478</u>	<u>-</u>	<u>9,680,532</u>	<u>51,508,946</u>	<u>-</u>
Capital leases	162,101	42,450	96,399	108,152	71,898
Compensated absences	5,505,750	2,011,467	1,184,886	6,332,331	1,692,297
Total governmental activities	<u>\$ 117,117,897</u>	<u>\$ 35,496,453</u>	<u>\$ 46,050,271</u>	<u>\$ 106,564,079</u>	<u>\$ 5,114,195</u>

General obligation bonds will be paid from property taxes receipted in the Debt Service Fund.

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 14 - LONG-TERM OBLIGATIONS (continued)

Refunding Bonds, Series 2004

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

The term bonds maturing on December 1, 2016 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the principal amount as follows:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
2015	\$ 110,000

The remaining principal amount of such current interest bonds (\$ 115,000) will be paid at stated maturity on December 1, 2016.

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

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

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

Refunding Bonds, Series 2005

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 14 - LONG-TERM OBLIGATIONS (continued)

Various Purpose Construction Bonds, 2010 Series

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

Refunding Bonds, Series 2015

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

The School District's overall legal debt margin was \$ 27,558,894 and the unvoted legal debt margin was \$ 787,761 at June 30, 2015. Principal and interest requirements to retire long-term obligations outstanding at June 30, 2015, are as follows:

June 30,	General Obligation Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 3,350,000	\$ 1,682,753	\$ -	\$ -	\$ 3,350,000	\$ 1,682,753
2017	3,390,000	1,662,289	-	-	3,390,000	1,662,289
2018	3,435,000	1,631,337	-	-	3,435,000	1,631,337
2019	3,480,000	1,589,728	-	-	3,480,000	1,589,728
2020	3,555,000	1,537,042	-	-	3,555,000	1,537,042
2021-2025	15,635,000	6,852,949	399,934	2,155,066	16,034,934	9,008,015
2026-2030	9,895,000	2,060,579	25,866	679,134	9,920,866	2,739,713
2031-2032	1,850,000	74,800	-	-	1,850,000	74,800
	<u>\$ 44,590,000</u>	<u>\$ 17,091,477</u>	<u>\$ 425,800</u>	<u>\$ 2,834,200</u>	<u>\$ 45,015,800</u>	<u>\$ 19,925,677</u>

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 15- JOINTLY GOVERNED ORGANIZATIONS

A. NORTH COAST COUNCIL OHIO

The North Coast Council Ohio ("NCCO"), is a jointly governed organization comprised of 31 school districts. NCCO was formed for the purpose of applying modern technology (with the aid of computers and other electronic equipment) to administrative and instructional functions for member districts. Each of the governments of these districts supports NCCO based upon a per pupil charge, dependent upon the software package utilized. The NCCO assembly consists of a superintendent or designated representative from each participating district, and a representative from the fiscal agent. NCCO is governed by a board of directors chosen from the general membership of the NCCO assembly. The board of directors consists of a representative from the fiscal agent, the chairman of each operating committee, and at least one assembly member from each county from which participating districts are located. Fiscal information for NCCO is available from the Treasurer of the Educational Service Center of Cuyahoga County (fiscal agent), located at 5700 West Canal, Valley View, Ohio 44125. During the year ended June 30, 2015, the School District paid \$ 92,792 to NCCO for basic service charges.

B. LORAIN COUNTY JOINT VOCATIONAL SCHOOL DISTRICT

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

C. OHIO SCHOOLS COUNCIL ASSOCIATION

The Ohio Schools Council (Council) is a jointly governed organization among 196 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. Financial information can be obtained by contacting the Executive Director at the Ohio Schools Council at 6393 Oak Tree Blvd., Suite 377, Independence, Ohio 44131. During the year ended June 30, 2015, the School District paid \$ 336,441 to the Council.

The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Compass Energy has been selected as the supplier and program manager. There are currently 151 participants in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 15- JOINTLY GOVERNED ORGANIZATIONS

D. SUBURBAN HEALTH CONSORTIUM

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

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

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

Upon withdrawal of a Consortium Member, the Consortium shall pay the run out of all claims for such Consortium Member provided such Consortium Member has paid to the Consortium, prior to the effective date of withdrawal a withdrawal fee in the amount equal to two months' premiums at the Consortium Member's current rate. Payment of the withdrawal fee does not extend insurance coverage for two months. Upon automatic withdrawal, for non-payment of premiums required by the Consortium Agreement, the Consortium shall pay the run out of all claims for such Consortium Member provided that the Consortium has received from such Consortium Member all outstanding and unpaid premiums and other amounts and the withdrawal fee equal to two months' premiums at the Consortium Member's current rates. Any Consortium Member which withdraws from the Consortium pursuant to the Consortium Agreement shall have no claim to the Consortium's assets. Financial information for the Consortium can be obtained from the Treasurer of the Orange City School District (the "Fiscal Agent") at 32000 Chagrin Blvd, Pepper Pike, Ohio 44124. During the year the year ended June 30, 2015, the School District paid \$ 4,470,178 to the Consortium

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 16 - RELATED ORGANIZATION

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

NOTE 17 – OPERATING LEASES

The School District is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations. During 2015, expenditures for operating leases totaled \$ 167,978.

The following is a schedule of future minimum lease payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2015.

Year ending June 30,	Amount
2016	\$ 149,724
2017	95,827
2018	50,024
Total minimum lease payments	<u>\$ 295,575</u>

NOTE 18 - CONTINGENCIES

The School District received financial assistance from federal and State agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2015.

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, 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 (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 19 - SET-ASIDES

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end. These amounts must be carried forward to be used for the same purposes in future fiscal years. In prior fiscal years, the School District was also required to set aside money for budget stabilization. At June 30, 2015, only the unspent portion of certain worker's compensation refunds continues to be set aside for budget stabilization.

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

	Budget Stabilization Reserve	Capital Improvements Reserve
Set-aside reserve balance, June 30, 2014	\$ 113,990	\$ -
Current year set-aside requirements	-	623,297
Qualifying disbursements	-	(842,964)
Total	\$ 113,990	\$ (219,667)
Set-aside balance carried forward to future fiscal years	\$ -	\$ -
Set-aside reserve balance as of June 30, 2015	\$ 113,990	\$ (219,667)

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

NOTE 20 - TRANSFERS

During the year the Internal Service Fund transferred \$ 15,000 to the General fund to support wellness related activities.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO FISCAL YEARS (1)

	2014	2013
School District's proportion of the net pension liability	0.204731%	0.204731%
School District's proportionate share of the net pension liability	\$ 10,361,320	\$ 12,174,695
School District's covered-employee payroll	\$ 5,721,082	\$ 5,925,975
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	181.11%	205.45%
Plan fiduciary net position as a percentage of the total pension liability	71.70%	65.52%

(1) Information prior to 2013 is not available

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO FISCAL YEARS (1)

	2014	2013
School District's proportion of the net pension liability	0.169168%	0.169168%
School District's proportionate share of the net pension liability	\$ 41,147,626	\$ 49,014,783
School District's covered-employee payroll	\$ 17,297,477	\$ 18,060,615
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	237.88%	271.39%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	69.30%

(1) Information prior to 2013 is not available

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

	2015	2014	2013	2012
Contractually required contribution	\$ 814,979	\$ 792,942	\$ 820,155	\$ 752,662
Contributions in relation to the contractually required contribution	(814,979)	(792,942)	(820,155)	(752,662)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
School District covered-employee payroll	\$ 6,183,455	\$ 5,721,082	\$ 5,925,975	\$ 5,596,000
Contributions as a percentage of covered-employee payroll	13.18%	13.86%	13.84%	13.45%

2011	2010	2009	2008	2007	2006
\$ 718,849	\$ 759,519	\$ 495,564	\$ 486,887	\$ 513,773	\$ 499,021
(718,849)	(759,519)	(495,564)	(486,887)	(513,773)	(499,021)
\$ -	\$ -	\$ -	\$ -		
\$ 5,718,767	\$ 5,609,446	\$ 5,036,220	\$ 4,958,116	\$ 4,810,609	\$ 4,716,645
12.57%	13.54%	9.84%	9.82%	10.68%	10.58%

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

	2015	2014	2013	2012
Contractually required contribution	\$ 2,338,684	\$ 2,248,672	\$ 2,347,880	\$ 2,390,611
Contributions in relation to the contractually required contribution	(2,338,684)	(2,248,672)	(2,347,880)	(2,390,611)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
School District covered-employee payroll	\$ 16,704,889	\$ 17,297,477	\$ 18,060,615	\$ 18,389,315
Contributions as a percentage of covered-employee payroll	14.00%	13.00%	13.00%	13.00%

2011	2010	2009	2008	2007	2006
<u>\$ 2,377,345</u>	<u>\$ 2,277,435</u>	<u>\$ 2,132,033</u>	<u>\$ 2,078,683</u>	<u>\$ 1,958,466</u>	<u>\$ 1,927,060</u>
<u>(2,377,345)</u>	<u>(2,277,435)</u>	<u>(2,132,033)</u>	<u>(2,078,683)</u>	<u>(1,958,466)</u>	<u>(1,927,060)</u>
<u>\$ -</u>					
<u>\$ 18,287,269</u>	<u>\$ 17,518,731</u>	<u>\$ 16,400,254</u>	<u>\$ 15,989,869</u>	<u>\$ 15,065,123</u>	<u>\$ 14,823,538</u>
<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>

Combining
and
Individual Fund Statements
and Schedules

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

Data Communications Fund To account for State monies received to provide Ohio Educational Computer Network connections.

Race to the Top Fund To account for monies for a competitive grant program designed to encourage and reward states that are creating the conditions for education innovation and reform; achieving significant improvement in student outcomes, including making substantial gains in student achievement, closing achievement gaps, improving high school graduation rates, and ensuring student preparation for success in college and careers.

