

**AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY**

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**AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2000**

FEDERAL GRANTOR	Pass-Through	CFDA		Non-Cash		Non-Cash
Pass-Through Grantor/ Program Title	Entity Number	Number	Receipts	Receipts	Disbursements	Disbursements
UNITED STATES DEPARTMENT OF AGRICULTURE						
<i>Passed Through the Ohio Department of Education</i>						
Child Nutrition Cluster:						
Food Distribution	N/A	10.550	\$0	\$37,735	\$0	\$22,413
National School Lunch	PU 00	10.555	66,031	0	66,031	0
Total U. S. Department of Agriculture - Nutrition Cluster			66,031	37,735	66,031	22,413
UNITED STATES DEPARTMENT OF LABOR						
<i>Passed Through the Ohio Department of Education</i>						
Employment Services and Job Training Pilot	N/A	17.249	0	0	15,000	0
UNITED STATES DEPARTMENT OF EDUCATION						
<i>Passed Through the Ohio Library Board</i>						
State Library Program	IV-1-F-7-98	45.310	0	0	10,421	0
<i>Passed Through the Ohio Department of Education</i>						
Special Education Cluster:						
Special Education Grants to States	6B-SF 00	84.027	135,873	0	86,267	0
	6B-SF 99		27,620	0	39,393	0
Total CFDA			163,493	0	125,660	0
Special Education- Pre-School	PG-S1 00	84.173	16,825	0	0	0
	PG-S1 99		0	0	16,224	0
Total CFDA			16,825	0	16,224	0
Total Special Education Cluster			180,318	0	141,884	0
Title I Grants to Local Educational Agencies	C1-S1 99	84.010	0	0	29,056	0
	C1-S1 98		0	0	1,334	0
Total CFDA			0	0	30,390	0
Title II Consolidated Federal	N/A	84.151	16,608	0	10,626	0
	N/A		2,201	0	7,603	0
Total CFDA			18,809	0	18,229	0
Eisenhower Math and Science	MS-S1 00	84.164	8,851	0	1,714	0
	MS-S1 99		0	0	3,599	0
Total CFDA			8,851	0	5,313	0
Safe and Drug Free Schools and Communities	DR-S1 00	84.186	12,688	0	8,734	0
	DR-S1 99		0	0	3,683	0
Total CFDA			12,688	0	12,417	0
Eisenhower Professional Development	MS-S1 07	84.281	0	0	9,448	0
Class Size Reduction	N/A	84.340	29,106	0	18,098	0
Total U. S. Department of Education			249,772	0	246,200	0
Total Federal Assistance			ERR	ERR	ERR	ERR

See Notes to the Schedule of Federal Awards Receipts and Expenditures.

**AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
JUNE 30, 2000**

NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES

NOTE A -- BASIS OF PRESENTATION

The accompanying Schedule of Federal Awards Receipts and Expenditures (Schedule) includes the federal grant activity of the District and is presented on the cash basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

NOTE B -- FOOD DISTRIBUTION

Nonmonetary assistance received from the U.S. Department of Agriculture is reported in the Schedule at the fair market value of the food commodities received and consumed. At June 30, 2000, the value of the District's food commodities inventory was \$5,131.

CFDA – Catalog of Federal Domestic Assistance

N/A – Not available



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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Board of Education
Avon Lake City School District
Lorain County
175 Avon Belden Road
Avon Lake, OH 44012

We have audited the financial statements of the Avon Lake City School District, Lorain County, Ohio, (the District) as of and for the year ended June 30, 2000, and have issued our report thereon dated December 8, 2000, in which we noted the District restated the balances of the General Fixed Assets and General Long-Term Obligation Account Groups. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated December 8, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 8, 2000.

Avon Lake City School District
Lorain County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

This report is intended for the information and use of management, Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

December 8, 2000



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR
FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Education
Avon Lake City School District
Lorain County
175 Avon Belden Road
Avon Lake, OH 44012

Compliance

We have audited the compliance of the Avon Lake City School District, Lorain County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to the major federal program for the year ended June 30, 2000. The District's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to the major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to the major federal program for the year ended June 30, 2000.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on the major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. We noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 8, 2000.

Schedule of Federal Awards Receipts and Expenditures

We have audited the general-purpose financial statements of the District as of and for the year ended June 30, 2000, and have issued our report thereon dated December 8, 2000, in which we noted the District restated the balances of the General Fixed Assets and General Long-Term Obligation Account Groups. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying Schedule of Federal Awards Receipts and Expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended for the information and use of management, Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

December 8, 2000

**AVON LAKE CITY SCHOOL DISTRICT
LORAIN COUNTY
JUNE 30, 2000**

SCHEDULE OF FINDINGS

1. SUMMARY OF AUDITOR'S RESULTS
--

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unqualified
(d)(1)(ii)	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
(d)(1)(vi)	<i>Are there any reportable findings under § .510?</i>	No
(d)(1)(vii)	<i>Major Programs (list)</i>	Special Education Cluster, CFDA #84.027 and 84.173
(d)(1)(viii)	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	Yes

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

None.

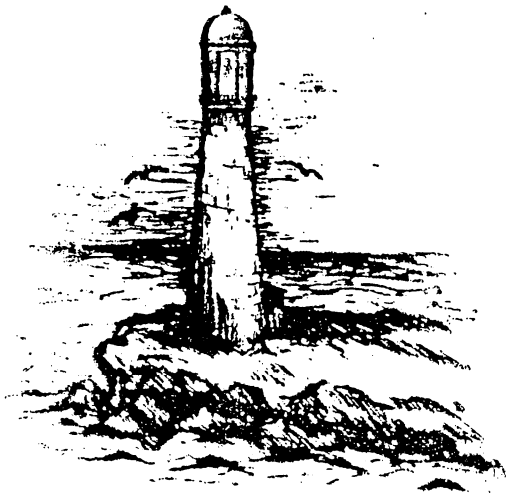
3. FINDINGS FOR FEDERAL AWARDS

None.

Avon Lake
City School District
Avon Lake, Ohio

Comprehensive Annual
Financial Report

For the Fiscal Year Ended
June 30, 2000



Issued by : Treasurer's Office

Denise J. Armour
Treasurer

Avon Lake City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2000
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Avon Lake City Schools

Treasurer's Office

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December 8, 2000

Board of Education
Avon Lake City School District
175 Avon Belden Road
Avon Lake, Ohio 44012

We are pleased to submit to you Avon Lake City School District's Comprehensive Annual Financial Report (CAFR). This CAFR includes an opinion from Jim Petro, Auditor of State of Ohio, 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. We believe the data as presented are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Avon Lake City School District.

This report will provide the taxpayers of Avon Lake City School District with comprehensive financial data in a format that enables them to gain a clearer understanding of the School District's finances. Copies will be made available to the Avon Lake Public Library, major taxpayers, financial rating services and other interested parties. We are proud to be the first school district in Lorain County to receive both the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials Certification of Excellence in Financial Reporting. Avon Lake City School District was the sixth school district in the State of Ohio to receive these awards. There are presently 611 school districts in the State of Ohio. We intend to continue financial reporting improvements based on management experience and reader input. Comments on this report are respectfully requested.

The comprehensive annual financial report is presented in three sections as follows:

1. The Introductory Section contains a Table of Contents, Letter of Transmittal, GFOA Certificate of Achievement, ASBO Certificate of Excellence, List of Principal Officials and an Organizational Chart of the School District.
2. The Financial Section begins with the Report of Independent Accountants and includes the General Purpose Financial Statements and Notes that provide an overview of the School District's financial position and operating results, the Combining Statements by Fund Type, and other schedules that provide detailed information relative to the General Purpose Financial Statements.
3. The Statistical Section presents various tables reflecting social and economic information, financial trends and the fiscal capacity of the Avon Lake City School District.

The School District

Avon Lake City School District is located in a residential/commercial suburban community in 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 which 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 and a physical education complex was added, and the Learwood Middle School, Erieview Elementary, Eastview Elementary, Westview Elementary, Redwood Elementary, and Troy Junior High School have been 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. Today, the citizens of Avon Lake have an investment of \$22,991,873 in School District land, buildings, equipment and vehicles (excludes textbooks and library books and accumulated depreciation). The Community Education Center ceased to operate in the Troy Building as of July, 1991 due to the economy of operations. The Troy building was reopened for instruction beginning in fiscal year 1996.

Statutorily, the School District operated under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code, to provide educational services mandated by State and/or Federal Agencies.

The Reporting Entity And Services Provided

Avon Lake City School District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." 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 Lake Erie Education Computer Association, the Lake Erie Regional Council, the Lorain County Joint Vocational School District and the Ohio Schools Council are jointly governed organizations whose relationship to the School District is described in Note 18 to the general purpose financial statements.

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

Economic Condition And Outlook

Ohio House Bill 920, passed in 1976, provides that the assessed value of property will not be changed more than once every three years, and that the property tax bill of the average homeowner for voted millage will not be increased as a result of reappraisal or readjustment. This legislation has the effect of seriously eroding the growth in revenue from the local property tax. It was enacted as a result of protests from citizens who were being served markedly higher bills following reappraisals. Because of this Ohio law, little additional revenue can be generated from the existing tax duplicate except through a vote of the people or from newly constructed commercial and residential property. If Ohio House Bill 920 had not been passed, the Avon Lake School District would not have had to pass new millage for the past sixteen years as the growth in valuation would have been sufficient to adequately fund the Avon Lake City Schools. A direct result of this legislation is the fact that our School District will periodically have tax issues that will require voter approval. A levy for 3.9 mills was defeated in March of 1996 and was resubmitted to voters in November of 1996 at which time they passed it.

House Bill 920 affects residential and commercial real estate tax. Ohio law makers have also passed legislation that has been reducing tangible taxes (the taxes paid by businesses on equipment and inventory) over the past decade. Each year, the assessment rate for this property and inventory was lowered one percent until 1993 when it reached twenty-five percent. This, too, has resulted in lost revenue for all Ohio schools.

Another economic factor impacting local revenue growth is tax abatements. Both Ford Motor Company and the Geon Corporation received major abatements in recent years. While the expansion of these local corporate giants into the City of Avon Lake is certainly a positive boost to the local economy, the abatements severely curtailed the local tax income that would have benefitted our local schools. Additionally, the first tax incentive agreement under the Community Reinvestment Program of the City of Avon Lake was approved for Ed Tomko Chrysler-Plymouth, Jeep & Eagle automobile dealership. The tax loss to the schools under this incentive totals \$74,179 over fifteen years. The Ford Motor Co. abatement is scheduled to come off the tax duplicate in 2001, generating approximately \$350,000 to \$400,000 in additional revenue as estimated by the Lorain County Auditor. Also, electric deregulation will impact the Avon Lake City School District, but the extent is not precisely known. The State of Ohio has passed legislation to replace lost funds. This will lower income from local property taxes and increase income at the State level.

The recent Ohio Supreme Court decision overturning the State's method of funding schools creates another major concern for the future financing of our local schools. While we receive a relatively small (fifteen percent) portion of our revenue from State sources, we are viewed by the State as a comparatively wealthy school district. This is due to our large property tax base. So far, the State's resolution of this funding crisis has resulted in a seemingly "flat" revenue stream, however some loss has been realized in the area of funding special education. The political process is still being played out in Columbus.

Total Avon Lake City School District enrollment has increased by almost twenty percent in the last decade and new residential construction continues. The opening of Avon Lake Towne Center became a reality in the 1997-1998 school year, housing several specialty shops and a Top's Superstore supermarket.

Major Initiatives

Bond anticipation notes in the amount of \$41,800,000 were issued July 1, 1999 for the purpose of various improvements to school buildings. The notes were issued at 3.9 percent with a maturity date of December 21, 1999. General obligation bonds were sold on September 23, 1999. The bonds were issued at an interest rate of 4.125 to 5.4 percent with a final maturity date of December 1, 2026. Bricker and Eckler were appointed to represent the School District as bond counsel and McDonald Investments, Inc. as the underwriter. Moody's Investors Service, Inc. rated the bonds A1. Financial Guarantee Insurance Company (FGIC) provided the insurance at the lowest premium rate within the State of Ohio at .09% of the total debt service. Because the bonds were insured, they were sold with a Moody's rating of Aaa and a Standard & Poor's rating of AAA.

The expansions and renovations of the Avon Lake City School District are well underway and proceeding as anticipated. Bids were accepted in the late spring of 2000 for the renovations and expansions of Eastview Elementary and Erieview Elementary. Preliminary work was also done at Avon Lake High School. Although the renovations at Eastview Elementary and Erieview Elementary are a small portion of the entire project, much knowledge and experience has been attained from the bidding and construction process on these small projects. Bids for the other buildings in the School District will be accepted at various times in fiscal year 2001.

Financial Information

Basis of Accounting - The School District's accounting system is organized on a "fund" basis. Each fund or account group is a distinct self-balancing accounting entity. Records for general governmental operations are reported on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recorded when the related fund liability is incurred. Records of the proprietary operations are reported on the accrual basis in which revenues are recognized when earned and expenses recorded when the related liability is incurred.

Accounting System 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 fixed 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.

The Board of Education adopts the annual budget for the School District in early January. All disbursements and transfers of cash between funds require appropriation authority from the board. All purchase order requests must be approved by the Assistant Superintendent or the Director of Building and Grounds; necessary appropriations are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional funds are secured. The accounting system used by the School District currently provides interim financial reports with detail year-to-date expenditures and encumbrances versus the original appropriations and which are available for review prior to authorizing additional purchases.

In addition to interim financial statements, each administrator is currently furnished monthly reports showing the status of the accounts for which they are responsible. The reports detail monthly transaction of revenues and expenditures.

The basis of accounting and the various funds and account groups utilized by Avon Lake City Schools are fully described in Note 2 of the Notes to the General Purpose Financial Statements. Additional information on the School District's budgetary accounting can also be found there.

General Governmental Functions - The following schedule presents a summary of governmental funds' revenues for the fiscal years ended June 30, 1999 and 2000, and the amount and percentage of increases and decreases in relation to the prior year's revenues.

	1999 Amount	2000 Amount	Percent of Total	Change	Percent Change
Revenues:					
Taxes	\$17,735,288	\$20,719,032	76.46%	\$2,983,744	17.74%
Intergovernmental	3,246,696	3,538,190	13.06	291,494	8.98
Interest	573,565	2,209,388	8.15	1,635,823	285.20
Tuition and Fees	65,928	75,037	0.28	9,109	13.82
Extracurricular Activities	261,595	313,653	1.16	52,058	19.90
Donations	92,350	156,670	0.58	64,320	69.65
Rentals	6,314	9,582	0.04	3,268	51.76
Miscellaneous	4,760	76,772	0.28	72,012	1,512.86
Total Revenues	<u>\$21,986,496</u>	<u>\$27,098,324</u>	<u>100.00%</u>	<u>\$5,111,828</u>	

Taxes revenue increased due to the passage of our Bond Issue in May 1999.

Interest revenues increased due to the School District having the Bond Issue monies to invest during much of fiscal year 2000.

Extracurricular Activities revenues increased due to the winning seasons that our teams had in fiscal year 2000.

Donation revenue has increased due to receiving more community donations.

Miscellaneous revenue increased due to our construction project.

The schedule below represents a summary of governmental funds' expenditures for the years ended June 30, 1999 and 2000 and the amounts and percentages of increases and decreases in relation to the prior year's expenditures.

	1999 Amount	2000 Amount	Percent of Total	Change	Percent Change
Expenditures:					
Current:					
Instruction:					
Regular	\$9,866,600	\$10,542,815	37.52%	\$676,215	6.85%
Special	1,271,982	1,595,555	5.68	323,573	25.44
Vocational	143,794	177,010	0.63	33,216	23.10
Support Services:					
Pupils	1,061,754	1,147,167	4.09	85,413	8.04
Instructional Staff	898,107	957,277	3.41	59,170	6.59
Board of Education	251,372	334,084	1.19	82,712	32.90
Administration	1,717,655	2,032,944	7.23	315,289	18.36
Fiscal	502,699	519,373	1.85	16,674	3.32
Business	89,847	88,365	0.31	(1,482)	(1.65)
Operation and					
Maintenance of Plant	1,906,088	2,038,514	7.25	132,426	6.95
Pupil Transportation	675,732	779,798	2.78	104,066	15.40
Central	27,430	46,077	0.16	18,647	67.98
Operation of Non-					
Instructional Services	145,319	166,016	0.59	20,697	14.24
Extracurricular Activities	615,600	660,459	2.35	44,859	7.29
Capital Outlay	669,928	3,463,186	12.32	2,793,258	416.95
Debt Service:					
Principal Retirement	634,655	585,000	2.08	(49,655)	(7.82)
Interest and Fiscal Charges	499,727	2,967,142	10.56	2,467,415	493.75
Total Expenditures	<u>\$20,978,289</u>	<u>\$28,100,782</u>	<u>100.00%</u>	<u>\$7,122,493</u>	33.95%

Regular instruction increased due to the hiring of additional staff, due to increased enrollment and pay increases.

Special instruction increased due to the hiring of additional staff and increased hours.

Vocational instruction increased due to the hiring of additional staff.

Administrative expenditures rose in fiscal year 2000 due to both an increase in staff and also purchased services.

Operation and Maintenance of Plant increased due to an increase in purchased services, some of which are associated with the building project.

Pupil transportation increased due to the purchase of a bus and also adding more bus routes, which increased salary and fringe benefits.

Capital outlay increased due to the passage of our bond issue and the actual start of construction.

Interest and Fiscal Charges increased due to the repayment of the \$41,800,000 note in fiscal year 2000.

Financial Highlights - General Fund Balance - The fund balance of the general fund increased from \$3,291,282 at June 30, 1999 to \$4,486,153 at June 30, 2000. The increase is primarily due to maintaining expenditures at a level that is significantly less than annual revenues.

Financial Highlights - Special Revenue Funds - Special revenue funds account for revenues from specific sources which are legally restricted to expenditures for a specific purpose. Special revenue fund balances increased from \$353,787 in 1999 to \$436,142 in 2000. The increase is due to an increase in student participation in school activities.

Financial Highlights - Debt Service Funds - Debt service funds consist of the Bond Retirement and the Library Bond Retirement funds. The debt service fund balances increased from \$2,410,455 in 1999 to \$2,475,278 in 2000. The increase is due to the School District receiving more revenue in property tax to help finance the school building construction.

Financial Highlights - Capital Projects Funds - Capital projects funds account for the acquisition, construction or improvement of capital facilities. The capital projects fund balances increased from \$335,907 in 1999 to \$41,167,806 in 2000. The increase is due to the School District financing a major school improvement with general obligation bonds.

Financial Highlights - Enterprise Funds - Food Service, Uniform School Supplies, and Adult Education funds are classified as enterprise operations since they resemble those activities in private industry. Management periodically desires to determine the amount of profit/loss resulting from operations that are significantly financed from user fees. Enterprise operations had a net income of \$39,043 for the fiscal year ended June 30, 2000. Of the proprietary funds, the Food Service Enterprise Fund was the only fund which had deficit retained earnings at June 30, 2000. Management is analyzing the food service operations to determine appropriate steps to eliminate the deficit.

Financial Highlights - Trust and Agency Funds - The Special Trust Fund carried on the financial records relates to memorial donations for specific purposes. The School District functions as fiscal agent for student funds, representing a variety of student groups.

General Fixed Assets - The general fixed assets of the Avon Lake City School District are used to carry on the main education and support function of the system and are not financial resources available for expenditures. The total general fixed assets at June 30, 2000 was \$24,081,261. Such assets are accounted for at historical cost. Depreciation is not recognized on general fixed assets.

Debt Administration - At June 30, 2000 general obligation bonds outstanding totaled \$50,135,432. During fiscal year 2000, \$585,000 of general obligation bonds were retired. As of June 30, 2000, the overall debt margin was \$5,403,135 and the unvoted debt margin was \$589,592. All existing bond obligations are general obligation debt backed by the full faith and credit of the School District and will be retired fully by fiscal year 2027.

Cash Management - The Board pursues an aggressive cash management program by expediting the receipt of revenues and prudently depositing available cash in accounts collateralized by instruments issued by the United States Government or the State of Ohio or insured by the Federal Deposit Insurance Corporation. The total amount of interest earned was \$2,209,628 for the year ended June 30, 2000, \$591,833 being credited directly to the General Fund and \$1,617,339 to the capital projects funds. The program is beneficial because of access to daily balances which enables the Board to maintain minimum balance accounts and invest to the maximum extent.

Protection of the School District's deposits is provided by the federal deposit insurance corporation as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Risk Management - The School District participates in a shared risk pool for hospital/medical benefits for its employees. The Lake Erie Regional Council (LERC) "pool" is comprised of thirteen Lorain County school districts. All risk is transferred to LERC and claims are paid through a common fund controlled by LERC. Stop-loss coverage is purchased by LERC.

All employees of Avon Lake City School District are covered by a blanket bond, while certain individuals in policy-making roles are covered by separate, higher limit bond coverage.

