



OHIO AUDITOR OF STATE
KEITH FABER



**AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY**

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**AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE		
<i>Passed Through Ohio Department of Education</i>		
COVID-19 Pandemic EBT Administrative Costs	10.649	\$ 614
Child Nutrition Cluster:		
National School Lunch Program - Commodities	10.555	56,834
National School Lunch Program	10.555	1,312,835
COVID-19 Nutrition - National School Lunch Program	10.555	76,220
Total Child Nutrition Cluster		<u>1,445,889</u>
Total U.S. Department of Agriculture		<u>1,446,503</u>
U.S. DEPARTMENT OF EDUCATION		
<i>Passed Through Ohio Department of Education</i>		
Title I		
Title I, Grants to Local Educational Agencies	84.010	154,692
Expanding Opportunities for Each Child	84.010A	5,223
Total Title I		<u>159,915</u>
Title II-A, Supporting Effective Instruction State Grants	84.367	40,220
Title IV-A Student Support and Academic Enrichment	84.424A	11,863
Special Education Cluster:		
Special Education Part B Grants	84.027	756,942
Special Education Preschool Grant	84.173	18,897
COVID-19 ARP IDEA Part B Special Education	84.027X	163,715
COVID-19 ARP IDEA Early Childhood Special Education	84.173X	13,163
Total Special Education Cluster		<u>952,717</u>
ESSER Fund		
COVID-19 ESSER	84.425D	11,923
COVID-19 ESSER II	84.425D	480,561
COVID-19 ARP ESSER	84.425U	8,089
COVID-19 ESSER II State Activity Supplement	84.425D	423
COVID-19 ARP ESSER State Activity Supplement	84.425U	1,308
Total ESSER Funds		<u>502,304</u>
COVID-19 Coronavirus Relief Fund	21.019	11,440
Total U.S. Department of Education		<u>1,678,459</u>
FEDERAL COMMUNICATIONS COMMISSION		
<i>Passed Through Ohio Department of Education</i>		
COVID-19 Emergency Connectivity Fund	32.009	90,661
Total Federal Communications Commission		<u>90,661</u>
Total Expenditures of Federal Awards		<u>\$ 3,215,623</u>

The accompanying notes are an integral part of this schedule.

**AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Avon Lake City School District (the District) under programs of the federal government for the year ended June 30, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F - MATCHING REQUIREMENTS

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

**AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE G - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2022 to 2023 programs:

<u>Program Title</u>	<u>AL Number</u>	<u>Amount Transferred</u>
Title II-A Grant	84.367	\$ 21,385
COVID-19 ARP ESSER Grant	84.425U	\$1,063,611
COVID-19 IDEA Part B Special Education Grant	84.027X	\$ 14,178

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OHIO AUDITOR OF STATE KEITH FABER



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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Avon Lake City School District, Lorain County, (the District) as of and for the year ended June 30, 2022, 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 29, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

December 29, 2022

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

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

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Avon Lake City School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Avon Lake City School District's major federal program for the year ended June 30, 2022. Avon Lake City School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Avon Lake City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Avon Lake City School District (the District) as of and for the year ended June 30, 2022, 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 29, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Keith Faber
Auditor of State
Columbus, Ohio

December 29, 2022

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**AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2022**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Special Education Cluster: Special Education Part B Grants – AL #84.027 Special Education Preschool Grant – AL #84.173 COVID-19 ARP IDEA Part B Special Education – AL #84.027X COVID-19 ARP IDEA Early Childhood Special Education – AL #84.173X
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR §200.520?	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

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



**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Prepared by

**Autumn Reed
Treasurer**

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Avon Lake City School District
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022
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INTRODUCTORY SECTION



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AVON LAKE CITY SCHOOLS

175 Avon Belden Road
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www.avonlakecityschools.org



Board of Education

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Robert D. Scott
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Treasurer

Autumn Reed
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December 29, 2022

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

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Avon Lake City School District for the fiscal year ended June 30, 2022. This ACFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and 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, Erievue Elementary, Eastview Elementary, Westview Elementary, Redwood Elementary and Troy Junior High School were constructed. Troy Junior High School was closed for educational purposes in 1982 because of the energy crisis and decreased enrollment. In 1988, Troy Junior High was reopened as the Avon Lake Community Education Center. The Community Education Center ceased to operate in the Troy Building as of July, 1991 due to the economy of operations. The Troy Intermediate School building was reopened for instruction beginning in the fall of 1995. In 1999, Avon Lake City Schools began a building project that added classrooms to all six (6) buildings. Avon Lake High School completed a major renovation, which included additional physical education facilities and an auditorium that hosted the Cleveland Pops Orchestra for the dedication of the facilities. In 2009, two (2) additional bond issues were passed totaling \$ 18,500,000. These renovations and additions began in March 2010 on the stadium portion of the project with completion of the stadium renovations by August 2010. Classroom additions to five (5) buildings began in May 2010 and completed August 2011. A new Transportation Center opened in the summer of 2011 and currently houses 33 buses and 2 vans. These projects were necessary to keep up with the growing enrollment. Today the citizens have an investment of \$ 105,282,812 in the School District land, land improvements, buildings, furniture and equipment, and vehicles (excludes accumulated depreciation).

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

Reporting Entity

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

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

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

Organizational Structure

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

The School District is located in Avon Lake, Lorain County, Ohio, and includes an area extending roughly twelve square miles around the City. It is staffed by 250 non-certified personnel, 266 certified full-time teaching personnel and 20 administrative employees to provide services to 3,693 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 82% of the tax base followed by 11% commercial/industrial and 7% public utility personal property. House Bill 920 (H.B. 920), passed by the Ohio legislature in 1976, prohibits the inflationary growth of revenue generated by most voted tax issues. When the value of taxable property in the school district changes, the tax rates are adjusted so income, or voted dollars, will remain about the same. Historically, millage rates have been adjusted or rolled back due to a positive reappraisal. The School District's millage rates were rolled back for many years; however, the City of Avon Lake experienced a negative reappraisal and triennial update in 2009 and 2015 respective: therefore, the inverse occurred and millage rates were rolled up (never exceeding the original voted rate).

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

Major Initiatives

Ohio Report Card

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

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

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

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.

Additional federal funding was provided to school districts related to the COVID-19 pandemic. Avon Lake City School District used Federal ARP funds to safely have school in person, 5 days a week, for 82% of the Avon Lake Students. 18% of our students were on-line with regular schedules.

Educational Programs and Facilities Improvement

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

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

In 2021 the Avon Lake City School District convened a “facilities committee” to evaluate future School District facility needs. The State of Ohio audited the current facilities. With the audit results the Facility Committee is holding public meetings as it proposes replacement of the 6 buildings that currently house Pre-K to 8th grade students. The Committee hopes to have a final proposal to the Avon Lake School Board by June of 2023 with the possibility of a Bond Issue being on the ballot in November of 2023.

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

Website

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

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

Financial Information

Internal Accounting and Budgetary Control

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

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

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

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

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

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

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

Financial Condition

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

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

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

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

Management is responsible for preparing a Management Discussion and Analysis (MD&A) of the School District. This discussion follows the Independent Auditor's Report, providing an assessment of the School District's finances for fiscal year 2022 and a discussion of current issues affecting the School District in the future. The MD&A should be read in conjunction with this letter of transmittal.

Long-Term Financial Planning

Annually, the School District prepares a five-year financial forecast. The financial forecast is the foundation for the School District's operations and is used as a financial planning tool to assist the School District in determining its ability to meet certain financial obligations and plan future funding needs. The five-year forecast of revenue and expenditures serves as a financial planning tool, which provides a snapshot of historical and projected revenues and expenses over the next five years and is accompanied by financial assumption notes. The assumptions are an integral part of the forecast and represent what the School District believes are significant factors impacting the forecast. Through a collaborative process, the administration assists the Board of Education in determining and prioritizing the needs of the School District. In accordance with State law, the Board of Education approves the financial forecast and submits it to the Ohio Department of Education prior to November 30 and approves an updated version prior to May 31. The financial forecast can be found on the School District's 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 Keith Faber, Auditor of State, rendered an opinion on the School District's financial statements as of and for the year ended June 30, 2022. The opinion appears at the beginning of the financial section of this report.

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

Awards

GFOA Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Avon Lake City School District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in the area of governmental financial reporting.

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

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

ASBO Certificate - The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2021 to the Avon Lake City School District. This award certifies that the Annual Comprehensive Financial Report substantially conformed to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials.

Management believes that the Annual Comprehensive Financial Report for fiscal year ended June 30, 2022, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

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

Acknowledgments

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

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

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

Respectfully submitted,



Autumn Reed, Treasurer



Robert D. Scott, Superintendent

Avon Lake Board of Education

Principal Officials
June 30, 2022

Board of Education

Mr. James A. Stobe.....	President
Mr. Michael P. Sherban.....	Vice - President
Mrs. Kendra M. Gardiner.....	Member
Mr. Ronald D. Jantz, Jr	Member
Mrs. Jenefer S. Machovina.....	Member

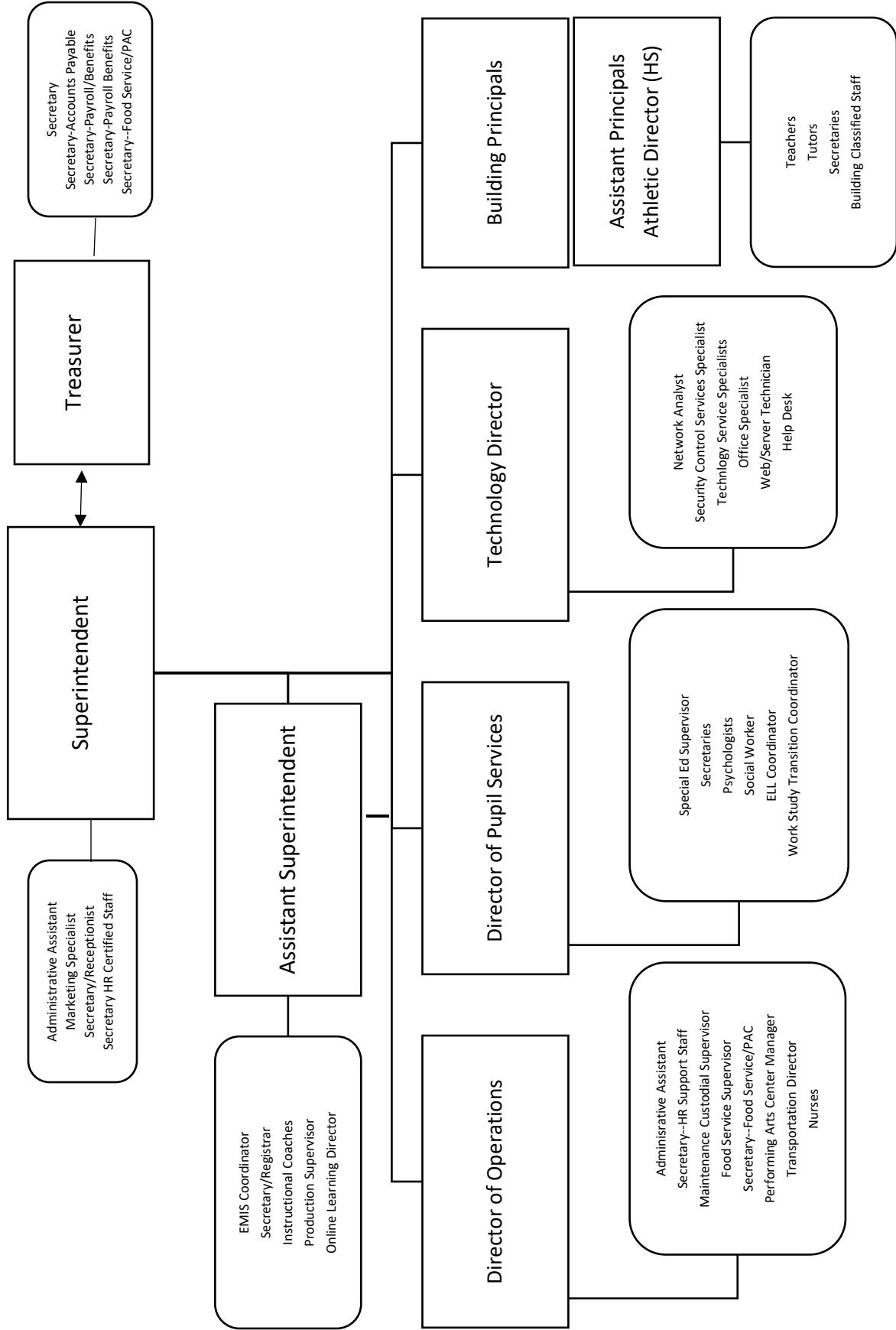
Treasurer

Ms. Autumn Reed

Administration

Mr. Robert D. Scott	Superintendent
Dr. Ned W. Lauver.....	Director of Operations

Avon Lake City Schools Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Avon Lake City School District
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Avon Lake City School District

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

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



A handwritten signature in black ink, reading 'William A. Sutter'.

William A. Sutter
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

**FINANCIAL
SECTION**



Back of divider page.

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Avon Lake City School District, Lorain County, Ohio (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Avon Lake City School District, Lorain County, Ohio as of June 30, 2022, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 20 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods for the District. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will also issue our report dated December 29, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion of the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

December 29, 2022

Avon Lake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

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, 2022. 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 2022 are as follows:

- In total, net position for governmental activities increased by \$ 6,613,223 in 2022.
- Revenues for governmental activities totaled \$ 57,391,631 for fiscal year 2022. Of this total \$ 51,544,419 or 89.81 percent consisted of general revenues while program revenues accounted for the balance of \$ 5,847,212 or 10.19 percent.
- Program expenses totaled \$ 50,778,408. Instructional expenses made up \$ 28,580,411 or 56.28 percent of this total while support services accounted for \$ 17,456,262 or 34.39 percent. Other expenses of \$ 4,741,735 rounded out the remaining 9.33 percent.
- Total outstanding debt had a net decrease of \$ 3,717,482 to \$ 23,764,742 in fiscal year 2022.

Using this Annual Report

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as an entity looks at all financial transactions and asks the question, "How did we do financially during the 2022 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, 2022

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

The School District as a Whole

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

Total assets increased by \$ 8,132,782. This increase can be attributed primarily to an increase of \$ 8,672,645 in taxes receivable.

Deferred outflows of resources related to pensions, other post-employment benefits (OPEB) and deferrals on debt refundings increased by \$ 2,735,300. The increase is primarily due to an increase in deferred outflows related to pensions.

Total liabilities decreased \$ 26,174,623 to \$ 69,541,901 in 2022. The decrease is primarily due to a decrease in net pension liability of \$ 23,311,555.

Deferred inflows of resources related to property taxes increased by \$ 7,368,003 and deferred inflows of resources related to pensions and OPEB had an increase of \$ 23,199,110.

Over time, net position can serve as an indicator of a government's financial position. At June 30, 2022, the School District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$ 10,219,104. Of this total, \$ 9,810,476 is restricted in use.

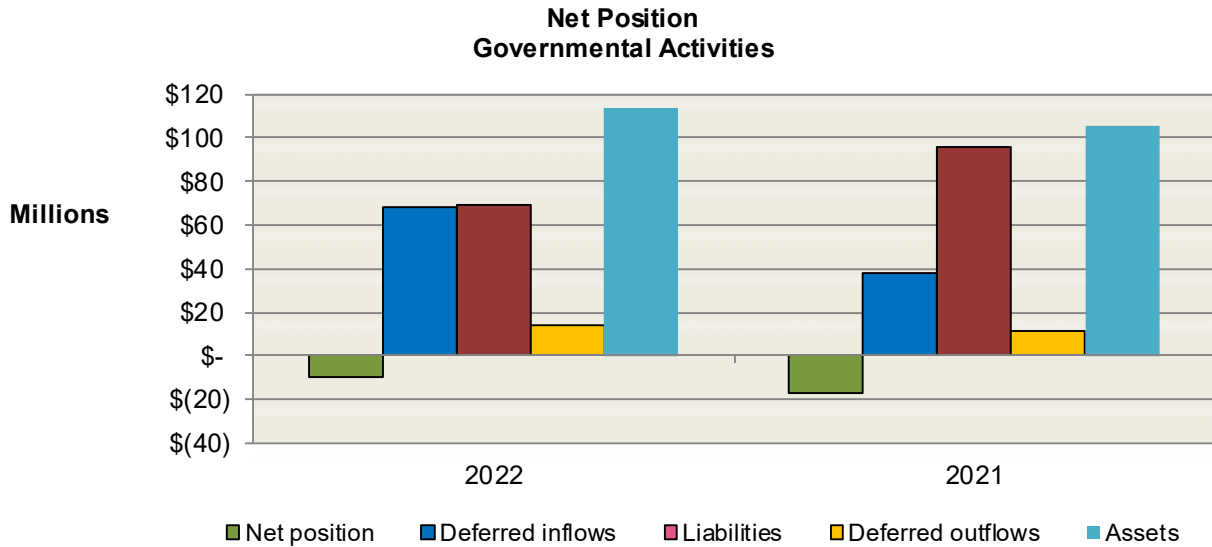
Avon Lake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Table 1 provides a summary of the School District's net position for fiscal year 2022 compared to fiscal year 2021:

TABLE I
 Total Net Position
 Governmental Activities

	<u>2022</u>	<u>2021</u>
Assets		
Current and other assets	\$ 66,673,202	\$ 58,342,506
Net OPEB asset	3,618,969	2,902,197
Total capital assets, net	<u>43,022,253</u>	<u>43,936,939</u>
Total assets	<u>113,314,424</u>	<u>105,181,642</u>
Deferred outflows of resources		
Deferred charge on refunding	42,753	534,375
Pension	12,699,627	9,399,177
OPEB	<u>1,561,275</u>	<u>1,634,803</u>
Total deferred outflows of resources	<u>14,303,655</u>	<u>11,568,355</u>
Liabilities		
Current liabilities	6,469,277	4,967,100
Long term liabilities		
Due within one year	5,265,134	3,644,232
Due in more than one year		
Net pension liability	29,331,311	52,642,866
OPEB liability	3,912,904	4,345,861
Other amounts	<u>24,563,275</u>	<u>30,116,465</u>
Total liabilities	<u>69,541,901</u>	<u>95,716,524</u>
Deferred inflows of resources		
Property taxes levied for next year	37,844,406	30,476,403
Deferred revenue	42,109	63,585
Deferral on refunding	580,774	696,929
Pension	23,329,442	842,462
OPEB	<u>6,498,551</u>	<u>5,786,421</u>
Total deferred inflows of resources	<u>68,295,282</u>	<u>37,865,800</u>
Net position		
Net investment in capital assets	18,944,832	18,375,711
Restricted	9,810,476	8,744,646
Unrestricted	<u>(38,974,412)</u>	<u>(43,952,684)</u>
Total net position	<u><u>\$(10,219,104)</u></u>	<u><u>\$(16,832,327)</u></u>

Avon Lake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022



The net pension and OPEB liabilities combined are the largest liabilities reported by the School District at June 30, 2022 and are reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting net OPEB asset, and deferred outflows related to pension and OPEB.

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

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

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

Avon Lake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

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

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

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

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

Table 2 shows total revenues, expenses and changes in net position for fiscal year 2022 compared to fiscal year 2021. Total revenues for 2022 were \$ 6,671,127 higher than in 2021, primarily due to the amount of taxes receivable available for advance from the county auditor. Total expenses were \$ 5,508,482 lower than in 2021 primarily due to a decrease in pension expense.