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

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

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

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

(continued)

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Debt Service Fund

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

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

Nonmajor Capital Projects Fund

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

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

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AVON LAKE CITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015

	Total Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets				
Equity in pooled cash	\$ 1,456,401	\$ 21,456	\$ 768,101	\$ 2,245,958
Receivables, net of allowance				
Taxes, current	-	-	553,048	553,048
Taxes, delinquent	-	-	11,500	11,500
Accounts and other	18,131	-	-	18,131
Intergovernmental receivables	26,000	-	-	26,000
Inventories and supplies	15,938	-	-	15,938
Total assets	\$ 1,516,470	\$ 21,456	\$ 1,332,649	\$ 2,870,575
Liabilities				
Accounts and contracts payable	\$ 59,486	\$ -	\$ -	\$ 59,486
Accrued salaries, wages and benefits	98,032	-	-	98,032
Intergovernmental payable	21,530	-	-	21,530
Total liabilities	179,048	-	-	179,048
Deferred inflows of resources				
Property taxes levied for next year and unavailable resources	38,375	-	511,719	550,094
Total deferred inflows of resources	38,375	-	511,719	550,094
Fund balances				
Nonspendable	15,938	-	-	15,938
Restricted	1,301,862	21,456	820,930	2,144,248
Unassigned (deficit)	(18,753)	-	-	(18,753)
Total fund balances (deficit)	1,299,047	21,456	820,930	2,141,433
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 1,516,470	\$ 21,456	\$ 1,332,649	\$ 2,870,575

AVON LAKE CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Total Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenue				
Taxes	\$ -	\$ -	\$ 529,331	\$ 529,331
Tuition and fees	10,585	-	-	10,585
Interest	413	-	-	413
Intergovernmental	1,449,010	1,564	148,864	1,599,438
Extracurricular	283,819	-	-	283,819
Charges for services	917,497	-	-	917,497
Miscellaneous	323,530	-	-	323,530
Total revenues	<u>2,984,854</u>	<u>1,564</u>	<u>678,195</u>	<u>3,664,613</u>
Expenditures				
Current				
Instruction				
Regular	236,741	-	11,305	248,046
Special	342,033	-	-	342,033
Other instruction	6,770	-	-	6,770
Supporting services				
Pupil	447,134	-	-	447,134
Instructional staff	19,068	-	-	19,068
Administration	18,954	-	-	18,954
Fiscal services	-	-	10,095	10,095
Operation and maintenance	-	-	350,632	350,632
Pupil transportation	-	-	168,429	168,429
Central services	26,000	-	-	26,000
Operation of non-instructional services				
Food service operation	1,160,788	-	-	1,160,788
Community services	291,990	-	-	291,990
Extracurricular activities	333,326	-	-	333,326
Capital outlay	1,462	-	32,173	33,635
Total expenditures	<u>2,884,266</u>	<u>-</u>	<u>572,634</u>	<u>3,456,900</u>
Net change in fund balances	100,588	1,564	105,561	207,713
Fund balances, beginning of year	<u>1,198,459</u>	<u>19,892</u>	<u>715,369</u>	<u>1,933,720</u>
Fund balances, end of year	<u>\$ 1,299,047</u>	<u>\$ 21,456</u>	<u>\$ 820,930</u>	<u>\$ 2,141,433</u>

AVON LAKE CITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2015

	Food Service	Local Grants	Athletics
Assets			
Equity in pooled cash	\$ 721,296	\$ 434,870	\$ 177,566
Receivables, net of allowance			
Accounts and other	-	18,131	-
Intergovernmental receivables	26,000	-	-
Inventories and supplies	15,938	-	-
Total assets	\$ 763,234	\$ 453,001	\$ 177,566
Liabilities			
Accounts and contracts payable	\$ 953	\$ 2,305	\$ 10,418
Accrued salaries, wages and benefits	59,984	-	-
Intergovernmental payable	20,142	-	-
Total liabilities	81,079	2,305	10,418
Deferred inflows of resources			
Property taxes levied for next year and unavailable resources	38,375	-	-
Total deferred inflows of resources	38,375	-	-
Fund balances			
Nonspendable	15,938	-	-
Restricted	627,842	450,696	167,148
Unassigned (deficit)	-	-	-
Total fund balances (deficit)	643,780	450,696	167,148
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 763,234	\$ 453,001	\$ 177,566

Auxiliary Service	Data Communications	Race to the Top
\$ 122,669	\$ -	\$ -
-	-	-
-	-	-
-	-	-
<u>\$ 122,669</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 45,810	\$ -	\$ -
19,707	-	-
976	-	-
<u>66,493</u>	<u>-</u>	<u>-</u>
-	-	-
-	-	-
-	-	-
56,176	-	-
-	-	-
<u>56,176</u>	<u>-</u>	<u>-</u>
<u>\$ 122,669</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

AVON LAKE CITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2015
 (CONCLUDED)

	Title VI-B	Title I	Early Childhood Education Development
Assets			
Equity in pooled cash	\$ -	\$ -	\$ -
Receivables, net of allowance			
Accounts and other	-	-	-
Intergovernmental receivables	-	-	-
Inventories and supplies	-	-	-
Total assets	\$ -	\$ -	\$ -
Liabilities			
Accounts and contracts payable	\$ -	\$ -	\$ -
Accrued salaries, wages and benefits	-	18,341	-
Intergovernmental payable	146	266	-
Total liabilities	146	18,607	-
Deferred inflows of resources			
Property taxes levied for next year and unavailable resources	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances			
Nonspendable	-	-	-
Restricted	-	-	-
Unassigned (deficit)	(146)	(18,607)	-
Total fund balances (deficit)	(146)	(18,607)	-
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ -	\$ -	\$ -

Title II-A	Total Nonmajor Special Revenue Funds
\$ -	\$ 1,456,401
-	18,131
-	26,000
-	15,938
<u>\$ -</u>	<u>\$ 1,516,470</u>
\$ -	\$ 59,486
-	98,032
-	21,530
<u>-</u>	<u>179,048</u>
-	38,375
<u>-</u>	<u>38,375</u>
-	15,938
-	1,301,862
-	(18,753)
<u>-</u>	<u>1,299,047</u>
<u>\$ -</u>	<u>\$ 1,516,470</u>

AVON LAKE CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Food Service	Local Grants	Athletics
Revenue			
Tuition and fees	\$ -	\$ 10,585	\$ -
Interest	362	-	-
Intergovernmental	299,593	-	-
Extracurricular	-	-	283,819
Charges for services	917,497	-	-
Miscellaneous	-	303,991	19,539
Total revenues	<u>1,217,452</u>	<u>314,576</u>	<u>303,358</u>
Expenditures			
Current			
Instruction			
Regular	-	172,319	-
Special	-	4,190	-
Other instruction	-	-	-
Supporting services			
Pupil	-	665	-
Instructional staff	-	5,432	-
Administration	-	515	-
Central services	-	13,400	-
Operation of non-instructional services			
Food service operation	1,160,788	-	-
Community services	-	-	-
Extracurricular activities	-	9,441	323,885
Capital outlay	-	1,462	-
Total expenditures	<u>1,160,788</u>	<u>207,424</u>	<u>323,885</u>
Net change in fund balances	56,664	107,152	(20,527)
Fund balances, beginning of year	<u>587,116</u>	<u>343,544</u>	<u>187,675</u>
Fund balances (deficit), end of year	<u>\$ 643,780</u>	<u>\$ 450,696</u>	<u>\$ 167,148</u>

Auxiliary Service	Data Communications	Race to the Top
\$ -	\$ -	\$ -
51	-	-
273,197	12,600	16,375
-	-	-
-	-	-
-	-	-
<u>273,248</u>	<u>12,600</u>	<u>16,375</u>
-	-	16,375
-	-	-
-	-	-
-	-	-
-	12,600	-
-	-	-
266,448	-	-
-	-	-
-	-	-
<u>266,448</u>	<u>12,600</u>	<u>16,375</u>
6,800	-	-
<u>49,376</u>	<u>-</u>	<u>-</u>
<u>\$ 56,176</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

AVON LAKE CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015
 (CONCLUDED)

	Title VI-B	Title I	Early Childhood Education Development
Revenue			
Tuition and fees	\$ -	\$ -	\$ -
Interest	-	-	-
Intergovernmental	610,014	160,849	17,734
Extracurricular	-	-	-
Charges for services	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>610,014</u>	<u>160,849</u>	<u>17,734</u>
Expenditures			
Current			
Instruction			
Regular	-	-	-
Special	147,173	172,936	17,734
Other instruction	-	6,770	-
Supporting services			
Pupil	446,469	-	-
Instructional staff	-	-	-
Administration	18,439	-	-
Central services	-	-	-
Operation of non-instructional services			
Food service operation	-	-	-
Community services	22,367	3,175	-
Extracurricular activities	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>634,448</u>	<u>182,881</u>	<u>17,734</u>
Net change in fund balances	(24,434)	(22,032)	-
Fund balances, beginning of year	<u>24,288</u>	<u>3,425</u>	<u>-</u>
Fund balances (deficit), end of year	<u>\$ (146)</u>	<u>\$ (18,607)</u>	<u>\$ -</u>

Title II-A	Total Nonmajor Special Revenue Funds
\$ -	\$ 10,585
-	413
58,648	1,449,010
-	283,819
-	917,497
-	323,530
<u>58,648</u>	<u>2,984,854</u>
48,047	236,741
-	342,033
-	6,770
-	447,134
13,636	19,068
-	18,954
-	26,000
-	1,160,788
-	291,990
-	333,326
-	1,462
<u>61,683</u>	<u>2,884,266</u>
(3,035)	100,588
<u>3,035</u>	<u>1,198,459</u>
<u>\$ -</u>	<u>\$ 1,299,047</u>

Fund Descriptions

Agency Funds

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

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

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

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

AVON LAKE CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Beginning Balance June 30, 2014	Additions	Reductions	Ending Balance June 30, 2015
Student Activities Fund				
Assets				
Equity in pooled cash	\$ 96,290	\$ 167,121	\$ 179,954	\$ 83,457
Total assets	<u>\$ 96,290</u>	<u>\$ 167,121</u>	<u>\$ 179,954</u>	<u>\$ 83,457</u>
Liabilities				
Accounts payable	\$ 289	\$ 2,669	\$ 289	\$ 2,669
Due to students	96,001	164,452	179,665	80,788
Total liabilities	<u>\$ 96,290</u>	<u>\$ 167,121</u>	<u>\$ 179,954</u>	<u>\$ 83,457</u>
Staff Services Fund				
Assets				
Equity in pooled cash	\$ 3,423	\$ 1,478	\$ 1,129	\$ 3,772
Total assets	<u>\$ 3,423</u>	<u>\$ 1,478</u>	<u>\$ 1,129</u>	<u>\$ 3,772</u>
Liabilities				
Accounts payable	\$ 40	\$ -	\$ 40	\$ -
Due to others	3,383	1,478	1,089	3,772
Total liabilities	<u>\$ 3,423</u>	<u>\$ 1,478</u>	<u>\$ 1,129</u>	<u>\$ 3,772</u>
District Agency Fund				
Assets				
Equity in pooled cash	\$ -	\$ 7,078	\$ 7,078	\$ -
Total assets	<u>\$ -</u>	<u>\$ 7,078</u>	<u>\$ 7,078</u>	<u>\$ -</u>
Liabilities				
Due to others	\$ -	\$ 7,078	\$ 7,078	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 7,078</u>	<u>\$ 7,078</u>	<u>\$ -</u>
Total Agency Funds				
Assets				
Equity in pooled cash	\$ 99,713	\$ 175,677	\$ 188,161	\$ 87,229
Total assets	<u>\$ 99,713</u>	<u>\$ 175,677</u>	<u>\$ 188,161</u>	<u>\$ 87,229</u>
Liabilities				
Accounts payable	\$ 329	\$ 2,669	\$ 329	\$ 2,669
Due to students	96,001	164,452	179,665	80,788
Due to others	3,383	8,556	8,167	3,772
Total liabilities	<u>\$ 99,713</u>	<u>\$ 175,677</u>	<u>\$ 188,161</u>	<u>\$ 87,229</u>