The School District uses the State Workers' Compensation plan and pays the premium based on a rate per \$100 of salaries. The School District contracts for general liability insurance, vehicle insurance, and professional liability insurance.

Pension Plans - All School District employees are covered by the state-wide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). The School District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the School District to pay the employer share as determined by each retirement system. See Note 12 to the general purpose financial statements for complete details.

Independent Audit

State statutes require the School District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Jim Petro, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2000. 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 schools in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1979 year.

Awards

GFOA Certificate of Achievement -The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Avon Lake City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1999. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

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

In addition, the School District will submit its CAFR to the Association of School Business Officials International.

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, 1999 to the Avon Lake City School District. This award certifies that the Comprehensive Annual Financial Report substantially conformed to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials. Management believes that the Comprehensive Annual Financial Report for fiscal year ended June 30, 2000, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

Acknowledgments

The publication of this report is a significant step toward professionalizing the Avon Lake City School District's financial reporting. It enhances the School District's accountability to the residents of the Avon Lake City School District.

The preparation of this report would not have been possible without the assistance and support of the staff of the Treasurer's office, various administrators and staff members of the School District. Assistance from the County Auditor's staff and outside agencies made possible the fair presentation of statistical data.

Special appreciation is expressed to the Local Government Services Division of State Auditor Jim Petro's office for assistance in planning, designing and reviewing this financial report.

Finally, sincere appreciation is extended to the Board of Education for their support for this project.

Respectfully submitted,



Denise Armour
Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Avon Lake City School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1999

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Cary Brubaker
President

Jeffrey L. Esser
Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to
AVON LAKE CITY SCHOOL DISTRICT
For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 1999

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Sam Deering
President

Don F. Hagen
Executive Director

AVON LAKE BOARD OF EDUCATION

PRINCIPAL OFFICIALS

June 30, 2000

Board of Education

Dr. Robert Berner President
Dr. Terrence M. Ryan Vice President
Mr. Mark Bennett Member
Mr. Michael J. Mannino Member
Mrs. Nancy Stoneburner Member

Treasurer

Mrs. Denise Armour

Administration

Dr. Daniel B. Ross Superintendent
Dr. Cheryl Dubsky Assistant Superintendent
Mr. Thomas R. Barone Director of Athletics and Special Projects



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OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

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REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying general-purpose financial statements of the Avon Lake City School District, Lorain County, Ohio, (the District) as of and for the year ended June 30, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Avon Lake City School District, Lorain County, Ohio, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

As described in Note 3 to the accompanying general-purpose financial statements, the District restated the balances in the General Fixed Assets and General Long-Term Obligation Account Groups.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2000 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the District, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

December 8, 2000

Avon Lake City School District
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<i>Assets and Other Debits</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$3,682,427	\$459,013	\$1,646,943	\$41,951,665
Cash and Cash Equivalents With Fiscal Agent	0	0	0	3,691
Receivables:				
Taxes	17,987,807	0	3,604,376	630,152
Accounts	2,878	9,743	4,281	0
Intergovernmental	2,350	0	0	10,305
Interfund Receivable	166	0	0	0
Due from Other Funds	0	0	48,975	0
Prepaid Items	105,432	508	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	42,636	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	285,832	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
Other Debits				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
<i>Total Assets and Other Debits</i>	<u>\$22,109,528</u>	<u>\$469,264</u>	<u>\$5,304,575</u>	<u>\$42,595,813</u>

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		Trust and Agency	General Fixed Assets	
Enterprise				
\$145,544	\$97,585	\$0	\$0	\$47,983,177
0	0	0	0	3,691
0	0	0	0	22,222,335
1,844	0	0	0	18,746
9,275	0	0	0	21,930
0	0	0	0	166
0	0	0	0	48,975
1,299	0	0	0	107,239
5,131	0	0	0	5,131
27,931	0	0	0	70,567
0	0	0	0	285,832
153,236	0	24,081,261	0	24,234,497
0	0	0	2,312,230	2,312,230
0	0	0	49,968,879	49,968,879
<u>\$344,260</u>	<u>\$97,585</u>	<u>\$24,081,261</u>	<u>\$52,281,109</u>	<u>\$147,283,395</u>

(continued)

Avon Lake City School District
Combined Balance Sheet
All Fund Types and Account Groups (continued)
June 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<i>Liabilities, Fund Equity and Other Credits</i>				
Liabilities				
Accounts Payable	\$30,730	\$12,363	\$0	\$5,430
Contracts Payable	0	0	0	463,884
Accrued Wages and Benefits	1,646,080	20,479	0	0
Compensated Absences Payable	45,387	0	0	0
Retainage Payable	0	0	0	3,691
Interfund Payable	0	166	0	0
Due to Other Funds	0	0	0	48,975
Intergovernmental Payable	393,285	114	0	74
Deferred Revenue	15,443,716	0	2,992,345	533,474
Arbitrage Rebate Payable	0	0	0	372,479
Undistributed Monies	0	0	0	0
Due to Students	0	0	0	0
Early Retirement Incentive Payable	64,177	0	0	0
General Obligation Bonds Payable	0	0	0	0
<i>Total Liabilities</i>	<u>17,623,375</u>	<u>33,122</u>	<u>2,992,345</u>	<u>1,428,007</u>
Fund Equity and Other Credits				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings (Deficit):				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	214,869	23,932	0	6,735,838
Reserved for Inventory	42,636	0	0	0
Reserved for Property Taxes	2,544,091	0	612,031	96,678
Reserved for Budget Stabilization	285,832	0	0	0
Unreserved, Undesignated	1,398,725	412,210	1,700,199	34,335,290
<i>Total Fund Equity and Other Credits</i>	<u>4,486,153</u>	<u>436,142</u>	<u>2,312,230</u>	<u>41,167,806</u>
<i>Total Liabilities, Fund Equity and Other Credits</i>	<u>\$22,109,528</u>	<u>\$469,264</u>	<u>\$5,304,575</u>	<u>\$42,595,813</u>
See accompanying notes to the general purpose financial statements				

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$2,836	\$0	\$0	\$0	\$51,359
0	0	0	0	463,884
6,684	0	0	0	1,673,243
24,545	0	0	1,833,305	1,903,237
0	0	0	0	3,691
0	0	0	0	166
0	0	0	0	48,975
28,723	0	0	205,514	627,710
5,131	0	0	0	18,974,666
0	0	0	0	372,479
0	4,127	0	0	4,127
0	88,826	0	0	88,826
0	0	0	106,858	171,035
0	0	0	50,135,432	50,135,432
<u>67,919</u>	<u>92,953</u>	<u>0</u>	<u>52,281,109</u>	<u>74,518,830</u>
0	0	24,081,261	0	24,081,261
368,619	0	0	0	368,619
(92,278)	0	0	0	(92,278)
0	0	0	0	6,974,639
0	0	0	0	42,636
0	0	0	0	3,252,800
0	0	0	0	285,832
0	4,632	0	0	37,851,056
<u>276,341</u>	<u>4,632</u>	<u>24,081,261</u>	<u>0</u>	<u>72,764,565</u>
<u>\$344,260</u>	<u>\$97,585</u>	<u>\$24,081,261</u>	<u>\$52,281,109</u>	<u>\$147,283,395</u>

Avon Lake City School District
*Combined Statement of Revenues, Expenditures
and Changes in Fund Balances*
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 2000

	Governmental Fund Types		
	General	Special Revenue	Debt Service
Revenues			
Taxes	\$17,874,806	\$0	\$2,224,542
Intergovernmental	2,704,578	609,450	167,005
Interest	591,833	216	0
Tuition and Fees	75,037	0	0
Extracurricular Activities	0	313,653	0
Donations	10	156,660	0
Rentals	9,582	0	0
Miscellaneous	5,818	11,398	53,256
<i>Total Revenues</i>	<u>21,261,664</u>	<u>1,091,377</u>	<u>2,444,803</u>
Expenditures			
Current:			
Instruction:			
Regular	10,420,650	120,750	0
Special	1,443,861	151,694	0
Vocational	177,010	0	0
Support Services:			
Pupils	1,005,906	141,261	0
Instructional Staff	920,043	37,234	0
Board of Education	334,084	0	0
Administration	1,981,966	50,978	0
Fiscal	518,842	531	0
Business	88,365	0	0
Operation and Maintenance of Plant	2,038,514	0	0
Pupil Transportation	779,798	0	0
Central	0	46,077	0
Operation of Non-Instructional Services	454	165,562	0
Extracurricular Activities	365,524	294,935	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	585,000
Interest and Fiscal Charges	0	0	1,958,028
<i>Total Expenditures</i>	<u>20,075,017</u>	<u>1,009,022</u>	<u>2,543,028</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,186,647</u>	<u>82,355</u>	<u>(98,225)</u>
Other Financing Sources (Uses)			
Proceeds of Bonds	0	0	0
Operating Transfers In	0	0	409,807
Operating Transfers Out	0	0	(409,807)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources (Uses) Over Expenditures</i>	<u>1,186,647</u>	<u>82,355</u>	<u>(98,225)</u>
<i>Fund Balances Beginning of Year</i>	<u>3,291,282</u>	<u>353,787</u>	<u>2,410,455</u>
Increase in Reserve for Inventory	<u>8,224</u>	<u>0</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$4,486,153</u>	<u>\$436,142</u>	<u>\$2,312,230</u>

See accompanying notes to the general purpose financial statements

Capital Projects	Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)
\$619,684	\$0	\$20,719,032
57,157	0	3,538,190
1,617,339	0	2,209,388
0	6,012	81,049
0	0	313,653
0	1,000	157,670
0	0	9,582
6,300	0	76,772
<u>2,300,480</u>	<u>7,012</u>	<u>27,105,336</u>
1,415	0	10,542,815
0	0	1,595,555
0	0	177,010
0	4,869	1,152,036
0	0	957,277
0	0	334,084
0	0	2,032,944
0	0	519,373
0	0	88,365
0	0	2,038,514
0	0	779,798
0	0	46,077
0	0	166,016
0	0	660,459
3,463,186	0	3,463,186
0	0	585,000
<u>1,009,114</u>	<u>0</u>	<u>2,967,142</u>
<u>4,473,715</u>	<u>4,869</u>	<u>28,105,651</u>
<u>(2,173,235)</u>	<u>2,143</u>	<u>(1,000,315)</u>
43,005,134	0	43,005,134
0	0	409,807
0	0	(409,807)
<u>43,005,134</u>	<u>0</u>	<u>43,005,134</u>
40,831,899	2,143	42,004,819
335,907	2,489	6,393,920
0	0	8,224
<u>\$41,167,806</u>	<u>\$4,632</u>	<u>\$48,406,963</u>

Avon Lake City School District
*Combined Statement of Revenues, Expenditures and Changes In
Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 2000*

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$17,341,146	\$17,341,146	\$0
Intergovernmental	2,689,716	2,702,585	12,869
Interest	552,091	591,833	39,742
Tuition and Fees	81,271	77,482	(3,789)
Extracurricular Activities	0	0	0
Donations	0	10	10
Rentals	7,211	7,424	213
Miscellaneous	5,035	5,211	176
<i>Total Revenues</i>	<u>20,676,470</u>	<u>20,725,691</u>	<u>49,221</u>
Expenditures			
Current:			
Instruction:			
Regular	10,399,387	10,329,641	69,746
Special	1,448,509	1,416,649	31,860
Vocational	197,785	171,361	26,424
Support Services:			
Pupils	1,038,682	1,011,513	27,169
Instructional Staff	930,184	920,197	9,987
Board of Education	391,841	359,736	32,105
Administration	2,086,862	2,016,692	70,170
Fiscal	587,957	567,583	20,374
Business	109,955	98,872	11,083
Operation and Maintenance of Plant	2,472,941	2,213,402	259,539
Pupil Transportaton	859,802	797,991	61,811
Central	0	0	0
Operation of Non-Instructional Services	1,000	513	487
Extracurricular Activities	407,536	364,374	43,162
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>20,932,441</u>	<u>20,268,524</u>	<u>663,917</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(255,971)</u>	<u>457,167</u>	<u>713,138</u>
Other Financing Sources (Uses)			
Proceeds of Bonds	0	0	0
Proceeds of Notes	0	0	0
Refund of Prior Year Expenditures	536	536	0
Operating Transfers In	0	0	0
Operating Transfers Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>536</u>	<u>536</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(255,435)</u>	<u>457,703</u>	<u>713,138</u>
<i>Fund Balances Beginning of Year</i>	2,809,031	2,809,031	0
Prior Year Encumbrances Appropriated	456,839	456,839	0
<i>Fund Balances End of Year</i>	<u>\$3,010,435</u>	<u>\$3,723,573</u>	<u>\$713,138</u>

Special Revenue Funds			Debt Service Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$1,703,676	\$1,703,676	\$0
637,069	637,069	0	167,005	167,005	0
211	216	5	0	0	0
0	0	0	0	0	0
302,064	313,653	11,589	0	0	0
135,270	156,315	21,045	0	0	0
0	0	0	0	0	0
2,000	2,000	0	0	0	0
<u>1,076,614</u>	<u>1,109,253</u>	<u>32,639</u>	<u>1,870,681</u>	<u>1,870,681</u>	<u>0</u>
171,837	145,012	26,825	0	0	0
202,246	144,363	57,883	0	0	0
0	0	0	0	0	0
160,903	151,560	9,343	0	0	0
40,390	37,424	2,966	0	0	0
0	0	0	0	0	0
79,435	52,790	26,645	0	0	0
6,618	531	6,087	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
444	0	444	0	0	0
57,149	56,782	367	0	0	0
231,160	177,885	53,275	0	0	0
369,757	307,693	62,064	0	0	0
0	0	0	0	0	0
0	0	0	42,385,000	42,385,000	0
0	0	0	2,732,847	2,727,845	5,002
<u>1,319,939</u>	<u>1,074,040</u>	<u>245,899</u>	<u>45,117,847</u>	<u>45,112,845</u>	<u>5,002</u>
<u>(243,325)</u>	<u>35,213</u>	<u>278,538</u>	<u>(43,247,166)</u>	<u>(43,242,164)</u>	<u>5,002</u>
0	0	0	0	0	0
0	0	0	0	0	0
198	198	0	0	0	0
0	0	0	42,979,624	42,979,624	0
0	0	0	(409,807)	(409,807)	0
<u>198</u>	<u>198</u>	<u>0</u>	<u>42,569,817</u>	<u>42,569,817</u>	<u>0</u>
(243,127)	35,411	278,538	(677,349)	(672,347)	5,002
256,142	256,142	0	2,319,290	2,319,290	0
133,324	133,324	0	0	0	0
<u>\$146,339</u>	<u>\$424,877</u>	<u>\$278,538</u>	<u>\$1,641,941</u>	<u>\$1,646,943</u>	<u>\$5,002</u>

(continued)

Avon Lake City School District
*Combined Statement of Revenues, Expenditures and Changes In
Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types and Expendable Trust Fund (continued)
For the Fiscal Year Ended June 30, 2000*

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$599,576	\$599,576	\$0
Intergovernmental	46,852	46,852	0
Interest	1,761,845	1,989,818	227,973
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Donations	0	0	0
Rentals	0	0	0
Miscellaneous	55,275	55,275	0
<i>Total Revenues</i>	<u>2,463,548</u>	<u>2,691,521</u>	<u>227,973</u>
Expenditures			
Current:			
Instruction:			
Regular	265,897	214,013	51,884
Special	0	0	0
Vocational	0	0	0
Support Services:			
Pupils	0	0	0
Instructional Staff	0	0	0
Board of Education	10,000	2,767	7,233
Administration	8,526	8,514	12
Fiscal	77,360	38,540	38,820
Business	0	0	0
Operation and Maintenance of Plant	136,260	133,739	2,521
Pupil Transportaton	338,972	333,394	5,578
Central	23,114	22,115	999
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	41,824,341	9,471,492	32,352,849
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	239,297	239,297	0
<i>Total Expenditures</i>	<u>42,923,767</u>	<u>10,463,871</u>	<u>32,459,896</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(40,460,219)</u>	<u>(7,772,350)</u>	<u>32,687,869</u>
Other Financing Sources (Uses)			
Proceeds of Bonds	43,005,134	43,005,134	0
Proceeds of Notes	41,800,000	41,800,000	0
Refund of Prior Year Expenditures	0	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	(42,648,423)	(42,569,817)	78,606
<i>Total Other Financing Sources (Uses)</i>	<u>42,156,711</u>	<u>42,235,317</u>	<u>78,606</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	1,696,492	34,462,967	32,766,475
<i>Fund Balances Beginning of Year</i>	24,543	24,543	0
<i>Prior Year Encumbrances Appropriated</i>	<u>258,932</u>	<u>258,932</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$1,979,967</u>	<u>\$34,746,442</u>	<u>\$32,766,475</u>

See accompanying notes to the general purpose financial statements.

Expendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$19,644,398	\$19,644,398	\$0
0	0	0	3,540,642	3,553,511	12,869
0	0	0	2,314,147	2,581,867	267,720
6,012	6,012	0	87,283	83,494	(3,789)
5,380	0	(5,380)	307,444	313,653	6,209
0	1,000	1,000	135,270	157,325	22,055
0	0	0	7,211	7,424	213
0	0	0	62,310	62,486	176
11,392	7,012	(4,380)	26,098,705	26,404,158	305,453
0	0	0	10,837,121	10,688,666	148,455
0	0	0	1,650,755	1,561,012	89,743
0	0	0	197,785	171,361	26,424
5,224	4,868	356	1,204,809	1,167,941	36,868
0	0	0	970,574	957,621	12,953
0	0	0	401,841	362,503	39,338
0	0	0	2,174,823	2,077,996	96,827
0	0	0	671,935	606,654	65,281
0	0	0	109,955	98,872	11,083
0	0	0	2,609,201	2,347,141	262,060
0	0	0	1,199,218	1,131,385	67,833
0	0	0	80,263	78,897	1,366
0	0	0	232,160	178,398	53,762
0	0	0	777,293	672,067	105,226
0	0	0	41,824,341	9,471,492	32,352,849
0	0	0	42,385,000	42,385,000	0
0	0	0	2,972,144	2,967,142	5,002
5,224	4,868	356	110,299,218	76,924,148	33,375,070
6,168	2,144	(4,024)	(84,200,513)	(50,519,990)	33,680,523
0	0	0	43,005,134	43,005,134	0
0	0	0	41,800,000	41,800,000	0
0	0	0	734	734	0
0	0	0	42,979,624	42,979,624	0
0	0	0	(43,058,230)	(42,979,624)	78,606
0	0	0	84,727,262	84,805,868	78,606
6,168	2,144	(4,024)	526,749	34,285,878	33,759,129
1,978	1,978	0	5,410,984	5,410,984	0
510	510	0	849,605	849,605	0
\$8,656	\$4,632	(\$4,024)	\$6,787,338	\$40,546,467	\$33,759,129

Avon Lake City School District
*Combined Statement of Revenues,
Expenses and Changes in Fund Equity
Proprietary Fund Type
For the Fiscal Year Ended June 30, 2000*

	<u>Enterprise</u>
Operating Revenues	
Tuition and Fees	\$55
Sales	542,209
	<u>542,264</u>
<i>Total Operating Revenues</i>	<i>542,264</i>
Operating Expenses	
Salaries	205,461
Fringe Benefits	49,812
Purchased Services	5,939
Materials and Supplies	59,854
Cost of Sales	270,018
Depreciation	2,502
	<u>593,586</u>
<i>Total Operating Expenses</i>	<i>593,586</i>
<i>Operating Loss</i>	<i>(51,322)</i>
Non-Operating Revenues (Expenses)	
Federal Donated Commodities	24,224
Operating Grants	68,851
Interest	240
Loss on Disposal of Fixed Assets	(2,950)
	<u>90,365</u>
<i>Total Non-Operating Revenues (Expenses)</i>	<i>90,365</i>
<i>Net Income</i>	<i>39,043</i>
<i>Retained Earnings (Deficit) Beginning of Year</i>	<i>(131,321)</i>
<i>Retained Earnings (Deficit) End of Year</i>	<i>(92,278)</i>
<i>Contributed Capital Beginning and End of Year</i>	<i>368,619</i>
<i>Total Fund Equity End of Year</i>	<i>\$276,341</i>

See accompanying notes to the general purpose financial statements

Avon Lake City School District
*Combined Statement of Revenues, Expenses and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
Proprietary Fund Type
For the Fiscal Year Ended June 30, 2000*

	Enterprise Funds		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Tuition and Fees	\$55	\$55	\$0
Sales	536,284	540,365	4,081
Interest	240	240	0
Operating Grants	68,276	68,276	0
<i>Total Revenues</i>	<u>604,855</u>	<u>608,936</u>	<u>4,081</u>
Expenses			
Salaries	203,255	203,255	0
Fringe Benefits	45,594	45,517	77
Purchased Services	7,757	7,374	383
Materials and Supplies	324,015	315,950	8,065
Capital Outlay	2,324	2,209	115
<i>Total Expenses</i>	<u>582,945</u>	<u>574,305</u>	<u>8,640</u>
<i>Excess of Revenues Over Expenses</i>	21,910	34,631	12,721
<i>Fund Equity Beginning of Year</i>	91,626	91,626	0
Prior Year Encumbrances Appropriated	<u>16,571</u>	<u>16,571</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$130,107</u></u>	<u><u>\$142,828</u></u>	<u><u>\$12,721</u></u>

See accompanying notes to the general purpose financial statements

Avon Lake City School District
Combined Statement of Cash Flows
Proprietary Fund Type
For the Fiscal Year Ended June 30, 2000

	<u>Enterprise</u>
<i>Increase (Decreases) in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Customers	\$540,365
Cash Received from Tuition Payments	55
Cash Payments to Suppliers for Goods and Services	(320,608)
Cash Payments to Employees for Services	(203,255)
Cash Payments for Employee Benefits	(45,517)
	<u>(28,960)</u>
 Cash Flows from Noncapital Financing Activities	
Operating Grants Received	68,276
 Cash Flows from Capital and Related Financing Activities	
Payments for Capital Acquisitions	(2,209)
 Cash Flows from Investing Activities:	
Interest	240
	<u>37,347</u>
 <i>Net Increase in Cash and Cash Equivalents</i>	
	37,347
 <i>Cash and Cash Equivalents at Beginning of Year</i>	
	<u>108,197</u>
 <i>Cash and Cash Equivalents at End of Year</i>	
	<u>\$145,544</u>
 Reconciliation of Operating Loss to Net Cash	
Used for Operating Activities	
<i>Operating Loss</i>	<u>(\$51,322)</u>
 Adjustments:	
Donated Commodities Used During Year	24,224
Depreciation	2,502
<i>(Increases)Decreases in Assets:</i>	
Accounts Receivable	(1,844)
Prepaid Items	(1,299)
Materials and Supplies Inventory	(6,740)
<i>Increase (Decreases) in Liabilities:</i>	
Accounts Payable	(2,281)
Accrued Wages and Benefits	271
Compensated Absences Payable	3,234
Intergovernmental Payable	4,295
	<u>22,362</u>
 <i>Total Adjustments</i>	
	22,362
 <i>Net Cash Used for Operating Activities</i>	
	<u>(\$28,960)</u>

Avon Lake City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

Note 1 - Description of the School District and Reporting Entity

The Avon Lake City School District operates under a locally elected five member Board and provides educational services as mandated by State/or federal agencies.