Avon Lake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

TABLE 2
Net Position
Governmental Activities

	2022	2021
Revenues		
Program revenues		
Charges for services and sales	\$ 1,803,971	\$ 876,171
Operating grants, interest and contributions	4,043,241	3,032,625
Total program revenues	5,847,212	3,908,796
General revenues		
Property taxes	42,075,787	37,012,796
Grants and entitlements not restricted to specific purposes	9,009,491	9,096,918
Investment earnings	103,570	219,686
Miscellaneous	355,571	482,308
Total general revenues	51,544,419	46,811,708
Total revenues	57,391,631	50,720,504
Program expenses		
Instruction	28,580,411	32,944,038
Supporting services		
Pupil and instructional staff	5,091,735	5,512,462
Board of education, administration, fiscal services and business	5,564,034	5,627,966
Operation and maintenance	4,516,856	4,434,688
Pupil transportation	2,011,825	1,796,924
Central services	271,812	450,250
Operation of non-instructional services		
Food service operation	1,415,731	1,197,400
Community services	300,716	335,204
Extracurricular activities	1,207,469	1,293,358
Interest and fiscal charges	1,817,819	2,694,600
Total expenses	50,778,408	56,286,890
Change in net position	6,613,223	(5,566,386)
Net position at beginning of year	(16,832,327)	(11,265,941)
Net position at end of year	\$(10,219,104)	\$(16,832,327)

Avon Lake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

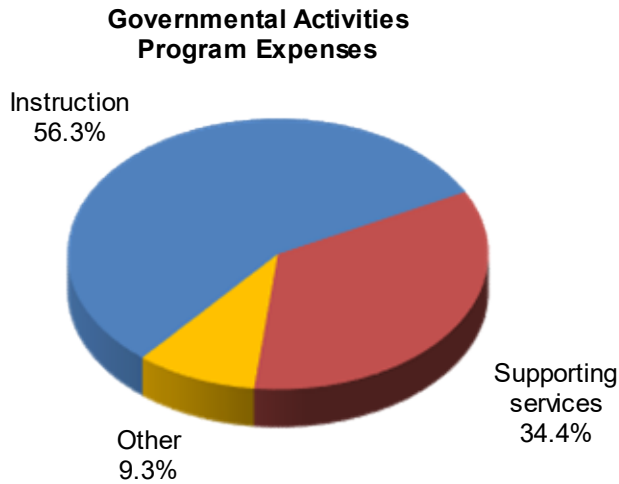
The vast majority of revenue supporting all Governmental Activities is general revenues, which accounted for \$ 51,544,419 or 89.81 percent of the total revenue. General revenues increased \$ 4,732,711 in 2022 from 2021. The increase is primarily due to an increase of \$ 5,062,991 in property tax revenue, which is the result of an increase in the amount available for advance from the county auditor. The other type of revenue that accounts for 10.19 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 increased by \$ 1,938,416 in 2022 from 2021. This increase can primarily be attributed to increases of \$ 1,010,616 in operating grants, interest and contributions and \$ 927,800 in charges for services in food service operations and extracurricular activities.

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

TABLE 3
 Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
Program expenses				
Instruction	\$ 28,580,411	\$ 32,944,038	\$(26,274,299)	\$(31,344,181)
Supporting services				
Pupil and instructional staff	5,091,735	5,512,462	(4,764,936)	(5,214,500)
Board of education, administration, fiscal services and business	5,564,034	5,627,966	(5,462,565)	(5,591,378)
Operation and maintenance	4,516,856	4,434,688	(4,477,854)	(4,220,148)
Pupil transportation	2,011,825	1,796,924	(2,011,825)	(1,796,924)
Central services	271,812	450,250	(271,812)	(450,250)
Operation of non-instructional services				
Food service operation	1,415,731	1,197,400	636,632	(229,122)
Community services	300,716	335,204	(48,088)	(86,508)
Extracurricular activities	1,207,469	1,293,358	(438,630)	(750,483)
Interest and fiscal charges	1,817,819	2,694,600	(1,817,819)	(2,694,600)
Total expenses	\$ 50,778,408	\$ 56,286,890	\$(44,931,196)	\$(52,378,094)

Avon Lake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022



As one can see 56.3 percent of the School District's expenses were used to fund instructional expenses. Additional support services for pupils, staff, and business operation expenses were 34.4 percent. The remaining 9.3 percent of program expenses was used to facilitate other obligations of the School District such as interest and fiscal charges, the food service program, community services and various extracurricular activities. Interest expense was primarily attributable to the outstanding bonds.

The dependence upon tax revenues for governmental activities is apparent. Tax revenue comprised 73.3 percent of total revenue. The community, as a whole, is the primary support for the School District students.

The School District's Funds

Information about the School District's major funds starts on page 17. These governmental funds are accounted for using the modified accrual basis of accounting. Excluding other financing sources and uses, all governmental funds had total revenues of \$ 55,187,297 and expenditures of \$ 57,675,770. In total, the net change in fund balance was a decrease of \$ 2,483,439.

In 2022, the General Fund's total revenue was \$ 2,777,288 higher than 2021. The largest increase was in taxes revenue. The increase in taxes revenue is due to an increase in the amount available for advance from the county auditor. Expenditures of the General Fund were \$ 2,270,791 higher than the prior year. The increase in General Fund expenditures is primarily due to increases in wages and related items. The most significant increases were in instruction and supporting services of \$ 999,773 and \$ 1,306,230 respectively.

The following schedule shows the significant changes between fiscal year 2022 and 2021 for the General Fund.

Avon Lake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

	General Fund		
	2022	2021	Change
Revenue			
Taxes	\$ 35,775,336	\$ 33,248,085	\$ 2,527,251
Tuition and fees	1,023,122	504,044	519,078
Interest	101,753	219,189	(117,436)
Intergovernmental	7,725,742	7,833,493	(107,751)
Extracurricular	33,169	19,879	13,290
Miscellaneous	216,681	273,825	(57,144)
Total revenues	<u>44,875,803</u>	<u>42,098,515</u>	<u>2,777,288</u>
Expenditures			
Current			
Instruction	28,536,962	27,537,189	999,773
Supporting services	18,001,690	16,695,460	1,306,230
Operation of non-instructional services	60,019	52,914	7,105
Extracurricular activities	919,610	931,927	(12,317)
Total expenditures	<u>47,518,281</u>	<u>45,247,490</u>	<u>2,270,791</u>
Other financing sources (uses)			
Transfers in	-	3,634	(3,634)
Transfers out	(3,055)	(49,098)	46,043
Proceeds from sale of capital assets	5,034	37,181	(32,147)
Total other financing sources (uses)	<u>1,979</u>	<u>(8,283)</u>	<u>10,262</u>
Net change in fund balances	(2,640,499)	(3,157,258)	516,759
Fund balances, beginning of year	<u>15,546,493</u>	<u>18,703,751</u>	<u>(3,157,258)</u>
Fund balances, end of year	<u>\$ 12,905,994</u>	<u>\$ 15,546,493</u>	<u>\$ (2,640,499)</u>

Avon Lake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

The following schedule shows the significant changes between fiscal year 2022 and 2021 for the Bond Retirement Fund.

	Bond Retirement Fund		
	2022	2021	Change
Revenue			
Taxes	\$ 3,448,354	\$ 3,393,117	\$ 55,237
Intergovernmental	1,421,437	1,420,786	651
Total revenues	4,869,791	4,813,903	55,888
Expenditures			
Current			
Supporting services			
Fiscal services	55,634	56,750	(1,116)
Debt service			
Principal	1,654,934	3,490,000	(1,835,066)
Interest	3,505,900	1,427,455	2,078,445
Total expenditures	5,216,468	4,974,205	242,263
Excess (deficiency) of revenues over expenditures	(346,677)	(160,302)	(186,375)
Other financing sources (uses)			
Refunding bonds issued	-	10,945,000	(10,945,000)
Premium on debt issue	-	1,117,434	(1,117,434)
Payment to refunding escrow agent	-	(11,896,787)	11,896,787
Total other financing sources (uses)	-	165,647	(165,647)
Net change in fund balances	(346,677)	5,345	(352,022)
Fund balances, beginning of year	3,568,908	3,563,563	5,345
Fund balances, end of year	\$ 3,222,231	\$ 3,568,908	\$ (346,677)

Total revenues in the Bond Retirement Fund increased due to an increase in the amount of taxes available for advance from the Lorain County Auditor.

General Fund Budgeting Highlights

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

During the course of fiscal year 2022, the School District amended its General Fund budget to reflect changes in estimated receipts and amended appropriations. For the General Fund, the final budget basis revenue estimate, excluding other financing sources, was \$ 45,435,675 which was \$ 1,231,863 higher than the original budget estimate and \$ 74,759 less than actual revenue. The final budget basis expenditures estimate, excluding other financing uses, totaled \$ 47,824,080 which was \$ 3,383,279 higher than the original budget estimate. Actual expenditures were \$ 337,375 less than final budget basis expenditures. The unencumbered ending cash balance totaled \$ 12,923,248.

Avon Lake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2022, the School District, net of depreciation, had \$ 43,022,253 invested in land, construction in process, land improvements, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2022 values compared to fiscal year 2021. More detailed information is presented in Note 8 of the notes to the basic financial statements.

Table 4
 Capital Assets
 (Net of Accumulated Depreciation)

	2022	2021
Land	\$ 6,050,145	\$ 6,050,145
Land improvements	1,089,588	1,127,338
Buildings and improvements	34,327,826	35,210,918
Furniture and equipment	857,745	906,990
Vehicles	696,949	641,548
Total net capital assets	\$ 43,022,253	\$ 43,936,939

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

Debt

At June 30, 2022, the Avon Lake School District had \$ 23,764,742 in debt related to bonds payable, a decrease of \$ 3,717,482 from fiscal year 2021. \$ 3,685,000 of the bonds are due within one year. Table 5 below summarizes the School District's bonds. More detailed information is presented in Note 14 of the notes to the basic financial statements.

Table 5
 Outstanding Debt Year-End

	2022	2021
Term and serial bonds	\$ 22,450,000	\$ 23,705,000
Capital appreciation bonds	25,866	425,800
Accretion on capital appreciation bonds	225,342	2,083,550
Unamortized bond premiums	1,063,534	1,267,874
Total outstanding debt	\$ 23,764,742	\$ 27,482,224

Avon Lake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

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 May 2021.

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

On January 9, 2018, the School District entered into an 8 year Settlement Agreement with NRG Power Midwest LP the owner of the power plant which resides in the City of Avon Lake. The Agreement settled real estate litigation that had been ongoing and set valuations for tax year 2013 through 2020. In addition to the real estate litigation, the School District also realized losses related to the power plant's Public Utility Personal Property (PUPP) values for tax years 2014, 2015 and 2016. The Ohio Department of Taxation rendered a Final Determination, which reduced NRG's PUPP values for each of these respective years. As a result, the School District owed NRG a refund of \$ 1,649,505, which was repaid through real and PUPP tax credits in fiscal years 2018 and 2019. On July 19, 2021, Charah Solutions, Inc. announced its purchase of the Power Plant. The Plant ceased generation operation in April 2022 and has begun environmental remediation of the property.

On June 2, 2022, the Ford Motor Company announced it would expand its assembly plant in Avon Lake. Currently, the specifics of the expansion are unknown by the School District.

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

Contacting the School District's Fiscal Management

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY

STATEMENT OF NET POSITION

JUNE 30, 2022

	Governmental Activities
Assets	
Equity in pooled cash	\$ 20,361,590
Intergovernmental receivables	25,622
Accounts receivable and other	1,317
Inventories and supplies	76,003
Taxes receivable	46,208,670
Net OPEB asset	3,618,969
Capital assets	
Nondepreciable assets	6,050,145
Depreciable capital assets, net of depreciation	36,972,108
Total assets	113,314,424
Deferred outflow s of resources	
Deferral on refunding	42,753
Pension	12,699,627
OPEB	1,561,275
Total deferred outflow s of resources	14,303,655
Liabilities	
Accounts and contracts payable	215,574
Accrued salaries, wages and benefits	5,222,992
Accrued interest payable	143,700
Intergovernmental payable	887,011
Long-term liabilities	
Due w ithin one year	5,265,134
Due in more than one year	
Net pension liability	29,331,311
Net OPEB liability	3,912,904
Other amounts due in more than one year	24,563,275
Total liabilities	69,541,901
Deferred inflow s of resources	
Property taxes levied for next year	37,844,406
Cafeteria receipts	42,109
Deferral on refunding	580,774
Pension	23,329,442
OPEB	6,498,551
Total deferred inflow s of resources	68,295,282
Net position	
Net investment in capital assets	18,944,832
Restricted for:	
Net OPEB asset	3,618,969
Debt service	3,393,087
Capital projects	1,701,643
Food service	590,572
Student activities	138,715
Athletics	265,397
State grants	12,240
Donations	89,853
Unrestricted	(38,974,412)
Total net position	\$ (10,219,104)

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

	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	\$ 22,003,758	\$ 819,998	\$ 617,034	\$ (20,566,726)
Special	6,049,915	-	869,080	(5,180,835)
Other instruction	526,738	-	-	(526,738)
Supporting services				
Pupil	3,131,363	65,266	207,106	(2,858,991)
Instructional staff	1,960,372	-	54,427	(1,905,945)
Board of education	22,745	-	-	(22,745)
Administration	3,755,720	-	101,469	(3,654,251)
Fiscal services	1,359,939	-	-	(1,359,939)
Business	425,630	-	-	(425,630)
Operation and maintenance	4,516,856	-	39,002	(4,477,854)
Pupil transportation	2,011,825	-	-	(2,011,825)
Central services	271,812	-	-	(271,812)
Operation of non-instructional services				
Food service operation	1,415,731	261,545	1,790,818	636,632
Community services	300,716	4,595	248,033	(48,088)
Extracurricular activities	1,207,469	652,567	116,272	(438,630)
Interest and fiscal charges	1,817,819	-	-	(1,817,819)
Total	<u>\$ 50,778,408</u>	<u>\$ 1,803,971</u>	<u>\$ 4,043,241</u>	<u>(44,931,196)</u>

General revenues	
Property taxes levied for:	
General purposes	37,769,736
Debt service	3,619,254
Capital improvements	686,797
Grants and entitlements not restricted to specific purposes	9,009,491
Investment earnings	103,570
Miscellaneous	355,571
Total general revenues	<u>51,544,419</u>
Change in net position	6,613,223
Net position at beginning of year	(16,832,327)
Net position at end of year	<u>\$ (10,219,104)</u>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in pooled cash	\$ 14,414,215	\$ 2,777,985	\$ 3,055,400	\$ 20,247,600
Restricted cash	113,990	-	-	113,990
Receivables, net of allowance				
Taxes, current	38,518,233	3,584,809	678,228	42,781,270
Taxes, delinquent	3,080,100	293,100	54,200	3,427,400
Intergovernmental receivables	-	-	25,622	25,622
Interfund receivables	137,267	-	-	137,267
Inventories and supplies	53,935	-	22,068	76,003
Total assets	\$ 56,317,740	\$ 6,655,894	\$ 3,835,518	\$ 66,809,152
Liabilities				
Accounts and contracts payable	\$ 207,428	\$ -	\$ 8,146	\$ 215,574
Accrued salaries, wages and benefits	5,104,115	-	118,877	5,222,992
Intergovernmental payable	870,173	-	16,838	887,011
Interfund payable	-	-	135,950	135,950
Matured compensated absences	50,393	-	7,555	57,948
Total liabilities	6,232,109	-	287,366	6,519,475
Deferred inflows of resources				
Property taxes levied for next year and unavailable resources	37,179,637	3,433,663	700,615	41,313,915
Total deferred inflows of resources	37,179,637	3,433,663	700,615	41,313,915
Fund balances (deficits)				
Nonspendable	53,935	-	22,068	76,003
Restricted	-	3,222,231	2,839,230	6,061,461
Committed	113,990	-	-	113,990
Assigned	1,395,394	-	-	1,395,394
Unassigned	11,342,675	-	(13,761)	11,328,914
Total fund balances (deficits)	12,905,994	3,222,231	2,847,537	18,975,762
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 56,317,740	\$ 6,655,894	\$ 3,835,518	\$ 66,809,152

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, 2022

Total governmental fund balances		\$ 18,975,762
Amount reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.		43,022,253
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes receivable and unavailable revenue		3,427,400
Net OPEB asset is not recognized in the funds.		3,618,969
Unamortized premiums on bonds issued are not recognized in the funds.		(1,063,534)
Unamortized deferred charges on refundings are not recognized in the funds.		(538,021)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(143,700)
The net pension and OPEB liability is not due and payable in the current period; therefore; the liability and related deferred inflow s/outflow s are not reported in the funds.		
Deferred outflow s - pension	\$ 12,699,627	
Deferred inflow s - pension	(23,329,442)	
Net pension liability	(29,331,311)	
Deferred outflow s - OPEB	1,561,275	
Deferred inflow s - OPEB	(6,498,551)	
Net OPEB liability	(3,912,904)	(48,811,306)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences payable	(6,005,719)	
Bonds payable	(22,701,208)	(28,706,927)
Net position of governmental activities		\$ (10,219,104)

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, 2022

	General Fund	Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
Revenue				
Taxes	\$ 35,775,336	\$ 3,448,354	\$ 652,797	\$ 39,876,487
Tuition and fees	1,023,122	-	-	1,023,122
Interest	101,753	-	1,817	103,570
Intergovernmental	7,725,742	1,421,437	3,905,553	13,052,732
Extracurricular	33,169	-	446,956	480,125
Charges for services	-	-	261,545	261,545
Donations and contributions	37,312	-	164,998	202,310
Miscellaneous	179,369	-	8,037	187,406
Total revenues	<u>44,875,803</u>	<u>4,869,791</u>	<u>5,441,703</u>	<u>55,187,297</u>
Expenditures				
Current				
Instruction				
Regular	22,259,127	-	580,034	22,839,161
Special	5,714,859	-	869,080	6,583,939
Other instruction	562,976	-	-	562,976
Supporting services				
Pupil	3,242,483	-	177,294	3,419,777
Instructional staff	2,091,514	-	54,427	2,145,941
Board of education	24,159	-	-	24,159
Administration	4,053,299	-	101,469	4,154,768
Fiscal services	1,367,676	55,634	10,400	1,433,710
Business	463,992	-	-	463,992
Operation and maintenance	4,365,018	-	524,027	4,889,045
Pupil transportation	2,100,569	-	186,888	2,287,457
Central services	292,980	-	-	292,980
Operation of non-instructional services				
Food service operation	-	-	1,506,533	1,506,533
Community services	60,019	-	275,196	335,215
Extracurricular activities	919,610	-	426,154	1,345,764
Capital outlay	-	-	229,519	229,519
Debt service				
Principal	-	1,654,934	-	1,654,934
Interest and fiscal charges	-	3,505,900	-	3,505,900
Total expenditures	<u>47,518,281</u>	<u>5,216,468</u>	<u>4,941,021</u>	<u>57,675,770</u>
Excess (deficiency) of revenues over expenditures	<u>(2,642,478)</u>	<u>(346,677)</u>	<u>500,682</u>	<u>(2,488,473)</u>
Other financing sources (uses)				
Transfers in	-	-	3,055	3,055
Transfers out	(3,055)	-	-	(3,055)
Proceeds from sale of assets	5,034	-	-	5,034
Total other financing sources (uses)	<u>1,979</u>	<u>-</u>	<u>3,055</u>	<u>5,034</u>
Net change in fund balances	(2,640,499)	(346,677)	503,737	(2,483,439)
Fund balances, beginning of year	15,546,493	3,568,908	2,343,800	21,459,201
Fund balances, end of year	<u>\$ 12,905,994</u>	<u>\$ 3,222,231</u>	<u>\$ 2,847,537</u>	<u>\$ 18,975,762</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, 2022