AVON LAKE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Taxes	\$ 31,249,173	\$ 30,657,454	\$ 30,671,147	\$ 13,693
Tuition and fees	377,319	370,175	370,340	165
Interest	42,740	41,930	41,949	19
Intergovernmental	9,314,716	9,138,337	9,142,419	4,082
Extracurricular	239,760	235,220	235,325	105
Miscellaneous	310,926	305,039	305,175	136
Total revenues	41,534,634	40,748,155	40,766,355	18,200
Expenditures				
Current				
Instruction				
Regular				
Salaries	11,988,732	11,988,732	11,842,293	146,439
Benefits	4,906,101	4,906,101	4,846,174	59,927
Purchased services	1,060,223	1,060,223	1,047,273	12,950
Materials and supplies	806,153	806,153	796,306	9,847
Capital outlay	106,891	106,891	105,585	1,306
Total regular	18,868,100	18,868,100	18,637,631	230,469
Special				
Salaries	2,521,535	2,521,535	2,490,735	30,800
Benefits	770,116	770,116	760,709	9,407
Purchased services	679,157	679,157	670,861	8,296
Materials and supplies	2,410	2,410	2,381	29
Total special	3,973,218	3,973,218	3,924,686	48,532
Adult/continuing				
Salaries	9,429	9,429	9,314	115
Benefits	1,595	1,595	1,576	19
Total adult/continuing	11,024	11,024	10,890	134
Other				
Salaries	111,105	111,105	109,748	1,357
Benefits	21,321	21,321	21,061	260
Purchased services	664,238	664,238	656,125	8,113
Other	57,743	57,743	57,038	705
Total other instruction	854,407	854,407	843,972	10,435
Total instruction	23,706,749	23,706,749	23,417,179	289,570

(continued)

AVON LAKE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Supporting services				
Pupil				
Salaries	1,397,846	1,397,846	1,380,772	17,074
Benefits	508,521	508,521	502,310	6,211
Purchased services	138,651	138,651	136,957	1,694
Materials and supplies	93,318	93,318	92,178	1,140
Capital outlay	4,596	4,596	4,540	56
Total pupil	<u>2,142,932</u>	<u>2,142,932</u>	<u>2,116,757</u>	<u>26,175</u>
Instructional staff				
Salaries	712,143	712,143	703,444	8,699
Benefits	244,311	244,311	241,327	2,984
Purchased services	245,491	245,491	242,492	2,999
Materials and supplies	10,336	10,336	10,210	126
Capital outlay	78,354	78,354	77,397	957
Total instructional staff	<u>1,290,635</u>	<u>1,290,635</u>	<u>1,274,870</u>	<u>15,765</u>
Board of education				
Salaries	7,593	7,593	7,500	93
Benefits	252	252	249	3
Purchased services	5,862	5,862	5,790	72
Other	8,131	8,131	8,032	99
Total board of education	<u>21,838</u>	<u>21,838</u>	<u>21,571</u>	<u>267</u>
Administration				
Salaries	1,808,117	1,808,117	1,786,031	22,086
Benefits	779,028	779,028	769,512	9,516
Purchased services	398,880	398,880	394,008	4,872
Materials and supplies	21,905	21,905	21,637	268
Capital outlay	1,685	1,685	1,664	21
Other	3,095	3,095	3,057	38
Total administration	<u>3,012,710</u>	<u>3,012,710</u>	<u>2,975,909</u>	<u>36,801</u>
Fiscal				
Salaries	311,462	311,462	307,658	3,804
Benefits	159,475	159,475	157,527	1,948
Purchased services	37,555	37,555	37,096	459
Materials and supplies	2,936	2,936	2,900	36
Other	595,784	595,784	588,507	7,277
Total fiscal	<u>1,107,212</u>	<u>1,107,212</u>	<u>1,093,688</u>	<u>13,524</u>

(continued)

AVON LAKE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Business				
Salaries	196,876	196,876	194,471	2,405
Benefits	89,209	89,209	88,119	1,090
Purchased services	10,362	10,362	10,235	127
Capital outlay	4,279	4,279	4,227	52
Other	1,532	1,532	1,513	19
Total business	<u>302,258</u>	<u>302,258</u>	<u>298,565</u>	<u>3,693</u>
Operation and maintenance				
Salaries	1,502,745	1,502,745	1,484,389	18,356
Benefits	546,251	546,251	539,579	6,672
Purchased services	1,803,162	1,803,162	1,781,137	22,025
Materials and supplies	311,739	311,739	307,931	3,808
Capital outlay	3,829	3,829	3,782	47
Total operation and maintenance	<u>4,167,726</u>	<u>4,167,726</u>	<u>4,116,818</u>	<u>50,908</u>
Pupil transportation				
Salaries	1,041,088	1,041,088	1,028,371	12,717
Benefits	279,792	279,792	276,374	3,418
Purchased services	170,684	170,684	168,599	2,085
Materials and supplies	212,161	212,161	209,570	2,591
Capital outlay	2,844	2,844	2,809	35
Other	318	318	314	4
Total pupil transportation	<u>1,706,887</u>	<u>1,706,887</u>	<u>1,686,037</u>	<u>20,850</u>
Central services				
Salaries	9,832	9,832	9,712	120
Benefits	187	187	185	2
Purchased services	32,123	32,123	31,731	392
Other	343,043	343,043	338,853	4,190
Total central services	<u>385,185</u>	<u>385,185</u>	<u>380,481</u>	<u>4,704</u>
Total supporting services	<u>14,137,383</u>	<u>14,137,383</u>	<u>13,964,696</u>	<u>172,687</u>
Operation of non-instructional services				
Community services				
Salaries	56,244	56,244	55,557	687
Benefits	3,849	3,849	3,802	47
Purchased services	526	526	520	6
Materials and supplies	5,361	5,361	5,296	65
Capital outlay	7,730	7,730	7,636	94
Total community services	<u>73,710</u>	<u>73,710</u>	<u>72,811</u>	<u>899</u>
Total operation of non-instructional services	<u>73,710</u>	<u>73,710</u>	<u>72,811</u>	<u>899</u>

(continued)

AVON LAKE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

(Concluded)				
General Fund				
	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular activities				
Academic and subject oriented				
Salaries	78,300	78,300	77,344	956
Benefits	10,657	10,657	10,527	130
Purchased services	4,597	4,597	4,541	56
Materials and supplies	2,946	2,946	2,910	36
Total academic and subject oriented	<u>96,500</u>	<u>96,500</u>	<u>95,322</u>	<u>1,178</u>
Occupation oriented				
Salaries	1,081	1,081	1,068	13
Benefits	145	145	143	2
Total occupation oriented	<u>1,226</u>	<u>1,226</u>	<u>1,211</u>	<u>15</u>
Sports oriented				
Salaries	514,178	514,178	507,897	6,281
Benefits	102,371	102,371	101,121	1,250
Purchased services	17,976	17,976	17,756	220
Other	208	208	205	3
Total sports oriented	<u>634,733</u>	<u>634,733</u>	<u>626,979</u>	<u>7,754</u>
Co-curricular activities				
Salaries	43,453	43,453	42,922	531
Benefits	5,815	5,815	5,744	71
Total co-curricular activities	<u>49,268</u>	<u>49,268</u>	<u>48,666</u>	<u>602</u>
Total extracurricular activities	<u>781,727</u>	<u>781,727</u>	<u>772,178</u>	<u>9,549</u>
Total expenditures	<u>38,699,569</u>	<u>38,699,569</u>	<u>38,226,864</u>	<u>472,705</u>
Excess (deficiency) of revenues over expenditures	<u>2,835,065</u>	<u>2,048,586</u>	<u>2,539,491</u>	<u>490,905</u>
Other financing sources				
Refund of prior year expenditures	-	345,167	345,167	-
Total other financing sources	<u>-</u>	<u>345,167</u>	<u>345,167</u>	<u>-</u>
Net change in fund balance	2,835,065	2,393,753	2,884,658	490,905
Prior year encumbrances	670,985	670,985	670,985	-
Fund balances, beginning of year	5,807,680	5,807,680	5,807,680	-
Fund balances, end of year	<u>\$ 9,313,730</u>	<u>\$ 8,872,418</u>	<u>\$ 9,363,323</u>	<u>\$ 490,905</u>

AVON LAKE CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015

	Bond Retirement Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 4,534,222	\$ 5,167,735	\$ 5,167,735	\$ -
Total expenditures and other uses	5,259,969	4,832,306	4,832,306	-
Net change in fund balance	(725,747)	335,429	335,429	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	3,134,279	3,134,279	3,134,279	-
Fund balances, end of year	\$ 2,408,532	\$ 3,469,708	\$ 3,469,708	\$ -

AVON LAKE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Food Service			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 1,300,000	\$ 1,123,633	\$ 1,123,685	\$ 52
Total expenditures and other uses	1,308,571	1,183,571	1,089,207	94,364
Net change in fund balance	(8,571)	(59,938)	34,478	94,416
Prior year encumbrances	76,427	76,427	76,427	-
Fund balances, beginning of year	601,517	601,517	601,517	-
Fund balances, end of year	<u>\$ 669,373</u>	<u>\$ 618,006</u>	<u>\$ 712,422</u>	<u>\$ 94,416</u>

	Local Grants Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 153,600	\$ 296,345	\$ 296,445	\$ 100
Total expenditures and other uses	133,818	233,818	228,539	5,279
Net change in fund balance	19,782	62,527	67,906	5,379
Prior year encumbrances	9,239	9,239	9,239	-
Fund balances, beginning of year	340,847	340,847	340,847	-
Fund balances, end of year	<u>\$ 369,868</u>	<u>\$ 412,613</u>	<u>\$ 417,992</u>	<u>\$ 5,379</u>

AVON LAKE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

Athletic Fund				
	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
	Total revenues and other sources	\$ 350,900		
Total expenditures and other uses	377,791	397,791	390,129	7,662
Net change in fund balance	(26,891)	(99,613)	(86,771)	12,842
Prior year encumbrances	32,037	32,037	32,037	-
Fund balances, beginning of year	166,672	166,672	166,672	-
Fund balances, end of year	<u>\$ 171,818</u>	<u>\$ 99,096</u>	<u>\$ 111,938</u>	<u>\$ 12,842</u>

Auxiliary Services Fund				
	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
	Total revenues and other sources	\$ 255,054		
Total expenditures and other uses	339,343	339,343	339,343	-
Net change in fund balance	(84,289)	(66,102)	(66,095)	7
Prior year encumbrances	47,373	47,373	47,373	-
Fund balances, beginning of year	36,916	36,916	36,916	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ 18,187</u>	<u>\$ 18,194</u>	<u>\$ 7</u>

AVON LAKE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Data Communications Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 12,600	\$ 12,600	\$ 12,600	\$ -
Total expenditures and other uses	12,600	12,600	12,600	-
Net change in fund balance	-	-	-	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	Race to the Top Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 14,321	\$ 16,375	\$ 16,375	\$ -
Total expenditures and other uses	14,321	16,375	16,375	-
Net change in fund balance	-	-	-	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

AVON LAKE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Title VI-B Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 619,176	\$ 610,014	\$ 610,014	\$ -
Total expenditures and other uses	645,783	636,621	636,621	-
Net change in fund balance	(26,607)	(26,607)	(26,607)	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	26,607	26,607	26,607	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	Title I Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 166,259	\$ 160,849	\$ 160,849	\$ -
Total expenditures and other uses	169,684	164,274	164,274	-
Net change in fund balance	(3,425)	(3,425)	(3,425)	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	3,425	3,425	3,425	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

AVON LAKE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Early Childhood Education Development Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 17,734	\$ 17,734	\$ 17,734	\$ -
Total expenditures and other uses	17,734	17,734	17,734	-
Net change in fund balance	-	-	-	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	Title II-A Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 59,407	\$ 58,648	\$ 58,648	\$ -
Total expenditures and other uses	62,950	62,191	62,191	-
Net change in fund balance	(3,543)	(3,543)	(3,543)	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	3,543	3,543	3,543	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

AVON LAKE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Scholarship Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 20,000	\$ 8,373	\$ 8,376	\$ 3
Total expenditures and other uses	10,000	10,000	7,000	3,000
Net change in fund balance	10,000	(1,627)	1,376	3,003
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	89,026	89,026	89,026	-
Fund balances, end of year	<u>\$ 99,026</u>	<u>\$ 87,399</u>	<u>\$ 90,402</u>	<u>\$ 3,003</u>