The School District is located in Avon Lake, Ohio, Lorain County, and includes an area extending roughly twelve square miles around the City. It is staffed by 117 non-certified personnel, 209 certified full-time teaching personnel and 13 administrative employees to provide services to 3,081 students and other community members. The School District operates 4 elementary schools (k-4), 1 intermediary school (5-6), 1 middle school (7-8), and 1 high school (9-12).

Reporting Entity

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; 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 which are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes. The School District currently has no component units.

The School District is associated with four jointly governed organizations and one related organization. These organizations are the Lake Erie Educational Computer Association (LEECA), the Lake Erie Regional Council (LERC), the Lorain County Joint Vocational School District, the Ohio Schools Council and the Avon Lake Public Library. These organizations are presented in Notes 18 and 23 to the general purpose financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the Avon Lake City 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 School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

Avon Lake City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

A. Basis Of Presentation - Fund Accounting

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net available expendable resources.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary, and fiduciary.

Governmental Fund Types:

Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary and fiduciary funds and trust funds) are accounted for through governmental funds. The following are the School District's governmental fund types:

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.

Special Revenue Funds - The special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

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

Capital Projects Funds - The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds).

Proprietary Fund Type:

Proprietary funds are used to account for the School District's ongoing activities which are similar to those found in the private sector. The following is the School District's proprietary fund type:

Enterprise Funds - The enterprise funds are used to account for School District activities that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a

Avon Lake City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary Fund Types:

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The School District's fiduciary funds include expendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups:

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary or trust funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term obligations of the School District except those accounted for in the proprietary or trust funds.

B. Measurement Focus And Basis Of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental, expendable trust and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after year end.

Avon Lake City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: interest, tuition, grants, and student fees.

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2000 and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2001 operations, have been recorded as deferred revenue.

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.

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund type. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the fund level. Budgetary statements are presented beyond that legal level of control for informational purposes only. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Lorain County Budget Commission for rate determination.

Avon Lake City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statement reflect the amounts in the final amended certificate issued during fiscal year 2000.

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. The allocation of appropriations among functions and objects within a fund is determined during the fiscal year by the Treasurer without Board approval. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant.

The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Expenditures plus encumbrances may not legally exceed appropriations. On the GAAP basis, encumbrances outstanding at year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

Lapsing of Appropriations:

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

Avon Lake City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

D. Cash And Investments

To improve cash management, cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet.

During fiscal year 2000, investments were limited to repurchase agreements, Alliance Government Reserve Money Market fund, U.S. Treasury Notes, Federal National Mortgage Association Notes, Federal Farm Credit Bank Notes, Federal Home Loan Bank Bonds, Federal Home Mortgage Corporation Bonds, Student Loan Marketing Association Notes, and STAROhio, the State Treasurer's investment pool.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of The Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2000.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2000 amounted to \$591,833, which includes \$410,190 assigned from other School District funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with an original maturities of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

E. Inventory

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

F. Fixed Assets And Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for

Avon Lake City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District does not have any infrastructure.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the enterprise funds is computed using the straight-line method over an estimated useful life of ten years.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2000, are recorded 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.

H. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

The School District currently participates in several State and Federal programs, categorized as follows:

Entitlements

General Fund

State Foundation Program

Non-Reimbursable Grants

Special Revenue Funds

Auxiliary Services

Title VI B

Title I

Title VI

Drug Free Schools

Management Information Systems

Early Childhood Education Development

Venture Capital

Data Communications

Education for Economic Security

E-Rate Grant

Miscellaneous Federal Grants

Capital Projects Fund

School Net Plus

Reimbursable Grants

Avon Lake City School District
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Proprietary Funds

National School Lunch Program
Government Donated Commodities

Grants and entitlements amounted to approximately thirteen percent of the School District's operating revenue during the 2000 fiscal year.

I. Interfund Assets/Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables" and "interfund payables."

J. Restricted Assets

Restricted assets in the General Fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include the amount required by statute to be set-aside by the School District for the creation of a reserve for budget stabilization. See Note 21 for additional information regarding set-asides.

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

L. Accrued Liabilities And Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgements, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments made more than two months after year end are generally considered not to have been paid with current available financial resources. Bonds are recognized as a liability of the general long-term obligations account group until due.

Avon Lake City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

Under Ohio law, a debt service fund may be created and used for the payment of tax and revenue anticipation notes. Generally accepted accounting principles requires the reporting of the liability in the funds that received the proceeds. To comply with GAAP reporting requirement, the School District's debt service fund has been split among the appropriate funds.

M. Rebatable arbitrage

Arbitrage occurs when the School District profits from the issuance of tax-exempt debt which is issued at a low rate of interest and invests the proceeds in higher yielding, taxable securities. Interest earnings in excess of interest expense may have to be remitted to the Federal government. This liability to the Federal government is known as "rebtable arbitrage." The arbitrage was treated as a reduction of interest revenue, and the liability was recorded within the fund. The amount of rebatable arbitrage is \$372,479.

N. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

O. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, inventories of supplies and materials, property taxes, and budget stabilization.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

P. Contributed Capital

Contributed capital represents resources from other funds, other governments, and private sources provided to enterprise funds that is not subject to repayment. These assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end.

Because the School District did not prepare financial statements in accordance with generally accepted accounting principles prior to fiscal year 1988, the exact amount of contributed capital cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed

Avon Lake City School District
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capital in the accompanying combined financial statements. All other fund equity amounts pertaining to propriety funds have been classified as retained earnings.

Q. Estimates

The preparation of 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.

R. Memorandum Only - Totals Columns

Total columns on the general purpose financial statements are captioned "Total (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 3 - Restatement of Prior Year's Account Groups

During fiscal year 1999, fixed assets in the general fixed assets account group was overstated. The balance of the General Fixed Asset Account Group at June 30, 1999 decreased by \$185,180 from \$23,559,916 to \$23,374,736.

During fiscal year 1999, capital leases were overstated by \$125,525. The balance of the General Long-Term Obligation Account Group at June 30, 1999 decreased from \$9,088,847 to \$8,963,322.

Note 4 - Accountability

The food service enterprise fund has deficit retained earnings of \$141,316 at June 30, 2000. Management is analyzing fund operations to determine appropriate action to alleviate the deficit.

Note 5 - Budgetary Basis of Accounting

While the School District is reporting its financial position, results of operations, and changes in fund balance/retained earnings 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 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual- All Governmental Fund Types and Expendable Trust Fund and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget and (Non-GAAP Basis) Actual - Proprietary Fund Type are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

Avon Lake City School District
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For the Fiscal Year Ended June 30, 2000

2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balances for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transaction (GAAP basis).
5. Proceeds from and principal payments on bond and revenue anticipation notes are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
6. The School District repays short-term note debt from the debt service fund (budget basis) as opposed to the fund that received the proceeds (GAAP basis). Debt service fund resources used to pay both principal and interest have been allocated accordingly.

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type.

Net Income/Excess of Revenues Over Expenses Proprietary Fund Type	
	Enterprise
GAAP Basis	\$39,043
Revenue Accrual	(26,643)
Expense Accrual	27,604
Capital Outlay	(2,209)
Depreciation Expense	2,502
Loss on Disposal of Fixed Assets	(2,950)
Encumbrances	(2,716)
Budget Basis	\$34,631

Avon Lake City School District
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Excess of Revenues and Other Financing Sources
Over Expenditures and Other Financing Uses
All Governmental Fund Types and Expendable Trust Fund

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP Basis	\$1,186,647	82,355	(\$98,225)	\$40,831,899	\$2,143
Revenue Accruals	(535,437)	18,074	(574,122)	391,041	0
Expenditure Accruals	51,179	(30,882)	0	445,250	0
Note Proceeds	0	0	0	41,800,000	0
Note activity with differing Fund Treatment:					
Operating Transfers	0	0	42,569,817	(42,569,817)	0
Principal Retirement	0	0	(41,800,000)	0	0
Interest and Fiscal Charges	0	0	(769,817)	769,817	0
Encumbrances	(244,686)	(34,136)	0	(7,205,223)	0
Budget Basis	<u>\$457,703</u>	<u>\$35,411</u>	<u>(\$672,347)</u>	<u>\$34,462,967</u>	<u>\$2,143</u>

Note 6- Deposits and Investment

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

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

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

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

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

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

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;

Avon Lake City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, 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 two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section 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 (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits: At fiscal year end, the carrying amount of the School District's deposits was (\$54,971) and the bank balance was \$238,050. Of the bank balance, \$180,160 was covered by federal depository insurance and \$57,890 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

Investments: The School District's investments are required to be categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured

Avon Lake City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. STAROhio and the Alliance Government Reserve Money Market Fund are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying Value	Fair Value
Repurchase Agreement	\$535,000	\$535,000	\$535,000
Alliance Government Reserve Money Market Fund	0	403,315	403,315
U.S. Treasury Notes	3,961,240	3,961,240	3,961,240
Federal National Mortgage Association Notes	17,460,518	19,445,518	19,445,518
Federal Farm Credit Bank Notes	995,040	995,040	995,040
Federal Home Loan Bank Bonds	12,919,670	12,919,670	12,919,670
Federal Home Mortgage Corporation Bonds	3,966,260	1,981,260	1,981,260
Student Loan Marketing Association Notes	1,986,040	1,986,040	1,986,040
STAROhio		6,100,588	6,100,588
Totals	\$41,823,768	\$48,327,671	\$48,327,671

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Accounting".

A reconciliation between the classifications of cash and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$48,272,700	\$0
Investments which are part of the Cash management pool:		
Repurchase Agreement	(535,000)	535,000
Alliance Government Reserve Money Market Fund	(403,315)	403,315
U.S. Treasury Notes	(3,961,240)	3,961,240
Federal National Mortgage Association Notes	(19,445,518)	19,445,518
Federal Farm Credit Bank Notes	(995,040)	995,040
Federal Home Loan Bank Bonds	(12,919,670)	12,919,670
Federal Home Mortgage Corporation Bonds	(1,981,260)	1,981,260
Student Loan Marketing Association Notes	(1,986,040)	1,986,040
STAROhio	(6,100,588)	6,100,588
GASB Statement 3	(\$54,971)	\$48,327,671

Note 7 - Property Taxes

Avon Lake City School District
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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 distributions occur in the first half of the following year.

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the School District. Property tax revenue received during calendar 2000 for real and public utility property taxes represents collections of calendar 1999 taxes. Property tax payments received during calendar 2000 for tangible personal property (other than public utility property) is for calendar 2000 taxes.

Real property taxes are levied after April 1, 2000, on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property taxes currently are assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2000 public utility property taxes became a lien December 31, 1999, are levied after April 1, 2000 and are collected in 2001 with real property taxes.

2000 tangible personal property taxes are levied after April 1, 1999 on the value as of December 31, 1999. Collections are made in 2000. Tangible personal property assessments are twenty-five percent of true value.

The assessed values upon which fiscal year 2000 taxes were collected are:

	1999 Second Half Collections		2000 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$396,077,030	70.87%	\$409,713,190	69.49%
Public Utility	89,551,480	16.02	102,252,710	17.34
Tangible Personal Property	73,246,003	13.11	77,626,205	13.17
Total Assessed Value	<u>\$558,874,513</u>	<u>100.00%</u>	<u>\$589,592,105</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$56.63		\$60.79	

The difference between the 1999 second half collection and the 2000 first half collection tax rate is due largely to the passage of \$41,800,000 bond issue passed at the May 5th, 1999 election. This bond issue is being used for various improvements to school buildings.

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.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

Avon Lake City School District
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For the Fiscal Year Ended June 30, 2000

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, 2000, are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2000, was \$3,252,800. \$2,544,091 was available to the general fund, \$612,031 was available to the bond retirement debt service fund and \$96,678 was available to the permanent improvements capital projects fund. The amount available as an advance at June 30, 1999, was \$2,178,166. \$2,010,431 was available to the general fund, \$91,165 was available to the bond retirement debt service fund and \$76,570 was available to the permanent improvements capital projects fund.

Note 8 - Receivables

Receivables at June 30, 2000, consisted of property taxes, accounts (rent and student fees), and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
General Fund	
Drivers Education	\$2,350
Capital Project Fund	
School Net Plus	10,305
Food Service Enterprise Fund	
National School Lunch Program	9,275
Total Intergovernmental Receivables	\$21,930

Note 9 - Fixed Assets

A summary of the enterprise funds' fixed assets at June 30, 2000, follows:

Avon Lake City School District
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Furniture and Equipment	\$349,600
Less Accumulated Depreciation	(196,364)
Net Fixed Assets	\$153,236

A summary of the changes in general fixed assets during fiscal year 2000 follows:

Asset Category	Balance at 6/30/99	Additions	Deletions	Balance at 6/30/00
Land and Improvements	\$816,033	\$0	\$0	\$816,033
Buildings	15,920,749	33,811	(6,487)	15,948,073
Furniture and Equipment	4,330,483	416,632	(35,076)	4,712,039
Vehicles	965,631	253,223	(52,726)	1,166,128
Textbooks and Library Books	1,341,840	97,988	(840)	1,438,988
Totals	\$23,374,736	\$801,654	(\$95,129)	\$24,081,261

Note 10 - Contractual Commitments

As of June 30, 2000, the Avon Lake City School District had the following contractual commitments outstanding:

Project	Contract Amount	Amount paid as of June 30, 2000	Amount remaining on Contract
Independence Excavating	\$1,860,480	\$0	\$1,860,480
Higgins Electric Company	566,957	0	566,957
Giambrone Masonry	526,834	28,291	498,543
R.J. Platten Contracting	408,589	0	408,589
Bennett Communication	352,790	14,749	338,041
Crown Floorcoverings	156,960	0	156,960
Professional Services Industries	103,000	376	102,624
E.P.I of Cleveland	95,040	0	95,040
Waller-Duman	90,521	0	90,521
Lakeland Glass	60,480	0	60,480
Apollon Paintings	32,736	0	32,736
Total	\$4,254,387	\$43,416	\$4,210,971

Note 11 - Risk Management

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. The School District contracts

Avon Lake City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

with the Crum and Forster Commercial Insurance Company for property insurance. Professional liability is protected by the Nationwide Mutual Insurance Company with a \$5,000,000 aggregate limit.

Vehicles are covered by the Grange Mutual Insurance Company and hold a \$50 and \$250 deductible for comprehensive and collision, respectively. 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 ten years and there has not been a significant reduction in coverage from the prior year.

The Ohio Casualty Insurance Company maintains both a \$50,000 public official bond for the treasurer, a \$20,000 public official bond for the Board of Education President, a \$20,000 public official bond for the Superintendent and a \$30,000 blanket bond for all other employees.

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

The School District has contracted with the Lake Erie Regional Council (LERC) to provide employee medical/surgical benefits since December 1988. The LERC is a shared risk pool comprised of thirteen Lorain County school districts. Rates are set through an annual calculation process. The School District pays a monthly contribution which is placed in a common fund from which claim payments are made for all participating school districts. Claims are paid for all participants regardless of claims flow. Upon termination, all School District claims would be paid without regard to the School District's account balance. The LERC Board of Directors has the right to return monies to an exiting district subsequent to the settlement of all expenses and claims. This plan provides a medical/surgical plan with deductibles of \$150 for single and \$300 for family coverage.

The LERC's shared risk pool premiums are billed to each participating school district based on actuarially determined rates. Should contributions prove to be insufficient to pay program costs of the insurance program for any fiscal year, each participating member is notified of the deficiency and billed for its share of the additional cost.

Note 12 - Defined Benefit Pension Plans

A. School Employees Retirement System

Avon Lake School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and Avon Lake School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2000, 5.5 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 1999, 7.7 percent was used to fund pension obligations. The contribution requirements of plan members and employers are

Avon Lake City School District
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established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$168,338, \$216,482 and \$263,105, respectively; 51.03 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$82,435 represents the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds and the general long-term obligations account group.

B. State Teachers Retirement System

The Avon Lake School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

For the fiscal year ended June 30, 2000, plan members were required to contribute 9.3 percent of their annual covered salaries. The Avon Lake School District was required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$651,034, \$609,563 and \$1,015,147, respectively; 82.26 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$115,504 represents the unpaid contribution for fiscal year 2000 and is recorded as a liability within the respective funds.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2000, all members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

Note 13 - Postemployment Benefits

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent

Avon Lake City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

of covered payroll. For the fiscal year ended June 30, 2000, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$868,045 for fiscal year 2000.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 1999, (the latest information available) the balance in the Fund was \$2,783 million. For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2000, employer contributions to fund health care benefits were 8.50 percent of covered payroll, an increase of 2.2 percent for fiscal year 2000. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2000 fiscal year equaled \$325,705.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 1999 (the latest information available), were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188.0 million. SERS has approximately 51,000 participants currently receiving health care benefits.

Note 14 - Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave components 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. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 225 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 40 days for classified employees and 45 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
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

C. Early Retirement Incentive

The Avon Lake School District Board of Education approved an Early Retirement Incentive program in fiscal year 2000 for certified employees. The Retirement Incentive is based upon first-time retirement eligibility under the State Teachers Retirement System and notification in writing by May 24. The retirement incentive will be paid in two installments; one in July and one in January of each year following the effective retirement date, as long as the employees meet the criteria for retirement and notifies the Board on or before June 30. The payments are made from the general fund.

Note 15 - Short Term Obligations

The School District's bond anticipation note activity for the fiscal year ended June 30, 2000 was as follows:

	Principal Outstanding 6/30/99	Additions	Deductions	Principal Outstanding 6/30/00
<u>Capital Projects Fund</u>				
1999 School Improvement 3.9%	\$0	\$41,800,000	(\$41,800,000)	\$0

Note 16 - Long Term Obligations

The changes in the School District's long-term obligations during fiscal year 2000 were as follows:

	Principal Outstanding 6/30/99	Additions	Deductions	Principal Outstanding 6/30/00
<i>General Obligation Bonds:</i>				
1981 Library Building Addition and Equipment 9.875%	\$135,000	\$0	(\$45,000)	\$90,000
1991 Energy Conservation Improvement 4.6656%	1,680,000	0	(340,000)	1,340,000
1993 Public Library Improvements 5.5116%	3,325,000	0	(150,000)	3,175,000
1995 Troy Renovation/ Improvement 6.272%	1,880,000	0	(50,000)	1,830,000
1999 School Facilities Issue				
Serial and Term Bonds 4.125%-5.4%	0	41,150,000	0	41,150,000
Capital Appreciation Bonds 17.928%	0	2,550,432	0	2,550,432
Total General Obligation Bonds	7,020,000	43,700,432	(585,000)	50,135,432
Early Retirement Incentive	0	106,858	0	106,858

Avon Lake City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

	Principal Outstanding 6/30/99	Additions	Deductions	Principal Outstanding 6/30/00
Pension Obligation	176,161	205,514	(176,161)	205,514
Compensated Absences	1,767,161	81,837	(15,693)	1,833,305
<i>Total General Long-Term Obligations</i>	\$8,963,322	\$44,094,641	(\$776,854)	\$52,281,109

All general obligation bonds will be paid from property taxes. Early retirement incentive, compensated absences, and the pension obligation will be paid from the fund from which the person is paid. In 1993, the School District issued bonds for improvements to the public library in the amount of \$4,000,000. The bonds are included as School District debt because the School District serves as the taxing authority for the library and is required to issue tax related debt.