Net change in fund balances - total governmental funds		\$ (2,483,439)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation/amortization expense. This is the amount by which depreciation / amortization exceeded net capital outlay in the current period.		
	Capital outlay	\$ 953,736
	Depreciation / amortization expense	<u>(1,868,422)</u>
		(914,686)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	Property taxes	2,199,300
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and other similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences, including accrued interest, in the treatment of long-term debt and related items.		3,343,015
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	(20,063)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	Pension	4,242,268
	OPEB	<u>130,589</u>
		4,372,857
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/(asset) are reported as pension/OPEB expense in the statement of activities	Pension	(117,243)
	OPEB	<u>233,482</u>
		<u>116,239</u>
Change in net position of governmental activities		<u>\$ 6,613,223</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, 2022

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Taxes	\$ 35,477,093	\$ 36,465,763	\$ 36,525,762	\$ 59,999
Tuition and fees	988,357	1,015,900	1,017,572	1,672
Interest	98,644	101,393	101,560	167
Intergovernmental	7,503,933	7,713,051	7,725,742	12,691
Donations and contributions	3,400	3,494	3,500	6
Miscellaneous	132,385	136,074	136,298	224
Total revenues	<u>44,203,812</u>	<u>45,435,675</u>	<u>45,510,434</u>	<u>74,759</u>
Expenditures				
Current				
Instruction				
Regular	20,950,533	22,545,499	22,386,450	159,049
Special	5,366,186	5,774,714	5,733,976	40,738
Other	502,243	540,479	536,666	3,813
Supporting services				
Pupil	3,010,859	3,240,074	3,217,218	22,856
Instructional staff	1,998,138	2,150,257	2,135,088	15,169
Board of education	22,610	24,331	24,159	172
Administration	3,532,855	3,801,813	3,774,992	26,821
Fiscal services	1,163,448	1,252,020	1,243,189	8,831
Business	301,829	324,807	322,516	2,291
Operation and maintenance	4,359,168	4,691,032	4,657,939	33,093
Pupil transportation	2,007,785	2,160,637	2,145,395	15,242
Central services	287,706	309,609	307,425	2,184
Operation of non-instructional services				
Community services	50,829	54,697	54,312	385
Extracurricular activities	858,536	923,897	917,380	6,517
Capital outlay	28,076	30,213	30,000	213
Total expenditures	<u>44,440,801</u>	<u>47,824,079</u>	<u>47,486,705</u>	<u>337,374</u>
Excess (deficiency) of revenues over expenditures	<u>(236,989)</u>	<u>(2,388,404)</u>	<u>(1,976,271)</u>	<u>412,133</u>
Other financing sources				
Transfers-in	-	8,798	8,798	-
Proceeds from sale of assets	-	5,034	5,034	-
Advances in	-	248,021	248,021	-
Refund of prior year expenditures	-	15,894	15,894	-
Transfers-out	-	(11,853)	(11,853)	-
Advances out	-	(304,868)	(304,868)	-
Total other financing sources	<u>-</u>	<u>(38,974)</u>	<u>(38,974)</u>	<u>-</u>
Net change in fund balance	(236,989)	(2,427,378)	(2,015,245)	412,133
Prior year encumbrances	959,835	959,835	959,835	-
Fund balances, beginning of year	13,978,658	13,978,658	13,978,658	-
Fund balances, end of year	<u>\$ 14,701,504</u>	<u>\$ 12,511,115</u>	<u>\$ 12,923,248</u>	<u>\$ 412,133</u>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND

JUNE 30, 2022

	<u>Custodial Fund</u>
Assets	
Accounts receivable and other	\$ 1,317
Total assets	<u>\$ 1,317</u>
Liabilities	
Interfund payable	\$ 1,317
Total liabilities	<u>\$ 1,317</u>

See accompanying notes to the basic financial statements.

AVON LAKE CITY SCHOOL DISTRICT
 LORAIN COUNTY
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITON
 CUSTODIAL FUND
 FOR THE YEAR ENDED JUNE 30, 2022

	Custodial Fund
Additions	
Collections for other organizations	\$ 9,976
Total additions	9,976
Deductions	
Distributions to other organizations	9,976
Total deductions	9,976
Net change in fiduciary net position	-
Net position beginning of year	-
Net position end of year	\$ -

See accompanying notes to the basic financial statements.

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AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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 250 non-certified personnel, 266 certified full-time teaching personnel, and 20 administrative employees to provide services to 3,693 students and other community members. The School District operates 4 elementary schools (K-4), 1 intermediate school (5-6), 1 middle school (7-8), and 1 high school (9-12).

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

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

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

B. BASIS OF PRESENTATION

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION (continued)

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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

C. FUND ACCOUNTING

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

Governmental Funds

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. FUND ACCOUNTING (continued)

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

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

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

Fiduciary Fund Type

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

D. MEASUREMENT FOCUS

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

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BASIS OF ACCOUNTING

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

Revenues - Exchange and Non-exchange Transactions

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

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

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

Deferred Outflows/Inflows of Resources

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BASIS OF ACCOUNTING (continued)

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB, deferral on debt refunding and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, cafeteria receipts and grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities fund on page 20. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 10 and 11).

Expenses/Expenditures

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

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

F. BUDGETARY PROCESS

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

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. BUDGETARY PROCESS (continued)

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

G. CASH AND CASH EQUIVALENTS

Cash received by the School District is deposited in one central bank account with individual fund balance integrity maintained through School District records. Monies for all funds are maintained in this account or temporarily transferred to the State Treasurer's investment pool (STAR Ohio) or other short term investments. Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. During fiscal year 2022, interest revenue credited to the General Fund amounted to \$ 101,753, none of which was assigned from other funds.

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

During fiscal year 2022, investments were limited to STAR Ohio, commercial paper, U.S. government money market mutual funds, Federal securities and municipal securities.

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

For 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$ 100 million. STAR Ohio reserves the right to limit the transaction to \$ 250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$ 250 million limit. All accounts of the participant will be combined for these purposes.

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

H. RESTRICTED ASSETS

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond June 30, 2022, are reported as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

J. INVENTORY

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

K. CAPITAL ASSETS

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

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

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

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

L. INTERFUND BALANCES

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. COMPENSATED ABSENCES

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

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

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

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

N. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

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

O. NET POSITION

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

The government-wide statement of net position reports \$ 9,810,476 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, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. FUND BALANCE

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

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

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

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

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

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

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

Q. OPERATING REVENUES AND EXPENSES

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. PENSIONS/OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

S. EXTRAORDINARY AND SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2022.

T. ESTIMATES

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

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2022, the School District has implemented GASB Statement No. 87, “Leases”, GASB Statement No. 92, “Omnibus 2020”, GASB Statement No. 93, “Replacement of Interbank Offered Rates”, GASB Statement No. 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32” and certain paragraphs of GASB Statement No. 99, “Omnibus2022”.

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government’s leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The implementation of GASB Statement No. 87 did not have an effect on the financial statements of the School District.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the School District.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the School District.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES (continued)

A. CHANGE IN ACCOUNTING PRINCIPLES (continued)

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code(IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the School District.

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

Net Change in Fund Balance - General Fund	
Budget basis	\$ (2,015,245)
Adjustments, increase (decrease)	
Revenue accruals	(1,011,210)
Expenditure accruals	1,651,165
Funds budgeted elsewhere **	12,955
Encumbrances	(1,278,164)
GAAP basis, as reported	\$ (2,640,499)

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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	\$ 53,935	\$ -	\$ 22,068	\$ 76,003
Restricted for:				
Debt service	-	3,222,231	21,456	3,243,687
Capital projects	-	-	1,647,443	1,647,443
Food service	-	-	664,126	664,126
Student activities	-	-	138,715	138,715
Athletics	-	-	265,397	265,397
State grants	-	-	12,240	12,240
Donations	-	-	89,853	89,853
Total restricted	-	3,222,231	2,839,230	6,061,461
Committed				
Budget reserve	113,990	-	-	113,990
Assigned to				
Scholarships	105,972	-	-	105,972
Field trips and assemblies	218,379	-	-	218,379
Student instruction	263,191	-	-	263,191
Student and staff support	777,658	-	-	777,658
Other	30,194	-	-	30,194
Total assigned	1,395,394	-	-	1,395,394
Unassigned	11,342,675	-	(13,761)	11,328,914
Total fund balances	\$ 12,905,994	\$ 3,222,231	\$ 2,847,537	\$ 18,975,762

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 5 - DEPOSITS AND INVESTMENTS

A. LEGAL REQUIREMENTS

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

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

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

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

Interim monies may be invested in the following securities:

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

A. LEGAL REQUIREMENTS (continued)

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

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

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

At fiscal year end, the School District had \$ 18,300 in cash on hand which is included on the balance sheet of the School District as part of "Equity in Pooled Cash".

B. DEPOSITS

At June 30, 2022, the carrying amount of all School District deposits was \$ 5,978,204 and the bank balance of all School District deposits was \$ 6,132,028. Of the bank balance, \$ 1,733,710 was covered by the FDIC and \$ 4,398,318 was potentially exposed to custodial credit risk discussed below because those deposits were uninsured and could be uncollateralized.

Custodial credit risk is the risk that, in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The School District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2022, the School District's financial institutions were approved for a reduced collateral rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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, 2022, the School District had the following investments:

	Fair Value	Percentage of Investments	Investment Maturities	
			Less than 1 year	1 - 2 years
STAR Ohio	\$ 298,282	2.08%	\$ 298,282	\$ -
Federal securities	8,564,395	59.62%	4,402,883	4,161,512
Money market	69,571	0.48%	69,571	-
Commercial paper	5,432,838	37.82%	5,432,838	-
	<u>\$ 14,365,086</u>	<u>100.00%</u>	<u>\$ 10,203,574</u>	<u>\$ 4,161,512</u>

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the School District's recurring fair value measurements as of June 30, 2022. As discussed further in Note 1G, STAR Ohio is reported at its share price. All other investments of the School District are valued using quoted market prices (Level 1 inputs).

D. INTEREST RATE RISK

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

E. CREDIT RISK

The School District follows the Ohio Revised Code that limits its investment choices, as disclosed in Note 5 A. As of June 30, 2022, the School District's investment in Star Ohio and the U.S. government money market mutual fund were rated AAAM by Standard & Poor's. The investments in commercial paper were rated A-1 and A-1+ by Standard & Poor's and P1 by Moody's.

F. CONCENTRATION OF CREDIT RISK

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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 2022 represents collections of calendar year 2021 taxes. Real property taxes received in calendar year 2022 were levied after April 1, 2021, on the assessed value listed as of January 1, 2021, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State Statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2022 represents collections of calendar year 2021 taxes. Public utility real and tangible personal property taxes received in calendar year 2021 become a lien December 31, 2019, were levied after April 1, 2021 and are collected in 2022 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Lorain County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2022, are available to finance fiscal year 2022 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, 2022 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only delinquent settlement of tangible personal property taxes and the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflow of resources.

The amount available as an advance at June 30, 2022 was \$ 4,418,696 in the General Fund, \$ 444,246 in the Bond Retirement Debt Service Fund and \$ 73,922 in the Permanent Improvements Capital Projects Fund. The amount available as an advance at June 30, 2021 was \$ 5,169,122 in the General Fund, \$ 574,676 in the Bond Retirement Debt Service Fund and \$ 87,724 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 2022 taxes were collected are:

	<u>2021 Second Half Collections</u>		<u>2022 First Half Collections</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Agricultural/ Residential and Other Real Estate	\$ 963,685,100	92.78 %	\$ 978,333,350	82.58 %
Public Utility Personal	74,951,190	7.22	206,335,550	17.42
	<u>\$1,038,636,290</u>	<u>100.00 %</u>	<u>\$1,184,668,900</u>	<u>100.00 %</u>
Tax Rate per \$ 1,000 of Assessed Valuation:	<u>\$ 69.07</u>		<u>\$ 67.00</u>	

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 7 – RECEIVABLES

Receivables at June 30, 2022, consisted of property taxes, interfund receivables and due from other governments. All receivables are considered substantially collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables are expected to be collected within one year.

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

<u>Governmental Activities</u>	Balance June 30, 2021	Additions	Disposals	Balance June 30, 2022
Nondepreciable capital assets				
Land	\$ 6,050,145	-	-	\$ 6,050,145
Total nondepreciable capital assets	<u>6,050,145</u>	<u>-</u>	<u>-</u>	<u>6,050,145</u>
Depreciable capital assets				
Land improvements	3,188,926	8,003	-	3,196,929
Buildings and improvements	80,390,933	703,450	-	81,094,383
Furniture and equipment	11,907,514	58,339	59,601	11,906,252
Vehicles	2,877,058	183,944	25,899	3,035,103
Total capital assets being depreciated	<u>98,364,431</u>	<u>953,736</u>	<u>85,500</u>	<u>99,232,667</u>
Less accumulated depreciation				
Land improvements	2,061,588	45,753	-	2,107,341
Buildings and improvements	45,180,015	1,586,542	-	46,766,557
Furniture and equipment	11,000,524	107,584	59,601	11,048,507
Vehicles	2,235,510	128,543	25,899	2,338,154
Total accumulated depreciation	<u>60,477,637</u>	<u>1,868,422</u>	<u>85,500</u>	<u>62,260,559</u>
Depreciable capital assets, net of accumulated depreciation	<u>37,886,794</u>	<u>(914,686)</u>	<u>-</u>	<u>36,972,108</u>
Governmental activities capital assets, net	<u>\$ 43,936,939</u>	<u>\$ (914,686)</u>	<u>\$ -</u>	<u>\$ 43,022,253</u>

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental activities as follows:

Instruction	
Regular	\$ 1,663,418
Supporting services	
Administration	1,076
Business	625
Operation and maintenance of plant	29,775
Pupil transportation	137,410
Operation of non-instructional services	
Food service	4,685
Extracurricular activities	
Sports oriented	31,433
Total depreciation expense	\$ 1,868,422

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 2022, the School District contracted with Liberty Mutual Insurance for property and liability insurance. Professional liability is protected by the Liberty Mutual Fire Insurance Company with a \$ 1,000,000 aggregate limit. General Liability has a \$ 2,000,000 aggregate limit and the Umbrella limit is \$ 3,000,000. Vehicles are covered by the LM Insurance Corp and hold a \$ 1,000 deductible for comprehensive and \$ 1,000 deductible for collision. Automobile liability has a \$ 1,000,000 combined single limit of liability.

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

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

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

B. EMPLOYEE MEDICAL COVERAGE

The School District is a member of the Suburban Health Consortium (SHC), a shared risk pool to provide employee medical, prescription drug and dental benefits. Rates are set through an annual calculation process prepared by the Consortium's health insurance consultant and recommended to the SHC Board of Directors. The SHC Board of Directors votes on the rate renewal annually. The School District pays a monthly contribution and a pro-rata share of their "buy-in" contribution to existing plan reserves which is placed in a common fund from which the claim payments are made for all participating districts. For 2022, the School District paid 85% of the cost of the monthly premium for all eligible employees who elected coverage.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 - DEFINED BENEFIT PENSION PLANS

A. NET PENSION LIABILITY

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

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

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

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

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

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

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. In 2021, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2022.

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, 2022, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2022, the Retirement Board did not allocate any employer contribution to the Health Care Fund. The School District's contractually required contribution to SERS was \$ 1,071,260 for fiscal year 2022, of which \$ 135,118 is reported as an intergovernmental payable.

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

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0% to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five year of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members 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. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2022, plan members were required to contribute 14 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2022 contribution rates were equal to the statutory maximum rates. The School District's contractually required contribution to STRS was \$ 3,171,008 for fiscal year 2022. Of this amount \$ 550,312 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2021, 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	\$ 7,385,106	\$ 21,946,205	\$ 29,331,311
Pension expense	\$ (183,334)	\$ 300,577	\$ 117,243
Proportion of the net pension liability - prior measurement date	0.191810000%	0.165132330%	
Proportion of the net pension liability - current measurement date	<u>0.200154100%</u>	<u>0.171643821%</u>	
	<u>0.008344100%</u>	<u>0.006511491%</u>	

AVON LAKE CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

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

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ 713	\$ 678,032	\$ 678,745
Change in assumptions	155,509	6,088,271	6,243,780
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	326,523	1,208,311	1,534,834
School District contributions subsequent to the measurement date	1,071,260	3,171,008	4,242,268
Total deferred outflows of resources	\$ 1,554,005	\$ 11,145,622	\$ 12,699,627
Deferred inflows of resources			
Differences between expected and actual experience	\$ 191,526	\$ 137,558	\$ 329,084
Net difference between projected and actual earnings on pension plan investments	3,803,545	18,913,428	22,716,973
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	73,463	209,922	283,385
Total deferred inflows of resources	\$ 4,068,534	\$ 19,260,908	\$ 23,329,442

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

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

\$ 4,242,268 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2023	\$ (804,618)	\$ (2,802,399)	\$ (3,607,017)
2024	(709,369)	(2,428,943)	(3,138,312)
2025	(904,345)	(2,578,847)	(3,483,192)
2026	(1,167,457)	(3,476,105)	(4,643,562)
	\$ (3,585,789)	\$ (11,286,294)	\$ (14,872,083)

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, 2021, are presented below:

Valuation date	June 30, 2021
Actuarial cost method	Entry age normal (Level Percent of Payroll)
Actuarial assumptions experience study date	5 year period ended June 30, 2020
Investment rate of return	7.00 percent of net of investments expense, including inflation
COLA or Ad Hoc COLA	2.00 percent on and after April 1, 2018. COLA's for future retirees will be delayed for three years following commencement
Future salary increases, including inflation	3.25 percent to 13.58 percent
Inflation	2.40 percent

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

E. ACTUARIAL ASSUMPTIONS – SERS (continued)

In 2021, Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement date, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Cash	2.00%	-0.33%
U.S. equity	24.75%	5.72%
Non-U.S. equity developed	13.50%	6.55%
Non-U.S. equity emerging	6.75%	8.54%
Fixed income / global bonds	19.00%	1.14%
Private equity	11.00%	10.03%
Real estate / real assets	16.00%	5.41%
Multi-asset strategy	4.00%	3.47%
Private debt / private credit	3.00%	5.28%
	<u>100.00%</u>	

Discount Rate - The total pension liability was calculated using the discount rate of 7.00 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 (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

E. ACTUARIAL ASSUMPTIONS – SERS (continued)

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$ 12,287,002	\$ 7,385,106	\$ 3,251,122

F. ACTUARIAL ASSUMPTIONS - STRS

The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent	
Salary increases	12.50 percent at age 20 to 2.50 percent at age 65	
Payroll increases	3.00 percent	
Investment rate of return	7.00 percent, net of investment expenses, including inflation	
Discount rate of return	7.00 percent	
Cost of living (COLA)	0 percent	

Post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post retirement disabled mortality rates are based on the RP- 2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

AVON LAKE CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

F. ACTUARIAL ASSUMPTIONS – STRS (continued)

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return *
Domestic equity	28.00%	7.35%
International equity	23.00%	7.55%
Alternatives	17.00%	7.09%
Fixed income	21.00%	3.00%
Real estate	10.00%	6.00%
Liquidity reserves	1.00%	2.25%
	100.00%	

* The 10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2021. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2021.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$ 41,097,029	\$ 21,946,205	\$ 5,763,801

Changes Between Measurement Date and Reporting Date - STRS approved a one-time 3.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2022. It is unknown what the effect this change will have on the net pension liability.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 – DEFINED BENEFIT OPEB PLANS

A. NET OPEB LIABILITY/(ASSET)

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

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

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

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

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

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

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The Plan is included in the report of SERS which can be obtained on 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, 2022

NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2022, 0 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was \$ 25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the School District's surcharge obligation was \$ 130,589.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$ 130,589 for fiscal year 2022. Of this amount \$ 130,589 is reported as an intergovernmental payable.