	Michael Baumhauer Scholarship Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ -	\$ 2	\$ 2	\$ -
Total expenditures and other uses	4,000	4,000	3,441	559
Net change in fund balance	(4,000)	(3,998)	(3,439)	559
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	6,270	6,270	6,270	-
Fund balances, end of year	<u>\$ 2,270</u>	<u>\$ 2,272</u>	<u>\$ 2,831</u>	<u>\$ 559</u>

AVON LAKE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Public School Support Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 72,175	\$ 278,149	\$ 279,278	\$ 1,129
Total expenditures and other uses	185,454	340,454	291,530	48,924
Net change in fund balance	(113,279)	(62,305)	(12,252)	50,053
Prior year encumbrances	16,120	16,120	16,120	-
Fund balances, beginning of year	167,938	167,938	167,938	-
Fund balances, end of year	<u>\$ 70,779</u>	<u>\$ 121,753</u>	<u>\$ 171,806</u>	<u>\$ 50,053</u>

	Library Bond Retirement Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 1,564	\$ 1,564	\$ 1,564	\$ -
Total expenditures and other uses	-	-	-	-
Net change in fund balance	1,564	1,564	1,564	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	19,892	19,892	19,892	-
Fund balances, end of year	<u>\$ 21,456</u>	<u>\$ 21,456</u>	<u>\$ 21,456</u>	<u>\$ -</u>

AVON LAKE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Permanent Improvements Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 693,790	\$ 757,595	\$ 757,595	\$ -
Total expenditures and other uses	855,743	1,055,743	990,783	64,960
Net change in fund balance	(161,953)	(298,148)	(233,188)	64,960
Prior year encumbrances	205,742	205,742	205,742	-
Fund balances, beginning of year	434,273	434,273	434,273	-
Fund balances, end of year	<u>\$ 478,062</u>	<u>\$ 341,867</u>	<u>\$ 406,827</u>	<u>\$ 64,960</u>

	Self Insurance Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 600	\$ 1,173	\$ 1,317	\$ 144
Total expenditures and other uses	894,532	819,532	789,787	29,745
Net change in fund balance	(893,932)	(818,359)	(788,470)	29,889
Prior year encumbrances	320,414	320,414	320,414	-
Fund balances, beginning of year	2,726,532	2,726,532	2,726,532	-
Fund balances, end of year	<u>\$ 2,153,014</u>	<u>\$ 2,228,587</u>	<u>\$ 2,258,476</u>	<u>\$ 29,889</u>

STATISTICAL SECTION



Back of divider page.

STATISTICAL SECTION

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

Contents	Page
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Financial Trends	S 2
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These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity	S 12
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These schedules contain information to help the reader assess the affordability of the District's most significant local revenue source, the property tax.

Debt Capacity	S 27
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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.

Demographic and Economic Information	S 32
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information	S 34
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These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

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

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

	2015	2014	2013	2012
Governmental activities				
Net investment in capital assets	\$ 8,870,400	\$ 7,729,401	\$ 8,694,493	\$ 8,871,320
Restricted	5,287,563	5,404,860	6,424,518	5,964,568
Unrestricted	(47,987,935)	(52,447,820)	4,095,943	5,494,757
Total primary government net position	<u>\$ (33,829,972)</u>	<u>\$ (39,313,559)</u>	<u>\$ 19,214,954</u>	<u>\$ 20,330,645</u>

Note:

Year 2012 has been restated to reflect the effects of a prior period adjustment recorded in 2013.
Years 2011 and 2010 have been restated to reflect the effects of a prior period adjustment recorded in 2012.
Year 2014 has been restated due to the implementation of GASB Statement No. 68.

2011	2010	2009	2008	2007	2006
\$ 12,743,280	\$ 11,156,547	\$ 10,893,237	\$ 9,766,753	\$ 12,683,960	\$ 13,050,247
4,720,978	4,999,853	4,855,418	5,505,639	5,998,643	6,018,615
5,324,122	9,744,093	11,777,501	10,858,024	4,867,661	(1,432,914)
<u>\$ 22,788,380</u>	<u>\$ 25,900,493</u>	<u>\$ 27,526,156</u>	<u>\$ 26,130,416</u>	<u>\$ 23,550,264</u>	<u>\$ 17,635,948</u>

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

	2015	2014	2013	2012
Expenses				
Governmental activities:				
Instruction				
Regular	\$ 18,710,477	\$ 19,441,025	\$ 21,373,667	\$ 19,371,019
Special	4,264,727	4,135,900	3,014,516	2,727,407
Vocational	-	3,273	106,982	65,886
Adult/continuing	9,972	11,580	12,586	17,130
Other instruction	809,304	1,126,292	1,371,889	1,544,720
Supporting services				
Pupil	2,239,083	2,572,330	4,243,694	3,685,135
Instructional staff	1,326,965	1,123,271	968,197	895,534
Board of education	20,544	24,029	16,134	21,129
Administration	3,102,611	3,049,875	3,195,086	3,516,540
Fiscal services	1,134,761	992,046	1,068,458	1,111,341
Business	283,355	198,081	153,061	144,746
Operation and maintenance	4,476,025	4,802,518	4,187,039	7,165,255
Pupil transportation	1,805,718	1,724,228	1,802,544	1,362,748
Central services	293,523	232,342	320,972	217,284
Operation of non-instructional services				
Food service operation	1,174,997	1,237,815	1,356,079	1,377,802
Community services	369,498	410,932	279,348	259,851
Extracurricular activities	1,132,041	1,266,615	1,335,805	1,297,017
Interest	2,059,216	2,788,163	3,015,472	3,036,866
Total primary government expenses	<u>43,212,817</u>	<u>45,140,315</u>	<u>47,821,529</u>	<u>47,817,410</u>
Program revenues				
Governmental activities:				
Charges for services and sales				
Instruction	733,885	684,434	614,733	507,683
Supporting services	146,927	232,665	68,539	50,507
Food service	917,497	966,715	1,069,630	1,106,780
Extracurricular activities	371,928	412,092	416,515	480,230
Operating grants, interest and contributions	1,457,351	1,596,335	1,604,613	1,815,456
Capital grants and contributions	-	-	-	-
Total primary government program revenues	<u>3,627,588</u>	<u>3,892,241</u>	<u>3,774,030</u>	<u>3,960,656</u>
Net (expense) revenue				
Total primary government net expense	<u>\$ (39,585,229)</u>	<u>\$ (41,248,074)</u>	<u>\$ (44,047,499)</u>	<u>\$ (43,856,754)</u>

Note:

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

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

	2011	2010	2009	2008	2007	2006
\$	21,087,414	\$ 19,551,234	\$ 18,279,003	\$ 17,922,399	\$ 16,867,890	\$ 17,283,670
	2,982,052	3,061,161	2,818,062	2,436,905	2,268,431	2,074,881
	217,831	213,572	204,700	224,077	194,969	187,079
	24,489	19,879	18,913	12,723	16,538	13,409
	1,430,175	1,147,296	1,000,656	873,473	754,362	718,927
	3,771,628	3,304,479	3,318,731	2,823,282	2,670,535	3,279,597
	975,585	974,710	922,353	761,803	690,660	495,175
	19,913	32,737	20,568	22,687	19,802	17,999
	3,408,972	3,492,495	3,334,181	2,961,136	2,785,367	2,900,181
	1,130,131	1,135,733	997,105	1,004,099	1,090,308	949,135
	146,305	417,440	114,110	152,539	114,811	87,500
	7,717,754	6,781,144	4,926,928	4,891,117	4,073,937	4,667,818
	1,724,226	1,530,111	1,500,578	1,507,204	1,292,500	1,210,650
	160,103	158,131	190,642	280,156	160,111	62,203
	1,305,908	1,246,386	1,161,495	1,088,114	1,002,790	802,400
	283,718	219,142	261,704	340,766	272,981	219,150
	1,318,728	1,212,842	1,195,904	1,186,993	1,020,672	1,046,500
	3,394,925	2,220,063	2,241,575	2,219,378	2,251,030	2,285,814
	<u>51,099,857</u>	<u>46,718,555</u>	<u>42,507,208</u>	<u>40,708,851</u>	<u>37,547,694</u>	<u>38,302,088</u>
	614,720	797,192	552,773	390,215	427,914	412,502
	64,416	16,155	34,303	37,203	33,162	26,135
	1,065,511	1,053,176	946,830	866,132	737,172	619,103
	494,972	380,392	324,217	497,279	476,264	340,212
	1,748,392	1,743,573	1,353,955	1,341,274	1,300,348	1,033,158
	-	-	-	-	-	-
	<u>3,988,011</u>	<u>3,990,488</u>	<u>3,212,078</u>	<u>3,132,103</u>	<u>2,974,860</u>	<u>2,431,110</u>
\$	<u>(47,111,846)</u>	<u>(42,728,067)</u>	<u>(39,295,130)</u>	<u>(37,576,748)</u>	<u>(34,572,834)</u>	<u>(35,870,978)</u>

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

	2015	2014	2013	2012
Net (expense) revenue				
Total primary government net expense	\$ (39,585,229)	\$ (41,248,074)	\$ (44,047,499)	\$ (43,856,754)
General revenues and other changes in net position				
Governmental activities:				
Property taxes levied for:				
General purposes	29,777,599	26,118,293	27,718,418	25,420,556
Debt service	3,486,624	3,584,698	4,682,640	4,058,496
Capital improvements	524,131	522,441	627,991	571,993
Grants and entitlements				
not restricted to specific purposes	10,764,213	10,162,477	9,341,447	10,707,023
Investment earnings	42,117	41,298	55,891	94,718
Miscellaneous	474,132	531,290	505,421	563,411
Total primary government	45,068,816	40,960,497	42,931,808	41,416,197
Change in net position				
Total primary government	\$ 5,483,587	\$ (287,577)	\$ (1,115,691)	\$ (2,440,557)

Note:

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

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

2011	2010	2009	2008	2007	2006
<u>\$ (47,111,846)</u>	<u>\$ (42,728,067)</u>	<u>\$ (39,295,130)</u>	<u>\$ (37,576,748)</u>	<u>\$ (34,572,834)</u>	<u>\$ (35,870,978)</u>
26,250,202	25,322,233	25,550,920	25,621,127	27,006,784	23,165,725
4,289,589	3,484,747	2,876,031	2,816,421	3,215,144	3,532,839
588,220	570,598	584,393	591,528	661,413	664,825
11,894,621	11,093,394	10,613,902	9,621,349	8,289,402	7,096,997
180,345	305,142	701,154	991,730	893,618	602,965
796,756	326,290	364,470	514,745	420,789	338,661
<u>43,999,733</u>	<u>41,102,404</u>	<u>40,690,870</u>	<u>40,156,900</u>	<u>40,487,150</u>	<u>35,402,012</u>
<u>\$ (3,112,113)</u>	<u>\$ (1,625,663)</u>	<u>\$ 1,395,740</u>	<u>\$ 2,580,152</u>	<u>\$ 5,914,316</u>	<u>\$ (468,966)</u>

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

	2015	2014	2013	2012
General Fund				
Nonspendable	\$ 48,362	\$ 34,038	\$ 47,316	\$ 45,491
Committed	113,990	113,990	113,990	113,990
Assigned	1,507,312	898,319	665,041	2,359,708
Unassigned	7,921,656	5,561,998	3,953,162	6,738,578
Total General Fund	<u>\$ 9,591,320</u>	<u>\$ 6,608,345</u>	<u>\$ 4,779,509</u>	<u>\$ 9,257,767</u>
All other governmental funds				
Nonspendable	\$ 15,938	\$ 12,053	\$ 14,359	\$ 15,520
Restricted	5,983,609	5,844,916	5,904,638	5,775,418
Unassigned	(18,753)	-	(363,414)	(123,968)
Total all other governmental funds	<u>\$ 5,980,794</u>	<u>\$ 5,856,969</u>	<u>\$ 5,555,583</u>	<u>\$ 5,666,970</u>

The District implemented GASB Statement No. 54 in 2011.