School Facilities General Obligation Bonds - On September 15, 1999, Avon Lake City School District issued \$41,799,977 in voted general obligation bonds for the purpose of constructing, improving and making additions to school buildings and related site development. The bond issue included serial, term and capital appreciation bonds in the amount of \$8,150,000, \$33,000,000, and \$649,977, respectively. The bonds were issued at a premium of \$1,799,444. The bonds will be retired with a voted property tax levy from the debt service fund.

The term bonds maturing on December 1, 2014, are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the School District. The mandatory redemption is to occur on December 1, in each of the years 2012 through 2013 (with the balance of \$1,635,000 to be paid at stated maturity on December 1, 2014) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<u>Year</u>	<u>Amount</u>
2012	\$1,465,000
2013	1,550,000

The term bonds maturing on December 1, 2019, are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the School District. The mandatory redemption is to occur on December 1, in each of the years 2015 through 2018 (with the balance of \$2,145,000 to be paid at stated maturity on December 1, 2019) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<u>Year</u>	<u>Amount</u>
2015	\$1,730,000
2016	1,825,000
2017	1,925,000

Avon Lake City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

2018 2,030,000

The term bonds maturing on December 1, 2026, are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the School District. The mandatory redemption is to occur on December 1, in each of the years 2020 through 2025 (with the balance of \$3,120,000 to be paid at stated maturity on December 1, 2026) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<u>Year</u>	<u>Amount</u>
2020	\$2,260,000
2021	2,385,000
2022	2,520,000
2023	2,655,000
2024	2,800,000
2025	2,955,000

Current serial bonds redeemed by other than mandatory redemption, or purchased for cancellation, may be credited against the applicable mandatory redemption requirement.

The serial bonds maturing after December 1 in 2009 are subject to optional redemption, in whole or in part of any date in inverse order of maturity and by lot within a maturity, in integral multiples of \$5,000 at the option of the School District on or after December 1, 2009 at the redemption prices (expressed as percentages of the principal amount to be redeemed) set forth below, plus accrued interest to the redemption date:

<u>Redemption Dates</u> <u>(Dates Inclusive)</u>	<u>Redemption</u> <u>Prices</u>
December 1, 2009 through November 30, 2010	102%
December 1, 2010 through November 30, 2011	101
December 1, 2011 and thereafter	100

The capital appreciation bonds will mature in fiscal years 2009 through 2011. The maturity amount of the bonds is \$4,395,000. For fiscal year 2000, \$101,011 was accreted for a total bond value of \$2,550,432.

The School District's overall legal debt margin at June 30, 2000, was \$5,403,135 with an unvoted debt margin of \$589,592 at June 30, 2000. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2000, are as follows:

<u>Fiscal year</u> <u>Ending June 30,</u>	<u>General</u> <u>Obligation</u>
2001	\$3,113,989
2002	3,705,968
2003	3,536,035

Avon Lake City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

2004	3,592,319
2005	3,698,384
2006-2010	18,887,537
2011-2015	18,407,695
2016-2020	16,959,987
2021-2027	22,513,789
Total	\$94,415,703

Note 17 - Interfund Transactions

Interfund balances at June 30, 2000, consist of the following individual fund receivables and payables:

Funds	Receivable		Payable	
	Interfund	Due From	Payable	Due To
General	\$166	\$0	\$0	\$0
<i>Special Revenue Fund</i>				
Drug Free Schools	0	0	166	0
<i>Debt Service Fund</i>				
Bond Retirement	0	48,975	0	0
<i>Capital Project Fund</i>				
Building Improvements	0	0	0	48,975
<i>Total</i>	\$166	\$48,975	\$166	\$48,975

Note 18 - Jointly Governed Organizations

A. Lake Erie Education Computer Association (LEECA)

The Lake Erie Education Computer Association (LEECA) is a jointly governed organization among thirty School Districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports LEECA based upon a per pupil charge dependent upon the software package utilized. The LEECA assembly consists of a superintendent or designated representative from each participating school district and a representative from the fiscal agent. LEECA is governed by a Board of Directors chosen from the general membership of the LEECA Assembly. The Board of Directors consists of a representative from the fiscal agent, the chairman of each of the operating committees, and at least one Assembly member from each county in which participating school districts are located. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained by contacting the Treasurer at the Lorain County Board of Education, who serves as the fiscal agent, at 1885 Lake Avenue, Elyria, Ohio 44035.

B. Lake Erie Regional Council (LERC)

Avon Lake City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

The Lake Erie Regional Council (LERC) is a jointly governed organization among thirteen school districts. The jointly governed organization was formed for the purpose of promoting cooperative agreements and activities among its members in dealing with problems of mutual concern such as a media center, gas consumption, driver education, food service and insurance. Each member provides operating resources to LERC on a per pupil or actual usage charge except for insurance.

The LERC assembly consists of a superintendent or designated representative from each participating school district and the fiscal agent. LERC is governed by a Board of Directors chosen from the general membership. The degree of control exercised by any participating school district is limited to its representation on the Board. In fiscal year 2000, Avon Lake City School District contributed \$25,317. Financial information can be obtained by contacting the Treasurer at the Lorain County Board of Education at 1885 Lake Avenue, Elyria, Ohio 44035.

C. 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 each participating school district's elected board, which possesses its own budgeting and taxing authority. To obtain the financial information write to the Lorain County Joint Vocational School District, Rt. 20 at Rt. 58, Oberlin, Ohio 44074.

D. Ohio Schools Council

The Ohio Schools Council Association (Council) is a jointly governed organization among eighty-three school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2000, the School District paid \$800 to the Council. Financial information can be obtained by contacting Albert G. Vasek, the Executive Secretary of the Ohio Schools Council at 155 Center Road, Bedford, Ohio 44146.

The School District participates in the Council's electric purchase program which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

Energy Acquisition Corp., a non-profit corporation with a self-appointing board, issued \$119,140,000 in debt to purchase eight years of electricity from Cleveland Electric Illuminating (CEI) for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corp.

The School District also participates in the Council's prepaid natural gas program which was implemented during fiscal year 2000. This program allows school districts to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each month these estimated payments are compared to their actual usage and any necessary adjustments are made.

Avon Lake City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

The City of Hamilton, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, issued \$89,450,000 in debt to purchase twelve years of natural gas from CMS Energy Corporation for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is entitled to recover that amount, if any, of its contributions to the operating fund which are not encumbered for its share of program administrative costs.

Note 19 - State School Funding Decision

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$1,489,112 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly...", including the State's reliance on local property tax funding, the State's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

Avon Lake City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

Note 20 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is 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, 2000.

B. Litigation

The School District is party to legal proceedings. The School District is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the School District.

Note 21 - 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 purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. The School District is also required to set aside money for budget stabilization.

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

	Budget Stabilization Reserve	Capital Improvements Reserve	Textbooks/ Instructional Materials
Set-aside Reserve Balance as of June 30, 1999	\$113,990	\$0	\$0
Current Year Set-aside Requirement	171,842	515,525	515,525
Offsets to Set-Asides	0	(515,525)	(515,525)
Set-aside Balance Carried Forward to Future Fiscal	\$285,832	\$0	\$0
Set-aside Reserve Balance as of June 30, 2000	\$285,832	\$0	\$0

The School District had qualifying disbursements during the fiscal year that reduced the textbook and capital improvements set-aside amounts to zero. The total reserve balance for set-asides at the end of the fiscal year was \$285,832.

Avon Lake City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

Note 22 - Segment Information for Enterprise Funds

The School District maintains three enterprise funds to account for the operations of food service, uniform school supply sales, and adult education. The table below reflects the more significant financial data relating to the enterprise funds of the Avon Lake City School District as of and for the fiscal year ended June 30, 2000.

	Food Service	Uniform School Supplies	Adult Education	Total Enterprise Funds
Operating Revenues	\$445,538	\$96,671	\$55	\$542,264
Depreciation Expense	2,493	9	0	2,502
Operating Income (Loss)	(57,747)	8,172	(1,747)	(51,322)
Donated Commodities	24,224	0	0	24,224
Operating Grants	68,851	0	0	68,851
Interest	240	0	0	240
Net Income (Loss)	32,618	8,172	(1,747)	39,043
Fixed Asset Additions	0	2,209	0	2,209
Fixed Asset Deletions	(7,763)	0	0	(7,763)
Net Working Capital	100,812	46,776	62	147,650
Total Assets	292,386	51,812	62	344,260
Total Equity	227,303	48,976	62	276,341
Encumbrances Outstanding at June 30, 2000	0	2,716	0	2,716

Note 23 - Related Organization

Avon Lake Public Library - 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 of Trustees 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 issue 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 from the Avon Lake Public Library, Clerk/Treasurer, at 32649 Electric Blvd., Avon Lake, Ohio 44012.

Note 24 - Subsequent Event

On November 7, 2000 the voters passed a 1.5 mill renewal levy for 5 years for various permanent improvements within the School District.

***Combining, Individual Fund
and Account Group
Statements and Schedules***

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 other funds.

Avon Lake City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$17,341,146	\$17,341,146	\$0
Intergovernmental	2,689,716	2,702,585	12,869
Interest	552,091	591,833	39,742
Tuition and Fees	81,271	77,482	(3,789)
Donations	0	10	10
Rentals	7,211	7,424	213
Miscellaneous	5,035	5,211	176
Total Revenues	20,676,470	20,725,691	49,221
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	7,833,144	7,799,005	34,139
Fringe Benefits	2,178,108	2,162,711	15,397
Purchased Services	143,299	125,401	17,898
Materials and Supplies	221,531	221,531	0
Capital Outlay - New	16,717	15,905	812
Capital Outlay - Replacement	6,588	5,088	1,500
Total Regular	10,399,387	10,329,641	69,746
Special:			
Salaries	1,160,302	1,160,302	0
Fringe Benefits	250,850	250,294	556
Purchased Services	21,011	6,053	14,958
Materials and Supplies	8,346	0	8,346
Capital Outlay - New	3,000	0	3,000
Capital Outlay - Replacement	5,000	0	5,000
Total Special	1,448,509	1,416,649	31,860
Vocational:			
Salaries	150,000	128,769	21,231
Fringe Benefits	41,785	41,785	0
Purchased Services	5,000	567	4,433
Materials and Supplies	1,000	240	760
Total Vocational	197,785	171,361	26,424
Total Instruction	\$12,045,681	\$11,917,651	\$128,030

(continued)

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)*
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Support Services:			
Pupils:			
Salaries	\$678,080	\$662,893	\$15,187
Fringe Benefits	163,688	153,359	10,329
Purchased Services	170,575	169,866	709
Materials and Supplies	21,467	20,763	704
Capital Outlay - New	4,872	4,632	240
Total Pupils	<u>1,038,682</u>	<u>1,011,513</u>	<u>27,169</u>
Instructional Staff:			
Salaries	667,312	667,312	0
Fringe Benefits	188,648	188,361	287
Purchased Services	21,428	21,428	0
Materials and Supplies	46,146	37,847	8,299
Capital Outlay - New	6,650	5,249	1,401
Total Instructional Staff	<u>930,184</u>	<u>920,197</u>	<u>9,987</u>
Board of Education:			
Salaries	3,960	3,960	0
Fringe Benefits	1,000	780	220
Purchased Services	302,566	270,707	31,859
Materials and Supplies	1,665	1,639	26
Other	82,650	82,650	0
Total Board of Education	<u>391,841</u>	<u>359,736</u>	<u>32,105</u>
Administration:			
Salaries	1,291,371	1,291,371	0
Fringe Benefits	518,687	474,657	44,030
Purchased Services	224,450	212,693	11,757
Materials and Supplies	32,854	21,866	10,988
Other	15,263	12,445	2,818
Capital Outlay - New	4,000	3,660	340
Capital Outlay - Replacement	237	0	237
Total Administration	<u>\$2,086,862</u>	<u>\$2,016,692</u>	<u>\$70,170</u> (continued)

Avon Lake City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Fiscal:			
Salaries	\$165,021	\$165,021	\$0
Fringe Benefits	58,609	58,485	124
Purchased Services	53,846	43,718	10,128
Materials and Supplies	10,174	8,646	1,528
Other	290,243	281,702	8,541
Capital Outlay - New	8,943	8,943	0
Capital Outlay - Replacement	1,121	1,068	53
Total Fiscal	587,957	567,583	20,374
Business:			
Salaries	39,006	39,006	0
Fringe Benefits	13,542	13,516	26
Purchased Services	54,791	43,742	11,049
Materials and Supplies	2,616	2,608	8
Total Business	109,955	98,872	11,083
Operation and Maintenance of Plant:			
Salaries	850,873	850,250	623
Fringe Benefits	260,396	259,974	422
Purchased Services	1,066,129	868,675	197,454
Materials and Supplies	260,972	200,858	60,114
Other	300	300	0
Capital Outlay - New	28,481	27,709	772
Capital Outlay - Replacement	5,790	5,636	154
Total Operation and Maintenance of Plant	2,472,941	2,213,402	259,539
Pupil Transportation:			
Salaries	472,066	472,066	0
Fringe Benefits	150,902	150,696	206
Purchased Services	33,367	17,321	16,046
Materials and Supplies	125,133	91,962	33,171
Other	15,075	15,075	0
Capital Outlay - New	56,459	45,071	11,388
Capital Outlay - Replacement	6,800	5,800	1,000
Total Pupil Transportation	859,802	797,991	61,811
Total Support Services	8,478,224	7,985,986	492,238
Non-Instructional Services:			
Purchased Services	14	14	0
Materials and Supplies	986	499	487
Total Non-Instructional Services	\$1,000	\$513	\$487

(continued)

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Extracurricular Activities:			
Academic Oriented Activities:			
Salaries	\$40,000	\$37,341	\$2,659
Fringe Benefits	9,134	8,205	929
Total Academic Oriented Activities	49,134	45,546	3,588
Occupation Oriented Activities:			
Salaries	2,000	1,839	161
Fringe Benefits	519	370	149
Total Occupation Oriented Activities	2,519	2,209	310
Sport Oriented Activities:			
Salaries	272,630	235,642	36,988
Fringe Benefits	41,631	41,631	0
Total Sport Oriented Activities	314,261	277,273	36,988
School and Public Service Co-Curricular Activities:			
Salaries	31,756	31,756	0
Fringe Benefits	9,866	7,590	2,276
Total Co-Curricular Activities	41,622	39,346	2,276
Total Extracurricular Activities	407,536	364,374	43,162
<i>Total Expenditures</i>	<u>20,932,441</u>	<u>20,268,524</u>	<u>663,917</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(255,971)</u>	<u>457,167</u>	<u>713,138</u>
Other Financing Sources			
Refund of Prior Year Expenditures	536	536	0
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(255,435)	457,703	713,138
<i>Fund Balance Beginning of Year</i>	2,809,031	2,809,031	0
Prior Year Encumbrances Appropriated	456,839	456,839	0
<i>Fund Balance End of Year</i>	<u>\$3,010,435</u>	<u>\$3,723,573</u>	<u>\$713,138</u>

Special Revenue Funds

Special Revenue Funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the School District's special revenue funds follows:

Michael Baumhauer Scholarship Fund - This fund accounts for donations in honor of long-standing teacher Michael Baumhauer to be used for scholarships for eligible students.

Public School Support Fund - This fund accounts for school site sales revenue and expenditures for field trips, assemblies, and other activity costs.

Local Grants Fund - This fund accounts for funds received to promote community involvement and volunteer activities between the school and community.

Venture Capital Fund - This fund accounts for State monies used to involve the community with the School District.

Athletics Fund - This fund accounts for gate receipts and other revenues from athletic events and all costs (except personnel services) of the School District's athletic programs.

Auxiliary Services Fund - This fund accounts for funds which provide services and materials to pupils attending non-public schools within the School District.

Teacher Development Fund - This fund accounts for receipts and expenditures for the development of in-service programs.

Management Information Systems Fund - This fund accounts for State monies which support the development of hardware and software, or other costs associated with the requirements of the management information system.

Data Communications Fund - This fund accounts for State monies received to provide Ohio Educational Computer Network connections.

Miscellaneous State Grant Fund - This fund accounts for State monies which support academic and enrichment programs for the student body.

Education for Economic Security Fund - This fund accounts for monies used to improve the skills of teachers and the quality of instruction in mathematics, science, foreign languages and computer learning, and to increase the access of all students to that instruction.

Title VI-B Fund - The federal program assists schools in the identification of handicapped children, development of procedural safeguards, implementation of the least restrictive alternative service patterns, and provision of full education opportunities to handicapped children at the preschool, elementary and secondary levels.

(continued)

Special Revenue Funds (continued)

Title I Fund - This fund accounts for federal monies used to assist the School District in meeting the special needs of educationally deprived children.

Title VI Fund - This fund accounts for federal revenues which support the implementation of computer education programs, gifted and talented programs, in service training and staff development.

Drug Free Schools Fund - This fund accounts for federal revenues which support the implementation of programs for drug abuse education and prevention.

Early Childhood Education Development Fund - This fund accounts for State monies which partially support the preschool program focusing on the early education of handicapped children.

E-Rate Grant Fund - This fund accounts for federal monies received for various purposes including improved student achievement and teacher development.

Miscellaneous Federal Grants Fund - This fund accounts for various monies received through State agencies from the federal government or directly from the federal government which are not classified elsewhere.