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

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2022, STRS Ohio did not allocate any employer contributions to post-employment health care.

The net OPEB liability/(asset) was measured as of June 30, 2021, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability/(asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

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NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

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

	SERS	STRS	Total
Proportionate share of the net OPEB liability/(asset)	\$ 3,912,904	\$ (3,618,969)	\$ 293,935
OPEB expense	\$ (28,692)	\$ (204,790)	\$ (233,482)
Proportion of the net OPEB liability/(asset) - prior measurement date	0.19996350%	0.16513233%	
Proportion of the net OPEB liability/(asset) - current measurement date	0.20674950%	0.17164382%	
	<u>0.00678600%</u>	<u>0.00651149%</u>	

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ 41,709	\$ 128,862	\$ 170,571
Change in assumptions	613,842	231,164	845,006
Changes in proportionate share and differences between School District contributions and proportionate share of contributions	289,820	125,289	415,109
School District contributions subsequent to the measurement date	130,589	-	130,589
Total deferred outflows of resources	<u>\$ 1,075,960</u>	<u>\$ 485,315</u>	<u>\$ 1,561,275</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 1,948,802	\$ 663,063	\$ 2,611,865
Change in assumptions	535,840	2,158,984	2,694,824
Net difference between projected and actual earnings on OPEB plan investments	85,009	1,003,114	1,088,123
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	96,648	7,091	103,739
Total deferred inflows of resources	<u>\$ 2,666,299</u>	<u>\$ 3,832,252</u>	<u>\$ 6,498,551</u>

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

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

\$ 130,589 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/(asset) in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2023	\$ (387,811)	\$ (940,508)	\$ (1,328,319)
2024	(388,407)	(915,405)	(1,303,812)
2025	(408,600)	(930,869)	(1,339,469)
2026	(345,312)	(422,066)	(767,378)
2027	(153,160)	(141,930)	(295,090)
Thereafter	(37,638)	3,841	(33,797)
	<u>\$ (1,720,928)</u>	<u>\$ (3,346,937)</u>	<u>\$ (5,067,865)</u>

E. ACTUARIAL ASSUMPTIONS – SERS

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

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

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

E. ACTUARIAL ASSUMPTIONS – SERS (continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2021, are presented below:

Actuarial assumptions experience study date	5 year period ended June 30, 2020
Investment rate of return	7.00 percent of net of investment expense, including inflation
Inflation	2.40 percent
Wage increases	3.25 to 13.58 percent
Municipal bond index rate:	
Prior measurement date	2.45 percent
Measurement date	1.92 percent
Single equivalent interest rate, net of plan investment expense, including price inflation	
Prior measurement date	2.63 percent
Measurement date	2.27 percent
Medical trend assumptions	
Pre-medicare	6.750 to 4.400 percent
Medicare	5.125 to 4.400 percent

In 2021, Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement date, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

E. ACTUARIAL ASSUMPTIONS – SERS (continued)

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2015 through 2020, and was adopted by the Board on April 21, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Cash	2.00%	-0.33%
U.S. equity	24.75%	5.72%
Non-U.S. equity developed	13.50%	6.55%
Non-U.S. equity emerging	6.75%	8.54%
Fixed income / global bonds	19.00%	1.14%
Private equity	11.00%	10.03%
Real estate / real assets	16.00%	5.41%
Multi-asset strategy	4.00%	3.47%
Private debt / private credit	3.00%	5.28%
	100.00%	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2021 was 2.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2021 was 2.63 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 1.5 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 1.92 percent at June 30, 2021 and 2.45 percent at June 30, 2020.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

E. ACTUARIAL ASSUMPTIONS – SERS (continued)

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.27%) and higher (3.27%) than the current discount rate (2.27%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate (6.75% decreasing to 4.40%).

	1% Decrease (1.27%)	Current Discount Rate (2.27%)	1% Increase (3.27%)
School District's proportionate share of the net OPEB liability	\$ 4,848,561	\$ 3,912,904	\$ 3,165,434
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB liability	\$ 3,012,615	\$ 3,912,904	\$ 5,115,413

F. ACTUARIAL ASSUMPTIONS – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation are presented below:

Salary increases	12.50 percent at age 20 to 2.50 percent at age 65	
Payroll increases	3.00 percent	
Investment rate of return	7.00 percent, net of investment expenses, including inflation	
Discount rate of return	7.00 percent	
Health care cost trends	Initial	Ultimate
Medical		
Pre-medicare	5.00 percent	4.00 percent
Medicare	-16.18 percent	4.00 percent
Prescription drug		
Pre-medicare	6.50 percent	4.00 percent
Medicare	29.98 percent	4.00 percent

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

F. ACTUARIAL ASSUMPTIONS – STRS

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Assumption Changes Since the Prior Measurement Date - The discount rate was adjusted to 7.00% from 7.45% for the June 30, 2021 valuation.

Benefit Term Changes Since the Prior Measurement Date - The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return *</u>
Domestic equity	28.00%	7.35%
International equity	23.00%	7.55%
Alternatives	17.00%	7.09%
Fixed income	21.00%	3.00%
Real estate	10.00%	6.00%
Liquidity reserves	1.00%	2.25%
	<u>100.00%</u>	

* The 10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2021. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2021.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

F. ACTUARIAL ASSUMPTIONS – STRS

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2021, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	\$ (3,053,851)	\$ (3,618,969)	\$ (4,091,041)
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	\$ (4,071,913)	\$ (3,618,969)	\$ (3,058,863)

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, 2022

NOTE 13 – INTERFUND BALANCES AND TRANSFERS

A. INTERFUND BALANCES

On the fund financial statements at June 30, 2022, interfund balances consisted of the following:

	<u>Due to General Fund</u>
Due from:	
Non-major governmental funds	\$ 135,950
Custodial fund	1,317
	<u>\$ 137,267</u>

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

B. TRANSFERS

Transfers of \$ 3,055 from the General Fund were to the Local Grants Fund, Student Activities Fund and the Athletic Fund.

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:

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 14 - LONG-TERM OBLIGATIONS (continued)

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

	Outstanding 6/30/2021	Additions	Reductions	Outstanding 6/30/2022	Due in 1 year
General obligation bonds					
Various purpose construction bonds - 2010					
Term and serial bonds	\$ 6,465,000	\$ -	\$ 1,025,000	\$ 5,440,000	\$ 1,045,000
Capital appreciation bonds	25,866	-	-	25,866	-
Accretion on capital appreciation bonds	181,744	43,598	-	225,342	-
Refunding bonds - 2015					
Term and serial bonds	6,295,000	-	-	6,295,000	2,560,000
Capital appreciation bonds	399,934	-	399,934	-	-
Accretion on capital appreciation bonds	1,901,806	253,260	2,155,066	-	-
Refunding bonds - 2021					
Serial bonds	10,945,000	-	230,000	10,715,000	80,000
Unamortized bond premiums	1,267,874	-	204,340	1,063,534	-
Total general obligation bonds	<u>27,482,224</u>	<u>296,858</u>	<u>4,014,340</u>	<u>23,764,742</u>	<u>3,685,000</u>
Net pension liability					
STRS	39,956,148	-	18,009,943	21,946,205	-
SERS	12,686,718	-	5,301,612	7,385,106	-
Total net pension liability	<u>52,642,866</u>	<u>-</u>	<u>23,311,555</u>	<u>29,331,311</u>	<u>-</u>
Net OPEB liability					
SERS	4,345,861	-	432,957	3,912,904	-
Total net OPEB liability	<u>4,345,861</u>	<u>-</u>	<u>432,957</u>	<u>3,912,904</u>	<u>-</u>
Compensated absences	6,278,473	1,774,492	1,989,298	6,063,667	1,580,134
Total governmental activities	<u>\$ 90,749,424</u>	<u>\$ 2,071,350</u>	<u>\$ 29,748,150</u>	<u>\$ 63,072,624</u>	<u>\$ 5,265,134</u>

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 14 - LONG-TERM OBLIGATIONS (continued)

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

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

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

Refunding Bonds, Series 2005

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

Various Purpose Construction Bonds, 2010 Series

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

Refunding Bonds, Series 2015

On August 5, 2014, the School District issued \$ 31,594,934 in voted general obligation bonds consisting of \$ 3,760,000 Series 2014A and \$ 27,834,934 Series 2014B bonds. The Series 2014A bonds are unlimited tax general obligation bonds issued for the purpose of currently refunding the Refunded Series 2010B Bonds. The Series 2014B bonds are unlimited tax general obligation bonds issued for the purpose of advance refunding a portion of Refunded Series 2005 Bonds. Series 2014A include \$ 2,760,000 serial bonds, maturing in 2031 and \$ 1,000,000 term bonds, maturing in 2028. Series 2014B consist of \$ 27,435,000 serial bonds, maturing in 2026 and \$ 399,934 capital appreciation 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.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 14 - LONG-TERM OBLIGATIONS (continued)

Refunding Bonds, Series 2021

On May 27, 2021, the School District issued \$ 10,945,000 in voted general obligation bonds consisting of \$ 890,000 Series 2021A and \$ 10,055,000 Series 2021B bonds. The Series 2021A were issued for the purpose of currently refunding the Refunded Series 2005 Bonds. The Series 2021B bonds were issued for the purpose of advance refunding a portion of Refunded Series 2014B Bonds. Series 2021A and series 2021B bonds mature in 2027. The bonds were issued at a premium of \$ 1117,434. The bonds will be retired with a voted property tax levy from the Debt Service Fund.

At June 30, 2022, \$ 37,110,000 of bonds outstanding are considered to be defeased.

The School District's overall legal debt margin was \$ 86,922,320 and the unvoted legal debt margin was \$ 1,184,669 at June 30, 2022.

Principal and interest requirements to retire long-term obligations outstanding at June 30, 2022, are as follows:

June 30,	General Obligation Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 3,685,000	\$ 1,679,816	\$ -	\$ -	\$ 3,685,000	\$ 1,679,816
2024	3,650,000	1,220,474	-	-	3,650,000	1,220,474
2025	3,745,000	1,168,474	-	-	3,745,000	1,168,474
2026	3,800,000	1,101,399	-	-	3,800,000	1,101,399
2027	3,835,000	593,787	-	-	3,835,000	593,787
2028-2032	3,735,000	421,664	25,866	679,133	3,760,866	1,100,797
	-	-	-	-	-	-
	<u>\$ 22,450,000</u>	<u>\$ 6,185,614</u>	<u>\$ 25,866</u>	<u>\$ 679,133</u>	<u>\$ 22,475,866</u>	<u>\$ 6,864,747</u>

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 15- JOINTLY GOVERNED ORGANIZATIONS

A. CONNECT

The North Coast Council became known as Connect effective April 1, 2016. The new governing Board of Directors, the Educational Service Centers of Northeast Ohio, Lorain and Medina County and the Ohio Schools Council, have accepted the ownership, responsibility and liability of Connect in order to provide exemplary service to member districts. The Superintendent/Executive Director of the three ESCs and Ohio Schools Council shall serve on Connect's Board of Directors. The purpose of Connect is applying modern technology (with the aid of computers and other electronic equipment) to administrative and instructional functions for member districts. Fiscal information for Connect is available from the Treasurer of the Educational Service Center of Northeast Ohio (fiscal agent), located at 6393 Oak Tree Boulevard, Independence, Ohio 44131. During the year the School District paid \$ 91,881 to Connect for basic service charges.

B. LORAIN COUNTY JOINT VOCATIONAL SCHOOL DISTRICT

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

C. OHIO SCHOOLS COUNCIL ASSOCIATION

The Ohio Schools Council (Council) is a jointly governed organization among 254 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. Financial information can be obtained by contacting the Executive Director at the Ohio Schools Council at 6393 Oak Tree Blvd., Suite 377, Independence, Ohio 44131. During the year the School District paid \$ 35,644 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 170 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, 2022

NOTE 15- JOINTLY GOVERNED ORGANIZATIONS (continued)

D. SUBURBAN HEALTH CONSORTIUM

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

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

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 ended June 30, 2022, the School District paid \$ 6,181,760 to the Consortium.

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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 – 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, 2022.

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2022 have been finalized. The FTE adjustments made by ODE subsequent to year-end were not material to the financial statements.

NOTE 18 - SET-ASIDES

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end. These amounts must be carried forward to be used for the same purposes in future fiscal years. In prior fiscal years, the School District was also required to set aside money for budget stabilization. At June 30, 2022, 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, 2021	\$ 113,990	\$ -
Current year set-aside requirements	-	641,184
Offsetting credits	-	(731,221)
Qualifying disbursements	-	(1,472,638)
Total	\$ 113,990	\$ (1,562,675)
 Set-aside reserve balance as of June 30, 2022	 \$ 113,990	 \$ -

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 19 – TAX ABATEMENT

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

The establishment of the Reinvestment Area gave the City the ability to maintain and expand businesses located in the City and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate. For fiscal year 2022, the Avon Lake City School District has foregone approximately \$ 250,000 in tax revenue as a result of the abatements the City entered into.

NOTE 20 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During fiscal year 2022, the School District received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the School District. The impact on the School District’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

The School District’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

NOTE 22 – COMPLIANCE AND ACCOUNTABILITY

Not apparent in the basic financial statement is a deficit fund balance of \$ 13,761 in the Auxiliary Service Fund. This deficit is the result from adjustments for accrued liabilities. The General Fund is liable for any deficits and provides transfers when cash is required, not when accruals occur.

NOTE 23 – COMMITMENTS

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

General Fund	\$ 1,278,164
Other Governmental Funds	1,360,149
	<u>\$ 2,638,313</u>

NOTE 24 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued. Nothing of significance was noted.

REQUIRED SUPPLEMENTARY INFORMATION

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE FISCAL YEARS (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
School District's proportion of the net pension liability	0.20015410%	0.19181000%	0.19681150%	0.20526990%
School District's proportionate share of the net pension liability	\$ 7,385,106	\$ 12,686,718	\$ 11,775,577	\$ 11,756,187
School District's covered payroll	\$ 7,032,452	\$ 6,541,934	\$ 7,019,779	\$ 6,678,752
School District's proportionate share of the net pension liability as a percentage of its covered payroll	105.01%	193.93%	167.75%	176.02%
Plan fiduciary net position as a percentage of the total pension liability	82.86%	68.55%	70.85%	71.36%

- (1) Information prior to 2014 is not available. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
- (2) Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior year-end.

See notes to required supplementary information.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.19551270%	0.20282300%	0.20439600%	0.20473100%	0.20473100%
\$ 11,681,452	\$ 14,844,772	\$ 11,663,057	\$ 10,361,320	\$ 12,174,695
\$ 6,735,593	\$ 6,015,535	\$ 6,183,455	\$ 5,721,082	\$ 5,925,975
173.43%	246.77%	188.62%	181.11%	205.45%
69.50%	62.98%	69.16%	71.70%	65.52%

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 NINE FISCAL YEARS (1)

	2022	2021	2020	2019
School District's proportion of the net pension liability	0.17164382%	0.16513233%	0.16512790%	0.16697392%
School District's proportionate share of the net pension liability	\$ 21,946,205	\$ 39,956,148	\$ 36,517,043	\$ 36,713,816
School District's covered payroll	\$ 20,972,391	\$ 19,416,042	\$ 19,365,543	\$ 18,805,491
School District's proportionate share of the net pension liability as a percentage of its covered payroll	104.64%	205.79%	188.57%	195.23%
Plan fiduciary net position as a percentage of the total pension liability	87.78%	75.48%	77.40%	77.31%

- (1) Information prior to 2014 is not available. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
- (2) Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior year-end.

See notes to required supplementary information.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.16360304%	0.15954871%	0.16005300%	0.16916800%	0.16916800%
\$ 38,864,253	\$ 53,405,763	\$ 44,233,915	\$ 41,147,626	\$ 49,014,783
\$ 18,151,993	\$ 16,717,462	\$ 16,704,889	\$ 17,297,477	\$ 18,060,615
214.10%	319.46%	264.80%	237.88%	271.39%
75.30%	66.80%	72.10%	74.70%	69.30%

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

	2022	2021	2020	2019
Contractually required contribution	\$ 1,071,260	\$ 984,543	\$ 915,871	\$ 947,670
Contributions in relation to the contractually required contribution	(1,071,260)	(984,543)	(915,871)	(947,670)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
School District covered payroll	\$ 7,651,856	\$ 7,032,452	\$ 6,541,934	\$ 7,019,779
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.50%

See notes to required supplementary information.

2018	2017	2016	2015	2014	2013
\$ 901,632	\$ 942,983	\$ 842,175	\$ 814,979	\$ 792,942	\$ 820,155
(901,632)	(942,983)	(842,175)	(814,979)	(792,942)	(820,155)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 6,678,752	\$ 6,735,593	\$ 6,015,535	\$ 6,183,455	\$ 5,721,082	\$ 5,925,975
13.50%	14.00%	14.00%	13.18%	13.86%	13.84%

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

	2022	2021	2020	2019
Contractually required contribution	\$ 3,171,008	\$ 2,936,135	\$ 2,718,246	\$ 2,711,176
Contributions in relation to the contractually required contribution	(3,171,008)	(2,936,135)	(2,718,246)	(2,711,176)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
School District covered payroll	\$ 22,650,056	\$ 20,972,391	\$ 19,416,042	\$ 19,365,543
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

See notes to required supplementary information.

2018	2017	2016	2015	2014	2013
<u>\$ 2,632,769</u>	<u>\$ 2,541,279</u>	<u>\$ 2,340,443</u>	<u>\$ 2,338,684</u>	<u>\$ 2,248,672</u>	<u>\$ 2,347,880</u>
<u>(2,632,769)</u>	<u>(2,541,279)</u>	<u>(2,340,443)</u>	<u>(2,338,684)</u>	<u>(2,248,672)</u>	<u>(2,347,880)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 18,805,491</u>	<u>\$ 18,151,993</u>	<u>\$ 16,717,462</u>	<u>\$ 16,704,889</u>	<u>\$ 17,297,477</u>	<u>\$ 18,060,615</u>
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>13.00%</u>

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX FISCAL YEARS (1)

	2022	2021	2020	2019
School District's proportion of the net OPEB liability	0.20674950%	0.1999635%	0.2020627%	0.2078748%
School District's proportionate share of the net OPEB liability	\$ 3,912,904	\$ 4,345,861	\$ 5,081,452	\$ 5,767,008
School District's covered payroll	\$ 7,032,452	\$ 6,541,934	\$ 7,019,779	\$ 6,678,752
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	55.64%	66.43%	72.39%	86.35%
Plan fiduciary net position as a percentage of the total OPEB liability	24.08%	18.17%	15.57%	13.57%

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

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

See notes to required supplementary information.

<u>2018</u>	<u>2017</u>
0.1990394%	0.2058185%

\$ 5,341,695	\$ 5,866,610
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\$ 6,735,593	\$ 6,015,535
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79.31%	97.52%
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12.46%	11.49%
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AVON LAKE CITY SCHOOL DISTRICT
 LORAIN COUNTY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF
 THE NET OPEB LIABILITY/(ASSET)
 STATE TEACHERS RETIREMENT SYSTEM OF OHIO
 LAST SIX FISCAL YEARS (1)

	2022	2021	2020	2019
School District's proportion of the net OPEB liability/(asset)	0.17164382%	0.16513233%	0.16512790%	0.16697392%
School District's proportionate share of the net OPEB liability/(asset)	\$ (3,618,969)	\$ (2,902,197)	\$ (2,734,914)	\$ (2,683,101)
School District's covered payroll	\$ 20,972,391	\$ 19,416,042	\$ 19,365,543	\$ 18,805,491
School District's proportionate share of the net OPEB liability/(asset) as a percentage of its covered payroll	-17.26%	-14.95%	-14.12%	-14.27%
Plan fiduciary net position as a percentage of the total OPEB liability/(asset)	174.73%	182.13%	174.74%	176.00%

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

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

See notes to required supplementary information.