2011	2010
\$ 35,732	\$ 32,990
113,990	113,990
1,762,398	190,855
10,644,654	14,004,294
<u>\$ 12,556,774</u>	<u>\$ 14,342,129</u>

\$ 11,702	\$ 12,286
6,850,257	16,541,940
(50,134)	-
<u>\$ 6,811,825</u>	<u>\$ 16,554,226</u>

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

	2009	2008	2007	2006
General Fund				
Reserved	\$ 3,346,802	\$ 3,946,887	\$ 6,638,795	\$ 5,815,564
Unreserved	10,818,347	8,013,360	2,938,192	(957,142)
Total General Fund	<u>\$ 14,165,149</u>	<u>\$ 11,960,247</u>	<u>\$ 9,576,987</u>	<u>\$ 4,858,422</u>
All other governmental funds				
Reserved	\$ 530,529	\$ 1,049,532	\$ 1,155,863	\$ 1,596,764
Unreserved, reported in				
Special Revenue Funds	456,708	399,154	517,234	606,911
Debt Service Funds	3,528,921	3,510,634	3,378,684	2,852,044
Capital Projects Funds	366,052	563,974	979,842	898,290
Total all other governmental funds	<u>\$ 4,882,210</u>	<u>\$ 5,523,294</u>	<u>\$ 6,031,623</u>	<u>\$ 5,954,009</u>

The District implemented GASB Statement No. 54 in 2011.

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Taxes	\$ 34,128,554	\$ 32,684,832	\$ 30,618,749	\$ 29,737,745
Tuition and fees	462,453	617,658	683,272	558,190
Interest	42,400	42,567	49,359	87,668
Intergovernmental	12,221,564	11,758,812	10,946,060	12,522,479
Extracurricular	545,476	557,933	416,515	480,230
Charges for services	917,497	966,715	1,069,630	1,106,780
Rental	-	-	-	107,967
Other	<u>793,652</u>	<u>684,890</u>	<u>528,239</u>	<u>455,819</u>
Total	<u>\$ 49,111,596</u>	<u>\$ 47,313,407</u>	<u>\$ 44,311,824</u>	<u>\$ 45,056,878</u>

Source: School District Financial Records, Total Governmental Funds.

2011	2010	2009	2008	2007	2006
\$ 30,522,111	\$ 29,380,946	\$ 28,993,866	\$ 28,945,490	\$ 30,878,851	\$ 27,353,596
561,156	813,347	637,145	392,331	429,498	413,904
183,515	314,202	624,928	964,222	696,609	496,026
13,643,013	12,836,967	11,967,857	10,962,623	9,589,750	8,130,155
612,952	380,392	324,217	532,721	508,682	370,501
1,065,511	1,053,176	946,830	866,132	737,172	619,103
-	-	-	-	-	-
497,609	366,952	313,843	519,105	405,813	333,105
<u>\$ 47,085,867</u>	<u>\$ 45,145,982</u>	<u>\$ 43,808,686</u>	<u>\$ 43,182,624</u>	<u>\$ 43,246,375</u>	<u>\$ 37,716,390</u>

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

	2015	2014	2013	2012
Expenditures				
Current				
Instruction				
Regular	\$ 18,219,805	\$ 17,332,276	\$ 19,616,034	\$ 19,398,187
Special	4,462,878	4,110,175	3,006,578	2,769,506
Vocational	-	3,273	102,771	104,068
Adult/continuing	10,840	11,580	12,586	17,130
Other instruction	837,976	1,119,051	1,365,666	1,540,655
Supporting services				
Pupil	2,462,414	2,559,018	4,181,604	3,600,350
Instructional staff	1,362,396	1,104,025	959,047	881,209
Board of education	21,594	24,029	16,134	21,129
Administration	2,961,584	2,857,123	3,040,381	3,139,182
Fiscal services	1,154,589	998,075	1,059,950	1,132,733
Business	294,868	164,140	145,900	137,857
Operation and maintenance	4,253,903	4,364,108	4,421,660	4,505,781
Pupil transportation	1,852,395	1,693,821	1,891,030	1,563,521
Central services	295,225	232,342	320,972	217,284
Operation of non-instructional services				
Food service operation	1,160,788	1,183,381	1,311,263	1,318,768
Community services	374,877	408,039	259,618	252,561
Extracurricular activities	1,166,613	1,319,363	1,306,724	1,301,928
Capital outlay	33,635	40,654	1,039,794	2,833,760
Debt service				
Principal	7,051,399	3,154,540	2,318,449	2,817,336
Interest	3,310,246	2,504,172	2,525,308	2,366,009
Total expenditures	\$ 51,288,025	\$ 45,183,185	\$ 48,901,469	\$ 49,918,954
Debt service as a percentage of noncapital expenditures	20.44%	12.60%	10.31%	11.34%

Source: School District Financial Records, Total Governmental Funds.

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

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

2011	2010	2009	2008	2007	2006
\$ 18,704,165	\$ 17,796,812	\$ 17,382,770	\$ 16,937,907	\$ 15,986,540	\$ 15,389,028
2,938,897	2,960,127	2,690,806	2,465,979	2,248,108	2,042,418
211,155	210,124	177,680	225,510	191,448	182,050
24,489	19,879	18,913	12,723	17,641	13,449
1,424,724	1,140,459	999,671	873,680	752,655	718,927
3,772,336	3,228,080	3,204,774	2,822,913	2,719,829	3,276,384
977,290	956,756	894,123	813,483	775,914	693,314
19,913	32,737	20,568	22,687	19,802	17,999
3,039,568	3,340,083	3,052,822	2,825,802	2,764,553	2,690,840
1,122,087	1,125,868	986,045	1,006,220	1,110,120	952,909
140,589	117,271	109,264	152,428	119,427	85,006
4,905,476	4,980,130	4,695,334	4,246,416	4,062,031	4,180,675
1,576,223	1,641,022	1,439,131	1,566,804	1,334,046	1,169,507
160,103	158,131	190,642	280,156	160,111	62,203
1,264,265	1,198,927	1,122,933	1,045,573	978,364	764,245
272,656	214,944	260,846	340,386	290,382	206,188
1,492,792	1,184,128	1,131,542	1,136,892	972,308	991,341
14,427,006	3,857,450	283,812	459,960	249,233	240,474
18,184,699	2,532,353	2,356,701	2,360,022	2,220,806	2,226,686
2,738,143	1,630,373	1,678,758	1,712,152	1,795,160	1,784,679
<u>\$ 77,396,576</u>	<u>\$ 48,325,654</u>	<u>\$ 42,697,135</u>	<u>\$ 41,307,693</u>	<u>\$ 38,768,478</u>	<u>\$ 37,688,322</u>
<u>32.28%</u>	<u>9.10%</u>	<u>9.91%</u>	<u>10.02%</u>	<u>10.53%</u>	<u>10.71%</u>

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

	2015	2014	2013	2012
Excess of revenues over (under) expenditures	\$ (2,176,429)	\$ 2,130,222	\$ (4,589,645)	\$ (4,862,076)
Other financing sources (uses)				
Proceeds of refunding bonds	31,594,934	-	-	-
Transfers-in	15,000	-	-	224,620
Note issuance	-	-	-	-
Bond issuance	-	-	-	-
Premium on debt issuance	1,732,429	-	-	-
Capital lease proceeds	42,450	-	-	418,214
Transfers-out	-	-	-	(224,620)
Payment to bond escrow agent	(27,835,000)	-	-	-
Total other financing sources (uses)	5,549,813	-	-	418,214
Net change in fund balances	\$ 3,373,384	\$ 2,130,222	\$ (4,589,645)	\$ (4,443,862)

Source: School District Financial Records, Total Governmental Funds.

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

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

2011	2010	2009	2008	2007	2006
<u>\$ (30,310,709)</u>	<u>\$ (3,179,672)</u>	<u>\$ 1,111,551</u>	<u>\$ 1,874,931</u>	<u>\$ 4,477,897</u>	<u>\$ 28,068</u>
-	-	-	-	-	-
223,545	221,850	224,604	330,858	361,451	360,568
-	15,000,000	-	-	-	-
18,495,866	-	-	-	-	-
287,087	-	-	-	-	-
-	28,668	452,267	-	318,282	-
(223,545)	(221,850)	(224,604)	(330,858)	(361,451)	(360,568)
-	-	-	-	-	-
<u>18,782,953</u>	<u>15,028,668</u>	<u>452,267</u>	<u>-</u>	<u>318,282</u>	<u>-</u>
<u>\$ (11,527,756)</u>	<u>\$ 11,848,996</u>	<u>\$ 1,563,818</u>	<u>\$ 1,874,931</u>	<u>\$ 4,796,179</u>	<u>\$ 28,068</u>

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

Year	Agriculture, Residential and Other Real Property		Public Utility Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value (3)
2015	\$ 748,573,960	\$ 2,138,782,743	\$ 39,187,470	\$ 44,531,216	\$ - (4)	\$ -
2014	739,254,670	2,112,156,200	38,214,330	43,425,375	- (4)	-
2013	729,211,340	2,083,460,971	56,087,710	63,736,034	- (4)	-
2012	774,133,040	2,211,808,686	55,420,640	62,978,000	- (4)	-
2011	768,801,730	2,196,576,371	57,136,730	64,928,102	- (4)	-
2010	760,700,870	2,173,431,057	56,540,920	64,251,045	348,889 (4)	1,395,556
2009	784,317,250	2,240,906,429	78,262,550	88,934,716	357,129 (4)	1,428,516
2008	764,003,830	2,182,868,086	80,644,620	91,641,614	16,228,352 (4)	259,653,632
2007	732,930,700	2,094,087,714	82,074,850	93,266,875	32,948,472 (4)	263,587,776
2006	639,000,320	1,825,715,200	89,484,090	101,686,466	52,701,113 (4)	210,804,452

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

- (1) This amount is calculated based upon an assessed value of 35 percent of actual value.
- (2) This amount is calculated based upon the current assessed value of 88 percent of actual value.
- (3) The amount in calculated based on an assessed value of 25 percent of actual value.
- (4) Decrease is due to effect of State legislation enacted in June 2005 w hich phased out over four years, from 2006 to 2009, the taxation of personal property. Tangible personal property value beginning in 2009 consisted of telephone communications tangible value, for w hich 2010 w as the final collection year.
- (5) Total assessed rate is per \$ 1,000 assessed valuation.