Avon Lake City School District
Combining Balance Sheet
All Special Revenue Funds
June 30, 2000

	Michael Baumhauer Scholarship	Public School Support	Local Grants	Venture Capital	Athletics	Auxiliary Services
Assets						
Equity in Pooled Cash and Cash Equivalents	\$4,385	\$37,721	\$55,056	\$11,991	\$99,030	\$38,136
Accounts	345	0	8,031	0	0	1,367
Prepaid Items	0	0	0	0	77	78
Total Assets	\$4,730	\$37,721	\$63,087	\$11,991	\$99,107	\$39,581
Liabilities						
Accounts Payable	\$0	\$106	\$607	\$22	\$6,017	\$1,093
Accrued Wages and Benefits	0	0	0	0	0	6,104
Interfund Payable	0	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0	34
Total Liabilities	0	106	607	22	6,017	7,231
Fund Equity						
<i>Fund Balance:</i>						
Reserved for Encumbrances	0	6,830	0	0	4,591	169
Unreserved, Undesignated	4,730	30,785	62,480	11,969	88,499	32,181
Total Fund Equity	4,730	37,615	62,480	11,969	93,090	32,350
Total Liabilities and Fund Equity	\$4,730	\$37,721	\$63,087	\$11,991	\$99,107	\$39,581

(continued)

Avon Lake City School District
Combining Balance Sheet
All Special Revenue Funds (continued)
June 30, 2000

	Teacher Development	Management Information Systems	Miscellaneous State Grant	Education For Economic Security	Title VI-B
Assets					
Equity in Pooled Cash and Cash Equivalents	\$4,004	\$10,937	\$14,981	\$7,137	\$49,607
Accounts	0	0	0	0	0
Prepaid Items	0	0	0	0	0
Total Assets	\$4,004	\$10,937	\$14,981	\$7,137	\$49,607
Liabilities					
Accounts Payable	\$0	\$0	\$3,571	\$0	\$0
Accrued Wages	0	0	0	0	0
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Total Liabilities	0	0	3,571	0	0
Fund Equity					
<i>Fund Balance:</i>					
Reserved for Encumbrances	190	0	10,103	0	0
Unreserved, Undesignated	3,814	10,937	1,307	7,137	49,607
Total Fund Equity	4,004	10,937	11,410	7,137	49,607
Total Liabilities and Fund Equity	\$4,004	\$10,937	\$14,981	\$7,137	\$49,607

Title I	Title VI	Drug Free Schools	Early Childhood Education Development	E-Rate Grant	Miscellaneous Federal Grants	Totals
\$70,963	\$6,080	\$3,954	\$16,825	\$17,198	\$11,008	\$459,013
0	0	0	0	0	0	9,743
189	0	0	0	0	164	508
<u>\$71,152</u>	<u>\$6,080</u>	<u>\$3,954</u>	<u>\$16,825</u>	<u>\$17,198</u>	<u>\$11,172</u>	<u>\$469,264</u>
\$220	\$727	\$0	\$0	\$0	\$0	\$12,363
14,375	0	0	0	0	0	20,479
0	0	166	0	0	0	166
80	0	0	0	0	0	114
<u>14,675</u>	<u>727</u>	<u>166</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>33,122</u>
0	1,741	308	0	0	0	23,932
56,477	3,612	3,480	16,825	17,198	11,172	412,210
<u>56,477</u>	<u>5,353</u>	<u>3,788</u>	<u>16,825</u>	<u>17,198</u>	<u>11,172</u>	<u>436,142</u>
<u>\$71,152</u>	<u>\$6,080</u>	<u>\$3,954</u>	<u>\$16,825</u>	<u>\$17,198</u>	<u>\$11,172</u>	<u>\$469,264</u>

Avon Lake City School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2000*

	Michael Baumhauer Scholarship	Public School Support	Local Grants	Venture Capital	Athletics	Auxiliary Services
Revenues						
Intergovernmental	\$0	\$0	\$2,000	\$25,000	\$0	\$149,522
Interest	5	0	0	0	0	211
Extracurricular Activities	0	93,175	5,000	0	215,478	0
Donations	4,725	0	78,963	0	72,972	0
Miscellaneous	0	0	10,031	0	0	1,367
<i>Total Revenues</i>	<u>4,730</u>	<u>93,175</u>	<u>95,994</u>	<u>25,000</u>	<u>288,450</u>	<u>151,100</u>
Expenditures						
Current:						
Instruction:						
Regular	0	0	65,459	20,976	0	0
Special	0	0	514	0	0	0
Support Services:						
Pupils	0	73,599	0	0	0	0
Instructional Staff	0	281	0	0	0	0
Administration	0	0	0	0	0	0
Fiscal	0	0	0	0	0	0
Central	0	0	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0	0	158,212
Extracurricular Activities	0	4,560	9,127	0	281,248	0
<i>Total Expenditures</i>	<u>0</u>	<u>78,440</u>	<u>75,100</u>	<u>20,976</u>	<u>281,248</u>	<u>158,212</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	4,730	14,735	20,894	4,024	7,202	(7,112)
<i>Fund Balances Beginning of Year</i>	<u>0</u>	<u>22,880</u>	<u>41,586</u>	<u>7,945</u>	<u>85,888</u>	<u>39,462</u>
<i>Fund Balances End of Year</i>	<u>\$4,730</u>	<u>\$37,615</u>	<u>\$62,480</u>	<u>\$11,969</u>	<u>\$93,090</u>	<u>\$32,350</u>

<u>Teacher Development</u>	<u>Management Information Systems</u>	<u>Data Communi- cations</u>	<u>Miscellaneous State Grant</u>	<u>Education For Economic Security</u>	<u>Title VI-B</u>	<u>Title I</u>
\$14,599	\$8,521	\$0	\$28,940	\$8,851	\$135,873	\$141,509
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>14,599</u>	<u>8,521</u>	<u>0</u>	<u>28,940</u>	<u>8,851</u>	<u>135,873</u>	<u>141,509</u>
0	0	0	0	2,236	0	0
0	0	0	0	0	18,548	101,855
0	0	0	0	0	67,662	0
14,958	0	0	0	0	5,771	0
374	1,380	0	0	7,646	30,721	954
0	330	0	0	201	0	0
0	1,712	17,379	26,986	0	0	0
0	0	0	0	0	0	7,100
0	0	0	0	0	0	0
<u>15,332</u>	<u>3,422</u>	<u>17,379</u>	<u>26,986</u>	<u>10,083</u>	<u>122,702</u>	<u>109,909</u>
(733)	5,099	(17,379)	1,954	(1,232)	13,171	31,600
<u>4,737</u>	<u>5,838</u>	<u>17,379</u>	<u>9,456</u>	<u>8,369</u>	<u>36,436</u>	<u>24,877</u>
<u>\$4,004</u>	<u>\$10,937</u>	<u>\$0</u>	<u>\$11,410</u>	<u>\$7,137</u>	<u>\$49,607</u>	<u>\$56,477</u>

(continued)

Avon Lake City School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances*
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2000

	Title VI	Drug Free Schools	Early Childhood Education Development	E-Rate Grant	Miscellaneous Federal Grants	Totals
Revenues						
Intergovernmental	\$18,818	\$12,688	\$16,825	\$17,198	\$29,106	\$609,450
Interest	0	0	0	0	0	216
Extracurricular Activities	0	0	0	0	0	313,653
Donations	0	0	0	0	0	156,660
Miscellaneous	0	0	0	0	0	11,398
Total Revenues	18,818	12,688	16,825	17,198	29,106	1,091,377
Expenditures						
Current:						
Instruction:						
Regular	17,071	4,587	0	0	10,421	120,750
Special	0	0	0	0	30,777	151,694
Support Services:						
Pupils	0	0	0	0	0	141,261
Instructional Staff	0	0	16,224	0	0	37,234
Administration	1,272	7,731	0	0	900	50,978
Fiscal	0	0	0	0	0	531
Central	0	0	0	0	0	46,077
Operation of Non-Instructional Services	250	0	0	0	0	165,562
Extracurricular Activities	0	0	0	0	0	294,935
Total Expenditures	18,593	12,318	16,224	0	42,098	1,009,022
Excess of Revenues Over (Under) Expenditures	225	370	601	17,198	(12,992)	82,355
Fund Balances Beginning of Year	5,128	3,418	16,224	0	24,164	353,787
Fund Balances End of Year	\$5,353	\$3,788	\$16,825	\$17,198	\$11,172	\$436,142

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Michael Baumhauer Scholarship Fund
For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Interest	\$0	\$5	\$5
Gifts and Donations	0	4,380	4,380
<i>Total Revenues</i>	<u>0</u>	<u>4,385</u>	<u>4,385</u>
<i>Excess of Revenues Over Expenditures</i>	0	4,385	4,385
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$4,385</u></u>	<u><u>\$4,385</u></u>

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Extracurricular Activities	\$93,106	\$93,175	\$69
Expenditures			
Current:			
Support Services:			
Pupils:			
Purchased Services	16,794	13,174	3,620
Materials and Supplies	67,224	64,051	3,173
Capital Outlay - New	4,237	3,716	521
Total Pupils	88,255	80,941	7,314
Instructional Staff:			
Materials and Supplies	635	281	354
Total Support Services	88,890	81,222	7,668
Extracurricular Activities:			
Academic Oriented Activities:			
Materials and Supplies	5,178	4,560	618
<i>Total Expenditures</i>	94,068	85,782	8,286
<i>Excess of Revenues Over (Under) Expenditures</i>	(962)	7,393	8,355
<i>Fund Balance Beginning of Year</i>	22,430	22,430	0
Prior Year Encumbrances Appropriated	963	963	0
<i>Fund Balance End of Year</i>	\$22,431	\$30,786	\$8,355

Avon Lake City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Grants Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$2,000	\$2,000	\$0
Extracurricular Activities	5,000	5,000	0
Donations	76,572	78,963	2,391
Miscellaneous	2,000	2,000	0
<i>Total Revenues</i>	<u>85,572</u>	<u>87,963</u>	<u>2,391</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	11,016	4,598	6,418
Fringe Benefits	260	237	23
Purchased Services	41,896	38,402	3,494
Materials and Supplies	12,743	9,139	3,604
Capital Outlay - New	16,055	15,978	77
Total Regular	<u>81,970</u>	<u>68,354</u>	<u>13,616</u>
Special:			
Materials and Supplies	1,315	514	801
Total Instruction	<u>83,285</u>	<u>68,868</u>	<u>14,417</u>
Support Services:			
Pupil Transportation:			
Salaries	53	0	53
Fringe Benefits	391	0	391
Total Support Services	<u>444</u>	<u>0</u>	<u>444</u>
Extracurricular Activities:			
School and Public Service:			
Materials and Supplies	9,127	9,127	0
Total Expenditures	<u>92,856</u>	<u>77,995</u>	<u>14,861</u>
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	(7,284)	9,968	17,252
Other Financing Sources			
Refund of Prior Year Expenditures	50	50	0
<i>Excess of Revenues and Other</i> <i>Financing Sources Over</i> <i>(Under) Expenditures</i>	(7,234)	10,018	17,252
<i>Fund Balance Beginning of Year</i>	37,737	37,737	0
Prior Year Encumbrances Appropriated	7,233	7,233	0
Fund Balance End of Year	<u>\$37,736</u>	<u>\$54,988</u>	<u>\$17,252</u>

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Venture Capital Fund
For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$25,000	\$25,000	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	9,213	1,293	7,920
Fringe Benefits	1,000	156	844
Purchased Services	3,165	1,484	1,681
Materials and Supplies	31,348	29,938	1,410
Capital Outlay - New	2,422	2,410	12
<i>Total Expenditures</i>	47,148	35,281	11,867
<i>Excess of Revenues Under Expenditures</i>	(22,148)	(10,281)	11,867
<i>Fund Balance Beginning of Year</i>	101	101	0
Prior Year Encumbrances Appropriated	22,148	22,148	0
<i>Fund Balance End of Year</i>	\$101	\$11,968	\$11,867

Avon Lake City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Athletics Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Extracurricular Activities	\$203,958	\$215,478	\$11,520
Donations	58,698	72,972	14,274
<i>Total Revenues</i>	<u>262,656</u>	<u>288,450</u>	<u>25,794</u>
Expenditures			
Current:			
Extracurricular Activities:			
Sport Oriented Activities:			
Salaries	87,681	37,851	49,830
Fringe Benefits	1,775	1,768	7
Purchased Services	168,178	164,265	3,913
Materials and Supplies	86,040	80,857	5,183
Capital Outlay - New	11,778	9,265	2,513
<i>Total Expenditures</i>	<u>355,452</u>	<u>294,006</u>	<u>61,446</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(92,796)	(5,556)	87,240
Other Financing Sources			
Refund of Prior Year Expenditures	148	148	0
<i>Excess of Revenues and Other</i>			
<i>Financing Sources</i>			
<i>Under Expenditures</i>	(92,648)	(5,408)	87,240
<i>Fund Balance Beginning of Year</i>	74,663	74,663	0
Prior Year Encumbrances Appropriated	20,789	20,789	0
<i>Fund Balance End of Year</i>	<u><u>\$2,804</u></u>	<u><u>\$90,044</u></u>	<u><u>\$87,240</u></u>

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$149,522	\$149,522	\$0
Interest	211	211	0
<i>Total Revenues</i>	<u>149,733</u>	<u>149,733</u>	<u>0</u>
Expenditures			
Current:			
Non-Instructional Services:			
Salaries	47,453	47,453	0
Fringe Benefits	8,049	6,059	1,990
Purchased Services	59,652	42,205	17,447
Materials and Supplies	73,428	70,724	2,704
Capital Outlay - New	4,068	4,068	0
<i>Total Expenditures</i>	<u>192,650</u>	<u>170,509</u>	<u>22,141</u>
<i>Excess of Revenues Under Expenditures</i>	(42,917)	(20,776)	22,141
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	<u>57,650</u>	<u>57,650</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$14,733</u></u>	<u><u>\$36,874</u></u>	<u><u>\$22,141</u></u>

Avon Lake City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Teacher Development Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$14,598	\$14,598	\$0
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	17,058	14,849	2,209
Materials and Supplies	702	299	403
Total Instructional Staff	17,760	15,148	2,612
Administration:			
Purchased Services	250	177	73
Materials and Supplies	449	197	252
Total Administration	699	374	325
Total Support Services	18,459	15,522	2,937
Non-Instructional Services:			
Purchased Services	500	0	500
Materials and Supplies	376	0	376
Total Non-Instructional Services	876	0	876
Total Expenditures	19,335	15,522	3,813
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(4,737)	(924)	3,813
<i>Fund Balance Beginning of Year</i>	4,657	4,657	0
Prior Year Encumbrances Appropriated	80	80	0
Fund Balance End of Year	\$0	\$3,813	\$3,813

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Management Information Systems Fund
For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$8,521	\$8,521	\$0
Expenditures			
Current:			
Support Services:			
Administration:			
Salaries	4,500	2,500	2,000
Fringe Benefits	1,098	431	667
Purchased Services	191	0	191
Materials and Supplies	1,631	160	1,471
Total Administration	7,420	3,091	4,329
Fiscal:			
Capital Outlay - New	6,417	330	6,087
Central:			
Capital Outlay - New	1,711	1,711	0
Total Expenditures	15,548	5,132	10,416
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(7,027)</i>	<i>3,389</i>	<i>10,416</i>
<i>Fund Balance Beginning of Year</i>	<i>7,304</i>	<i>7,304</i>	<i>0</i>
Prior Year Encumbrances Appropriated	245	245	0
<i>Fund Balance End of Year</i>	<u><u>\$522</u></u>	<u><u>\$10,938</u></u>	<u><u>\$10,416</u></u>

Avon Lake City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Data Communications Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures			
Current:			
Support Services:			
Central:			
Purchased Services	0	0	0
Capital Outlay - New	<u>17,379</u>	<u>17,379</u>	<u>0</u>
<i>Total Expenditures</i>	<u>17,379</u>	<u>17,379</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(17,379)	(17,379)	0
<i>Fund Balance Beginning of Year</i>	<u>17,379</u>	<u>17,379</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grant Fund
For the Fiscal Year Ended June 30, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$28,940</u>	<u>\$28,940</u>	<u>\$0</u>
Expenditures			
Current:			
Support Services:			
Central:			
Purchased Services	13,670	13,670	0
Materials and Supplies	14,717	14,350	367
Other	4,835	4,835	0
Capital Outlay - New	<u>4,837</u>	<u>4,837</u>	<u>0</u>
<i>Total Expenditures</i>	<u>38,059</u>	<u>37,692</u>	<u>367</u>
<i>Excess of Revenues Under Expenditures</i>	(9,119)	(8,752)	367
<i>Fund Balance Beginning of Year</i>	940	940	0
Prior Year Encumbrances Appropriated	<u>9,119</u>	<u>9,119</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$940</u></u>	<u><u>\$1,307</u></u>	<u><u>\$367</u></u>

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Education for Economic Security Fund
For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$8,851	\$8,851	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	5,889	5,889	0
Materials and Supplies	2,080	1,024	1,056
Total Instruction	7,969	6,913	1,056
Support Services:			
Administration:			
Purchased Services	6,250	6,250	0
Materials and Supplies	1,397	1,397	0
Total Administration	7,647	7,647	0
Fiscal:			
Purchased Services	201	201	0
Total Support Services	7,848	7,848	0
<i>Total Expenditures</i>	15,817	14,761	1,056
<i>Excess of Revenues Under Expenditures</i>	(6,966)	(5,910)	1,056
<i>Fund Balance Beginning of Year</i>	6,081	6,081	0
Prior Year Encumbrances Appropriated	6,966	6,966	0
<i>Fund Balance End of Year</i>	\$6,081	\$7,137	\$1,056

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$163,493	\$163,493	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Salaries	9,496	2,504	6,992
Fringe Benefits	2,000	25	1,975
Materials and Supplies	10,690	6,625	4,065
Capital Outlay - New	12,823	9,395	3,428
Capital Outlay - Replacement	4,400	0	4,400
Total Instruction	39,409	18,549	20,860
Support Services:			
Pupils:			
Purchased Services	70,600	70,600	0
Materials and Supplies	2,000	19	1,981
Total Pupils	72,600	70,619	1,981
Instructional Staff:			
Salaries	1,035	1,035	0
Fringe Benefits	57	57	0
Purchased Services	3,947	3,947	0
Materials and Supplies	732	732	0
Total Instructional Staff	5,771	5,771	0
Administration:			
Salaries	34,048	30,420	3,628
Materials and Supplies	1,466	301	1,165
Total Administration	35,514	30,721	4,793
Total Support Services	113,885	107,111	6,774
Non-Instructional Services:			
Community Service:			
Salaries	10,504	0	10,504
Total Expenditures	163,798	125,660	38,138
<i>Excess of Revenues Over (Under) Expenditures</i>	(305)	37,833	38,138
<i>Fund Balance Beginning of Year</i>	11,468	11,468	0
Prior Year Encumbrances Appropriated	305	305	0
<i>Fund Balance End of Year</i>	\$11,468	\$49,606	\$38,138

Avon Lake City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$141,509	\$141,509	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Salaries	106,607	90,033	16,574
Fringe Benefits	9,922	1,835	8,087
Purchased Services	477	477	0
Materials and Supplies	757	757	0
Total Instruction	117,763	93,102	24,661
Support Services:			
Administration:			
Purchased Services	92	92	0
Materials and Supplies	154	154	0
Capital Outlay - New	709	709	0
Total Support Services	955	955	0
Non-Instructional Services:			
Salaries	11,595	6,465	5,130
Fringe Benefits	824	0	824
Purchased Services	59	59	0
Materials and Supplies	703	575	128
Capital Outlay - New	12,033	0	12,033
Total Non-Instructional Services	25,214	7,099	18,115
Total Expenditures	143,932	101,156	42,776
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	(2,423)	40,353	42,776
<i>Fund Balance Beginning of Year</i>	27,967	27,967	0
Prior Year Encumbrances Appropriated	2,423	2,423	0
Fund Balance End of Year	\$27,967	\$70,743	\$42,776

Avon Lake City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$18,818	\$18,818	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	8,410	8,312	98
Materials and Supplies	9,633	9,520	113
Capital Outlay - New	1,315	1,315	0
Total Instruction	19,358	19,147	211
Support Services:			
Administration:			
Purchased Services	335	335	0
Materials and Supplies	336	336	0
Capital Outlay - New	601	601	0
Total Administration	1,272	1,272	0
Total Support Services	1,272	1,272	0
Non-Instructional Services:			
Materials and Supplies	1,916	277	1,639
<i>Total Expenditures</i>	22,546	20,696	1,850
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(3,728)	(1,878)	1,850
<i>Fund Balance Beginning of Year</i>	1,762	1,762	0
Prior Year Encumbrances Appropriated	3,728	3,728	0
<i>Fund Balance End of Year</i>	\$1,762	\$3,612	\$1,850

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Schools Fund
For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$12,688	\$12,688	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	1,981	1,981	0
Materials and Supplies	2,235	2,235	0
Capital Outlay - New	755	680	75
Total Instruction	4,971	4,896	75
Support Services:			
Administration:			
Salaries	6,500	6,500	0
Fringe Benefits	1,330	1,330	0
Total Support Services	7,830	7,830	0
<i>Total Expenditures</i>	12,801	12,726	75
<i>Excess of Revenues Under Expenditures</i>	(113)	(38)	75
<i>Fund Balance Beginning of Year</i>	3,570	3,570	0
Prior Year Encumbrances Appropriated	113	113	0
<i>Fund Balance End of Year</i>	\$3,570	\$3,645	\$75

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Early Childhood Education Development Fund
For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$16,825	\$16,825	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Materials and Supplies	553	0	553
Total Instruction	553	0	553
Support Services:			
Pupils:			
Capital Outlay - New	48	0	48
Instructional Staff:			
Salaries	16,224	16,224	0
Total Support Services	16,272	16,224	48
<i>Total Expenditures</i>	16,825	16,224	601
<i>Excess of Revenues Over Expenditures</i>	0	601	601
<i>Fund Balance Beginning of Year</i>	16,224	16,224	0
<i>Fund Balance End of Year</i>	\$16,224	\$16,825	\$601

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
E-Rate Grant Fund
For the Fiscal Year Ended June 30, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$17,198	\$17,198	\$0
Expenditures			
Current:			
Support Services:			
Administration:			
Capital Outlay - New	17,198	0	17,198
<i>Excess of Revenues Over Expenditures</i>	0	17,198	17,198
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$17,198</u></u>	<u><u>\$17,198</u></u>

Avon Lake City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants
For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$29,106	\$29,106	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	10,421	10,421	0
Special:			
Salaries	23,758	15,143	8,615
Fringe Benefits	5,348	2,955	2,393
Purchased Services	11,400	11,400	0
Materials and Supplies	2,700	2,700	0
Total Special Instruction	43,206	32,198	11,008
Total Instruction	53,627	42,619	11,008
Support Services:			
Administration:			
Purchased Services	450	450	0
Materials and Supplies	450	450	0
Total Support Services	900	900	0
<i>Total Expenditures</i>	54,527	43,519	11,008
<i>Excess of Revenues</i>			
<i> Under Expenditures</i>	(25,421)	(14,413)	11,008
<i>Fund Balance Beginning of Year</i>	23,859	23,859	0
Prior Year Encumbrances Appropriated	1,562	1,562	0
<i>Fund Balance at End of Year</i>	\$0	\$11,008	\$11,008