<u>2018</u>	<u>2017</u>
0.16360304%	0.15954871%
\$ 6,383,187	\$ 8,532,706
\$ 18,151,993	\$ 16,717,462
35.17%	51.04%
47.10%	37.30%

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

	2022	2021	2020	2019
Contractually required contribution (1)	\$ 130,589	\$ 134,501	\$ 132,825	\$ 160,164
Contributions in relation to the contractually required contribution	(130,589)	(134,501)	(132,825)	(160,164)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
School District covered payroll	\$ 7,651,856	\$ 7,032,452	\$ 6,541,934	\$ 7,019,779
OPEB contributions as a percentage of covered payroll	1.71%	1.91%	2.03%	2.28%

(1) Includes Surcharge

See notes to required supplementary information.

2018	2017	2016	2015	2014	2013
<u>\$ 144,047</u>	<u>\$ 111,438</u>	<u>\$ 105,345</u>	<u>\$ 156,213</u>	<u>\$ 118,686</u>	<u>\$ 104,118</u>
<u>(144,047)</u>	<u>(111,438)</u>	<u>(105,345)</u>	<u>(156,213)</u>	<u>(118,686)</u>	<u>(104,118)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,678,752	\$ 6,735,593	\$ 6,015,535	\$ 6,183,455	\$ 5,721,082	\$ 5,925,975
2.16%	1.65%	1.75%	2.53%	2.07%	1.76%

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

	2022	2021	2020	2019
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	\$ 22,650,056	\$ 20,972,391	\$ 19,416,042	\$ 19,365,543
OPEB contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

See notes to required supplementary information.

2018	2017	2016	2015	2014	2013
\$ -	\$ -	\$ -	\$ -	\$ 172,975	\$ 180,606
-	-	-	-	(172,975)	(180,606)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 18,805,491	\$ 18,151,993	\$ 16,717,462	\$ 16,704,889	\$ 17,297,477	\$ 18,060,615
0.00%	0.00%	0.00%	1.00%	1.00%	1.00%

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – NET PENSION LIABILITY

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

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in assumptions

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

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

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

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

Changes in benefit terms

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

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – NET PENSION LIABILITY (continued)

B. STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in assumptions

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

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

Changes in benefit terms

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

NOTE 2 – NET OPEB LIABILITY (ASSET)

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in assumptions

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

Municipal Bond Index Rate:

Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

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

Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Pre-Medicare Trend Assumption

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

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

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

Changes in assumptions (continued)

Medicare Trend Assumption

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

Changes in benefit terms

There have been no changes to the benefit provisions.

B. STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in assumptions

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

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

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

Changes in benefit terms

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

AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

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

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

Changes in benefit terms (continued)

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

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

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

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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.

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

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

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

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

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

Coronavirus Relief Fund (CRF) To account for restricted Federal grants to cover costs that are necessary expenditures incurred due to the public health emergency with respect to COVID-19.

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

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

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

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

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

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

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds (continued)

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

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

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

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 Project 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.

AVON LAKE CITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2022

	Total Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets				
Equity in pooled cash	\$ 1,455,435	\$ 21,456	\$ 1,578,509	\$ 3,055,400
Receivables, net of allowance				
Taxes, current	-	-	678,228	678,228
Taxes, delinquent	-	-	54,200	54,200
Intergovernmental receivables	25,622	-	-	25,622
Inventories and supplies	22,068	-	-	22,068
Total assets	\$ 1,503,125	\$ 21,456	\$ 2,310,937	\$ 3,835,518
Liabilities				
Accounts and contracts payable	\$ 3,158	\$ -	\$ 4,988	\$ 8,146
Accrued salaries, wages and benefits	118,877	-	-	118,877
Intergovernmental payable	16,838	-	-	16,838
Interfund payable	135,950	-	-	135,950
Matured compensated absences	7,555	-	-	7,555
Total liabilities	282,378	-	4,988	287,366
Deferred inflows of resources				
Property taxes levied for next year and unavailable resources	42,109	-	658,506	700,615
Total deferred inflows of resources	42,109	-	658,506	700,615
Fund balances				
Nonspendable	22,068	-	-	22,068
Restricted	1,170,331	21,456	1,647,443	2,839,230
Unassigned (deficit)	(13,761)	-	-	(13,761)
Total fund balances	1,178,638	21,456	1,647,443	2,847,537
Total liabilities, deferred inflows of resources and fund balances	\$ 1,503,125	\$ 21,456	\$ 2,310,937	\$ 3,835,518

AVON LAKE CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	Total Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenue				
Taxes	\$ -	\$ -	\$ 652,797	\$ 652,797
Interest	1,817	-	-	1,817
Intergovernmental	3,840,931	-	64,622	3,905,553
Extracurricular	446,956	-	-	446,956
Charges for services	261,545	-	-	261,545
Donations and contributions	164,998	-	-	164,998
Miscellaneous	8,037	-	-	8,037
Total revenues	<u>4,724,284</u>	<u>-</u>	<u>717,419</u>	<u>5,441,703</u>
Expenditures				
Current				
Instruction				
Regular	547,010	-	33,024	580,034
Special	869,080	-	-	869,080
Supporting services				
Pupil	177,294	-	-	177,294
Instructional staff	54,427	-	-	54,427
Administration	101,469	-	-	101,469
Fiscal services	-	-	10,400	10,400
Operation and maintenance	26,990	-	497,037	524,027
Pupil transportation	-	-	186,888	186,888
Operation of non-instructional services				
Food service operation	1,506,533	-	-	1,506,533
Community services	275,196	-	-	275,196
Extracurricular activities	426,154	-	-	426,154
Capital outlay	-	-	229,519	229,519
Total expenditures	<u>3,984,153</u>	<u>-</u>	<u>956,868</u>	<u>4,941,021</u>
Excess (deficiency) of revenues over expenditures	<u>740,131</u>	<u>-</u>	<u>(239,449)</u>	<u>500,682</u>
Other financing sources (uses)				
Transfers in	3,055	-	-	3,055
Total other financing sources (uses)	<u>3,055</u>	<u>-</u>	<u>-</u>	<u>3,055</u>
Net change in fund balances	743,186	-	(239,449)	503,737
Fund balances, beginning of year	<u>435,452</u>	<u>21,456</u>	<u>1,886,892</u>	<u>2,343,800</u>
Fund balances, end of year	<u>\$ 1,178,638</u>	<u>\$ 21,456</u>	<u>\$ 1,647,443</u>	<u>\$ 2,847,537</u>

AVON LAKE CITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2022

	Food Service	Local Grants	Student Activites	Athletics
Assets				
Equity in pooled cash	\$ 809,503	90,689	\$ 138,715	\$ 265,703
Receivables, net of allowance				
Intergovernmental receivables	-	-	-	-
Inventories and supplies	22,068	-	-	-
Total assets	\$ 831,571	90,689	\$ 138,715	\$ 265,703
Liabilities				
Accounts and contracts payable	\$ -	508	\$ -	\$ 306
Accrued salaries, wages and benefits	84,013	-	-	-
Intergovernmental payable	11,700	-	-	-
Interfund payable	-	328	-	-
Matured compensated absences	7,555	-	-	-
Total liabilities	103,268	836	-	306
Deferred inflow s of resources				
Property taxes levied for next year and unavailable resources	42,109	-	-	-
Total deferred inflow s of resources	42,109	-	-	-
Fund balances				
Nonspendable	22,068	-	-	-
Restricted	664,126	89,853	138,715	265,397
Unassigned (deficit)	-	-	-	-
Total fund balances	686,194	89,853	138,715	265,397
Total liabilities, deferred inflow s of resources and fund balances	\$ 831,571	90,689	\$ 138,715	\$ 265,703

Auxiliary Service	Miscellaneous State Grants	ESSER	CRF	Title VI-B	Title I	Drug Free Schools
\$ 28,585	\$ 102,240	\$ 20,000	\$ -	\$ -	\$ -	\$ -
-	-	21,926	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 28,585</u>	<u>\$ 102,240</u>	<u>\$ 41,926</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,344	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34,864	-	-	-	-	-	-
5,138	-	-	-	-	-	-
-	90,000	41,926	-	-	-	-
-	-	-	-	-	-	-
<u>42,346</u>	<u>90,000</u>	<u>41,926</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	12,240	-	-	-	-	-
(13,761)	-	-	-	-	-	-
<u>(13,761)</u>	<u>12,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 28,585</u>	<u>\$ 102,240</u>	<u>\$ 41,926</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

AVON LAKE CITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2022

	Early Childhood Education Development	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Assets				
Equity in pooled cash	\$ -	\$ -	\$ -	\$ 1,455,435
Receivables, net of allowance				
Intergovernmental receivables	-	3,696	-	25,622
Inventories and supplies	-	-	-	22,068
Total assets	\$ -	\$ 3,696	\$ -	\$ 1,503,125
Liabilities				
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ 3,158
Accrued salaries, wages and benefits	-	-	-	118,877
Intergovernmental payable	-	-	-	16,838
Interfund payable	-	3,696	-	135,950
Matured compensated absences	-	-	-	7,555
Total liabilities	-	3,696	-	282,378
Deferred inflows of resources				
Property taxes levied for next year and unavailable resources	-	-	-	42,109
Total deferred inflows of resources	-	-	-	42,109
Fund balances				
Nonspendable	-	-	-	22,068
Restricted	-	-	-	1,170,331
Unassigned (deficit)	-	-	-	(13,761)
Total fund balances	-	-	-	1,178,638
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 3,696	\$ -	\$ 1,503,125

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AVON LAKE CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	Food Service	Local Grants	Student Activites	Athletics
Revenue				
Interest	\$ 1,648	\$ -	\$ -	\$ -
Intergovernmental	1,790,692	-	-	-
Extracurricular	-	-	143,286	303,670
Charges for services	261,545	-	-	-
Donations and contributions	-	48,726	17,059	99,213
Miscellaneous	-	-	-	8,037
Total revenues	<u>2,053,885</u>	<u>48,726</u>	<u>160,345</u>	<u>410,920</u>
Expenditures				
Current				
Instruction				
Regular	-	7,525	-	-
Special	-	5,251	-	-
Supporting services				
Pupil	-	-	-	-
Instructional staff	-	-	-	-
Administration	-	-	-	-
Operation and maintenance	-	-	-	-
Operation of non-instructional services				
Food service operation	1,506,407	-	-	-
Community services	-	-	1,167	-
Extracurricular activities	-	-	143,365	282,789
Total expenditures	<u>1,506,407</u>	<u>12,776</u>	<u>144,532</u>	<u>282,789</u>
Excess (deficiency) of revenues over expenditures	<u>547,478</u>	<u>35,950</u>	<u>15,813</u>	<u>128,131</u>
Other financing sources (uses)				
Transfers in	-	2,450	124	481
Total other financing sources (uses)	<u>-</u>	<u>2,450</u>	<u>124</u>	<u>481</u>
Net change in fund balances	547,478	38,400	15,937	128,612
Fund balances, beginning of year	<u>138,716</u>	<u>51,453</u>	<u>122,778</u>	<u>136,785</u>
Fund balances, end of year	<u>\$ 686,194</u>	<u>\$ 89,853</u>	<u>\$ 138,715</u>	<u>\$ 265,397</u>

Auxiliary Service	Miscellaneous State Grants	ESSER	CRF	Title VI-B	Title I	Drug Free Schools
\$ 169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
211,771	39,002	532,878	11,212	920,657	159,915	11,863
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
211,940	39,002	532,878	11,212	920,657	159,915	11,863
-	-	402,250	-	-	8,224	11,128
-	-	-	-	700,241	144,691	-
-	-	-	-	177,294	-	-
-	-	10,323	-	27,786	7,000	-
-	-	88,306	-	-	-	-
-	26,762	-	228	-	-	-
-	-	126	-	-	-	-
241,767	-	1,299	11,212	15,336	-	735
-	-	-	-	-	-	-
241,767	26,762	502,304	11,440	920,657	159,915	11,863
(29,827)	12,240	30,574	(228)	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(29,827)	12,240	30,574	(228)	-	-	-
16,066	-	(30,574)	228	-	-	-
\$ (13,761)	\$ 12,240	\$ -	\$ -	\$ -	\$ -	\$ -

(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, 2022

	Early Childhood Education Development	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Revenue				
Interest	\$ -	\$ -	\$ -	\$ 1,817
Intergovernmental	32,060	40,220	90,661	3,840,931
Extracurricular	-	-	-	446,956
Charges for services	-	-	-	261,545
Donations and contributions	-	-	-	164,998
Miscellaneous	-	-	-	8,037
Total revenues	<u>32,060</u>	<u>40,220</u>	<u>90,661</u>	<u>4,724,284</u>
Expenditures				
Current				
Instruction				
Regular	-	27,222	90,661	547,010
Special	18,897	-	-	869,080
Supporting services				
Pupil	-	-	-	177,294
Instructional staff	-	9,318	-	54,427
Administration	13,163	-	-	101,469
Operation and maintenance	-	-	-	26,990
Operation of non-instructional services				
Food service operation	-	-	-	1,506,533
Community services	-	3,680	-	275,196
Extracurricular activities	-	-	-	426,154
Total expenditures	<u>32,060</u>	<u>40,220</u>	<u>90,661</u>	<u>3,984,153</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>740,131</u>
Other financing sources (uses)				
Transfers in	-	-	-	3,055
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,055</u>
Net change in fund balances	-	-	-	743,186
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>435,452</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,178,638</u>

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AVON LAKE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Taxes	\$ 35,477,093	\$ 36,465,763	\$ 36,525,762	\$ 59,999
Tuition and fees	988,357	1,015,900	1,017,572	1,672
Interest	98,644	101,393	101,560	167
Intergovernmental	7,503,933	7,713,051	7,725,742	12,691
Donations and contributions	3,400	3,494	3,500	6
Miscellaneous	132,385	136,074	136,298	224
Total revenues	44,203,812	45,435,675	45,510,434	74,759
Expenditures				
Current				
Instruction				
Regular				
Salaries	13,789,174	14,838,944	14,734,262	104,682
Benefits	5,017,181	5,399,139	5,361,051	38,088
Purchased services	702,972	756,490	751,153	5,337
Materials and supplies	966,401	1,039,974	1,032,637	7,337
Capital outlay	474,805	510,952	507,347	3,605
Total regular	20,950,533	22,545,499	22,386,450	159,049
Special				
Salaries	2,614,966	2,814,044	2,794,192	19,852
Benefits	1,028,196	1,106,473	1,098,667	7,806
Purchased services	1,680,676	1,808,626	1,795,867	12,759
Materials and supplies	34,175	36,776	36,517	259
Capital outlay	8,173	8,795	8,733	62
Total special	5,366,186	5,774,714	5,733,976	40,738
Other				
Salaries	295,284	317,764	315,522	2,242
Benefits	79,605	85,665	85,061	604
Purchased services	105,516	113,549	112,748	801
Other	21,838	23,501	23,335	166
Total other instruction	502,243	540,479	536,666	3,813
Total instruction	\$ 26,818,962	\$ 28,860,692	\$ 28,657,092	\$ 203,600

(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, 2022

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Supporting services				
Pupil				
Salaries	\$ 1,689,006	\$ 1,817,590	\$ 1,804,768	\$ 12,822
Benefits	777,882	837,102	831,197	5,905
Purchased services	485,836	522,822	519,134	3,688
Materials and supplies	55,765	60,010	59,587	423
Capital outlay	2,370	2,550	2,532	18
Total pupil	<u>3,010,859</u>	<u>3,240,074</u>	<u>3,217,218</u>	<u>22,856</u>
Instructional staff				
Salaries	992,414	1,067,967	1,060,433	7,534
Benefits	393,499	423,456	420,469	2,987
Purchased services	179,831	193,521	192,156	1,365
Materials and supplies	22,525	24,240	24,069	171
Capital outlay	409,869	441,073	437,961	3,112
Total instructional staff	<u>1,998,138</u>	<u>2,150,257</u>	<u>2,135,088</u>	<u>15,169</u>
Board of education				
Salaries	7,019	7,553	7,500	53
Benefits	1,054	1,134	1,126	8
Purchased services	5,504	5,923	5,881	42
Other	9,033	9,721	9,652	69
Total board of education	<u>22,610</u>	<u>24,331</u>	<u>24,159</u>	<u>172</u>
Administration				
Salaries	2,031,551	2,186,213	2,170,790	15,423
Benefits	1,122,394	1,207,842	1,199,321	8,521
Purchased services	290,944	313,094	310,885	2,209
Materials and supplies	26,328	28,333	28,133	200
Capital outlay	12,197	13,126	13,033	93
Other	49,441	53,205	52,830	375
Total administration	<u>3,532,855</u>	<u>3,801,813</u>	<u>3,774,992</u>	<u>26,821</u>
Fiscal				
Salaries	344,502	370,729	368,114	2,615
Benefits	165,356	177,944	176,689	1,255
Purchased services	46,937	50,510	50,154	356
Materials and supplies	2,172	2,337	2,321	16
Other	604,481	650,500	645,911	4,589
Total fiscal	<u>\$ 1,163,448</u>	<u>\$ 1,252,020</u>	<u>\$ 1,243,189</u>	<u>\$ 8,831</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, 2022

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Business				
Salaries	\$ 175,476	\$ 188,835	\$ 187,503	\$ 1,332
Benefits	89,317	96,117	95,439	678
Purchased services	29,899	32,175	31,948	227
Materials and supplies	1,289	1,387	1,377	10
Capital outlay	5,848	6,293	6,249	44
Total business	<u>301,829</u>	<u>324,807</u>	<u>322,516</u>	<u>2,291</u>
Operation and maintenance				
Salaries	1,535,899	1,652,827	1,641,167	11,660
Benefits	674,127	725,449	720,331	5,118
Purchased services	1,712,854	1,843,253	1,830,250	13,003
Materials and supplies	326,907	351,795	349,313	2,482
Capital outlay	109,381	117,708	116,878	830
Total operation and maintenance	<u>4,359,168</u>	<u>4,691,032</u>	<u>4,657,939</u>	<u>33,093</u>
Pupil transportation				
Salaries	1,091,001	1,174,058	1,165,776	8,282
Benefits	283,168	304,726	302,576	2,150
Purchased services	295,380	317,867	315,625	2,242
Materials and supplies	332,480	357,792	355,268	2,524
Capital outlay	4,350	4,681	4,648	33
Other	1,406	1,513	1,502	11
Total pupil transportation	<u>2,007,785</u>	<u>2,160,637</u>	<u>2,145,395</u>	<u>15,242</u>
Central services				
Salaries	100,699	108,365	107,601	764
Benefits	47,819	51,459	51,096	363
Purchased services	52,002	55,961	55,566	395
Materials and supplies	935	1,006	999	7
Other	86,251	92,818	92,163	655
Total central services	<u>287,706</u>	<u>309,609</u>	<u>307,425</u>	<u>2,184</u>
Total supporting services	<u>16,684,398</u>	<u>17,954,580</u>	<u>17,827,921</u>	<u>126,659</u>
Community services				
Salaries	44,128	47,487	47,152	335
Benefits	5,132	5,523	5,484	39
Materials and supplies	1,388	1,494	1,483	11
Capital outlay	181	193	193	-
Total community services	<u>50,829</u>	<u>54,697</u>	<u>54,312</u>	<u>385</u>
Total operation of non-instructional services	<u>\$ 50,829</u>	<u>\$ 54,697</u>	<u>\$ 54,312</u>	<u>\$ 385</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, 2022