Assessed Value	Total Estimated Actual Value	Total Assessed Rate (5)
\$ 787,761,430	\$ 2,183,313,959	74.57
777,469,000	2,155,581,575	75.10
785,299,050	2,147,197,005	67.23
829,553,680	2,274,786,686	65.57
825,938,460	2,261,504,473	65.89
817,590,679	2,239,077,658	66.03
862,936,929	2,331,269,661	68.62
860,876,802	2,534,163,332	60.26
847,954,022	2,450,942,365	64.51
781,185,523	2,138,206,118	60.36

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

Year	Avon Lake City School District			Total Direct Tax Rate
	General Fund	Debt Service Fund	Capital Projects Fund	
2015	67.99	5.08	1.50	74.57
2014	68.15	5.45 (1)	1.50	75.10
2013	59.43	6.30 (1)	1.50	67.23
2012	58.93	5.14 (1)	1.50	65.57
2011	58.96	5.43 (1)	1.50	65.89
2010	59.06	5.47 (1)	1.50	66.03
2009	58.50	3.89 (1)	1.50	63.89
2008	58.57	3.95 (1)	1.50	64.02
2007	58.71	4.16 (1)	1.50	64.37
2006	53.85	4.91 (1)	1.50	60.26

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

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

Library	County Levy	JVS Levy	City Levy	Total Direct and Overlapping Governments
2.80	14.49	2.45	8.12	102.43
2.80	14.48	2.45	8.13	102.96
2.80	13.66	2.45	8.13	94.27
2.80	13.69	2.45	7.34	91.85
1.80	13.69	2.45	7.34	91.17
1.80	13.39	2.45	7.35	91.02
1.80	13.39	2.45	7.36	88.89
1.80	13.39	2.45	6.95	88.61
1.80	13.49	2.45	6.95	89.06
1.80	13.49	2.45	6.95	84.95

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

Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections (2)	Total Tax Collections (3)
2015	\$ 38,765,645	\$ 38,248,862	98.67%	\$ 969,829	\$ 39,218,691
2014	40,848,669	40,146,050	98.28%	839,757	40,985,807
2013	35,554,953	33,201,145	93.38%	659,679	33,860,824
2012	35,151,187	34,962,596	99.46%	688,241	35,650,837
2011	34,849,546	32,758,150	94.00%	795,340	33,553,490
2010 (4)	Not available	Not available	Not available	Not available	Not available
2009	32,564,062	31,764,096	97.54%	843,204	32,607,300
2008	33,151,604	32,586,663	98.30%	541,056	33,127,719
2007	33,809,716	33,207,530	98.22%	2,936,395	36,143,925
2006	28,644,396	27,902,337	97.41%	413,543	28,315,880

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

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

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

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

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

(5) A principal taxpayer was delinquent in filing its personal property tax return with the Lorain County Auditor.

<u>Ratio of Total Tax Collections to Total Tax Levy (3)</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
101.17%	\$ 725,637	1.87%
100.34%	1,125,547	2.76%
95.24%	3,584,931	10.08%
101.42%	1,846,481	5.25%
96.28%	861,370	2.47%
Not available	Not available	Not available
100.13%	554,362	1.70%
99.93%	272,778	0.82%
106.90%	197,744	0.58%
98.85%	2,240,206 (5)	7.82%

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AVON LAKE CITY SCHOOL DISTRICT
 PRINCIPAL TAXPAYERS –
 REAL ESTATE TAX
 AS OF JUNE 30, 2015 AND JUNE 30, 2006

December 31, 2014

Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Ford Motor Company	\$ 4,739,550	0.60%
181 Somerset Realty I LLC	4,356,650	0.55%
PolyOne Corporation	3,977,040	0.50%
Health Care Reit Inc	3,756,040	0.48%
Legacy Pointe Ltd	3,699,300	0.47%
Kopf Properties II Ltd	2,156,510	0.27%
Learwood Square Co LLC	2,051,630	0.26%
Towne Independent Living	1,892,090	0.24%
Waterside Crossing LTD	1,662,760	0.21%
Landings Shops & Offices Ltd	1,595,080	0.20%
	<u>\$ 29,886,650</u>	<u>3.78%</u>
 Total assessed value	 <u>\$ 787,761,430</u>	

December 31, 2005

Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Ford Motor Company	\$ 9,945,200	1.63%
American Transmission	4,154,700	0.67%
Geon Company	4,084,290	0.41%
Kopf Properties	2,430,940	0.40%
Legacy Pointe	2,174,100	0.40%
Learwood Square Company LLC	1,935,420	0.33%
Towne Independent Living	1,898,610	0.32%
Gamellia Construction	1,859,800	0.31%
Waterside Crossings	1,841,000	0.29%
PMD Group	1,785,010	0.29%
	<u>\$ 32,109,070</u>	<u>5.05%</u>
 Total assessed value	 <u>\$ 781,185,523</u>	

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

(1) Assessed Values are for the 2014 and 2005 collection year, respectively.

AVON LAKE CITY SCHOOL DISTRICT
 PRINCIPAL TAXPAYERS –
 PUBLIC UTILITY TAX
 AS OF JUNE 30, 2015 AND JUNE 30, 2006

December 31, 2014		
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Orion Pow er Midw est	\$ 19,034,690	2.42%
Genon Pow er Midw est	14,918,120	1.89%
Cleveland Electric	12,497,650	1.59%
American Transmission	9,424,020	1.20%
Columbia Gas of Ohio LLC	2,391,500	0.30%
	\$ 58,265,980	7.40%
 Total assessed value	 \$ 787,761,430	

December 31, 2005		
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Orion Pow er Midw est LP	\$ 90,366,460	11.57%
Cleveland Electric	9,284,430	1.19%
American Transmission Systems Inc	4,886,930	0.63%
Centurytel of Ohio Inc	2,065,130	0.26%
Columbia Gas of Ohio Inc	1,121,070	0.14%
	\$ 107,724,020	13.79%
 Total assessed value	 \$ 781,185,523	

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

(1) Assessed Values are for the 2014 and 2005 collection year, respectively.
 Assessed Values include public utilities and real estate values, details of which are not available.

AVON LAKE CITY SCHOOL DISTRICT
 COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT
 AS OF JUNE 30, 2015

Jurisdiction	General Obligation Debt Outstanding	Total Assessed Value	Percentage Applicable to School District (1)	Amount Applicable to School District
Direct				
Avon Lake City School District	\$ 45,267,928	\$ 777,469,000	100.00%	\$ 45,267,928
Overlapping				
Lorain County (2)	24,385,000	6,196,990,410	12.55%	3,060,318
City of Avon Lake (2)	<u>9,628,155</u>	777,469,000	100.00%	<u>9,628,155</u>
Sub Total				<u>12,688,473</u>
Total	<u>\$ 79,281,083</u>			<u>\$ 57,956,401</u>

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

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

(2) - Debt is as of December 31, 2014.

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

Year	General Obligation Bonded Debt (1) (3)	Notes Payable	Loans Payable	Capital Leases (4)	Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)	Per ADM (2)
2015	\$ 45,159,776	\$ -	\$ -	\$ 108,152	\$ 45,267,928	5.01%	\$ 2,005	\$ 12,120
2014	48,239,669	-	-	162,101	48,401,770	5.25%	2,143	12,832
2013	51,136,537	-	-	251,641	51,388,178	5.48%	2,276	13,502
2012	52,867,070	-	-	345,090	53,212,160	5.85%	2,357	13,875
2011	54,427,867	220,000	-	148,517	54,796,384	5.95%	2,427	14,496
2010	38,090,898	15,430,000	-	378,216	53,899,114	9.19%	2,970	14,611
2009	39,639,503	630,000	-	561,902	40,831,405	6.96%	2,250	11,292
2008	41,122,890	825,000	-	226,336	42,174,226	7.19%	2,324	12,095
2007	42,669,901	1,013,730	51,069	285,289	44,019,989	7.50%	2,426	12,730
2006	44,143,314	1,188,182	104,069	221,606	45,657,171	7.78%	2,516	13,425

Source:

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

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

Year	General Obligation Bonded Debt (1)	Debt Service Funds Available	Net Bonded Debt	Percentage of Actual Taxable Property Value (2)	Per Capita (3)
2015	\$ 45,159,776	\$ 3,491,165	\$ 41,668,611	1.91%	\$ 1,845.30
2014	48,239,669	3,154,171	45,085,498	2.09%	1,996.61
2013	51,136,537	3,448,932	47,687,605	2.22%	2,111.85
2012	52,867,070	3,355,203	49,511,867	2.18%	2,192.63
2011	54,427,867	3,511,799	50,916,068	2.25%	2,254.82
2010	38,090,898	3,988,789	34,102,109	1.52%	1,879.42
2009	39,639,503	3,988,789	35,650,714	1.53%	1,964.77
2008	41,122,890	3,528,921	37,593,969	1.48%	2,071.86
2007	42,669,901	3,510,634	39,159,267	1.60%	2,158.13
2006	44,143,314	3,378,603	40,764,711	1.91%	2,246.61

Source: (1) School District Financial Records.
(2) See Schedule S-19 for assessed valuation of property.
(3) See Schedule S-32 for population data.

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

	<u>2015(1)</u>	<u>2014(1)</u>	<u>2013(1)</u>	<u>2012(1)</u>
Assessed Valuation	<u>\$ 787,761,430</u>	<u>\$ 777,469,000</u>	<u>\$ 785,299,050</u>	<u>\$ 829,553,680</u>
Debt Limit -9% of Assessed Value (2)	<u>70,898,529</u>	<u>69,972,210</u>	<u>70,676,915</u>	<u>74,659,831</u>
Debt applicable to limitation				
Total voted general obligation debt	46,830,800	48,210,866	49,810,207	50,545,816
Total unvoted general obligation debt	-	-	-	-
Less amount available in debt service funds	(3,491,165)	(3,154,172)	(3,448,932)	(3,355,203)
Amount of debt subject to debt limit:	<u>43,339,635</u>	<u>45,056,694</u>	<u>46,361,275</u>	<u>47,190,613</u>
Overall debt margin	<u>\$ 27,558,894</u>	<u>\$ 24,915,516</u>	<u>\$ 24,315,640</u>	<u>\$ 27,469,218</u>
Legal Debt Margin as a Percentage of Debt Limit	<u>38.87%</u>	<u>35.61%</u>	<u>34.40%</u>	<u>36.79%</u>
Overall Limit - .10% of Assessed Value (2)	\$ 787,761	\$ 777,469	\$ 785,299	\$ 829,554
Amount of debt subject to debt limit:	-	-	-	-
Unvoted Debt Margin	<u>\$ 787,761</u>	<u>\$ 777,469</u>	<u>\$ 785,299</u>	<u>\$ 829,554</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	\$ 7,089,853	\$ 6,997,221	\$ 7,067,691	\$ 7,465,983
Amount of debt subject to debt limit:	-	-	-	-
Additional Unvoted Debt Margin	<u>\$ 7,089,853</u>	<u>\$ 6,997,221</u>	<u>\$ 7,067,691</u>	<u>\$ 7,465,983</u>
Energy Conservation Debt - Additional Unvoted Legal Debt Margin as a Percentage of the Debt Limit	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: Lorain County Auditor and School District Financial Records.

(1) Beginning in fiscal year 2006, HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.