Avon Lake City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$637,069	\$637,069	\$0
Interest	211	216	5
Extracurricular Activities	302,064	313,653	11,589
Donations	135,270	156,315	21,045
Miscellaneous	2,000	2,000	0
<i>Total Revenues</i>	<u>1,076,614</u>	<u>1,109,253</u>	<u>32,639</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	20,229	5,891	14,338
Fringe Benefits	1,260	393	867
Purchased Services	61,341	56,068	5,273
Materials and Supplies	68,460	62,277	6,183
Capital Outlay - New	20,547	20,383	164
Total Regular	<u>171,837</u>	<u>145,012</u>	<u>26,825</u>
Special:			
Salaries	139,861	107,680	32,181
Fringe Benefits	17,270	4,815	12,455
Purchased Services	11,877	11,877	0
Materials and Supplies	16,015	10,596	5,419
Capital Outlay - New	12,823	9,395	3,428
Capital Outlay - Replacement	4,400	0	4,400
Total Special	<u>202,246</u>	<u>144,363</u>	<u>57,883</u>
Total Instruction	<u>374,083</u>	<u>289,375</u>	<u>84,708</u>
Support Services:			
Pupils:			
Purchased Services	87,394	83,774	3,620
Materials and Supplies	69,224	64,070	5,154
Capital Outlay - New	4,285	3,716	569
Total Pupils	<u>\$160,903</u>	<u>\$151,560</u>	<u>\$9,343</u>

(continued)

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Instructional Staff			
Salaries	\$17,259	\$17,259	\$0
Fringe Benefits	57	57	0
Purchased Services	21,005	18,796	2,209
Materials and Supplies	2,069	1,312	757
Total Instructional Staff	40,390	37,424	2,966
Administration:			
Salaries	45,048	39,420	5,628
Fringe Benefits	2,428	1,761	667
Purchased Services	7,568	7,304	264
Materials and Supplies	5,883	2,995	2,888
Capital Outlay - New	18,508	1,310	17,198
Total Administration	79,435	52,790	26,645
Fiscal:			
Purchased Services	201	201	0
Capital Outlay - New	6,417	330	6,087
Total Fiscal	6,618	531	6,087
Pupil Transportation:			
Salaries	53	0	53
Fringe Benefits	391	0	391
Total Pupil Transportation	444	0	444
Central:			
Purchased Services	13,670	13,670	0
Materials and Supplies	14,717	14,350	367
Other	4,835	4,835	0
Capital Outlay - New	23,927	23,927	0
Total Central	57,149	56,782	367
Total Support Services	344,939	299,087	45,852
Non-Instructional Services:			
Salaries	69,552	53,918	15,634
Fringe Benefits	8,873	6,059	2,814
Purchased Services	60,211	42,264	17,947
Materials and Supplies	76,423	71,576	4,847
Capital Outlay - New	16,101	4,068	12,033
Total Non-Instructional Services	\$231,160	\$177,885	\$53,275

(continued)

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Extracurricular Activities:			
Academic Oriented Activities:			
Materials and Supplies	\$5,178	\$4,560	\$618
School and Public Service:			
Materials and Supplies	9,127	9,127	0
Sport Oriented Activities:			
Salaries	87,681	37,851	49,830
Fringe Benefits	1,775	1,768	7
Purchased Services	168,178	164,265	3,913
Materials and Supplies	86,040	80,857	5,183
Capital Outlay - New	11,778	9,265	2,513
Total Sport Oriented Activities	355,452	294,006	61,446
Total Extracurricular Activities	369,757	307,693	62,064
<i>Total Expenditures</i>	1,319,939	1,074,040	245,899
<i>Excess of Revenues Over (Under) Expenditures</i>	(243,325)	35,213	278,538
Other Financing Sources			
Refund of Prior Year Expenditures	198	198	0
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(243,127)	35,411	278,538
<i>Fund Balances Beginning of Year</i>	256,142	256,142	0
Prior Year Encumbrances Appropriated	133,324	133,324	0
<i>Fund Balances End of Year</i>	<u>\$146,339</u>	<u>\$424,877</u>	<u>\$278,538</u>

Debt Service Funds

The Debt Service Funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Bond Retirement Fund - This fund accounts for the accumulation of resources for the payment of general long-term obligation bond principal and interest.

Library Bond Retirement Fund - This fund accounts 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.

Avon Lake City School District
Combining Balance Sheet
All Debt Service Funds
June 30, 2000

	<u>Bond Retirement</u>	<u>Library Bond Retirement</u>	<u>Totals</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$233,810	\$1,413,133	\$1,646,943
Receivables:			
Taxes	3,245,744	358,632	3,604,376
Accounts	4,281	0	4,281
Due from Other Funds	<u>48,975</u>	<u>0</u>	<u>48,975</u>
<i>Total Assets</i>	<u><u>\$3,532,810</u></u>	<u><u>\$1,771,765</u></u>	<u><u>\$5,304,575</u></u>
Liabilities			
Deferred Revenue	<u>\$2,638,590</u>	<u>\$353,755</u>	<u>\$2,992,345</u>
Fund Equity:			
Fund Balance:			
Reserved for Property Taxes	607,154	4,877	612,031
Unreserved, Undesignated	<u>287,066</u>	<u>1,413,133</u>	<u>1,700,199</u>
<i>Total Fund Equity</i>	<u>894,220</u>	<u>1,418,010</u>	<u>2,312,230</u>
<i>Total Liabilities and Fund Equity</i>	<u><u>\$3,532,810</u></u>	<u><u>\$1,771,765</u></u>	<u><u>\$5,304,575</u></u>

Avon Lake City School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Debt Service Funds
For the Fiscal Year Ended June 30, 2000*

	<u>Bond Retirement</u>	<u>Library Bond Retirement</u>	<u>Totals</u>
Revenues			
Taxes	\$1,879,345	\$345,197	\$2,224,542
Intergovernmental	131,750	35,255	167,005
Miscellaneous	<u>53,256</u>	<u>0</u>	<u>53,256</u>
<i>Total Revenues</i>	<u>2,064,351</u>	<u>380,452</u>	<u>2,444,803</u>
Expenditures			
Debt Service:			
Principal Retirement	390,000	195,000	585,000
Interest and Fiscal Charges	<u>1,771,571</u>	<u>186,457</u>	<u>1,958,028</u>
<i>Total Expenditures</i>	<u>2,161,571</u>	<u>381,457</u>	<u>2,543,028</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(97,220)</u>	<u>(1,005)</u>	<u>(98,225)</u>
Other Financing Sources (Uses)			
Operating Transfers In	409,807	0	409,807
Operating Transfers Out	<u>0</u>	<u>(409,807)</u>	<u>(409,807)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>409,807</u>	<u>(409,807)</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	312,587	(410,812)	(98,225)
<i>Fund Balances Beginning of Year</i>	<u>581,633</u>	<u>1,828,822</u>	<u>2,410,455</u>
<i>Fund Balances End of Year</i>	<u><u>\$894,220</u></u>	<u><u>\$1,418,010</u></u>	<u><u>\$2,312,230</u></u>

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$1,300,369	\$1,300,369	\$0
Intergovernmental	131,750	131,750	0
<i>Total Revenues</i>	<u>1,432,119</u>	<u>1,432,119</u>	<u>0</u>
Expenditures			
Debt Service:			
Principal Retirement	42,190,000	42,190,000	0
Interest and Fiscal Charges	2,541,388	2,541,388	0
<i>Total Expenditures</i>	<u>44,731,388</u>	<u>44,731,388</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(43,299,269)	(43,299,269)	0
Other Financing Sources			
Operating Transfers In	42,979,624	42,979,624	0
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(319,645)	(319,645)	0
<i>Fund Balance Beginning of Year</i>	<u>553,455</u>	<u>553,455</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$233,810</u></u>	<u><u>\$233,810</u></u>	<u><u>\$0</u></u>

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Library Bond Retirement Fund
For the Fiscal Year Ended June 30, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$403,307	\$403,307	\$0
Intergovernmental	<u>35,255</u>	<u>35,255</u>	<u>0</u>
<i>Total Revenues</i>	<u>438,562</u>	<u>438,562</u>	<u>0</u>
Expenditures			
Debt Service:			
Principal Retirement	195,000	195,000	0
Interest and Fiscal Charges	<u>191,459</u>	<u>186,457</u>	<u>5,002</u>
<i>Total Expenditures</i>	<u>386,459</u>	<u>381,457</u>	<u>5,002</u>
<i>Excess of Revenues Over Expenditures</i>	52,103	57,105	5,002
Other Financing Uses			
Operating Transfers Out	<u>(409,807)</u>	<u>(409,807)</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures and Other Financing Uses</i>	(357,704)	(352,702)	5,002
<i>Fund Balance Beginning of Year</i>	<u>1,765,835</u>	<u>1,765,835</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,408,131</u></u>	<u><u>\$1,413,133</u></u>	<u><u>\$5,002</u></u>

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balances - Budget (Non-GAAP Basis) and Actual
All Debt Service Funds
For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$1,703,676	\$1,703,676	\$0
Intergovernmental	167,005	167,005	0
<i>Total Revenues</i>	<u>1,870,681</u>	<u>1,870,681</u>	<u>0</u>
Expenditures			
Debt Service:			
Principal Retirement	42,385,000	42,385,000	0
Interest and Fiscal Charges	2,732,847	2,727,845	5,002
<i>Total Debt Service</i>	<u>45,117,847</u>	<u>45,112,845</u>	<u>5,002</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(43,247,166)</u>	<u>(43,242,164)</u>	<u>5,002</u>
Other Financing Sources (Uses)			
Operating Transfers In	42,979,624	42,979,624	0
Operating Transfers Out	(409,807)	(409,807)	0
<i>Total Other Financing Sources (Uses)</i>	<u>42,569,817</u>	<u>42,569,817</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	<u>(677,349)</u>	<u>(672,347)</u>	<u>5,002</u>
<i>Fund Balances Beginning of Year</i>	<u>2,319,290</u>	<u>2,319,290</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,641,941</u></u>	<u><u>\$1,646,943</u></u>	<u><u>\$5,002</u></u>

Capital Projects Funds

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

Permanent Improvements Fund - This fund accounts for property taxes levied to be used for various capital improvements within the School District.

Building Improvements Fund - This fund accounts for monies to be used for energy conservation projects as identified in the Honeywell Incorporated study of the School District.

School Net Plus Fund- This fund accounts for State monies to be used to provide wiring to all classrooms that supports the transmission of voice, video and data, and to provide a computer workstation and related technology for every classroom.

Textbook Subsidy Fund - This fund accounts for State Monies for textbooks.

Avon Lake City School District
Combining Balance Sheet
All Capital Projects Funds
June 30, 2000

	<u>Permanent Improvements</u>	<u>Building Improvements</u>	<u>School Net Plus</u>	<u>Totals</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$262,717	\$41,687,877	\$1,071	\$41,951,665
Cash and Cash Equivalents With Fiscal Agents	0	3,691	0	3,691
Receivables:				
Taxes	630,152	0	0	630,152
Intergovernmental	0	0	10,305	10,305
<i>Total Assets</i>	<u>\$892,869</u>	<u>\$41,691,568</u>	<u>\$11,376</u>	<u>\$42,595,813</u>
Liabilities				
Accounts Payable	\$5,430	\$0	\$0	\$5,430
Contracts Payable	0	463,884	0	463,884
Retainage Payable	0	3,691	0	3,691
Due to Other Funds	0	48,975	0	48,975
Intergovernmental Payable	0	0	74	74
Deferred Revenue	533,474	0	0	533,474
Arbitrage Rebate Payable	0	372,479	0	372,479
<i>Total Liabilities</i>	<u>538,904</u>	<u>889,029</u>	<u>74</u>	<u>1,428,007</u>
Fund Equity				
Fund Balance:				
Reserved for Encumbrances	59,868	6,675,970	0	6,735,838
Reserved for Property Taxes	96,678	0	0	96,678
Unreserved, Undesignated	197,419	34,126,569	11,302	34,335,290
<i>Total Fund Equity</i>	<u>353,965</u>	<u>40,802,539</u>	<u>11,302</u>	<u>41,167,806</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$892,869</u>	<u>\$41,691,568</u>	<u>\$11,376</u>	<u>\$42,595,813</u>

Avon Lake City School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Funds
For the Fiscal Year Ended June 30, 2000*

	Permanent Improvements	Building Improvements	School Net Plus	Textbook Subsidy	Totals
Revenues					
Taxes	\$619,684	\$0	\$0	\$0	\$619,684
Intergovernmental	45,852	0	11,305	0	57,157
Interest	0	1,617,339	0	0	1,617,339
Miscellaneous	0	6,300	0	0	6,300
<i>Total Revenues</i>	<u>665,536</u>	<u>1,623,639</u>	<u>11,305</u>	<u>0</u>	<u>2,300,480</u>
Expenditures					
Current:					
Instruction:					
Regular	0	0	0	1,415	1,415
Capital Outlay	623,942	2,817,127	22,117	0	3,463,186
Debt Service:					
Interest and Fiscal Charges	0	1,009,114	0	0	1,009,114
<i>Total Expenditures</i>	<u>623,942</u>	<u>3,826,241</u>	<u>22,117</u>	<u>1,415</u>	<u>4,473,715</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	41,594	(2,202,602)	(10,812)	(1,415)	(2,173,235)
Other Financing Sources					
Proceeds of Bonds	0	43,005,134	0	0	43,005,134
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	41,594	40,802,532	(10,812)	(1,415)	40,831,899
<i>Fund Balances Beginning of Year</i>	<u>312,371</u>	<u>7</u>	<u>22,114</u>	<u>1,415</u>	<u>335,907</u>
<i>Fund Balances End of Year</i>	<u>\$353,965</u>	<u>\$40,802,539</u>	<u>\$11,302</u>	<u>\$0</u>	<u>\$41,167,806</u>

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvements Fund
For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$599,576	\$599,576	\$0
Intergovernmental	45,852	45,852	0
<i>Total Revenues</i>	<u>645,428</u>	<u>645,428</u>	<u>0</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	174,514	148,985	25,529
Materials and Supplies	2,944	1,988	956
Capital Outlay - New	62,924	61,625	1,299
Total Instruction	<u>240,382</u>	<u>212,598</u>	<u>27,784</u>
Support Services:			
Administration:			
Materials and Supplies	727	715	12
Capital Outlay - New	7,799	7,799	0
Total Administration	<u>8,526</u>	<u>8,514</u>	<u>12</u>
Fiscal:			
Other	<u>8,399</u>	<u>8,295</u>	<u>104</u>
Operation and Maintenance of Plant:			
Purchased Services	22,339	22,029	310
Materials and Supplies	10,322	10,192	130
Capital Outlay - New	20,759	18,678	2,081
Capital Outlay - Replacement	27,060	27,060	0
Total Operation and Maintenance	<u>80,480</u>	<u>77,959</u>	<u>2,521</u>
Pupil Transportation:			
Purchased Services	20,272	20,112	160
Capital Outlay - New	318,700	313,282	5,418
Total Pupil Transportation	<u>338,972</u>	<u>333,394</u>	<u>5,578</u>
Total Support Services	<u>436,377</u>	<u>428,162</u>	<u>8,215</u>
Capital Outlay:			
Purchased Services	3,671	1,287	2,384
Capital Outlay - New	56,104	0	56,104
Capital Outlay - Replacement	123,400	65,900	57,500
Total Capital Outlay	<u>183,175</u>	<u>67,187</u>	<u>115,988</u>
<i>Total Expenditures</i>	<u>859,934</u>	<u>707,947</u>	<u>151,987</u>
<i>Excess of Revenues Under Expenditures</i>	(214,506)	(62,519)	151,987
<i>Fund Balance Beginning of Year</i>	3,572	3,572	0
Prior Year Encumbrances Appropriated	<u>256,367</u>	<u>256,367</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$45,433</u>	<u>\$197,420</u>	<u>\$151,987</u>

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Building Improvements Fund
For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Interest	\$1,761,845	\$1,989,818	\$227,973
Miscellaneous	55,275	55,275	0
<i>Total Revenues</i>	<u>1,817,120</u>	<u>2,045,093</u>	<u>227,973</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	24,100	0	24,100
Support Services:			
Board of Education:			
Purchased Services	10,000	2,767	7,233
Fiscal:			
Purchased Services	68,961	30,245	38,716
Operation and Maintenance of Plant:			
Capital Outlay - New	55,780	55,780	0
Total Support Services	<u>134,741</u>	<u>88,792</u>	<u>45,949</u>
Capital Outlay:			
Purchased Services	5,799,923	4,976,936	822,987
Capital Outlay - New	35,841,243	4,427,369	31,413,874
Total Capital Outlay	<u>41,641,166</u>	<u>9,404,305</u>	<u>32,236,861</u>
Debt Service:			
Interest and Fiscal Charges	239,297	239,297	0
<i>Total Expenditures</i>	<u>42,039,304</u>	<u>9,732,394</u>	<u>32,306,910</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(40,222,184)</u>	<u>(7,687,301)</u>	<u>32,534,883</u>
Other Financing Sources (Uses)			
Proceeds of Bonds	43,005,134	43,005,134	0
Proceeds of Notes	41,800,000	41,800,000	0
Operating Transfers Out	(42,648,423)	(42,569,817)	78,606
<i>Total Other Financing Sources (Uses)</i>	<u>42,156,711</u>	<u>42,235,317</u>	<u>78,606</u>
<i>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</i>	1,934,527	34,548,016	32,613,489
<i>Fund Balance Beginning of Year</i>	<u>7</u>	<u>7</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,934,534</u>	<u>\$34,548,023</u>	<u>\$32,613,489</u>

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
School Net Plus Fund
For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$1,000	\$1,000	\$0
Expenditures			
Current:			
Support Services:			
Central:			
Purchased Services	1,667	1,667	0
Materials and Supplies	7,409	7,409	0
Capital Outlay - New	14,038	13,039	999
<i>Total Expenditures</i>	23,114	22,115	999
<i>Excess of Revenues Under Expenditures</i>	(22,114)	(21,115)	999
<i>Fund Balance Beginning of Year</i>	20,964	20,964	0
Prior Year Encumbrances Appropriated	1,150	1,150	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$999</u>	<u>\$999</u>

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Textbook Subsidy Fund
For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	1,415	1,415	0
<i>Excess of Revenues Under Expenditures</i>	(1,415)	(1,415)	0
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	1,415	1,415	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balances - Budget (Non-GAAP Basis) and Actual
All Capital Projects Funds
For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$599,576	\$599,576	\$0
Intergovernmental	46,852	46,852	0
Interest	1,761,845	1,989,818	227,973
Miscellaneous	55,275	55,275	0
<i>Total Revenues</i>	<u>2,463,548</u>	<u>2,691,521</u>	<u>227,973</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	198,614	148,985	49,629
Materials and Supplies	4,359	3,403	956
Capital Outlay - New	62,924	61,625	1,299
<i>Total Regular Instruction</i>	<u>265,897</u>	<u>214,013</u>	<u>51,884</u>
Support Services:			
Board of Education:			
Purchased Services	10,000	2,767	7,233
<i>Administration:</i>			
Materials and Supplies	727	715	12
Capital Outlay - New	7,799	7,799	0
<i>Total Administration</i>	<u>8,526</u>	<u>8,514</u>	<u>12</u>
Fiscal:			
Purchased Services	68,961	30,245	38,716
Other	8,399	8,295	104
<i>Total Fiscal</i>	<u>77,360</u>	<u>38,540</u>	<u>38,820</u>
Operation and Maintenance of Plant:			
Purchased Services	22,339	22,029	310
Materials and Supplies	10,322	10,192	130
Capital Outlay - New	76,539	74,458	2,081
Capital Outlay - Replacement	27,060	27,060	0
<i>Total Operation and Maintenance of Plant</i>	<u>136,260</u>	<u>133,739</u>	<u>2,521</u>
Pupil Transportation:			
Purchased Services	20,272	20,112	160
Capital Outlay - New	318,700	313,282	5,418
<i>Total Pupil Transportation</i>	<u>338,972</u>	<u>333,394</u>	<u>5,578</u>
Central:			
Purchased Services	1,667	1,667	0
Materials and Supplies	7,409	7,409	0
Capital Outlay - New	14,038	13,039	999
<i>Total Central</i>	<u>23,114</u>	<u>22,115</u>	<u>999</u>
<i>Total Support Services</i>	<u>\$594,232</u>	<u>\$539,069</u>	<u>\$55,163</u>

(continued)

Avon Lake City School District
*Schedule of Revenues, Expenditures and Changes In
Fund Balances - Budget (Non-GAAP Basis) and Actual
All Capital Projects Funds (continued)
For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Capital Outlay:			
Purchased Services	\$5,803,594	\$4,978,223	\$825,371
Capital Outlay - New	35,897,347	4,427,369	31,469,978
Capital Outlay - Replacement	123,400	65,900	57,500
Total Capital Outlay	41,824,341	9,471,492	32,352,849
Debt Service:			
Interest and Fiscal Charges	239,297	239,297	0
Total Expenditures	42,923,767	10,463,871	32,459,896
<i>Excess of Revenues Under Expenditures</i>	<i>(40,460,219)</i>	<i>(7,772,350)</i>	<i>32,687,869</i>
Other Financing Sources (Uses)			
Proceeds of Bonds	43,005,134	43,005,134	0
Proceeds of Notes	41,800,000	41,800,000	0
Operating Transfers Out	(42,648,423)	(42,569,817)	78,606
Total Other Financing Sources (Uses)	42,156,711	42,235,317	78,606
<i>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</i>	<i>1,696,492</i>	<i>34,462,967</i>	<i>32,766,475</i>
<i>Fund Balances Beginning of Year</i>	<i>24,543</i>	<i>24,543</i>	<i>0</i>
Prior Year Encumbrances Appropriated	258,932	258,932	0
Fund Balances End of Year	\$1,979,967	\$34,746,442	\$32,766,475

Enterprise Funds

The Enterprise Funds are used to account for School District activities that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Uniform School Supplies Fund - This fund accounts for the purchase and sale of school supplies for use in the School District. Profit derived from such sales is to be used for school purposes or activities connected with the School District.