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Extracurricular activities				
Academic and subject oriented				
Salaries	\$ 69,214	\$ 74,483	\$ 73,958	\$ 525
Benefits	6,073	6,535	6,489	46
Purchased services	7,108	7,649	7,595	54
Materials and supplies	1,283	1,381	1,371	10
Total academic and subject oriented	<u>83,678</u>	<u>90,048</u>	<u>89,413</u>	<u>635</u>
Occupation oriented				
Salaries	1,321	1,422	1,412	10
Benefits	22	24	24	-
Total occupation oriented	<u>1,343</u>	<u>1,446</u>	<u>1,436</u>	<u>10</u>
Sports oriented				
Salaries	582,987	627,370	622,944	4,426
Benefits	132,607	142,703	141,696	1,007
Purchased services	6,212	6,685	6,638	47
Total sports oriented	<u>721,806</u>	<u>776,758</u>	<u>771,278</u>	<u>5,480</u>
Co-curricular activities				
Salaries	48,788	52,502	52,132	370
Benefits	2,921	3,143	3,121	22
Total co-curricular activities	<u>51,709</u>	<u>55,645</u>	<u>55,253</u>	<u>392</u>
Total extracurricular activities	<u>858,536</u>	<u>923,897</u>	<u>917,380</u>	<u>6,517</u>
Capital outlay	28,076	30,213	30,000	213
Total expenditures	<u>44,440,801</u>	<u>47,824,079</u>	<u>47,486,705</u>	<u>337,374</u>
Excess (deficiency) of revenues over expenditures	<u>(236,989)</u>	<u>(2,388,404)</u>	<u>(1,976,271)</u>	<u>412,133</u>
Other financing sources				
Transfers-in	-	8,798	8,798	-
Gain on sale of assets	-	5,034	5,034	-
Advances in	-	248,021	248,021	-
Refund of prior year expenditures	-	15,894	15,894	-
Transfers-out	-	(11,853)	(11,853)	-
Advances out	-	(304,868)	(304,868)	-
Total other financing sources	<u>-</u>	<u>(38,974)</u>	<u>(38,974)</u>	<u>-</u>
Net change in fund balance	(236,989)	(2,427,378)	(2,015,245)	412,133
Prior year encumbrances	959,835	959,835	959,835	-
Fund balances, beginning of year	<u>13,978,658</u>	<u>13,978,658</u>	<u>13,978,658</u>	<u>-</u>
Fund balances, end of year	<u>\$ 14,701,504</u>	<u>\$ 12,511,115</u>	<u>\$ 12,923,248</u>	<u>\$ 412,133</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, 2022

	Bond Retirement Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 4,749,187	\$ 5,000,230	\$ 5,000,230	\$ -
Total expenditures and other uses	5,160,843	5,216,477	5,216,477	-
Net change in fund balance	(411,656)	(216,247)	(216,247)	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	2,994,232	2,994,232	2,994,232	-
Fund balances, end of year	\$ 2,582,576	\$ 2,777,985	\$ 2,777,985	\$ -

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, 2022

	Food Service			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 1,073,500	\$ 1,942,267	\$ 1,943,042	\$ 775
Total expenditures and other uses	1,082,523	1,414,092	1,403,900	10,192
Net change in fund balance	(9,023)	528,175	539,142	10,967
Prior year encumbrances	18,523	18,523	18,523	-
Fund balances, beginning of year	236,995	236,995	236,995	-
Fund balances, end of year	\$ 246,495	\$ 783,693	\$ 794,660	\$ 10,967

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, 2022

	Local Grants Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 10,000	\$ 51,504	\$ 51,504	\$ -
Total expenditures and other uses	6,000	19,504	12,976	6,528
Net change in fund balance	4,000	32,000	38,528	6,528
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	51,453	51,453	51,453	-
Fund balances, end of year	\$ 55,453	\$ 83,453	\$ 89,981	\$ 6,528

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, 2022

	Student Activities			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ -	\$ 161,469	\$ 161,469	\$ -
Total expenditures and other uses	8,130	169,599	161,512	8,087
Net change in fund balance	(8,130)	(8,130)	(43)	8,087
Prior year encumbrances	8,130	8,130	8,130	-
Fund balances, beginning of year	122,778	122,778	122,778	-
Fund balances, end of year	\$ 122,778	\$ 122,778	\$ 130,865	\$ 8,087

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, 2022

	Athletics Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 300,000	\$ 411,402	\$ 411,402	\$ -
Total expenditures and other uses	312,038	462,038	312,894	149,144
Net change in fund balance	(12,038)	(50,636)	98,508	149,144
Prior year encumbrances	12,038	12,038	12,038	-
Fund balances, beginning of year	129,557	129,557	129,557	-
Fund balances, end of year	<u>\$ 129,557</u>	<u>\$ 90,959</u>	<u>\$ 240,103</u>	<u>\$ 149,144</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, 2022

	Auxiliary Services Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 234,808	\$ 211,913	\$ 211,940	\$ 27
Total expenditures and other uses	258,450	249,838	229,555	20,283
Net change in fund balance	(23,642)	(37,925)	(17,615)	20,310
Prior year encumbrances	23,642	23,642	23,642	-
Fund balances, beginning of year	14,283	14,283	14,283	-
Fund balances, end of year	<u>\$ 14,283</u>	<u>\$ -</u>	<u>\$ 20,310</u>	<u>\$ 20,310</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, 2022

	Miscellaneous State Grants Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 19,257	\$ 129,002	\$ 129,002	\$ -
Total expenditures and other uses	19,257	129,002	129,002	-
Net change in fund balance	-	-	-	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

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, 2022

	Esser Grant Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 531,826	\$ 620,757	\$ 620,757	\$ -
Total expenditures and other uses	569,074	658,005	658,005	-
Net change in fund balance	(37,248)	(37,248)	(37,248)	-
Prior year encumbrances	37,248	37,248	37,248	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

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, 2022

	Coronavirus Relief Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 22,880	\$ 11,212	\$ 11,212	\$ -
Total expenditures and other uses	11,440	22,652	22,652	-
Net change in fund balance	11,440	(11,440)	(11,440)	-
Prior year encumbrances	11,440	11,440	11,440	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ 22,880	\$ -	\$ -	\$ -

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, 2022

	Title V-B Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 757,234	\$ 933,565	\$ 933,565	\$ -
Total expenditures and other uses	757,234	933,565	933,565	-
Net change in fund balance	-	-	-	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

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, 2022

	Title I Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 159,013	\$ 162,741	\$ 162,741	\$ -
Total expenditures and other uses	159,013	162,741	162,741	-
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, 2022

	Drug Free Schools Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 11,863	\$ 12,315	\$ 12,315	\$ -
Total expenditures and other uses	11,863	12,315	12,315	-
Net change in fund balance	-	-	-	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

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, 2022

	Early Childhood Education Development Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 18,898	\$ 32,060	\$ 32,060	\$ -
Total expenditures and other uses	18,898	32,060	32,060	-
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, 2022

	Title II-A Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 61,145	\$ 40,220	\$ 40,220	\$ -
Total expenditures and other uses	61,145	40,220	40,220	-
Net change in fund balance	-	-	-	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

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, 2022

	Miscellaneous Federal Grants Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 91,356	\$ 182,017	\$ 182,017	\$ -
Total expenditures and other uses	697	182,017	182,017	-
Net change in fund balance	90,659	-	-	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ 90,659	\$ -	\$ -	\$ -

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, 2022

	Scholarship Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 1,000	\$ 8,723	\$ 8,788	\$ 65
Total expenditures and other uses	-	6,700	6,700	-
Net change in fund balance	1,000	2,023	2,088	65
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	103,884	103,884	103,884	-
Fund balances, end of year	<u>\$ 104,884</u>	<u>\$ 105,907</u>	<u>\$ 105,972</u>	<u>\$ 65</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, 2022

	Public School Support Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 50,000	\$ 97,192	\$ 97,215	\$ 23
Total expenditures and other uses	52,247	96,147	88,781	7,366
Net change in fund balance	(2,247)	1,045	8,434	7,389
Prior year encumbrances	2,247	2,247	2,247	-
Fund balances, beginning of year	205,973	205,973	205,973	-
Fund balances, end of year	<u>\$ 205,973</u>	<u>\$ 209,265</u>	<u>\$ 216,654</u>	<u>\$ 7,389</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, 2022

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

AVON LAKE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Permanent Improvements Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues and other sources	\$ 742,000	\$ 776,221	\$ 776,221	\$ -
Total expenditures and other uses	1,013,587	2,173,587	2,165,216	8,371
Net change in fund balance	(271,587)	(1,397,366)	(1,388,995)	8,371
Prior year encumbrances	382,376	382,376	382,376	-
Fund balances, beginning of year	1,416,792	1,416,792	1,416,792	-
Fund balances, end of year	\$ 1,527,581	\$ 401,802	\$ 410,173	\$ 8,371

STATISTICAL SECTION



Back of divider page.

STATISTICAL SECTION

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

Contents **Page**

Financial Trends **S 2**

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 16**

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 25**

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 30**

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 32**

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

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

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

	2022	2021	2020	2019
Governmental activities				
Net investment in capital assets	\$ 18,944,832	\$ 18,375,711	\$ 17,000,885	\$ 14,756,361
Restricted	9,810,476	8,744,646	8,581,227	8,962,709
Unrestricted	(38,974,412)	(43,952,684)	(36,979,459)	(34,944,782)
Total primary government net position	<u>\$ (10,219,104)</u>	<u>\$ (16,832,327)</u>	<u>\$ (11,397,347)</u>	<u>\$ (11,225,712)</u>

Note:

- Year 2012 has been restated to reflect the effects of a prior period adjustment recorded in 2013.
- Year 2011 has been restated to reflect the effects of a prior period adjustment recorded in 2012.
- Year 2014 has been restated due to the implementation of GASB Statement No. 68.
- Year 2016 has been restated due to a prior period adjustment related to deferred inflow s, deferred outflow s and net pension liability.
- Year 2017 has been restated due to the implementation of GASB Statement No. 75.

2018	2017	2016	2015	2014	2013
\$ 13,024,434	\$ 12,128,924	\$ 10,190,220	\$ 8,870,400	\$ 7,729,401	\$ 8,694,493
6,506,101	5,485,518	5,234,676	5,287,563	5,404,860	6,424,518
(33,642,110)	(60,426,094)	(43,716,896)	(47,987,935)	(52,447,820)	4,095,943
<u>\$ (14,111,575)</u>	<u>\$ (42,811,652)</u>	<u>\$ (28,292,000)</u>	<u>\$ (33,829,972)</u>	<u>\$ (39,313,559)</u>	<u>\$ 19,214,954</u>

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

	2022	2021	2020	2019
Expenses				
Governmental activities:				
Instruction				
Regular	\$ 22,003,758	\$ 25,584,021	\$ 23,456,762	\$ 18,873,401
Special	6,049,915	6,610,500	6,406,105	5,322,915
Vocational	-	-	-	-
Adult/continuing	-	-	7,043	8,937
Other instruction	526,738	749,517	883,593	660,789
Supporting services				
Pupil	3,131,363	3,424,373	3,021,675	2,537,561
Instructional staff	1,960,372	2,088,089	1,784,274	1,694,975
Board of education	22,745	18,977	23,933	26,392
Administration	3,755,720	3,997,597	3,475,379	3,255,267
Fiscal services	1,359,939	1,249,255	1,091,973	1,228,626
Business	425,630	362,137	218,283	451,251
Operation and maintenance	4,516,856	4,434,688	4,289,916	4,474,810
Pupil transportation	2,011,825	1,796,924	1,863,969	2,074,319
Central services	271,812	450,250	432,598	1,034,013
Operation of non-instructional services				
Food service operation	1,415,731	1,197,400	1,298,033	1,328,217
Community services	300,716	335,204	263,514	233,452
Extracurricular activities	1,207,469	1,293,358	1,317,463	1,165,364
Interest and fiscal charges	1,817,819	2,694,600	1,926,538	1,885,612
Total primary government expenses	<u>50,778,408</u>	<u>56,286,890</u>	<u>51,761,051</u>	<u>46,255,901</u>
Program revenues				
Governmental activities:				
Charges for services and sales				
Instruction	819,998	307,055	585,273	696,240
Supporting services	65,266	34,992	68,261	86,596
Food service	261,545	122,117	672,815	933,262
Community services	4,595	-	-	-
Extracurricular activities	652,567	412,007	370,867	524,505
Operating grants, interest and contributions	4,043,241	3,032,625	1,769,655	1,734,026
Total primary government program revenues	<u>5,847,212</u>	<u>3,908,796</u>	<u>3,466,871</u>	<u>3,974,629</u>
Net (expense) revenue				
Total primary government net expense	<u>\$ (44,931,196)</u>	<u>\$ (52,378,094)</u>	<u>\$ (48,294,180)</u>	<u>\$ (42,281,272)</u>

Note:

Year 2012 has been restated to reflect the effects of a prior period adjustment recorded in 2013.
Year 2011 has been restated to reflect the effects of a prior period adjustment recorded in 2012.
The decrease in expenses in 2018 is due to net negative expense of \$17,926,372 related to the effects of GASB 68 and GASB 75.

	2018	2017	2016	2015	2014	2013
\$	7,818,029	\$ 20,522,649	\$ 20,312,398	\$ 18,710,477	\$ 19,441,025	\$ 21,373,667
	2,633,328	5,176,972	4,760,004	4,264,727	4,135,900	3,014,516
	-	-	-	-	3,273	106,982
	7,757	9,751	9,562	9,972	11,580	12,586
	651,549	911,223	887,928	809,304	1,126,292	1,371,889
	1,562,912	2,780,478	2,762,880	2,239,083	2,572,330	4,243,694
	1,187,636	1,901,395	1,608,512	1,326,965	1,123,271	968,197
	22,218	19,701	19,446	20,544	24,029	16,134
	2,088,751	3,635,512	3,560,633	3,102,611	3,049,875	3,195,086
	1,079,161	1,212,368	1,257,474	1,134,761	992,046	1,068,458
	300,319	360,590	318,233	283,355	198,081	153,061
	4,672,811	5,085,469	4,329,269	4,476,025	4,802,518	4,187,039
	1,728,198	1,956,379	1,817,520	1,805,718	1,724,228	1,802,544
	242,029	237,835	290,224	293,523	232,342	320,972
	1,176,719	1,252,674	1,254,263	1,174,997	1,237,815	1,356,079
	187,543	511,931	649,046	369,498	410,932	279,348
	624,601	1,281,536	1,261,581	1,132,041	1,266,615	1,335,805
	1,863,852	1,995,629	1,660,446	2,059,216	2,788,163	3,015,472
	<u>27,847,413</u>	<u>48,852,092</u>	<u>46,759,419</u>	<u>43,212,817</u>	<u>45,140,315</u>	<u>47,821,529</u>
	966,891	857,411	703,726	733,885	684,434	614,733
	141,455	146,448	214,753	146,927	232,665	68,539
	921,460	849,356	957,348	917,497	966,715	1,069,630
	-	-	-	-	-	-
	282,118	362,840	624,206	371,928	412,092	416,515
	1,638,082	1,671,614	1,720,987	1,457,351	1,596,335	1,604,613
	<u>3,950,006</u>	<u>3,887,669</u>	<u>4,221,020</u>	<u>3,627,588</u>	<u>3,892,241</u>	<u>3,774,030</u>
\$	<u>(23,897,407)</u>	<u>(44,964,423)</u>	<u>(42,538,399)</u>	<u>(39,585,229)</u>	<u>(41,248,074)</u>	<u>(44,047,499)</u>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net (expense) revenue				
Total primary government net expense	\$ (44,931,196)	\$ (52,378,094)	\$ (48,294,180)	\$ (42,281,272)
General revenues and other changes in net position				
Governmental activities:				
Property taxes levied for:				
General purposes	37,769,736	33,011,285	34,348,711	31,048,943
Debt service	3,619,254	3,378,117	3,584,286	3,367,851
Capital improvements	686,797	623,394	634,878	582,244
Grants and entitlements				
not restricted to specific purposes	9,009,491	9,096,918	9,001,015	9,272,952
Investment earnings	103,570	219,686	488,680	376,506
Miscellaneous	355,571	482,308	64,975	518,639
Total primary government	<u>51,544,419</u>	<u>46,811,708</u>	<u>48,122,545</u>	<u>45,167,135</u>
Change in net position				
Total primary government	<u>\$ 6,613,223</u>	<u>\$ (5,566,386)</u>	<u>\$ (171,635)</u>	<u>\$ 2,885,863</u>

Note:

Year 2012 has been restated to reflect the effects of a prior period adjustment recorded in 2013.
Year 2011 has been restated to reflect the effects of a prior period adjustment recorded in 2012.

2018	2017	2016	2015	2014	2013
<u>\$ (23,897,407)</u>	<u>\$ (44,964,423)</u>	<u>\$ (42,538,399)</u>	<u>\$ (39,585,229)</u>	<u>\$ (41,248,074)</u>	<u>\$ (44,047,499)</u>
37,265,363	29,868,528	31,534,627	29,777,599	26,118,293	27,718,418
4,247,695	3,360,889	3,596,979	3,486,624	3,584,698	4,682,640
682,101	549,918	576,943	524,131	522,441	627,991
9,728,165	10,234,739	10,650,510	10,764,213	10,162,477	9,341,447
265,039	213,539	149,799	42,117	41,298	55,891
409,121	505,036	498,082	474,132	531,290	505,421
<u>52,597,484</u>	<u>44,732,649</u>	<u>47,006,940</u>	<u>45,068,816</u>	<u>40,960,497</u>	<u>42,931,808</u>
<u>\$ 28,700,077</u>	<u>\$ (231,774)</u>	<u>\$ 4,468,541</u>	<u>\$ 5,483,587</u>	<u>\$ (287,577)</u>	<u>\$ (1,115,691)</u>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Fund				
Nonspendable	\$ 53,935	\$ 50,261	\$ 72,062	\$ 44,263
Committed	113,990	113,990	113,990	113,990
Assigned	1,395,394	1,224,556	1,463,528	1,312,601
Unassigned	11,342,675	14,157,686	17,052,028	17,045,376
Total General Fund	<u>\$ 12,905,994</u>	<u>\$ 15,546,493</u>	<u>\$ 18,701,608</u>	<u>\$ 18,516,230</u>
All other governmental funds				
Nonspendable	\$ 22,068	\$ 12,239	\$ 26,669	\$ 13,124
Restricted	6,061,461	5,931,043	5,872,063	6,363,434
Unassigned	(13,761)	(30,574)	-	(1,099)
Total all other governmental funds	<u>\$ 6,069,768</u>	<u>\$ 5,912,708</u>	<u>\$ 5,898,732</u>	<u>\$ 6,375,459</u>

2018	2017	2016	2015	2014	2013
\$ 55,469	\$ 38,487	\$ 50,056	\$ 48,362	\$ 34,038	\$ 47,316
113,990	113,990	113,990	113,990	113,990	113,990
975,342	1,447,992	1,117,869	1,507,312	898,319	665,041
18,734,427	13,125,291	13,479,757	7,921,656	5,561,998	3,953,162
<u>\$ 19,879,228</u>	<u>\$ 14,725,760</u>	<u>\$ 14,761,672</u>	<u>\$ 9,591,320</u>	<u>\$ 6,608,345</u>	<u>\$ 4,779,509</u>
\$ 10,207	\$ 13,060	\$ 12,766	\$ 15,938	\$ 12,053	\$ 14,359
6,466,009	6,034,459	5,860,743	5,983,609	5,844,916	5,904,638
(27,607)	(16,106)	(15,384)	(18,753)	-	(363,414)
<u>\$ 6,448,609</u>	<u>\$ 6,031,413</u>	<u>\$ 5,858,125</u>	<u>\$ 5,980,794</u>	<u>\$ 5,856,969</u>	<u>\$ 5,555,583</u>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Taxes	\$ 39,876,487	\$ 37,268,796	\$ 38,189,875	\$ 35,925,838
Tuition and fees	1,023,122	504,044	758,465	885,725
Interest	103,570	219,686	488,680	371,088
Intergovernmental	13,052,732	12,129,543	10,770,670	10,993,921
Extracurricular	480,125	197,421	251,618	364,649
Charges for services	261,545	122,117	672,815	933,262
Donations and contributions	202,310	221,677	97,203	114,500
Miscellaneous	<u>187,406</u>	<u>276,039</u>	<u>354,518</u>	<u>453,706</u>
Total	<u>\$ 55,187,297</u>	<u>\$ 50,939,323</u>	<u>\$ 51,583,844</u>	<u>\$ 50,042,689</u>

(1) Donations and contributions included in Miscellaneous.