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

2011(1)	2010(1)	2009 (1)	2008 (1)	2007 (1)	2006 (1)
\$ 825,938,460	\$ 817,590,679	\$ 784,317,250	\$ 764,003,830	\$ 732,930,700	\$ 639,000,320
74,334,461	73,583,161	70,588,553	68,760,345	65,963,763	57,510,029
51,456,509	52,951,059	35,191,070	37,084,925	42,569,901	43,918,314
220,000	430,000	630,000	825,000	1,113,730	1,413,182
(3,511,799)	(3,988,789)	(3,528,921)	(3,510,634)	(3,378,682)	(2,852,044)
48,164,710	49,392,270	32,292,149	34,399,291	40,304,949	42,479,452
\$ 26,169,751	\$ 24,190,891	\$ 38,296,404	\$ 34,361,054	\$ 25,658,814	\$ 15,030,577
35.21%	32.88%	54.25%	49.97%	38.90%	26.14%
\$ 825,938	\$ 817,591	\$ 784,317	\$ 764,004	\$ 732,931	\$ 639,000
-	-	-	-	-	-
\$ 825,938	\$ 817,591	\$ 784,317	\$ 764,004	\$ 732,931	\$ 639,000
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$ 7,433,446	\$ 7,358,316	\$ 7,058,855	\$ 6,876,034	\$ 6,596,376	\$ 5,751,003
220,000	430,000	630,000	825,000	1,113,730	1,413,182
\$ 7,213,446	\$ 6,928,316	\$ 6,428,855	\$ 6,051,034	\$ 5,482,646	\$ 4,337,821
97.04%	94.16%	91.08%	88.00%	83.12%	75.43%

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

Calendar Year	Population	Per Capita Income	Personal Income	Average Daily Student Enrollment (3)	Unemployment Rate (4)		
					Lorain County	Ohio	U.S.
2015	22,581 (1)	\$ 40,049	\$ 904,346,469	3,735	6.9%	5.2%	5.3%
2014	22,581 (1)	40,858	922,614,498	3,772	6.6%	5.9%	6.1%
2013	22,581 (1)	41,559	938,443,779	3,806	8.3%	7.3%	7.6%
2012	22,581 (1)	40,269	909,314,289	3,835	8.3%	7.7%	8.2%
2011	22,581 (1)	40,790	921,078,990	3,780	8.2%	9.2%	9.2%
2010	18,145 (2)	32,336	586,736,720	3,689	9.8%	10.4%	9.5%
2009	18,145 (2)	32,336	586,736,720	3,616	11.5%	11.2%	9.5%
2008	18,145 (2)	32,336	586,736,720	3,487	7.8%	6.6%	5.5%
2007	18,145 (2)	32,336	586,736,720	3,458	6.6%	6.1%	4.5%
2006	18,145 (2)	32,336	586,736,720	3,401	5.4%	5.1%	4.6%

Source:

(1) Based on the 2010 Census.

(2) Based on the 2000 Census.

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

(4) Bureau of Labor Statistics.

AVON LAKE CITY SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 AS OF DECEMBER 31, 2014 AND 2005

December 2014

Employer	Nature of Activity or Business	Approximate Number of Employees (1)	Percentage To Total Employment (2)	Rank
Ford Motor Company	Van and sport utility vehicle assembly	2,108	Not available	1
Avon Lake City Schools	Public education	786	Not available	2
Polyone Corporation	Distributor of thermoplastics, compounds & resins	699	Not available	3
City of Avon Lake	Government	393	Not available	4
Lubrizol Advanced Materials Inc.	Manufactures polymers & specialties chemicals	231	Not available	5
Grace Management Services Inc.	Retirement village	199	Not available	6
Thogus Products Co.	Provider of plastic injection molding services	196	Not available	7
Avon Lake Animal Clinic Inc.	Animal clinic	178	Not available	8
Catamaran Inc.	Drug Store	160	Not available	9
Western/Scott Fetzer Co.	Gas control technology	135	Not available	10

December 2005

Employer	Nature of Activity or Business	Approximate Number of Employees (1)	Percentage To Total Employment (2)	Rank
Ford Motor Company	Van and sport utility vehicle assembly	2,693	Not available	1
PolyOne Corporation	Distributor of thermoplastics, compounds & resins	600	Not available	2
Avon Lake City School District	Public education	382	Not available	3
Cleveland Electric	Electric power distribution service	315	Not available	4
Noveon, Inc	Manufactures polymers & specialties chemicals	250	Not available	5
The City of Avon Lake	Governmental	153	Not available	6
Giant Eagle/Riser Foods Company	Grocery store	150	Not available	7
Kopf Construction Corp	Commercial / residential contractor	125	Not available	8
Sunrise Medical HHG, Inc	Manufactures customized wheelchair	120	Not available	9
TNT Logistics North America	Freight forwarding & automobile carrier services	100	Not available	10

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

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

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

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

	<u>2015 (1)</u>	<u>2014 (1)</u>	<u>2013 (1)</u>	<u>2012 (1)</u>
Professional Staff				
<u>Teaching Staff:</u>				
Elementary K-6	105.30	106.30	107.30	106.90
Middle	35.00	37.19	37.19	36.00
High	56.00	58.61	65.24	67.00
Mutiple Buidings	13.00	11.27	11.64	10.42
Tutors	17.76	9.93	9.88	6.89
<u>Administrators</u>				
District/Building	14.00	14.00	14.00	14.00
<u>Auxiliary Positions</u>				
Psychologist	1.00	1.00	1.00	1.00
Nurse	5.00	5.00	4.00	4.00
Speech & Language Therapist	3.05	3.32	3.41	3.32
Physical Therapist	1.00	1.00	1.00	1.00
Occupational Therapist/Assistant	2.00	2.00	2.00	2.00
<u>Support Staff</u>				
Counseling	8.31	8.31	8.31	8.31
Computer Tech	3.00	3.00	3.00	3.00
Printer	1.00	1.00	1.00	1.00
Librarian/Media	2.00	2.00	2.91	2.91
Library Aide	7.63	5.75	5.75	5.00
Clerical	26.05	27.13	28.48	28.59
Teaching Aide	40.80	41.91	43.80	44.30
General Maintenance	5.00	6.00	6.00	6.00
Mechanic	2.00	2.00	2.00	2.00
Transportation Supervisor	1.00	1.00	1.00	1.00
Bus Drivers	26.03	24.04	23.90	20.75
Custodial	29.25	30.25	29.88	29.37
Food Service	19.32	19.17	17.91	17.13
Security	1.00	1.12	1.62	1.12
Attendants & Monitors	22.03	22.16	22.71	21.05
Total	<u>447.53</u>	<u>444.46</u>	<u>454.93</u>	<u>444.06</u>

Source: School District records.

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

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
110.40	113.65	113.20	110.00	100.76	102.62
38.59	39.58	38.50	39.00	37.12	37.00
69.11	76.72	76.46	70.50	66.00	66.50
-	-	-	-	-	-
7.64	11.65	13.15	19.41	14.15	14.16
14.00	15.00	14.00	15.00	15.00	15.00
1.00	2.00	2.00	1.00	1.00	1.00
4.00	2.52	1.89	1.64	1.26	1.63
3.32	3.32	3.23	3.23	2.43	2.43
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	1.00
9.31	10.31	10.28	9.10	9.10	9.00
3.00	3.00	2.00	3.00	3.00	2.00
1.00	1.00	1.00	1.00	1.00	1.00
2.80	3.69	3.78	3.00	2.00	3.00
6.00	5.25	4.50	4.50	4.50	4.75
27.59	35.52	26.53	24.78	24.28	27.96
49.83	35.85	34.76	26.26	23.07	24.51
6.00	6.00	6.00	6.00	6.00	8.00
2.00	2.00	2.00	2.00	2.00	2.00
1.00	2.00	1.00	1.00	1.00	1.00
22.44	17.62	21.60	23.03	20.60	29.81
32.99	30.50	28.00	28.00	28.00	28.00
18.44	17.73	16.47	15.84	15.46	22.18
1.12	3.78	2.99	3.32	2.33	1.50
21.23	20.50	19.99	24.03	25.44	35.50
<u>455.81</u>	<u>462.19</u>	<u>446.33</u>	<u>437.64</u>	<u>408.50</u>	<u>442.55</u>

AVON LAKE CITY SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Year	Average Daily Student Enrollment (a)	General Fund Expenditures	Cost Per Pupil (b)	Percent Change	Teaching Staff	Pupil Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2015	3,737	\$ 37,506,457	\$ 10,037	5.03%	239	15.64	6.50%
2014	3,772	36,046,397	9,556	-6.60%	226	16.69	5.68%
2013	3,806	38,940,060	10,231	-5.77%	232	16.41	5.49%
2012	3,835	38,625,770	10,858	-0.42%	239	15.56	5.45%
2011	3,780	38,748,151	10,904	3.22%	232	16.29	5.22%
2010	3,689	36,689,971	10,564	2.23%	230	16.04	5.26%
2009	3,458	34,810,283	10,334	2.86%	229	15.10	6.02%
2008	3,401	33,446,761	10,047	4.08%	230	14.79	6.84%
2007	3,279	31,526,703	9,653	0.86%	230	14.26	11.00%
2006	3,264	31,244,700	9,571	-2.33%	222	14.70	7.70%

Source: School District Financial Records.

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

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

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

Year		Minimum Salary (a)	Maximum Salary (a)	Avon Lake Average Salary (b)
2015	(c) \$	36,779	\$ 81,282	n/a (d)
2014	(c)	36,779	81,282	63,195
2013	(c)	36,779	81,282	64,756
2012	(c)	36,779	81,282	62,969
2011	(c)	36,779	81,282	62,969
2010		36,779	81,282	61,599
2009		35,879	79,293	59,822
2008		34,318	74,985	57,721
2007		33,318	72,800	55,908
2006		32,988	72,079	55,782

Sources:

- (a) District salary schedules
- (b) Ohio Department of Education
- (c) Various wage and/or step increases were frozen
- (d) Not supplied on ODE website as of the date of this report.

AVON LAKE CITY SCHOOL DISTRICT
TEACHER EDUCATION AND EXPERIENCE
JUNE 30, 2015

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	14	5.9%
Bachelor + 10	5	2.1%
Bachelor + 20	18	7.5%
Master's Degree	72	30.1%
Master's + 10	43	18.0%
Master's + 20	29	12.1%
Master's + 30	36	15.1%
Master's + 45	<u>22</u>	<u>9.2%</u>
	<u><u>239</u></u>	<u><u>100.0%</u></u>

<u>Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	55	23.0%
6-10	60	25.1%
11 and over	<u>124</u>	<u>51.9%</u>
	<u><u>239</u></u>	<u><u>100.0%</u></u>

Source: School District records.