Adult Education Fund - This fund accounts for revenues and expenses involved in upgrading and retraining out-of-school youths and adults for the purpose of improving their skills and knowledge in their occupation or planned occupation.

Avon Lake City School District
Combining Balance Sheet
All Enterprise Funds
June 30, 2000

	Food Service	Uniform School Supplies	Adult Education	Totals
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$113,479	\$32,003	\$62	\$145,544
Receivables:				
Accounts	175	1,669	0	1,844
Intergovernmental	9,275	0	0	9,275
Prepaid Items	1,299	0	0	1,299
Inventory Held for Resale	5,131	0	0	5,131
Materials and Supplies Inventory	11,991	15,940	0	27,931
<i>Total Current Assets</i>	141,350	49,612	62	191,024
<i>Non Current Assets</i>				
Fixed Assets (Net of Accumulated Depreciation)	151,036	2,200	0	153,236
<i>Total Assets</i>	<u>\$292,386</u>	<u>\$51,812</u>	<u>\$62</u>	<u>\$344,260</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	\$0	\$2,836	\$0	\$2,836
Accrued Wages and Benefits	6,684	0	0	6,684
Intergovernmental Payable	28,723	0	0	28,723
Deferred Revenue	5,131	0	0	5,131
<i>Total Current Liabilities</i>	40,538	2,836	0	43,374
<i>Long-Term Liabilities</i>				
Compensated Absences Payable	24,545	0	0	24,545
<i>Total Liabilities</i>	<u>65,083</u>	<u>2,836</u>	<u>0</u>	<u>67,919</u>
Fund Equity				
Contributed Capital	368,619	0	0	368,619
Retained Earnings:				
Unreserved (Deficit)	(141,316)	48,976	62	(92,278)
<i>Total Fund Equity</i>	<u>227,303</u>	<u>48,976</u>	<u>62</u>	<u>276,341</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$292,386</u>	<u>\$51,812</u>	<u>\$62</u>	<u>\$344,260</u>

Avon Lake City School District
*Combining Statement of Revenues,
Expenses and Changes in Fund Equity
All Enterprise Funds
For the Fiscal Year Ended June 30, 2000*

	Food Service	Uniform School Supplies	Adult Education	Totals
Operating Revenues				
Tuition and Fees	\$0	\$0	\$55	\$55
Sales	445,538	96,671	0	542,209
<i>Total Operating Revenues</i>	445,538	96,671	55	542,264
Operating Expenses				
Salaries	205,461	0	0	205,461
Fringe Benefits	49,812	0	0	49,812
Purchased Services	4,137	0	1,802	5,939
Materials and Supplies	3,588	56,266	0	59,854
Cost of Sales	237,794	32,224	0	270,018
Depreciation	2,493	9	0	2,502
<i>Total Operating Expenses</i>	503,285	88,499	1,802	593,586
<i>Operating Income (Loss)</i>	(57,747)	8,172	(1,747)	(51,322)
Non-Operating Revenues (Expenses)				
Federal Donated Commodities	24,224	0	0	24,224
Operating Grants	68,851	0	0	68,851
Interest	240	0	0	240
Loss on Disposal of Fixed Assets	(2,950)	0	0	(2,950)
<i>Total Non-Operating Revenues (Expenses)</i>	90,365	0	0	90,365
<i>Net Income (Loss)</i>	32,618	8,172	(1,747)	39,043
Retained Earnings (Deficit)				
<i>Beginning of Year</i>	(173,934)	40,804	1,809	(131,321)
<i>End of Year</i>	(141,316)	48,976	62	(92,278)
Contributed Capital				
<i>Beginning and End of Year</i>	368,619	0	0	368,619
<i>Total Fund Equity End of Year</i>	\$227,303	\$48,976	\$62	\$276,341

Avon Lake City School District
*Schedule of Revenues, Expenses and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales	\$441,846	\$445,363	\$3,517
Interest	240	240	0
Operating Grants	<u>68,276</u>	<u>68,276</u>	<u>0</u>
<i>Total Revenues</i>	<u>510,362</u>	<u>513,879</u>	<u>3,517</u>
Expenses			
Salaries:			
Food Service Operations	203,255	203,255	0
Fringe Benefits:			
Food Service Operations	45,594	45,517	77
Purchased Services:			
Food Service Operations	5,947	5,572	375
Materials and Supplies:			
Food Service Operations	227,083	222,275	4,808
Capital Outlay - New:			
Food Service Operations	<u>115</u>	<u>0</u>	<u>115</u>
<i>Total Expenses</i>	<u>481,994</u>	<u>476,619</u>	<u>5,375</u>
<i>Excess of Revenues Over Expenses</i>	28,368	37,260	8,892
<i>Fund Equity Beginning of Year</i>	65,225	65,225	0
Prior Year Encumbrances Appropriated	<u>10,994</u>	<u>10,994</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$104,587</u></u>	<u><u>\$113,479</u></u>	<u><u>\$8,892</u></u>

Avon Lake City School District
*Schedule of Revenues, Expenses and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales	\$94,438	\$95,002	\$564
Expenses			
Materials and Supplies:			
Regular/Special Instruction	96,877	93,620	3,257
Capital Outlay:			
Regular/Special Instruction	2,209	2,209	0
<i>Total Expenses</i>	<u>99,086</u>	<u>95,829</u>	<u>3,257</u>
<i>Excess of Revenues Under Expenses</i>	(4,648)	(827)	3,821
<i>Fund Equity Beginning of Year</i>	25,466	25,466	0
Prior Year Encumbrances Appropriated	<u>4,648</u>	<u>4,648</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$25,466</u></u>	<u><u>\$29,287</u></u>	<u><u>\$3,821</u></u>

Avon Lake City School District
*Schedule of Revenues, Expenses and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
Adult Education Fund
For the Fiscal Year Ended June 30, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Tuition and Fees	<u>\$55</u>	<u>\$55</u>	<u>\$0</u>
Expenses			
Purchased Services:			
Adult/Continuing Instruction	1,810	1,802	8
Materials and Supplies:			
Adult/Continuing Instruction	<u>55</u>	<u>55</u>	<u>0</u>
<i>Total Expenses</i>	<u>1,865</u>	<u>1,857</u>	<u>8</u>
<i>Excess of Revenues Under Expenses</i>	(1,810)	(1,802)	8
<i>Fund Equity Beginning of Year</i>	935	935	0
Prior Year Encumbrances Appropriated	<u>929</u>	<u>929</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$54</u></u>	<u><u>\$62</u></u>	<u><u>\$8</u></u>

Avon Lake City School District
*Schedule of Revenues, Expenses and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
All Enterprise Funds
For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Tuition and Fees	\$55	\$55	\$0
Sales	536,284	540,365	4,081
Interest	240	240	0
Operating Grants	68,276	68,276	0
<i>Total Revenues</i>	<u>604,855</u>	<u>608,936</u>	<u>4,081</u>
Expenses			
Salaries:			
Food Service Operations	203,255	203,255	0
Fringe Benefits:			
Food Service Operations	45,594	45,517	77
Purchased Services:			
Adult/Continuing Instruction	1,810	1,802	8
Food Service Operations	5,947	5,572	375
Total Purchased Services	<u>7,757</u>	<u>7,374</u>	<u>383</u>
Materials and Supplies:			
Adult/Continuing Instruction	55	55	0
Regular/Special Instruction	96,877	93,620	3,257
Food Service Operations	227,083	222,275	4,808
Total Materials and Supplies	<u>324,015</u>	<u>315,950</u>	<u>8,065</u>
Capital Outlay - New:			
Regular/Special Instruction	2,209	2,209	0
Food Service Operations	115	0	115
Total Capital Outlay - New	<u>2,324</u>	<u>2,209</u>	<u>115</u>
<i>Total Expenses</i>	<u>582,945</u>	<u>574,305</u>	<u>8,640</u>
<i>Excess of Revenues Over Expenses</i>	21,910	34,631	12,721
<i>Fund Equity Beginning of Year</i>	91,626	91,626	0
Prior Year Encumbrances Appropriated	<u>16,571</u>	<u>16,571</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$130,107</u></u>	<u><u>\$142,828</u></u>	<u><u>\$12,721</u></u>

Avon Lake City School District
Combining Statement of Cash Flows
All Enterprise Funds
For the Fiscal Year Ended June 30, 2000

	Food Service	Uniform School Supplies	Adult Education	Totals
<i>Increase (Decrease) in Cash and Cash Equivalents</i>				
Cash Flows from Operating Activities				
Cash Received from Customers	\$445,363	\$95,002	\$0	\$540,365
Cash Received from Tuition Payments	0	0	55	55
Cash Payments to Suppliers for Goods and Services	(227,847)	(90,904)	(1,857)	(320,608)
Cash Payments to Employees for Services	(203,255)	0	0	(203,255)
Cash Payments for Employee Benefits	(45,517)	0	0	(45,517)
<i>Net Cash Provided by (Used for) Operating Activities</i>	(31,256)	4,098	(1,802)	(28,960)
Cash Flows from Noncapital Financing Activities				
Operating Grants Received	68,276	0	0	68,276
Cash Flows from Capital and Related Financing Activities				
Payments for Capital Acquisitions	0	(2,209)	0	(2,209)
Cash Flows from Investing Activities:				
Interest on Investments	240	0	0	240
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	37,260	1,889	(1,802)	37,347
<i>Cash and Cash Equivalents Beginning of Year</i>	76,219	30,114	1,864	108,197
<i>Cash and Cash Equivalents End of Year</i>	\$113,479	\$32,003	\$62	\$145,544
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
<i>Operating Income (Loss)</i>	(\$57,747)	\$8,172	(\$1,747)	(\$51,322)
Adjustments:				
Donated Commodities Used During Year	24,224	0	0	24,224
Depreciation	2,493	9	0	2,502
(Increase) Decrease in Assets:				
Accounts Receivable	(175)	(1,669)	0	(1,844)
Prepaid Items	(1,299)	0	0	(1,299)
Materials and Supplies Inventory	(5,117)	(1,623)		(6,740)
Increase (Decrease) in Liabilities:				
Accounts Payable	(1,435)	(791)	(55)	(2,281)
Accrued Wages and Benefits	271	0	0	271
Compensated Absences Payable	3,234	0	0	3,234
Intergovernmental Payable	4,295	0	0	4,295
<i>Total Adjustments</i>	26,491	(4,074)	(55)	22,362
<i>Net Cash Provided by (Used for) Operating Activities</i>	(\$31,256)	\$4,098	(\$1,802)	(\$28,960)

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and other funds. These include expendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Expendable Trust Fund

Special Trust Fund - This fund accounts for assets held by the School District in a trustee capacity for individuals, private organizations or other governments.

Agency Funds

Student Managed Activities Fund - This fund accounts for purchases of supplies and equipment on behalf of those student activity programs which have student participation in the activity and have student involvement in the management of the program.

Staff Services Fund - This fund accounts for purchases of supplies and equipment on behalf of employees of the School District.

Avon Lake City School District
Combining Balance Sheet
All Fiduciary Funds
June 30, 2000

	Expendable Trust	Agency	Totals
Assets			
Equity in Pooled Cash and Cash Equivalents	\$4,632	\$92,953	\$97,585
Liabilities			
Undistributed Monies	\$0	\$4,127	\$4,127
Due to Students	0	88,826	88,826
<i>Total Liabilities</i>	0	92,953	92,953
Fund Equity			
Fund Balance:			
Unreserved, Undesignated	4,632	0	4,632
<i>Total Fund Equity</i>	4,632	0	4,632
<i>Total Liabilities and Fund Equity</i>	\$4,632	\$92,953	\$97,585

Avon Lake City School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2000

	Beginning Balance <u>July 1, 1999</u>	Additions	Reductions	Ending Balance <u>June 30, 2000</u>
Student Managed Activities				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$83,466</u>	<u>\$251,877</u>	<u>\$246,517</u>	<u>\$88,826</u>
<i>Total Assets</i>	<u><u>\$83,466</u></u>	<u><u>\$251,877</u></u>	<u><u>\$246,517</u></u>	<u><u>\$88,826</u></u>
Liabilities				
Intergovernmental Payable	\$4,926	\$0	\$4,926	\$0
Due to Students	<u>78,540</u>	<u>251,877</u>	<u>241,591</u>	<u>88,826</u>
<i>Total Liabilities</i>	<u><u>\$83,466</u></u>	<u><u>\$251,877</u></u>	<u><u>\$246,517</u></u>	<u><u>\$88,826</u></u>
Staff Services				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$7,058</u>	<u>\$3,089</u>	<u>\$6,020</u>	<u>\$4,127</u>
Liabilities				
Undistributed Monies	<u>\$7,058</u>	<u>\$3,089</u>	<u>\$6,020</u>	<u>\$4,127</u>
All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$90,524</u>	<u>\$254,966</u>	<u>\$252,537</u>	<u>\$92,953</u>
<i>Total Assets</i>	<u><u>\$90,524</u></u>	<u><u>\$254,966</u></u>	<u><u>\$252,537</u></u>	<u><u>\$92,953</u></u>
Liabilities				
Intergovernmental Payable	\$4,926	\$0	\$4,926	\$0
Undistributed Monies	7,058	3,089	6,020	4,127
Due to Students	<u>78,540</u>	<u>251,877</u>	<u>241,591</u>	<u>88,826</u>
<i>Total Liabilities</i>	<u><u>\$90,524</u></u>	<u><u>\$254,966</u></u>	<u><u>\$252,537</u></u>	<u><u>\$92,953</u></u>

General Fixed Assets Account Group

The General Fixed Assets Account Group is used to account for all land and improvements, buildings, furniture and equipment, vehicles, and textbooks and library books not used in the operations of the proprietary funds.

Avon Lake City School District

Schedule of General Fixed Assets

By Source

June 30, 2000

General Fixed Assets:

Land and Improvements	\$816,033
Buildings	15,948,073
Furniture and Equipment	4,712,039
Vehicles	1,166,128
Textbooks and Library Books	<u>1,438,988</u>
	<u><u>\$24,081,261</u></u>

*Investments in General Fixed Assets From
Acquisitions Since July 1, 1988:*

General Fund and General Fund Transfers	\$5,932,889
State and Federal Grants	42,905
Capital Projects Fund	<u>1,712,539</u>
	7,688,333
Acquisitions Prior to June 30, 1988	<u>16,392,928</u>
<i>Total Investment in General Fixed Assets</i>	<u><u>\$24,081,261</u></u>

Avon Lake City School District
Schedule of Changes in General Fixed Assets
By Function
For the Fiscal Year Ended June 30, 2000

Function	General Fixed Assets June 30, 1999	Additions	Deletions	General Fixed Assets June 30, 2000
Instruction	\$15,976,632	\$141,639	(\$27,389)	\$16,090,882
Support Services:				
Pupils	54,388	11,494	0	65,882
Instructional Staff	994,120	57,832	(1,795)	1,050,157
Administration	183,711	13,457	(1,625)	195,543
Fiscal	38,003	8,363	(2,547)	43,819
Operation and Maintenance of Plant	404,445	117,330	0	521,775
Pupil Transportation	1,060,575	363,986	(55,286)	1,369,275
Operation of Non-Instructional Services	135,663	527	0	136,190
Extracurricular Activities	44,301	7,268	0	51,569
Facilities Acquisition and Construction Services	<u>4,482,898</u>	<u>79,758</u>	<u>(6,487)</u>	<u>4,556,169</u>
Total General Fixed Assets	<u><u>\$23,374,736</u></u>	<u><u>\$801,654</u></u>	<u><u>(\$95,129)</u></u>	<u><u>\$24,081,261</u></u>

Avon Lake City School District
Schedule of General Fixed Assets
By Function and Type
June 30, 2000

Function	Total	Land and Improvements	Buildings	Furniture and Equipment	Vehicles	Textbooks and Library Books
Instruction	\$16,090,882	\$543,986	\$11,704,165	\$3,366,492	\$0	\$476,239
Support Services:						
Pupils	65,882	0	0	63,329	0	2,553
Instructional Staff	1,050,157	0	0	89,961	0	960,196
Administration	195,543	0	0	195,543	0	0
Fiscal	43,819	0	0	43,819	0	0
Operation and Maintenance of Plant	521,775	0	216,161	250,761	54,853	0
Pupil Transportation	1,369,275	0	123,788	154,877	1,090,610	0
Operation of Non-Instructional Services	136,190	0	87,921	48,269	0	0
Extracurricular Activities	51,569	2,831	0	28,073	20,665	0
Facilities Acquisition and Construction Services	4,556,169	269,216	3,816,038	470,915	0	0
Total General Fixed Assets	\$24,081,261	\$816,033	\$15,948,073	\$4,712,039	\$1,166,128	\$1,438,988

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Avon Lake City School District
General Fund Expenditures by Function
Last Ten Fiscal Years

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Current:										
Instruction:										
Regular	\$10,420,650	\$9,733,316	\$9,501,146	\$9,017,623	\$8,965,145	\$8,388,986	\$7,668,443	\$6,719,378	\$7,297,133	\$6,947,274
Special	1,443,861	1,168,753	1,076,002	875,483	867,875	952,528	767,464	664,969	667,035	534,357
Vocational	177,010	143,794	134,168	130,345	125,976	112,860	105,714	56,061	7,426	49,253
Other	0	0	0	99,601	158,798	60,672	36,409	119,593	63,630	83,188
Support Services										
Pupil	1,005,906	983,075	941,077	778,467	772,524	692,396	685,511	637,424	700,899	778,056
Instructional Staff	920,043	800,467	801,111	734,898	704,616	704,771	587,647	638,752	693,894	693,530
Board of Education	334,084	251,372	284,936	240,762	169,656	126,097	166,437	162,571	118,225	119,798
Administration	1,981,966	1,684,343	1,730,171	1,488,630	1,429,355	1,288,794	1,240,211	1,302,296	1,089,867	1,109,802
Fiscal	518,842	502,699	480,054	454,284	450,189	429,404	431,720	374,884	335,977	325,122
Business	88,365	89,847	66,341	49,108	44,247	43,277	64,927	67,776	125,434	119,401
Operation and Maintenance of Plant	2,038,514	1,906,088	1,897,775	1,988,334	1,950,536	1,843,260	1,692,571	1,662,412	1,664,893	1,614,476
Pupil Transportation	779,798	675,721	691,100	717,771	575,253	491,164	488,077	433,413	439,891	489,615
Central	0	0	189	850	2,018	7,384	7,270	8,515	8,311	12,854
Non-Instructional Services	454	2,026	826	259	0	0	736	0	93	246
Extracurricular Activities	365,524	353,830	328,864	305,228	295,717	276,300	233,195	223,309	265,052	255,055
Debt Service	0	79,624	68,891	85,900	108,400	0	10,562	51,242	49,854	9,025
Total	\$20,075,017	\$18,374,955	\$18,002,651	\$16,967,543	\$16,620,305	\$15,417,893	\$14,186,894	\$13,122,595	\$13,527,614	\$13,141,052

Avon Lake City School District
General Fund Revenues by Source
Last Ten Fiscal Years

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Taxes	\$17,874,806	\$16,580,423	\$17,208,664	\$15,073,363	\$13,390,746	\$12,755,058	\$13,584,077	\$12,603,364	\$10,107,232	\$9,832,967
Intergovernmental	2,704,578	2,463,033	2,533,899	2,134,049	2,003,493	1,907,190	1,890,466	1,866,434	1,478,907	1,631,947
Interest	591,833	573,104	470,030	459,232	466,185	317,623	195,317	128,285	204,149	286,680
Tuition and Fees	75,037	22,185	4,845	1,570	6,623	2,746	209	4,015	9,878	7,879
Extracurricular Activities	0	0	0	0	0	0	0	12,508	0	8,364
Donations	10	0	0	0	47,361	0	7,610	9,963	0	0
Charges for Services	0	0	0	4,097	32	4,054	445	4,449	4,095	7,019
Rentals	9,582	6,314	7,918	5,595	4,345	71,258	91,885	91,194	85,670	134,037
Miscellaneous	5,818	4,760	116,482	0	593	1,083	618	941	480	1,981
Total	\$21,261,664	\$19,649,819	\$20,341,838	\$17,677,906	\$15,919,378	\$15,059,012	\$15,770,627	\$14,721,153	\$11,890,411	\$11,910,874

Source: School District Financial Records

Avon Lake City School District
Property Tax Levies and Collections
Last Ten Years

Year	Current Tax Levy (1)	Current Tax Collections (1)	Percent Collected	Delinquent Tax Collection	Total Tax Collection	Percent of Total Collections To Current Tax Levies	Outstanding Delinquent Taxes (2)	Percent of Outstanding Delinquent Taxes To Current Tax Levy
1999	\$15,320,145	\$15,193,124	99.17%	\$163,710	\$15,356,834	100.24%	\$182,242	1.19%
1998	15,321,549	15,177,360	99.06	110,063	15,287,423	99.78	181,537	1.18
1997	14,972,306	14,856,181	99.22	131,575	14,987,756	100.10	139,709	0.93
1996	13,406,720	13,590,249	101.37	285,652	13,875,901	103.50	124,759	0.93
1995	12,810,239	12,685,229	99.02	119,613	12,804,842	99.96	290,597	2.27
1994	12,273,302	12,421,928	101.21	240,839	12,662,767	103.17	136,699	1.11
1993	12,298,619	12,163,344	98.90	78,745	12,242,089	99.54	258,631	2.10
1992	9,784,379	9,688,278	99.02	68,063	9,756,341	99.71	163,219	1.67
1991	8,739,903	8,854,999	101.32	62,513	8,917,512	102.03	24,792	0.28
1990	8,135,779	8,058,981	99.06	90,031	8,149,012	100.16	22,173	0.27

Source: Lorain County, Ohio; 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) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

Avon Lake City School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Year	Agriculture, Residential and Other Real Estate		Public Utility Property		Tangible Personal Property		Total		Ratio
	Assessed Value	Estimated Actual Value (I)	Assessed Value	Estimated Actual Value (I)	Assessed Value	Estimated Actual Value (I)	Assessed Value	Estimated Actual Value (I)	
2000	\$409,713,190	\$1,170,609,114	\$102,252,710	\$116,196,261	\$77,626,205	\$310,504,820	\$589,592,105	\$1,597,310,195	37%
1999	396,077,030	1,131,648,957	89,551,480	101,763,045	73,246,003	292,984,012	558,874,513	1,526,396,014	37
1998	379,164,090	1,083,325,971	94,906,220	107,847,977	63,205,045	252,820,180	537,275,355	1,443,994,128	37
1997	338,117,080	966,048,800	95,204,230	108,186,625	57,582,400	230,329,600	490,903,710	1,304,565,025	38
1996	329,046,290	940,132,257	94,160,740	107,000,841	56,089,805	224,359,220	479,296,835	1,271,492,318	38
1995	320,859,670	916,741,914	86,832,890	98,673,739	61,390,491	245,561,964	469,083,051	1,260,977,617	37
1994	271,566,780	775,905,086	88,332,100	100,377,386	64,741,939	258,967,756	424,640,819	1,135,250,228	37
1993	263,693,180	753,409,860	86,667,170	98,485,420	60,888,869	243,555,476	411,249,219	1,095,450,756	38
1992	253,087,100	722,955,410	82,768,056	94,054,610	53,810,229	206,962,419	389,665,385	1,023,972,439	38
1991	201,303,050	575,151,571	79,461,888	90,297,600	59,931,133	221,967,159	340,696,071	887,416,330	38

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 on the following percentages:
Real estate is assessed at 35 percent of actual value
Public utility personal is assessed at 88 percent of actual value,
Tangible personal property is assessed at 25 percent of actual value.

Avon Lake City School District
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Years

Year	School Levy	Library	County Levy	JVS Levy	City Levy	Total Levy	Debt Service			
							School (1)	County (2)	City	Included in Total Levy
2000	\$60.79	\$1.80	\$10.79	\$2.45	\$7.24	\$83.07	\$9.94	\$0.00	\$0.00	\$9.94
1999	56.63	1.80	12.69	2.45	7.24	80.81	5.87	0.00	0.00	5.87
1998	53.87	1.80	12.69	2.45	7.24	78.05	1.25	0.00	0.00	1.25
1997	53.87	1.80	12.69	2.45	7.24	78.05	1.25	0.00	0.00	1.25
1996	49.97	0.98	12.69	2.45	7.24	73.33	2.13	0.00	0.00	2.13
1995	48.99	0.98	11.49	2.45	7.24	71.15	1.63	0.00	0.00	1.63
1994	48.49	0.98	11.49	2.45	7.24	70.65	1.63	0.00	0.00	1.63
1993	47.66	0.98	11.39	2.45	7.24	69.72	0.80	0.00	0.00	0.80
1992	42.82	0.98	11.74	2.45	7.24	65.23	0.80	0.00	0.00	0.80
1991	43.32	0.70	11.74	2.45	6.68	64.89	1.30	0.00	0.00	1.30

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.

(2) Lorain County does not have voted millage for debt service.

Avon Lake City School District
*Ratio of Net General Obligation Bonded Debt to Assessed Value
and Net General Obligation Bonded Debt Per Capita
Last Ten Years*

Year	Gross General Bonded Debt	Debt Service Monies Available	Net General Obligation Bonded Debt (1)		Assessed Value (2)	Population (3)	Ratio of Net Debt to Assessed Value		Net Debt Per Capita
2000	\$50,135,432	\$2,475,278	\$47,660,154		\$589,592,105	17,171	8.08%		\$2,776
1999	7,020,000	2,410,455	4,609,545		558,874,513	16,570	0.82		278
1998	7,595,000	2,759,502	4,835,498		537,275,355	16,570	0.90		292
1997	6,584,555	2,887,354	3,697,201		490,903,710	16,570	0.75		223
1996	6,925,893	2,617,417	4,308,476		479,296,835	16,570	0.90		260
1995	7,225,637	2,174,974	5,050,663		469,083,051	16,570	1.08		305
1994	5,507,569	1,896,259	3,611,310		424,640,819	16,156	0.85		224
1993	5,657,198	1,739,811	3,917,387		411,249,219	15,066	0.95		260
1992	1,960,000	1,648,066	311,934		389,665,385	15,066	0.08		21
1991	2,075,000	1,427,045	647,955		340,696,071	15,066	0.19		43

Source:

(1) Includes all general obligation bonded debt.

(2) Source: Lorain County, Ohio; County Auditor

(3) Source: U.S. Bureau of Census, Census of Population, Federal 1990 Census.
Lorain County Regional Planning Commission.

Avon Lake City School District
Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 1999

Jurisdiction	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Avon Lake City School District	\$50,135,432	100.00%	\$50,135,432
Lorain County	8,161,060	3.65	297,879
City of Avon Lake	8,360,575	100.00	<u>8,360,575</u>
Total			<u><u>\$58,793,886</u></u>

Source: Lorain County Auditor, Avon Lake City School District and City of Avon Lake Finance Department

(1) Percentages were determined 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. The valuations used were for the 1999 collection year.

Avon Lake City School District
Computation of Legal Debt Margin
June 30, 2000

Assessed Valuation	589,592,105
Debt Limit - 9% of Assessed Value (1)	\$53,063,289
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonds	50,135,142
Less: Amount Available in Debt Service	<u>(2,475,278)</u>
Net Bonded Debt	<u>47,659,864</u>
Overall Debt Margin	<u>\$5,403,425</u>
Debt Limit - .10% of Assessed Value	\$589,592
Amount of Debt Applicable	<u>0</u>
Unvoted Debt Margin	<u>\$589,592</u>
Additional Limit for Unvoted Energy Conservation Bonds:	
Debt Limit - .9% of Assessed Valuation	\$5,306,329
Energy Conservation Bonds	<u>1,340,000</u>
Additional Unvoted Debt Margin	<u>\$3,966,329</u>

Source: Lorain County Auditor and School District Financial Records

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

Avon Lake City School District
 Ratio of Annual Debt Service Expenditures For
 General Obligation Bonded Debt to General Fund Expenditures
 Last Ten Fiscal Years

Year	Principal	Interest (1)	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (Percentage)
2000	\$585,000	\$1,958,028	\$2,543,028	\$20,075,017	12.67%
1999	575,000	409,831	984,831	18,374,955	5.36
1998	1,184,555	455,020	1,639,575	18,002,651	9.11
1997	341,338	428,543	769,881	16,967,543	4.54
1996	299,744	442,046	741,790	16,620,305	4.46
1995	281,932	336,114	618,046	15,417,893	4.01
1994	149,629	400,831	550,460	14,186,894	3.88
1993	302,802	140,546	443,348	13,122,595	3.38
1992	115,000	56,654	171,654	13,527,614	1.27
1991	205,000	66,991	271,991	13,141,052	2.07

Source: School District Financial Records

(1) Includes fiscal charges

Avon Lake City School District
Demographic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Income (3)</u>	<u>Median Age (1)</u>	<u>Education Level in Years of Formal Schooling (1)</u>	<u>School Enrollment</u>	<u>Unemployment Rate (2)</u>
2000	17,171	\$20,406	35	13.5	3,081	4.10%
1999	16,570	20,406	35	13.5	3,017	3.8
1998	16,570	20,406	35	13.5	3,058	4.4
1997	16,570	20,406	35	13.5	3,064	6.9
1996	16,570	20,406	35	13.5	2,997	4.4
1995	16,570	20,406	35	13.5	2,980	4.9
1994	16,156	20,406	35	13.5	2,919	4.5
1993	15,066	20,406	35	13.5	2,866	10.1
1992	15,066	19,455	35	13.5	2,817	11.5
1991	15,066	14,541	35	13.5	2,714	10.8

(1) Bureau of Census/Lorain County Regional Planning Commission

(2) State Department of Labor figures for Lorain County

(3) Ohio Department of Taxation

Avon Lake City School District
*Industrial Employment,
 Financial Institution Deposits and Building Permits
 Last Ten Years*

Year	Industrial Employment	Financial Institution Deposits (1)	Value of Building Permits Issued (2)
1999	7,300	\$463,871,000	\$49,976,735
1998	7,300	444,974,000	39,797,585
1997	7,300	920,050,000	39,422,199
1996	7,300	1,329,795,000	44,956,627
1995	7,300	1,237,991,000	46,141,844
1994	7,300	1,254,166,000	35,493,678
1993	7,300	1,170,558,000	35,126,902
1992	5,420	1,126,173,000	31,524,300
1991	4,935	1,066,123,000	51,846,725
1990	4,161	1,317,821,000	61,747,857

Source:

City of Avon Lake, Building Department.
 (1) Bank - Cleveland Federal Reserve Bank.

Data are presented on a calendar year basis because that is the manner in which the information is maintained by the City and Banks.

(2) Large decrease due to only one commercial bank headquartered in Lorain county instead of two as in previous years.

Avon Lake City School District
Principal Taxpayers
Real Estate Tax
December 31, 1999

Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Ford Motor Company	\$7,921,560	1.93%
The Geon Company	3,894,210	0.95
KOPF Properties LTD.	2,174,690	0.53
BF Goodrich Company	1,997,350	0.49
Learwood Square Company	1,525,660	0.37
KOPF Construction Corporation	1,308,220	0.32
Riser Foods Company	1,237,320	0.30
Landings Shops and Offices	1,195,870	0.29
Avon Lake Associates	1,168,830	0.29
KOPF Construction	1,017,770	0.25
Total	<u>\$23,441,480</u>	<u>5.72%</u>
Total School District Assessed Valuation	<u>\$409,713,190</u>	

Source: Lorain County Auditor

(1) Assessed values are for the 2000 collection year.

Avon Lake City School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 1999

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Ford Motor Company	\$26,033,790	33.54%
Geon Company	16,468,040	21.21
BF Goodrich Company	15,243,560	19.64
Glidden Company	1,737,860	2.24
Midwest Electrical Supply Company	1,470,680	1.89
Riser Foods Company	1,185,980	1.53
First National Supermarkets Inc.	1,070,270	1.38
Scott Fetzer Company	1,059,700	1.37
Rosborough Manufacturing Corporation	966,430	1.24
IBM Credit Corpation	936,790	1.21
Total	<u>\$66,173,100</u>	<u>85.25%</u>
Total School District Assessed Valuation	<u>\$77,626,205</u>	

Source: Lorain County Auditor

(1) Assessed values are for the 2000 collection year.

Avon Lake City School District
Principal Taxpayers
Public Utilities Tax
December 31, 1999

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Cleveland Electric	\$95,174,010	93.08%
Century Telephone of Ohio	4,056,780	3.97
Columbia Gas of Ohio	<u>3,021,920</u>	<u>2.96</u>
Total	<u>\$102,252,710</u>	<u>100.00%</u>

Source: Lorain County Auditor

(1) Assessed values are for the 2000 collection year.

Avon Lake City School District
Per Pupil Cost
Last Ten Fiscal Years

Year	General Fund Expenditures	Average Daily Student Enrollment	Per Pupil Cost
2000	\$20,075,017	3,081	\$6,516
1999	18,374,955	3,017	6,090
1998	18,002,651	3,058	5,887
1997	16,967,543	3,064	5,538
1996	16,620,305	2,997	5,546
1995	15,417,893	2,980	5,174
1994	14,186,894	2,919	4,860
1993	13,122,595	2,866	4,579
1992	13,527,614	2,817	4,802
1991	13,141,052	2,714	4,842

Source: School District Financial Records.

Avon Lake City School District
Teacher Education and Experience
 June 30, 2000

Degree	Number of Teachers	Percentage of Total
Bachelor's Degree	22	10.53%
Bachelor + 10	22	10.53
Bachelor + 20	25	11.96
Bachelor + 30	12	5.74
Master's Degree	62	29.67
Master's + 10	34	16.27
Master's + 20	12	5.74
Master's + 30	20	9.57
Total	<u>209</u>	<u>100.00%</u>

Years of Experience	Number of Teachers	Percentage of Total
0 - 5	53	25.36%
6 - 10	35	16.75
11 and Over	121	57.89
	<u>209</u>	<u>100.00%</u>

Source: School District Personnel Records

Avon Lake City School District

Average ACT Scores

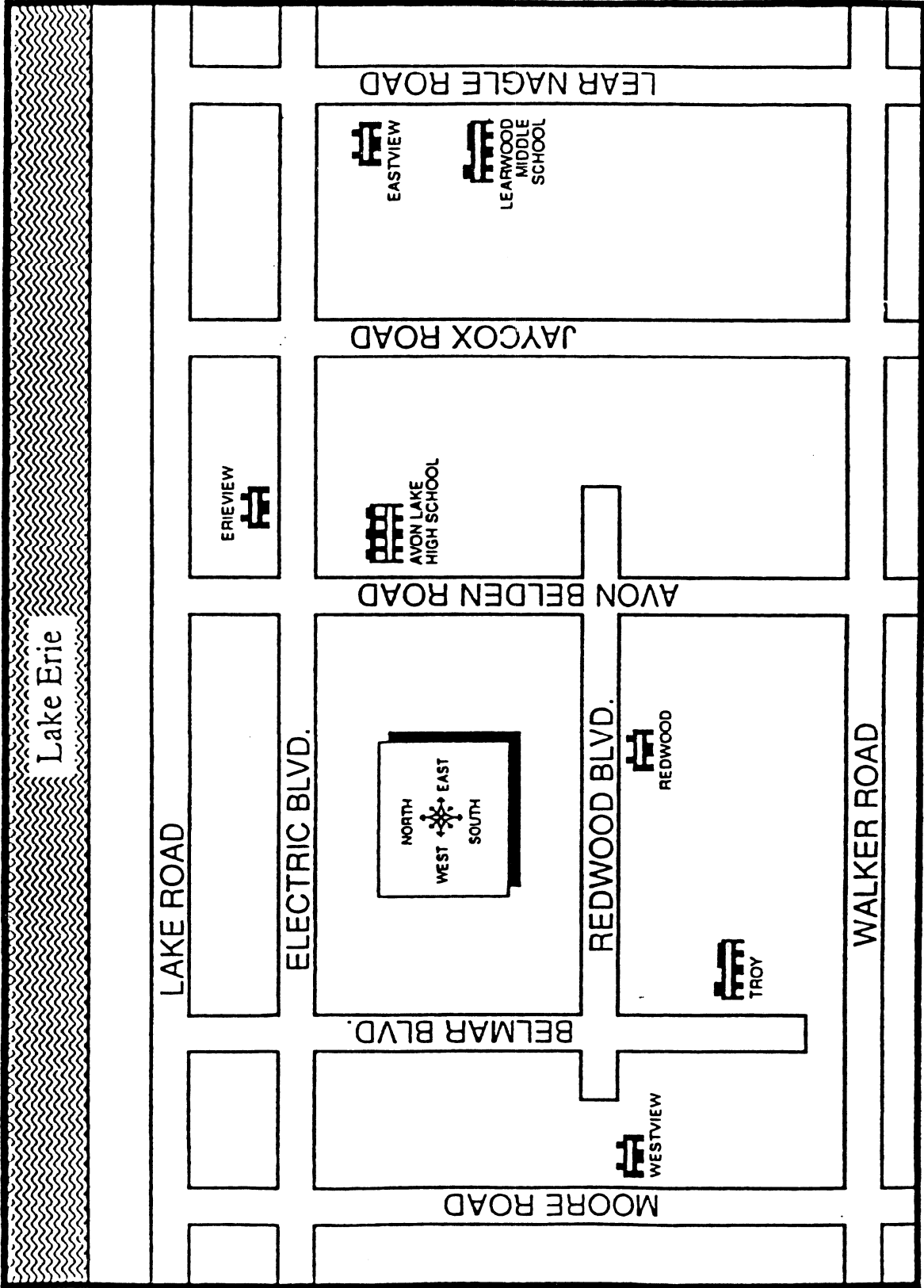
Last Ten Years

	Avon Lake		State of Ohio		National	
	Lake		Ohio		National	
<u>English:</u>						
1999-2000	21.8	20.7	20.7	20.5	20.5	21.0
1998-1999	21.6	20.8	20.8	20.5	20.5	21.0
1997-1998	22.0	20.7	20.7	20.4	20.4	21.1
1996-1997	21.7	20.6	20.6	20.3	20.3	21.0
1995-1996	21.7	20.8	20.8	20.2	20.2	21.1
1994-1995	21.5	20.8	20.8	20.3	20.3	21.0
1993-1994	21.6	20.7	20.7	20.3	20.3	20.9
1992-1993	21.2	20.6	20.6	20.2	20.2	20.8
1991-1992	22.0	20.5	20.5	20.3	20.3	20.7
1990-1991	20.4	20.5	20.5	20.5	20.5	20.7
<u>Math:</u>						
1999-2000	22.7	21.2	21.2	20.7	20.7	21.0
1998-1999	22.3	21.1	21.1	20.7	20.7	21.0
1997-1998	22.5	21.2	21.2	20.8	20.8	21.0
1996-1997	22.0	21.0	21.0	20.6	20.6	21.0
1995-1996	21.9	20.7	20.7	20.2	20.2	20.9
1994-1995	21.8	20.6	20.6	20.2	20.2	20.8
1993-1994	22.2	20.5	20.5	20.2	20.2	20.8
1992-1993	20.7	20.3	20.3	20.1	20.1	20.7
1991-1992	21.8	20.2	20.2	20.0	20.0	20.6
1990-1991	20.6	20.1	20.1	20.0	20.0	20.6
<u>Composite:</u>						
1999-2000	22.8	21.4	21.4	20.7	20.7	21.0
1998-1999	22.2	21.4	21.4	20.7	20.7	21.0
1997-1998	22.7	21.4	21.4	20.8	20.8	21.0
1996-1997	21.9	21.3	21.3	20.6	20.6	21.0
1995-1996	22.1	21.3	21.3	20.2	20.2	20.9
1994-1995	22.1	21.2	21.2	20.2	20.2	20.8
1993-1994	22.2	21.2	21.2	20.2	20.2	20.8
1992-1993	21.6	21.0	21.0	20.1	20.1	20.7
1991-1992	22.3	20.9	20.9	20.0	20.0	20.6
1990-1991	20.8	20.9	20.9	20.0	20.0	20.6
<u>Reading:</u>						
1999-2000	23.0	21.9	21.9	21.4	21.4	21.0
1998-1999	22.3	21.9	21.9	21.4	21.4	21.0
1997-1998	23.1	21.8	21.8	21.4	21.4	21.0
1996-1997	22.0	21.8	21.8	21.3	21.3	21.0
1995-1996	22.1	21.9	21.9	21.3	21.3	21.0
1994-1995	22.5	21.7	21.7	21.3	21.3	21.0
1993-1994	22.3	21.8	21.8	21.2	21.2	21.0
1992-1993	21.8	21.6	21.6	21.2	21.2	21.0
1991-1992	22.6	21.5	21.5	21.1	21.1	21.0
1990-1991	22.1	21.5	21.5	21.2	21.2	21.0

Source: American College Testing Program



Map of Avon Lake City Schools





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OFFICE OF THE AUDITOR

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AVON LAKE CITY SCHOOL DISTRICT

LORAIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 09, 2001**