Source: School District Financial Records, Total Governmental Funds.

2018	2017 (1)	2016 (1)	2015 (1)	2014 (1)	2013 (1)
\$ 41,180,759	\$ 33,997,635	\$ 35,197,349	\$ 34,128,554	\$ 32,684,832	\$ 30,618,749
953,897	878,384	764,372	462,453	617,658	683,272
251,970	202,399	143,850	42,400	42,567	49,359
11,354,275	11,906,353	12,371,497	12,221,564	11,758,812	10,946,060
320,617	406,907	581,284	545,476	557,933	416,515
947,402	849,356	957,348	917,497	966,715	1,069,630
37,953	-	-	-	-	-
460,471	584,963	711,428	793,652	684,890	528,239
<u>\$ 55,507,344</u>	<u>\$ 48,825,997</u>	<u>\$ 50,727,128</u>	<u>\$ 49,111,596</u>	<u>\$ 47,313,407</u>	<u>\$ 44,311,824</u>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Expenditures				
Current				
Instruction				
Regular	\$ 22,839,161	\$ 21,882,743	\$ 20,679,314	\$ 20,276,325
Special	6,583,939	6,271,132	6,191,814	5,867,979
Vocational	-	-	-	-
Adult/continuing	-	-	6,418	8,881
Other instruction	562,976	721,240	847,904	736,480
Supporting services				
Pupil	3,419,777	3,313,635	2,888,204	2,776,722
Instructional staff	2,145,941	2,011,490	1,684,566	1,847,901
Board of education	24,159	18,977	23,933	26,392
Administration	4,154,768	3,745,032	3,320,308	3,562,264
Fiscal services	1,433,710	1,246,630	1,051,215	1,219,757
Business	463,992	382,404	195,186	446,858
Operation and maintenance	4,889,045	4,513,382	4,095,557	4,462,910
Pupil transportation	2,287,457	1,828,180	1,803,706	1,968,427
Central services	292,980	448,838	415,474	258,094
Operation of non-instructional services				
Food service operation	1,506,533	1,183,235	1,262,468	1,319,546
Community services	335,215	324,659	277,855	275,062
Extracurricular activities	1,345,764	1,283,130	1,405,655	1,289,343
Capital outlay	229,519	322,534	642,067	73,567
Debt service				
Principal	1,654,934	3,490,000	3,555,000	3,480,000
Interest	3,505,900	1,427,455	1,537,043	1,589,729
Total expenditures	<u>\$ 57,675,770</u>	<u>\$ 54,414,696</u>	<u>\$ 51,883,687</u>	<u>\$ 51,486,237</u>
Debt service as a percentage of noncapital expenditures	<u>9.10%</u>	<u>9.16%</u>	<u>10.01%</u>	<u>9.89%</u>

Source: School District Financial Records, Total Governmental Funds.

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

Year 2011 has been restated to reflect the effects of a prior period adjustment recorded in 2012.

2018	2017	2016	2015	2014	2013
\$ 19,812,791	\$ 18,709,138	\$ 17,198,203	\$ 18,219,805	\$ 17,332,276	\$ 19,616,034
5,245,426	4,999,838	4,517,206	4,462,878	4,110,175	3,006,578
-	-	-	-	3,273	102,771
9,132	9,275	9,058	10,840	11,580	12,586
864,129	894,323	879,565	837,976	1,119,051	1,365,666
2,692,922	2,740,598	2,640,708	2,462,414	2,559,018	4,181,604
1,617,268	1,895,541	1,483,311	1,362,396	1,104,025	959,047
22,218	19,701	18,900	21,594	24,029	16,134
3,410,229	3,188,001	3,169,280	2,961,584	2,857,123	3,040,381
1,173,188	1,186,098	1,202,841	1,154,589	998,075	1,059,950
344,425	334,096	301,237	294,868	164,140	145,900
4,272,405	4,521,621	3,990,320	4,253,903	4,364,108	4,421,660
1,778,629	1,932,475	1,726,321	1,852,395	1,693,821	1,891,030
263,635	236,060	288,673	295,225	232,342	320,972
1,250,428	1,234,810	1,193,148	1,160,788	1,183,381	1,311,263
390,772	489,629	632,357	374,877	408,039	259,618
1,117,792	1,221,935	1,198,015	1,166,613	1,319,363	1,306,724
593,775	-	122,944	33,635	40,654	1,039,794
3,447,107	3,414,147	3,421,898	7,051,399	3,154,540	2,318,449
1,631,469	1,662,816	1,685,460	3,310,246	2,504,172	2,525,308
<u>\$ 49,937,740</u>	<u>\$ 48,690,102</u>	<u>\$ 45,679,445</u>	<u>\$ 51,288,025</u>	<u>\$ 45,183,185</u>	<u>\$ 48,901,469</u>
<u>10.19%</u>	<u>10.65%</u>	<u>11.35%</u>	<u>20.44%</u>	<u>12.60%</u>	<u>10.31%</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)

	2022	2021	2020	2019
Excess of revenues over (under) expenditures	\$ (2,488,473)	\$ (3,475,373)	\$ (299,843)	\$ (1,443,548)
Other financing sources (uses)				
Proceeds of refunding bonds	-	10,945,000	-	-
Transfers-in	3,055	54,814	12,499	-
Premium on debt issuance	-	1,117,434	-	-
Proceeds from sale of assets	5,034	37,181	8,494	7,400
Capital lease proceeds	-	-	-	-
Transfers-out	(3,055)	(54,814)	(12,499)	-
Payment to bond escrow agent	-	(11,896,787)	-	-
Total other financing sources (uses)	5,034	202,828	8,494	7,400
Net change in fund balances	\$ (2,483,439)	\$ (3,272,545)	\$ (291,349)	\$ (1,436,148)

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.
Year 2011 has been restated to reflect the effects of a prior period adjustment recorded in 2012.

2018	2017	2016	2015	2014	2013
\$ 5,569,604	\$ 135,895	\$ 5,047,683	\$ (2,176,429)	\$ 2,130,222	\$ (4,589,645)
-	-	-	31,594,934	-	-
371	3,666	-	15,000	-	-
-	-	-	1,732,429	-	-
1,060	1,481	-	-	-	-
-	-	-	42,450	-	-
(371)	(3,666)	-	-	-	-
-	-	-	(27,835,000)	-	-
1,060	1,481	-	5,549,813	-	-
\$ 5,570,664	\$ 137,376	\$ 5,047,683	\$ 3,373,384	\$ 2,130,222	\$ (4,589,645)

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	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (2)
2022	\$ 978,333,350	\$ 2,795,238,143	\$ 206,335,550	\$ 234,472,216
2021	963,685,100	2,753,386,000	74,951,190	85,171,807
2020	949,848,060	2,713,851,600	64,726,250	73,552,557
2019	937,185,980	2,677,674,229	65,134,520	74,016,500
2018	827,576,400	2,364,504,000	54,806,360	62,279,955
2017	815,545,460	2,330,129,886	51,256,120	58,245,591
2016	805,781,100	2,302,231,714	43,768,750	49,737,216
2015	748,573,960	2,138,782,743	39,187,470	44,531,216
2014	739,254,670	2,112,156,200	38,214,330	43,425,375
2013	729,211,340	2,083,460,971	56,087,710	63,736,034

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

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

Total		Total
Assessed Value	Estimated Actual Value	Assessed Rate (3)
\$1,184,668,900	\$ 3,029,710,359	67.00
1,038,636,290	2,838,557,807	69.07
1,014,574,310	2,787,404,157	69.24
1,002,320,500	2,751,690,729	69.41
882,382,760	2,426,783,955	72.28
866,801,580	2,388,375,477	72.41
849,549,850	2,351,968,930	72.69
787,761,430	2,183,313,959	74.57
777,469,000	2,155,581,575	75.10
785,299,050	2,147,197,005	67.23

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			
	General Fund	Debt Service Fund	Capital Projects Fund	Total Direct Tax Rate
2022	62.08	3.40	1.50	66.98
2021	63.68	3.89	1.50	69.07
2020	63.84	3.90	1.50	69.24
2019	63.84	4.07	1.50	69.41
2018	66.15	4.63	1.50	72.28
2017	66.28	4.63	1.50	72.41
2016	66.54	4.65	1.50	72.69
2015	67.99	5.08	1.50	74.57
2014	68.15	5.45 (1)	1.50	75.10
2013	59.43	6.30 (1)	1.50	67.23

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	15.30	2.45	7.98	95.51
2.80	15.58	2.45	8.02	97.92
2.80	15.08	2.45	8.03	97.60
2.80	15.08	2.45	8.04	97.78
2.80	15.58	2.45	8.08	101.19
2.80	15.08	2.45	8.08	100.82
2.80	15.08	2.45	8.10	101.12
2.80	14.49	2.45	8.12	102.43
2.80	14.48	2.45	8.13	102.96
2.80	13.66	2.45	8.13	94.27

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)
2022	\$ 47,100,910	\$ 44,123,789	93.68%	\$ 458,742	\$ 44,582,531
2021	43,853,375	43,081,404	98.24%	919,434	44,000,838
2020	42,815,075	41,735,997	97.48%	383,158	42,119,155
2019	42,485,157	41,799,902	98.39%	530,181	42,330,083
2018	40,890,274	38,981,253	95.33%	603,341	39,584,594
2017	40,053,461	39,490,769	98.60%	788,154	40,278,923
2016	39,270,119	38,620,473	98.35%	711,613	39,332,086
2015	38,765,645	38,248,862	98.67%	969,829	39,218,691
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

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.

<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>
94.65%	\$ 3,427,470	7.28%
100.34%	1,218,109	2.78%
98.37%	1,484,104	3.47%
99.63%	1,106,041	2.60%
96.81%	2,032,945	4.97%
100.56%	1,018,493	2.54%
100.16%	1,236,811	3.15%
101.17%	725,637	1.87%
100.34%	1,125,547	2.76%
95.24%	3,584,931	10.08%

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AVON LAKE CITY SCHOOL DISTRICT
 PRINCIPAL TAXPAYERS –
 REAL ESTATE TAX
 AS OF JUNE 30, 2021 AND JUNE 30, 2012 (1)

December 31, 2021		
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Great Lake Senior Living Communities LLC	\$ 10,956,440	0.92%
181 Somerset Realty LLC	5,804,930	0.49%
Ford Motor Company	5,306,540	0.45%
Echo Avon Lake LLC	5,013,360	0.42%
Towne Care Center LLC	4,341,500	0.37%
Delaware Aqua LLC	4,138,560	0.35%
PolyOne Coportation	3,680,930	0.31%
Hampshire Highlands One LLC	3,370,950	0.28%
Avon Lake City of	3,334,140	0.28%
Regatta Properties LLC	2,571,010	0.22%
Towne Independent Living LLC	2,036,670	0.17%
	\$ 50,555,030	4.26%
 Total assessed value	 \$ 1,184,668,900	

December 31, 2012		
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Ford Motor Company	4,739,550	0.60%
Polyone Corporation	4,163,470	0.53%
Health Care Reit Inc	3,756,040	0.48%
181 Somerset Realty	3,311,050	0.42%
Legacy Pointe II Ltd	3,022,270	0.38%
Kopf Properties II Ltd	2,156,510	0.27%
Learwood Square Co LLC	2,103,260	0.27%
Towne Independent Living	1,892,090	0.24%
Landings Shops & Offices Ltd	1,563,560	0.20%
Pin Oak Holdings LLC	1,534,720	0.20%
	\$ 28,242,520	3.59%
 Total assessed value	 \$ 785,299,050	

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 2021 and 2012 collection year, respectively.

AVON LAKE CITY SCHOOL DISTRICT
 PRINCIPAL TAXPAYERS –
 PUBLIC UTILITY TAX
 AS OF JUNE 30, 2021 AND JUNE 30, 2012 (1)

December 31, 2021		
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
American Transmission Systems INC	\$ 40,865,860	3.45%
NRG Power Midwest LP	23,943,890	2.02%
Cleveland Electric Illuminating Co	13,520,490	1.14%
Orion Power Midwest LP	7,575,690	0.64%
Columbia Gas of Ohio INC	3,804,510	0.32%
	\$ 89,710,440	7.57%
Total assessed value	\$ 1,184,668,900	

December 31, 2012		
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Genon Power Midwest	\$ 36,538,600	4.65%
Orion Power Midwest	19,357,510	2.46%
Cleveland Electric	10,230,310	1.30%
American Transmission	6,888,270	0.88%
Columbia Gas of Ohio LLC	1,836,270	0.23%
	74,850,960	9.52%
Total assessed value	\$ 785,299,050	

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 2021 and 2012 collection year, respectively.

AVON LAKE CITY SCHOOL DISTRICT
 COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT
 AS OF JUNE 30, 2022

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	\$ 23,764,742	\$ 1,184,668,900	100.00%	\$ 23,764,742
Overlapping				
Lorain County (2)	48,410,000	6,634,584,090	17.86%	8,646,026
City of Avon Lake (2)	<u>29,404,385</u>	1,184,668,900	100.00%	<u>29,404,385</u>
Sub Total				<u>38,050,411</u>
Total	<u>\$ 101,579,127</u>			<u>\$ 61,815,153</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, 2021

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

Year	General Obligation Bonded Debt (1)	Notes Payable	Capital Leases	Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)	Per ADM (2)
2022	\$ 23,764,742	\$ -	\$ -	\$ 23,764,742	2.07%	\$ 943	\$ 6,435
2021	27,482,224	-	-	27,482,224	2.41%	1,090	7,370
2020	31,300,935	-	-	31,300,935	3.05%	1,386	8,300
2019	34,724,848	-	-	34,724,848	3.60%	1,538	9,001
2018	38,168,373	-	-	38,168,373	4.10%	1,690	9,958
2017	41,640,596	-	12,107	41,652,703	4.35%	1,845	10,935
2016	44,980,089	-	36,254	45,016,343	4.84%	1,994	11,818
2015 (3)	48,614,650	-	108,152	48,722,802	5.24%	2,158	12,798
2014	48,239,669	-	162,101	48,401,770	5.25%	2,143	12,959
2013	51,136,537	-	251,641	51,388,178	5.48%	2,276	13,624

Source:

(1) School District Financial Records

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

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

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

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

Year	General Obligation Bonded Debt (1)	Debt Service Funds Available	Net Bonded Debt	Percentage of Actual Taxable Property Value (2)	Per Capita (3)
2022	\$ 23,764,742	\$ 2,777,985	\$ 20,986,757	0.69%	\$ 833
2021	27,482,224	2,994,232	24,487,992	0.86%	972
2020	31,300,935	2,794,309	28,506,626	1.02%	1,262
2019	34,724,848	2,992,445	31,732,403	1.15%	1,405
2018	38,168,373	3,163,317	35,005,056	1.44%	1,550
2017	41,640,596	3,231,269	38,409,327	1.63%	1,701
2016	44,980,089	3,378,037	41,602,052	1.77%	1,842
2015 (4)	44,980,089	3,491,165	41,488,924	2.07%	1,837
2014	48,614,650	3,154,171	45,460,479	2.09%	2,013
2013	48,239,669	3,448,932	44,790,737	2.22%	1,984

Source: (1) School District Financial Records.

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

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

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

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

	2022	2021	2020	2019
Assessed Valuation	\$ 1,184,668,900	\$ 1,038,636,290	\$ 1,014,574,310	\$ 1,002,320,500
Debt Limit -9% of Assessed Value (2)	106,620,201	93,477,266	91,311,688	90,208,845
Debt applicable to limitation				
Total voted general obligation debt	22,475,866	24,130,800	29,338,332	32,463,791
Total unvoted general obligation debt	-	-	-	-
Less amount available in debt service funds	(2,777,985)	(3,015,688)	(2,803,917)	(3,013,901)
Amount of debt subject to debt limit:	19,697,881	21,115,112	26,534,415	29,449,890
Overall debt margin	\$ 86,922,320	\$ 72,362,154	\$ 64,777,273	\$ 60,758,955
Legal Debt Margin as a Percentage of Debt Limit	81.53%	77.41%	70.94%	67.35%
Overall Limit - .10% of Assessed Value (1)	\$ 1,184,669	\$ 1,038,636	\$ 1,014,574	\$ 1,002,321
Amount of debt subject to debt limit:	-	-	-	-
Unvoted Debt Margin	\$ 1,184,669	\$ 1,038,636	\$ 1,014,574	\$ 1,002,321
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%
Additional Limit for Unvoted Energy Conservation Bonds and Notes:				
Debt Limit - .9% of Assessed Value	\$ 10,662,020	\$ 9,347,727	\$ 9,131,169	\$ 9,020,885
Amount of debt subject to debt limit:	-	-	-	-
Additional Unvoted Debt Margin	\$ 10,662,020	\$ 9,347,727	\$ 9,131,169	\$ 9,020,885
Energy Conservation Debt - Additional Unvoted Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%

Source: Lorain County Auditor and School District Financial Records.

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

2018	2017	2016	2015	2014	2013
<u>\$ 882,382,760</u>	<u>\$ 866,801,580</u>	<u>\$ 849,549,850</u>	<u>\$ 787,761,430</u>	<u>\$ 777,469,000</u>	<u>\$ 785,299,050</u>
<u>79,414,448</u>	<u>78,012,142</u>	<u>76,459,487</u>	<u>70,898,529</u>	<u>69,972,210</u>	<u>70,676,915</u>
39,445,801	44,390,801	44,390,801	46,830,800	48,210,866	49,810,207
-	-	-	-	-	-
(3,184,773)	(3,231,269)	(3,378,037)	(3,491,165)	(3,154,172)	(3,448,932)
<u>36,261,028</u>	<u>41,159,532</u>	<u>41,012,764</u>	<u>43,339,635</u>	<u>45,056,694</u>	<u>46,361,275</u>
<u>\$ 43,153,420</u>	<u>\$ 36,852,610</u>	<u>\$ 35,446,723</u>	<u>\$ 27,558,894</u>	<u>\$ 24,915,516</u>	<u>\$ 24,315,640</u>
<u>54.34%</u>	<u>47.24%</u>	<u>46.36%</u>	<u>38.87%</u>	<u>35.61%</u>	<u>34.40%</u>
\$ 882,383	\$ 866,802	\$ 849,550	\$ 787,761	\$ 777,469	\$ 785,299
-	-	-	-	-	-
<u>\$ 882,383</u>	<u>\$ 866,802</u>	<u>\$ 849,550</u>	<u>\$ 787,761</u>	<u>\$ 777,469</u>	<u>\$ 785,299</u>
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
\$ 7,941,445	\$ 7,801,214	\$ 7,645,949	\$ 7,089,853	\$ 6,997,221	\$ 7,067,691
-	-	-	-	-	-
<u>\$ 7,941,445</u>	<u>\$ 7,801,214</u>	<u>\$ 7,645,949</u>	<u>\$ 7,089,853</u>	<u>\$ 6,997,221</u>	<u>\$ 7,067,691</u>
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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

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

Source:

(1) Based on the 2010 Census.

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

(3) Bureau of Labor Statistics.