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

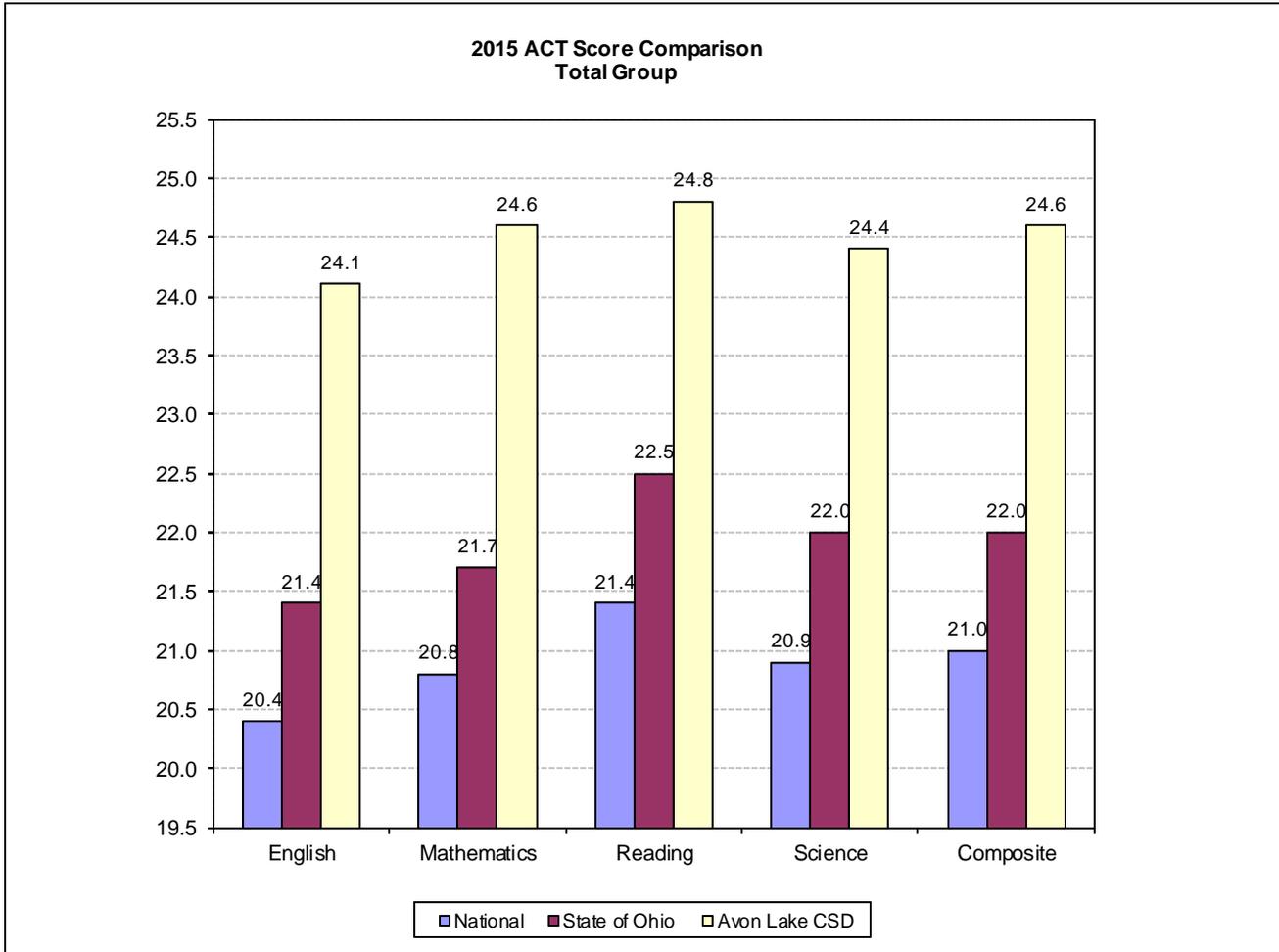
English:	Avon Lake	State of Ohio	National	Science:	Avon Lake	State of Ohio	National
2014 - 2015	24.1	21.4	20.4	2014 - 2015	24.4	22.0	20.9
2013 - 2014	24.0	21.4	20.3	2013 - 2014	24.7	22.0	20.8
2012 - 2013	25.0	21.2	20.2	2012 - 2013	24.6	21.8	20.7
2011 - 2012	22.9	21.1	20.5	2011 - 2012	23.9	21.8	20.9
2010 - 2011	23.3	21.1	20.6	2010 - 2011	23.9	21.8	20.9
2009 - 2010	23.9	21.2	20.5	2009 - 2010	24.3	21.8	20.9
2008 - 2009	23.5	21.1	20.6	2008 - 2009	23.9	21.7	20.9
2007 - 2008	22.8	21.1	20.6	2007 - 2008	23.1	21.7	20.8
2006 - 2007	23.0	21.0	20.7	2006 - 2007	23.1	21.6	21.0
2005 - 2006	22.2	20.8	20.6	2005 - 2006	23.0	21.5	20.9

Math:	Avon Lake	State of Ohio	National	Composite:	Avon Lake	State of Ohio	National
2014 - 2015	24.6	21.7	20.8	2014 - 2015	24.6	22.0	21.0
2013 - 2014	25.0	21.7	20.9	2013 - 2014	24.8	22.0	21.0
2012 - 2013	25.1	21.5	20.9	2012 - 2013	25.0	21.8	20.9
2011 - 2012	24.3	21.5	21.1	2011 - 2012	23.8	21.8	21.1
2010 - 2011	24.3	21.5	21.1	2010 - 2011	24.0	21.8	21.1
2009 - 2010	24.9	21.5	21.0	2009 - 2010	24.5	21.8	21.0
2008 - 2009	24.5	21.4	21.0	2008 - 2009	24.1	21.7	21.1
2007 - 2008	24.1	21.5	21.0	2007 - 2008	23.5	21.7	21.1
2006 - 2007	24.3	21.3	21.0	2006 - 2007	23.7	21.6	21.2
2005 - 2006	23.9	21.3	20.8	2005 - 2006	23.2	21.5	21.1

Reading:	Avon Lake	State of Ohio	National
2014 - 2015	24.8	22.5	21.4
2013 - 2014	24.7	22.4	21.3
2012 - 2013	25.1	22.2	21.1
2011 - 2012	23.4	22.1	21.3
2010 - 2011	24.1	22.1	21.3
2009 - 2010	24.2	22.1	21.3
2008 - 2009	24.0	22.2	21.4
2007 - 2008	23.3	22.1	21.4
2006 - 2007	23.6	22.0	21.5
2005 - 2006	23.0	21.9	21.4

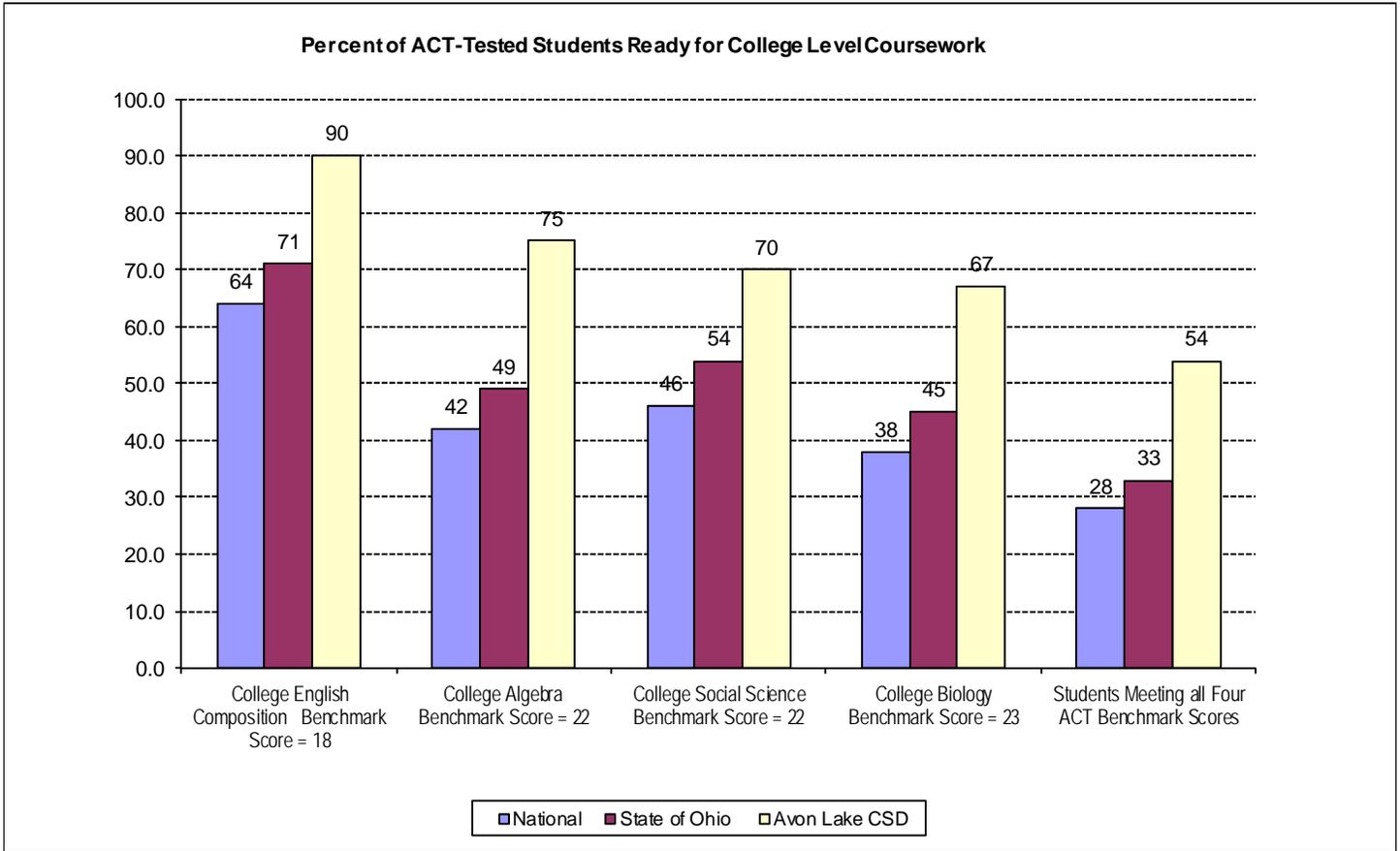
Source: American College Testing Program

AVON LAKE CITY SCHOOL DISTRICT
2015 ACT SCORE COMPARISON
JUNE 30, 2015



Source: American College Testing Program

AVON LAKE CITY SCHOOL DISTRICT
 PERCENT OF ACT TESTED STUDENTS READY FOR COLLEGE LEVEL COURSEWORK
 JUNE 30, 2015



Source: American College Testing Program

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

	2015	2014	2013	2012
Elementary Schools				
Eastview (1950)				
Square feet	42,048	42,048	42,048	42,048
Enrollment	429	448	428	408
Erievuew (1950)				
Square feet	34,593	34,593	34,593	34,593
Enrollment	273	288	288	289
Redw ood (1962)				
Square feet	58,780	58,780	58,780	58,780
Enrollment	455	462	460	484
Troy (1970)				
Square feet	85,150	85,150	86,150	86,150
Enrollment	608	615	601	590
Westview (1957)				
Square feet	41,961	41,961	41,961	41,961
Enrollment	211	226	261	272
Middle School				
Learw ood (1959)				
Square feet	110,911	110,911	110,911	110,911
Enrollment	613	573	605	582
High School				
Avon Lake High (1927)				
Square feet	314,612	314,612	314,612	314,612
Enrollment	1,148	1,171	1,178	1,210

Source: District records.

2011	2010	2009	2008	2007	2006
42,048 350	34,158 340	34,158 337	34,158 315	34,158 330	34,158 317
34,593 286	31,445 282	31,445 280	31,445 261	31,445 244	31,445 258
58,780 498	50,220 448	50,220 441	50,220 379	50,220 357	50,220 357
86,150 594	86,150 566	86,150 537	86,150 529	86,150 547	86,150 553
41,961 280	39,505 279	39,505 264	39,505 257	39,505 235	39,505 230
110,911 576	98,767 572	98,767 582	98,767 581	98,767 536	98,767 512
314,612 1,197	314,612 1,202	314,612 1,175	314,612 1,164	314,612 1,197	314,612 1,173

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Dave Yost • Auditor of State

AVON LAKE CITY SCHOOL DISTRICT

LORAIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JANUARY 19, 2016