AVON LAKE CITY SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 AS OF JUNE 30, 2021 AND 2012

December 31, 2021

Employer	Nature of Activity or Business	Approximate Number of Employees (1)	Percentage To Total Employment	Rank
Ford Motor Company	Van and truck assembly	2,287	Not available	1
Avon Lake City Schools	Public Education	726	Not available	2
Avient Corporation	Distributor of thermoplastics, compounds & resins	647	Not available	3
Minute Men Select	Staffing Services	562	Not available	4
City of Avon Lake	Government	388	Not available	5
Riser Foods	Grocery Store	268	Not available	6
Lubrizol Advances Materials	Manufactures polymers & specialties chemicals	266	Not available	7
Thogus Products	Manufactures plastic resins	203	Not available	8
Hinkley Lighting Inc.	Lighting Manufacturer and Distributer	167	Not available	9
Echo US Holding LLC	Financial Services	128	Not available	10

December 31, 2012

Employer	Nature of Activity or Business	Approximate Number of Employees (1)	Percentage To Total Employment	Rank
Ford Motor Company	Van and sport utility vehicle assembly	2,147	Not available	1
Avon Lake City School District	Public Education	821	Not available	2
PolyOne Corporation	Distributor of thermoplastics, compounds & resins	656	Not available	3
City of Avon Lake	Government	379	Not available	4
Lubrizol Advanced	Manufactures polymers & specialties chemicals	210	Not available	5
Giant Eagle/Riser Foods Company	Grocery Store	198	Not available	6
Grace Management	Retirement Village	177	Not available	7
Wateredge Uniflex Inc	Draw ing & Insulating of non-ferrous w ire	132	Not available	8
Avon Lake Animal Clinic Inc	Veterinary clinic	130	Not available	9
Western/Scott Fetzer Company	Gas control technology	128	Not available	10

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

(1) Number of employees is based on forms W-2 filed w ith 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

	2022	2021	2020(4,5)	2019
Professional Staff				
<u>Teaching Staff:</u>				
Elementary K-6	112.79	119.57	109.89	108.89
Middle	37.72	38.11	37.00	37.50
High	62.26	64.98	61.60	61.21
Mutiple Buidings	12.00	12.50	12.61	10.61
Tutors	19.00	15.39	17.31	18.31
<u>Administrators</u>				
District/Building	21.50	21.50	19.00	15.50
<u>Auxiliary Positions</u>				
Psychologist	2.12	2.12	2.00	2.00
Nurse	4.00	4.00	4.00	5.00
Speech & Language Therapist	2.44	2.03	2.03	1.94
Physical Therapist	1.00	1.00	1.00	1.00
Occupational Therapist/Assistant	1.00	1.00	2.00	2.00
<u>Support Staff</u>				
Counseling	9.90	8.82	8.62	7.83
Computer Tech	4.00	4.00	3.00	3.00
Printer	0.00	1.00	1.00	1.00
Librarian/Media	2.00	2.00	2.00	2.00
Library Aide	8.60	8.00	9.00	9.96
Clerical	28.71	28.71	29.71	29.57
Teaching Aide	48.00	43.00	45.04	46.09
Maintenance Supervisor	1.00	1.00	1.00	
General Maintenance	4.00	4.00	4.00	5.00
Mechanic	2.00	2.00	2.00	2.00
Transportation Supervisor	1.00	1.00	1.00	1.00
Bus Drivers	28.21	28.32	28.70	28.76
Custodial	27.68	28.38	28.94	29.32
Food Service	22.20	22.10	22.90	23.76
Security	1.00	1.00	1.00	1.00
Groundskeeping	2.00	2.00	2.00	2.00
TV Production	1.00	1.00	1.00	1.00
Attendants & Monitors	41.09	39.90	44.52	45.47
Total	<u>508.22</u>	<u>508.43</u>	<u>503.87</u>	<u>502.72</u>

Source: School District records.

- (1) Reporting methodology changed due to new software integration in Fiscal Year 2012
- (2) Groundskeeping staff added , TV Production category added
- (3) FTE calculations were revised per ODE EMIS Guidelines
- (4) Maintenance Supervisor category added
- (5)Technology, Pupil Services, Food Service added to Administrators

<u>2018 (2,3)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>	<u>2013 (1)</u>
109.79	110.90	105.75	105	106	107
39.31	37.50	38.50	35	37	37
61.09	57.51	58.50	56	59	65
10.60	6.00	13.00	13	11	12
19.30	15.69	14.02	18	10	10
15.80	14.14	14.00	14	14	14
2.00	2.00	2.00	1	1	1
4.00	4.00	5.00	5	5	4
1.93	4.62	4.32	3	3	3
1.00	1.00	1.00	1	1	1
2.00	2.00	2.00	2	2	2
7.78	7.50	8.70	8	8	8
3.00	3.00	4.00	3	3	3
1.00	1.00	1.00	1	1	1
2.00	2.00	2.00	2	2	3
9.00	7.63	6.63	8	6	6
29.21	25.65	26.05	26	27	28
46.79	49.11	44.17	41	42	44
5.00	5.00	5.00	5	6	6
2.00	2.00	2.00	2	2	2
1.00	1.00	1.00	1	1	1
29.54	23.45	24.65	26	24	24
28.88	29.62	28.25	29	30	30
23.16	18.27	18.12	19	19	18
1.00	1.00	1.13	1	1	2
2	-	-	-	-	-
1	-	-	-	-	-
45.60	20.43	22.48	22.03	22.16	22.71
<u>504.78</u>	<u>452.02</u>	<u>453.27</u>	<u>447.53</u>	<u>444.46</u>	<u>454.93</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
2022	3,693	\$ 47,518,281	\$ 12,867	6.04%	266	13.88	10.00%
2021	3,729	45,247,490	12,134	6.10%	267	13.97	20.42%
2020	3,771	43,123,675	11,436	2.86%	225	16.76	20.42%
2019	3,858	42,895,098	11,118	3.46%	223	17.30	17.00%
2018	3,833	41,188,686	10,746	1.91%	225	17.04	18.00%
2017	3,809	40,164,098	10,545	5.27%	228	16.71	20.00%
2016	3,807	38,134,195	10,017	-0.25%	225	16.92	19.00%
2015	3,735	37,506,457	10,042	5.09%	239	15.63	18.00%
2014	3,772	36,046,397	9,556	-6.60%	226	16.69	18.00%
2013	3,806	38,940,060	10,231	-5.77%	232	16.41	19.00%

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)
2022	\$ 41,418	\$ 92,362	\$ 75,119
2021	39,809	88,775	67,585
2020	39,415	87,896	70,565
2019	39,415	87,896	71,739
2018	39,219	87,459	68,228
2017	38,735	85,604	64,427
2016	37,790	83,516	61,856
2015	(c)	36,779	81,282
2014	(c)	36,779	81,282
2013	(c)	36,779	81,282
			64,756

Sources:

(a) District salary schedules

(b) Ohio Department of Education (ODE)

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

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

AVON LAKE CITY SCHOOL DISTRICT
TEACHER EDUCATION AND EXPERIENCE
JUNE 30, 2022

Degree	Number of Teachers	Percentage of Total
Bachelor's Degree	14	6.2%
Bachelor + 10	4	1.8%
Bachelor + 20	15	6.6%
Master's Degree	33	14.5%
Master's + 10	45	19.8%
Master's + 20	37	16.3%
Master's + 30	33	14.5%
Master's + 45	46	20.3%
	<u>227</u>	<u>100.0%</u>

Experience	Number of Teachers	Percentage of Total
0 - 5	23	10.1%
6-10	37	16.3%
11 and over	167	73.6%
	<u>227</u>	<u>100.0%</u>

Source: School District records.

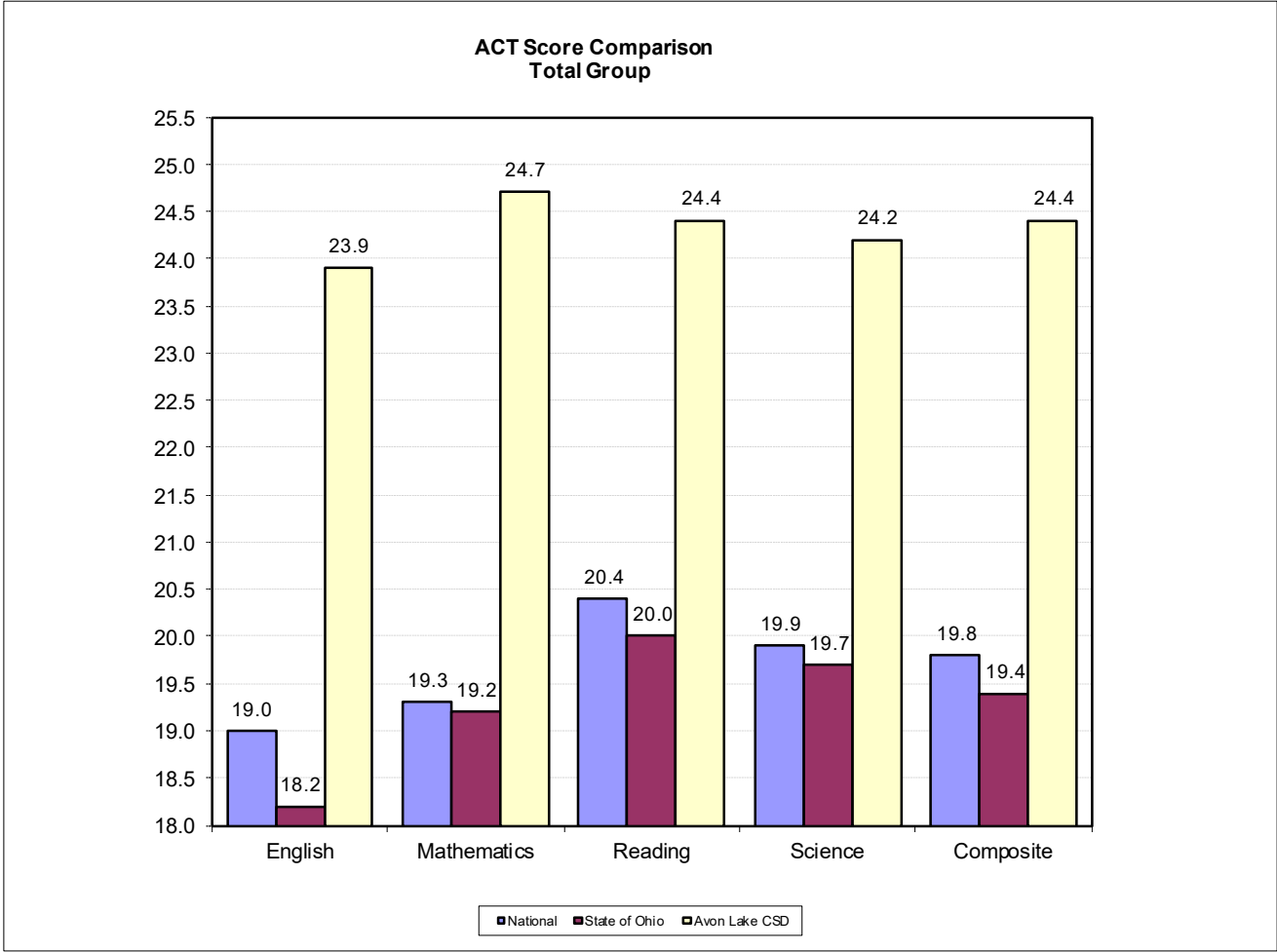
AVON LAKE CITY SCHOOL DISTRICT
 AVERAGE ACT SCORES
 LAST TEN FISCAL YEARS

English:	Avon Lake	State of Ohio	National	Science:	Avon Lake	State of Ohio	National
2021 - 2022	23.9	18.2	19.0	2021 - 2022	24.2	19.7	19.9
2020 - 2021	23.7	18.5	19.6	2020 - 2021	23.9	19.8	20.4
2019 - 2020	24.8	18.8	19.9	2019 - 2020	24.9	20.0	20.6
2018 - 2019	25.5	19.0	20.1	2018 - 2019	25.3	20.1	20.6
2017 - 2018	24.4	19.3	20.2	2017 - 2018	24.3	20.4	20.7
2016 - 2017	24.6	21.2	20.3	2016 - 2017	25.3	22.0	21.0
2015 - 2016	24.4	21.2	20.1	2015 - 2016	24.9	22.0	20.8
2014 - 2015	24.1	21.4	20.4	2014 - 2015	24.4	22.0	20.9
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

Math:	Avon Lake	State of Ohio	National	Composite:	Avon Lake	State of Ohio	National
2021 - 2022	24.7	19.2	19.3	2021 - 2022	24.4	19.4	19.8
2020 - 2021	24.9	19.5	19.9	2020 - 2021	24.4	19.6	20.3
2019 - 2020	25.7	19.8	20.2	2019 - 2020	25.3	19.9	20.6
2018 - 2019	25.9	19.9	20.4	2018 - 2019	25.8	20.0	20.7
2017 - 2018	24.8	20.3	20.5	2017 - 2018	24.8	20.3	20.8
2016 - 2017	25.3	21.6	20.7	2016 - 2017	25.2	22.0	21.0
2015 - 2016	25.0	21.6	20.6	2015 - 2016	25.0	22.0	20.8
2014 - 2015	24.6	21.7	20.8	2014 - 2015	24.6	22.0	21.0
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

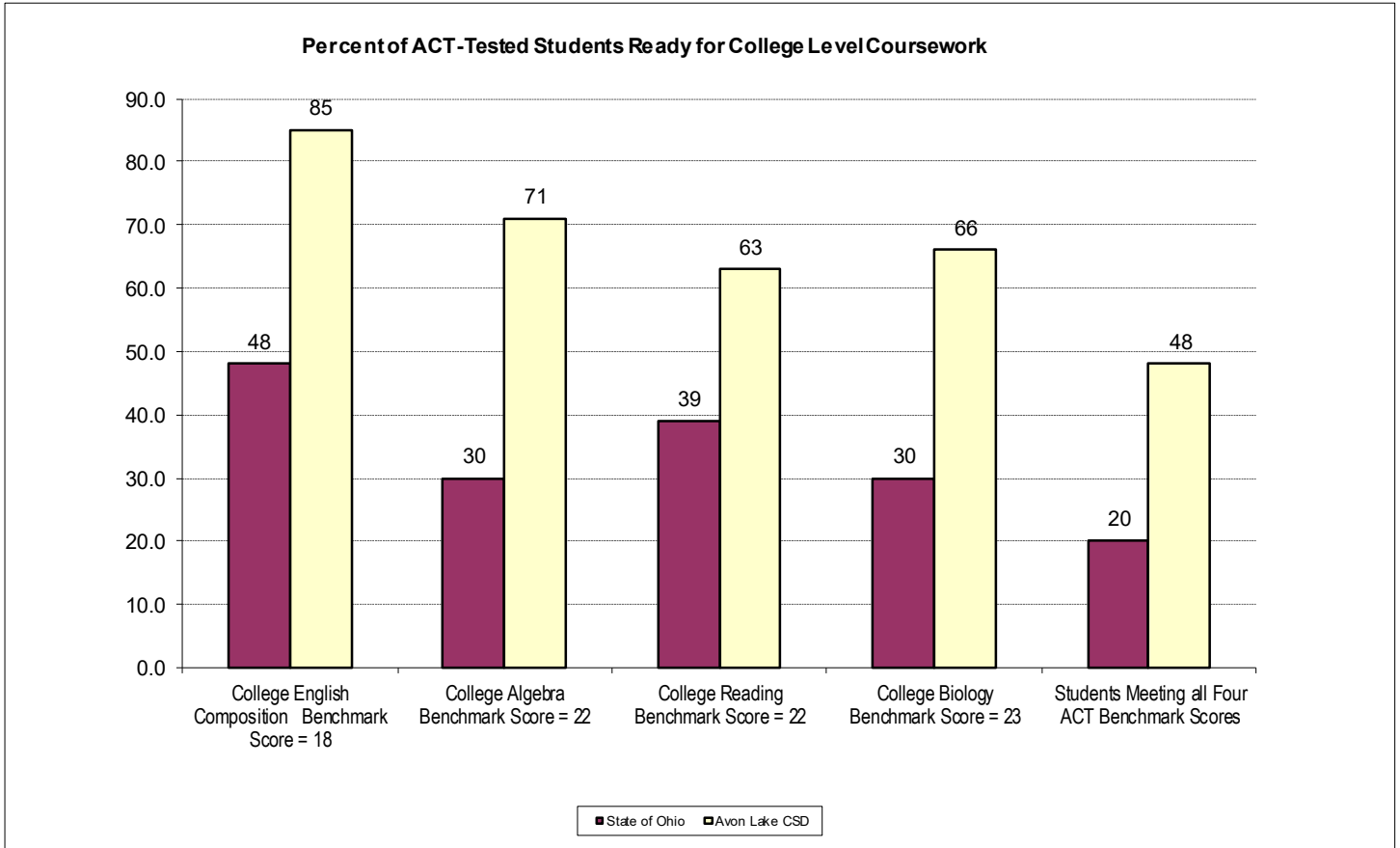
Reading:	Avon Lake	State of Ohio	National
2021 - 2022	24.4	20.0	20.4
2020 - 2021	24.3	20.2	20.9
2019 - 2020	25.1	20.4	21.2
2018 - 2019	25.8	20.5	21.2
2017 - 2018	25.3	20.8	21.3
2016 - 2017	25.0	22.5	21.4
2015 - 2016	23.4	22.1	21.3
2014 - 2015	24.8	22.5	21.4
2013 - 2014	24.7	22.4	21.3
2012 - 2013	25.1	22.2	21.1
2011 - 2012	23.4	22.1	21.3

AVON LAKE CITY SCHOOL DISTRICT
2020 ACT SCORE COMPARISON
JUNE 30, 2022



Source: American College Testing Program

AVON LAKE CITY SCHOOL DISTRICT
PERCENT OF ACT TESTED STUDENTS READY FOR COLLEGE LEVEL COURSEWORK
JUNE 30, 2022



Source: American College Testing Program

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

	2022	2021	2020	2019
Elementary Schools				
Eastview (1950)				
Square feet	42,048	42,048	42,048	42,048
Enrollment	380	407	422	431
Erievew (1950)				
Square feet	34,593	34,593	34,593	34,593
Enrollment	294	289	293	280
Redw ood (1962)				
Square feet	58,780	58,780	58,780	58,780
Enrollment	402	430	441	427
Troy (1970)				
Square feet	86,150	85,150	85,150	85,150
Enrollment	553	529	540	604
Westview (1957)				
Square feet	41,961	41,961	41,961	41,961
Enrollment	255	257	240	225
Middle School				
Learw ood (1959)				
Square feet	110,911	110,911	110,911	110,911
Enrollment	516	607	615	621
High School				
Avon Lake High (1927)				
Square feet	314,612	314,612	314,612	314,612
Enrollment	1,142	1,210	1,220	1,270

Source: District records.

2018	2017	2016	2015	2014	2013
42,048	42,048	42,048	42,048	42,048	42,048
413	436	418	429	448	428
34,593	34,593	34,593	34,593	34,593	34,593
278	280	291	273	288	288
58,780	58,780	58,780	58,780	58,780	58,780
440	438	453	455	462	460
85,150	85,150	85,150	85,150	85,150	86,150
607	595	617	608	615	601
41,961	41,961	41,961	41,961	41,961	41,961
220	216	235	211	226	261
110,911	110,911	110,911	110,911	110,911	110,911
648	616	627	613	573	605
314,612	314,612	314,612	314,612	314,612	314,612
1,227	1,228	1,166	1,148	1,171	1,178

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OHIO AUDITOR OF STATE KEITH FABER



AVON LAKE CITY SCHOOL DISTRICT

LORAIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/19/2023

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov