



**CITY OF AVON
LORAIN COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CITY OF AVON
LORAIN COUNTY

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

Members of City Council
City of Avon
Lorain County
36080 Chester Road
Avon, Ohio 44011

We have audited the basic financial statements of the City of Avon, Lorain County, Ohio, (the City) as of and for the year ended December 31, 2001, and have issued our report thereon dated July 3, 2002 wherein we noted that the City adopted Governmental Accounting Standards Board Statements 33, 34, 36, 37, and Interpretation 6. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City'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 certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated July 3, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City'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 City in a separate letter dated July 3, 2002.

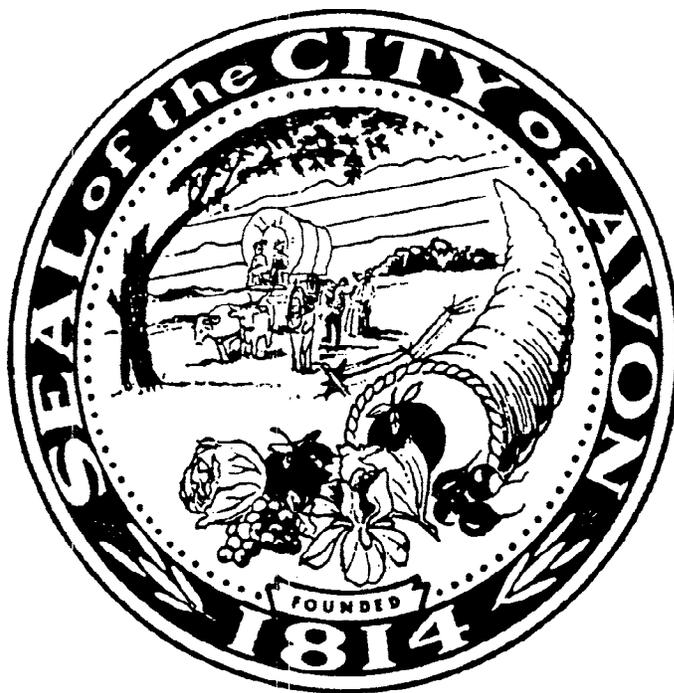
This report is intended for the information and use of the audit committee, management and City Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

July 3, 2002

City of Avon, Ohio



**Comprehensive Annual Financial Report
For the Year Ended December 31, 2001**

City of Avon, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2001

Prepared by:

Office of the Director of Finance

Robert F. Hamilton
Director of Finance

City of Avon, Ohio
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For the Year Ended December 31, 2001
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CITY OF AVON

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July 3, 2002

Members of City Council and
Citizens of Avon
Avon, Ohio 44011-1588

We are pleased to submit the eleventh Comprehensive Annual Financial Report (CAFR) prepared by the Finance Office of the City of Avon. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data as presented is accurate in all material respects and that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included. **We make special note of the fact that this report is the City's advance and initial implementation of the GASB Statement 34 reporting model.**

This report will provide the taxpayers of Avon with comprehensive financial data in a format which will enable them to gain an understanding of the City of Avon's financial status. Copies will be made available to the Chamber of Commerce, major taxpayers, the Avon Branch of the Lorain Public Library, financial rating services and other interested parties.

The comprehensive annual financial report is presented in three sections:

1. The Introductory Section, which contains a Table of Contents, the Letter of Transmittal, a list of city's principal officials and department heads, an organizational chart and the GFOA Certificate of Achievement.
2. The Financial Section, which begins with the Report of Independent Accountants and includes the Management's Discussion and Analysis, the Basic Financial Statements and notes that provide an overview of the City's financial position and operating results, and also includes Combining Statements for nonmajor funds and other Schedules that provide detailed information relative to the Basic Financial Statements.
3. The Statistical Section, which presents various tables reflecting social and economic information, financial trends and the fiscal capacity of the City of Avon.

Reporting Entity

For financial purposes, the City includes all funds and account groups that comprise the primary government and all agencies, boards and commissions for which the City is financially accountable. The City is financially accountable for an organization if the organization is fiscally dependent on the City or if the City appoints a majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the City. The ability to impose its will on the organization exists if the City can either remove members of the governing board at will, modify or approve the organization's budget, modify or approve rates or fees, modify or overrule decisions of the organization's governing body, or appoint, hire, reassign or dismiss persons responsible for management of the organization's day-to-day activities. A financial benefit exists if the city is legally entitled to or can otherwise access the organization's assets. A financial burden exists if the city is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization, or if the city is obligated in some manner for the debt of the organization. No component units have been included in the City's reporting entity.

The City is associated with the Lorain County General Health District and the Northeast Ohio Public Energy Council (NOPEC). These are jointly governmental organizations and are presented in Note 15.

The City of Avon

The City of Avon is located in Lorain County in northcentral Ohio, 22 miles west of downtown Cleveland. The City is bound on the north by the City of Avon Lake, on the east by the City of Westlake, on the west by the Village of Sheffield, and on the south by the City of North Ridgeville. The City covers 20.5 square miles, or a total of 16,000 acres. Avon is between 625 and 700 feet above sea level. The French Creek waterway runs throughout the City's relatively flat topography.

The first permanent settlement in Avon was established in 1814 by three families from Montgomery County, New York. Other families from New England followed in the years between 1815 and 1824, and in 1833, several families arrived from Bavaria, Germany.

Early industries included saw mills, a grist mill, and by the 1850's, a steam saw mill, a steam flouring mill, and a wagon manufacturer were established industries. Farms and orchards produced abundant harvests to give Avon the name of "garden spot of America".

Avon was incorporated as a village in 1917 and was officially made a city in 1961. Avon has carefully maintained its attractive rural features while allowing for controlled growth.

The Avon Municipal Building was built in 1958 at an approximate cost of \$100,000. At that time, the City's population was estimated to be 4,500. According to the 2000 census, the City's population was 11,353, although current projections have the population set closer to 13,000. In late 1997, the City purchased a new city hall building on Chester Road and turned the Avon Municipal Building into the police department facility.

On May 27, 1965, the seal of the City of Avon was designed and presented by the Avon Chamber of Commerce. The cornucopia pictured on the City's seal (see front cover) represents the abundance of food found here from the pioneer days to the present. Although Avon has experienced many changes in its long history, it is still known for its rich soil - a source of wealth from the growing of vegetables, fruits and flowers. Avon's future still lies in its largely undeveloped acres, promising future residential, agricultural, and industrial growth.

Long known for its many greenhouses, Avon has also become noted as a major center for antiques with several stores housed in century old homes within the French Creek Historic District. Annually, the French Creek Antiques Association sponsors the Christmas Candlelight Walk which brings scores of visitors to Avon.

A number of major state and county roads traverse the City of Avon, including Interstate 90, Ohio State Route 83, 254 and 611, and the Ohio Turnpike which is approximately ten miles from the City. The City of Avon is serviced by two airports, Cleveland Hopkins International Airport, 16 miles east, and Lorain County Regional Airport, 15 miles southwest.

Three daily newspapers, *The Plain Dealer*, *The Morning Journal*, and the *Elyria Chronicle-Telegram* and two weekly newspapers, *The Press* and *The Sun*, serve the City.

The City has a new shopping center located in the center of town. In addition, several large shopping centers are located within ten minutes of the City; Avon Lake, two miles; North Ridgeville, six miles, the Promenade, Westlake, two miles; Great Northern Shopping Center, North Olmsted, ten miles and Midway Mall, Elyria, eight miles. Located within the City are branches of First Merit-EST Bank, Fifth Third Bank and The First Federal Savings of Lorain.

St. John Westshore Hospital, Westlake and Community Health Partners Hospital, Lorain, are located within six miles of the City while Elyria Memorial Hospital is within ten miles of the City. The Cleveland Clinic is approximately twenty-five miles from the City.

Institutions of higher education within Lorain County include Lorain County Community College in Elyria, approximately five miles west of Avon; Southeastern Business College in Lorain, approximately twelve miles west of the City, and Oberlin College in Oberlin, approximately twenty miles south of Avon. Both Lorain County Community College and Southeastern Business College are junior colleges (two-year degree programs and/or certificate studies), and Oberlin College is a four-year institution with a fine arts discipline. Lorain County Community College is a public institution while Southeastern Business College and Oberlin College are proprietary schools. Lorain County Community College offers a University Partnership Program where students can coordinate their educational program with a number of universities including: University of Akron, Ashland University, Cleveland State University, Kent State University, Ohio State University and Youngstown State University.

City Government

Avon was founded in 1814, incorporated as a village in 1917, and achieved city status in 1961. Avon is a Charter Municipal Corporation established and operated under the laws of the State of Ohio. A charter was first adopted by the electorate on May 2, 1961. The charter provides for a Mayor-Council form of government. The elected officials consist of a Mayor and seven council members.

The Mayor is the City's chief executive officer and is elected to a four-year term. The Mayor supervises the administration of all departments and appoints department heads and public members of administrative boards, he oversees the enforcement of all laws and ordinances and is the chief conservator of the peace. He also executes all contracts, conveyances, and evidences of indebtedness of the City. A magistrate presides over the mayor's court and reports to the Mayor.

Legislative authority is vested in a seven member council with four members elected from wards and three elected at large. The member receiving the greatest number of votes becomes the president. Council enacts ordinances and resolutions relating to tax levies, appropriate and borrows money, and accepts bids for materials and services and other municipal purposes. Members of Council are elected to a two year term.

The City provides a full range of municipal services. These services include police, fire, emergency rescue, recreation and parks, a Mayor's Court, water and sewer utility, planning, zoning and general administrative services.

Employee Relations

The City has 127 employees; 63 are full-time, and 64 are part-time, 24 of who are fire-fighters and emergency rescue workers. Full-time employees may join one of the collective bargaining units for their group as determined by the State Employee Relations Board (SERB). The three unions in the City are:

<u>Name</u>	<u>Contract Expires</u>	<u>Membership</u>
AFSCME Local #277	December 31, 2003	22
Fraternal Order of Police, Dispatchers and Sergeants	December 31, 2002	24
Teamster Local #52	November 30, 2003	6

Economic Conditions and Outlook

During 2001, the City enjoyed a period of continuing growth in the building of residential, commercial and industrial developments, and the economic outlook at this time continues to be very aggressive. Below are highlights regarding residential and commercial/industrial growth within the City.

Residential - The number of new single-family home permits issued was 315 with a valuation of \$72,773,996, compared to 282 single-family home permits issued in 2000 with a valuation of \$62,685,365, an increase of 14.5 percent. Multi-family type construction such as townhouses, 4-plexes and 6-plexes numbered 7, with a valuation of \$2,257,432. This construction compares to 2000's 20 units with a valuation of \$7,374,800.

New and existing residential projects continue to grow and expand with more than 1,000 housing units in various stages including but not limited to Arbor Acres, Avenbury Lakes, Briar Lakes, Camelot, Highland Park, Pin Oak Preserve, Red Tail Golf Community, Stonebridge, The Fields, Vineyard Estates, Hawkesbury Lane, The Village at Creekside, Greenview Estates, Saddlecreek, West Park and Bently Park subdivisions.

Commercial/Industrial - In 2001, 285 commercial permits were issued with a valuation of \$97,695,576 compared to 304 permits and a valuation of \$41,422,005 in 2000. Currently, Lear Industrial Parkway, First Interstate, Avon Commerce Park, Avon Industrial Parkway, Timberlake Apartments, Fairfield Inn and Superior Commercial Drive are under development.

Four new companies, Wonder Machine, Marconi, Cutting Dynamics and MB Industries moved into their new industrial buildings in 2001. Combined employment is approximately 100 employees.

Avon Commons located at Detroit Road and Center Road, a retail development consisting of approximately 680,000 square feet of commercial improvements continues to be developed. The development includes retail stores such as: Target, Kohl's, The Home Depot, Heiness Fine Foods, Marshall's, Old Navy, Linen-N-Things, Cost Plus, Michaels, and others. Walmart has entered into an agreement to build a new store on Chester Road.

Assessed Valuation - The assessed valuation of the City of Avon has been growing steadily over the past ten years, as can be seen in the Statistical Section of this report. The assessed valuation grew from \$276,973,360 in 2000 to \$328,512,440 in 2001, primarily due to the expansion of industry and an increase in residential construction.

Major Initiatives

In 2001, the City of Avon addressed several major initiatives and planned for many others in 2002 and beyond. All departments met important goals in 2001. The following summarizes the departments' accomplishments.

Police Department - During 2001, the Police Department took steps to keep up with the explosive growth rate of the City. One additional full-time officer was hired early in the year, to bring the sworn component of the Department to twenty. Unfortunately, in response to the events of September 11th, one full-time officer was called to active military duty, so no net gain in manpower was realized. This officer, currently serving with the U.S. Army, is expected to return to duty with the Police Department sometime in the fall of 2002. Additionally, the Department has funds appropriated to hire and deploy three additional full-time officers in 2002. The Department's need to hire additional staff, both sworn and civilian will continue in future years, provided the City's rate of growth continues.

The Department maintained its efforts to provide officers with the best equipment and technology available. The entire fleet of cruisers is equipped with in-car audio/video systems, and has been so equipped for several years. These systems provide documentary evidence of the patrol staff's activities, which results in an improved conviction rate, as well as protection for the officer from allegations of wrongdoing. Mobile Data Terminals (MDTs) were added to three cruisers in 2001. MDTs provide instant access to patrol officers to state and national databases, driver's license information and photographs, as well as to criminal history information. The remainder of the patrol fleet is slated to be MDT equipped by the end of 2002.

Additional equipment and technological improvements contemplated for 2002 include firearms upgrades, police station security improvements, and improvements to the internal computer network.

A very successful motorcycle patrol program was added in 2001. This program provided additional traffic enforcement in problem areas, such as neighborhoods, school zones, and an increasingly congested Interstate 90. The Department hopes to maintain or increase this program in 2002. The existing program of replacing police cruisers on a three-year rotation was maintained. The Department should take delivery of two new cruisers in the spring of 2002, with an order of two additional cruisers anticipated in the fall.

The Police Department currently occupies the old City Hall building on Detroit Road. This facility, when constructed in the middle 1950's, was never intended to serve as a full-time police facility. After renovation in the late 1990's, it provided a dramatic improvement over the cramped working conditions the Department previously experienced while situated in the basement of City Hall. However, as stated earlier, the City continues to grow at an extremely rapid rate. As additional staff and services have been added, the space available in the existing building has shrunk. There is, at this time, no additional space available in the police station for additional investigative and civilian staff that will be needed in the next few years. The additional staffing requirements brought about by the growth of the City will strain the existing facility past the breaking point in the next few years. Once the new Central Fire Station is built and staffed, the City will need to turn its attention to an updated police facility capable of servicing the City for the next quarter-century.

The Avon Police Department will continue to provide quality law enforcement services to its citizens in a cost-effective manner into 2002 and beyond.

Fire and Emergency Rescue Departments - The City operates the Fire Department on a part-time basis. Two firefighters are on duty from 9:00 a.m. until 5:00 p.m. Monday through Friday. Recently the hours for daytime staffing were expanded to 6:00 a.m. until 6:00 p.m. Monday through Friday. While on duty the firefighters complete checking, servicing and flushing all fire hydrants. All City businesses were inspected in 2001.

A new 2001 Ford ambulance made by American Emergency Vehicles was delivered in 2001. A turn out gear and turn out commercial washer for washing turn out gear were purchased.

In November 2001, an income tax increase was presented to the voters of Avon to provide funds to build a new Fire Station for the Fire Department to go from part-time to full-time status. The issue passed and the Fire Station will be built in 2002 with full-time status beginning in 2002.

In 2001, the Avon Fire Department answered 263 fire runs and the Emergency Rescue Department responded to 661 ambulance runs.

The Avon Fire Department conducted several live house training fires in cooperation with Cuyahoga Community College Fire School. Firefighters participated from the Avon Fire Department. Numerous practice burns were done on fire suppression, along with deck gun operations, exposure protection and ventilation. Live burn training fires proved to be excellent training for firefighters.

The Avon Fire Department conducted the yearly program at Safety Town. This is an excellent program that reaches many families and children. The Avon Fire Department teaches fire prevention and acquaints the children with Avon's Rescue Squad. Nine other fire prevention and training programs were provided to industries and groups in the City of Avon.

All self-contained breathing apparatus were checked and serviced by Pro Am Safety. All breathing apparatus checked out to be in good working order.

The breathing air compressor was serviced and checked by Breathing Air System. Air samples were taken to assure that the breathing air met all standards to be used in the self-contained breathing apparatus and air tanks for divers.

The 1972 FMC Pumper, the 1990 FMC Pumper and the 1999 U. S. Tanker Pumper had yearly pump tests at Williams Detroit Diesel. All pumpers pumped to rated capacity. Fire Truck Specialties performed yearly maintenance on the apparatus parts of the 1972 FMC Pumper, the 1990 FMC Pumper and the 1999 U. S. Tanker Pumper.

Mike Bass Ford performed yearly maintenance and the Federal Department of Transportation performed annual inspection on the 1972 FMC Pumper, the 1990 FMC Pumper, the 1999 U. S. Tanker Pumper, the 1999 Heavy Rescue, the 1980 Ford Squad and the 1992 Ford Squad. All units passed the Federal Department of Transportation inspection. All inspection reports are on file at Station No. 1.

American Test Center tested all ladders in the Avon Fire Department. All ladders passed the inspection. All public and private schools were inspected for fire safety. All schools were in satisfactory condition.

Building Department - For the year of 2001, the City of Avon Building Department out performed eight counties for single-family dwelling permits. The survey acknowledges Avon had 340 single-family dwelling permits, with 315 being new construction. Single-family home construction valuation was approximately \$73,000,000, not including infrastructure. Twenty-nine (29) apartment permits, with only 7 being new construction projects, were issued to the Timberlakes Complex and the approximate valuation worth of \$18,500,000. Approximately 285 commercial/industrial permits were issued with a valuation of \$98,000,000. One thousand seven hundred (1,700) permits were issued by the Building Department including but not limited to, residential, commercial and industrial with the estimate valuation of \$180,000,000 which does not include the infrastructure cost.

The Avon Commons Complex added another 175,000 square feet of retail space consisting of Home Depot, Panera Bread, Men's Wearhouse, Radio Shack just to name a few. Other commercial/industrial projects include additions and remodeling for Harley Davidson on Chester Road, Cutting Dynamics, Avon Bearings Inc., Drug Mart Complex, and the Fairfield Inn Hotel. Other major projects for the upcoming year include Walmart, Costco Warehouse, Heinen's Fine Foods and another hotel.

The Building Department conducted over 16,686 inspections for the year 2001 with a staff consisting of a Chief Building Official, five field inspectors, one full-time plans examiner/inspector, two full-time clerks and one part-time clerk.

Engineering - The City's Consulting Engineer, Bramhall Engineering and Surveying Company, Inc. provided engineering design services for City of Avon infrastructure projects including major drainage, water supply, sanitary sewer collection and pavement reconstruction projects. Also, planning commission engineering reviews and construction inspections were provided for commercial, industrial and residential developments. The department conducted 434 topo site plan reviews, and 768 foundations and final grade inspections.

A complete infrastructure asset inventory was completed in conjunction with the requirements of Governmental Accounting Standards Board's Statement No. 34.

A Geographic Information System was completed for the City representing a digital model of all parcels, zoning districts, master sanitary thoroughfare plans, site addresses, parcel ownership data and drainage. A 0.5-foot pixel color aerial photo serves as the base layer for the GIS map.

Service Department - All Water and Sewer and Street Department operations are conducted from a combined facility located at the corner of Detroit and Jaycox Roads. The facility complies with the Americans with Disabilities Act.

Water and Sewer Departments - The City of Avon does not operate its own water or sewer treatment facilities. Water is supplied by the City of Avon Lake Water Plant through Avon's distribution system. The system includes a 36-inch water main that serves the Rural Lorain County Water Authority in southern Lorain County. The addition of this water main increases Avon's water capacity 6,000,000 gallons per day without adding another elevated storage tank. The Utilities Department currently serves approximately 5,300 accounts or homes, which is an increase of 300 active accounts over the last year. The City has approximately 88 miles of water mains and 63 miles of sanitary sewer mains.

The French Creek Water Pollution Control Center, which is owned by the City of North Ridgeville, handles 75% of the sanitary sewer discharge of the City of Avon. The City currently discharges the majority of the commercial/industrial wastewater to the City of Avon Lake's Water Pollution Control Center. The City constantly is expanding and upgrading our sanitary collection system that discharges to those treatment facilities. These expansions have made key areas more accessible to the constant commercial, industrial and residential growth the City is experiencing.

The Utilities Department is presently staffed with ten employees; six "outside crew" employees and three clerical employees and the Superintendent. These employees handle all day to day operations of the Department including billing and accounting, meter reading, taps, breaks and normal operations associated with the department and its appurtenances.

In the year 2001, the Utilities Department was involved in nine major private projects approved by the City, five new residential subdivisions and fourteen commercial/industrial projects.

Street Department - The Street Department employs eight full-time employees, who are at the direction of the Street Department Superintendent. The department is responsible for maintenance of streets, drainage courses, City Hall and one City owned cemetery.

Several main roads and side streets were addressed in the 2001 Resurfacing Program. Main streets that were rebuilt include Case, Moon and Kinzel Roads. Long Road was repaved after the Rural Waterline Project was completed. Side streets receiving long needed pavement correction were Pear, Cherry, Willo, Joseph, Puth, Elizatbeth, Maple Ridge and a portion of Sandy Lane that was also part of an extensive sanitary and storm sewer project completed in 2001. Avon Road and Shakespeare Lane also received asphalt overlays. An extensive asphalt rejuvenation project was completed on all of our three and some four-year-old installations. Crack sealing was also done on the streets that were most in need. Pavement maintenance was of a higher priority in 2001 than ever before in Avon's history.

Ditch cleaning, as always, is a continual effort to maintain control over storm water collection and distribution. Many in-house improvements were done in 2001. Catch basins were installed in areas of aged undersized services so that we would have access to blockage problems when they occur. The Hassel Ditch was a major cleaning project in 2001.

The Ohio Public Works Commission Project for the year 2001 was the partial enclosure of State Route 83 ditch with a box culvert.

The Street Department has also assumed much of the responsibility for the maintenance of the City's park grounds and maintenance duties due to the lack of equipment and resources for the Park Department.

Parks and Recreation - In 2001, the Director of Parks, along with the entire Parks and Recreation Staff and Park Board, continued to improve the parks department for the City. New programs were added and old favorites were renovated to make sure Avon's past always continues to be part of Avon's future.

Avon's Veteran's Memorial Park is near completion and has already attracted the city's interest with field space and recreational use. The park continued its construction this year and is on its way to being one of the finest recreational facilities within the area. Plans for future activities and uses for Veterans Park are already under way. After Phase I is in use, plans for Phase II will begin, and with the help of the residents of Avon, we will continue to have activities everyone will be able to enjoy.

The Parks and Recreation Department took over the city-wide Safety Town Program for pre-kindergarten aged children. This program teaches children about animal, gun and fire safety. More information and speakers were added to illustrate to the children the safety issues and concerns that face them in this new millennium. This year also marked the plans for a permanent Safety Town site are underway. The site will be located behind the Avon Village School and will be a great asset to the Safety Town project.

Avon Isle is used for all the city residents, young and old. The Senior Advisory Committee is considering using Avon Isle for their senior activity center. The Parks Department uses the site to host Little League and Park Board meetings. This is also the home for some of our new programs including baton and gymnastics. Much is being done to help save this historic building. In the years to come residents will have the opportunity to use the site and will be able to share in some of Avon's past history.

2001 brought new activities to our already established list of recreational programs. We are always looking to expand and create more programs for everyone in the city to enjoy. Each year the Parks Department will be adding programs to keep up with the interest and needs of our residents.

Adult Co-Ed Volleyball	Men and Women out of high school
Men's Basketball	Men out of high school
Adult Physical Fitness	Men and Women (low impact)
Little Eagle Basketball	Boys and Girls grades 3rd through 6th
Health Screenings and Talks	Men, Women and Children of all ages
Gymnastics	Children
Baton	Children
Play Ground Days	Children

ACCOUNTING SYSTEMS AND BUDGETARY CONTROL

Development of the City's accounting system includes consideration 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 recognizes that (1) the cost of a control should not exceed the benefits likely to be derived from its implementation and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control Budgetary control is maintained by an encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued when a sufficient unencumbered appropriation balance is not available.

To maintain budgetary control, the department head first reviews the purchase order which is then forwarded to the Finance Director. The Finance Director then reviews the purchase order for availability of funds. Copies of all approved purchase orders are returned to the department head pending receipt of the goods and invoices. Once goods or services and the invoice are received, the department head signs a copy of the purchase order for verification that all goods or services were received and are in acceptable condition. Each department is furnished a monthly report showing the status of the budget accounts for which it is responsible. The reports detail monthly transactions and summarize the available balance.

The Mayor and the Finance Director prepare an annual appropriation ordinance which is submitted to the Council's Finance Committee for its recommendations by January 1 of each year for the period January 1 through December 31. All members of Council review it before its adoption. All disbursements require appropriation authority.

In December 2001, the City prepared the annual appropriation ordinance for year 2002. The ordinance was submitted to Council's Finance Committee and was subsequently passed by Council on January 3, 2002. With this action, the City has chosen to by-pass the temporary appropriation ordinance.

For all operating funds, appropriations are maintained at the object level within a department and fund.

Financial Condition This is the first year the City has prepared financial statements following GASB Statement 34. "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." GASB 34 creates new basic financial statements for reporting on the City's financial activities as follows:

Government-wide financial statements These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

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

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the City. This discussion follows the report of independent accountants, providing an assessment of the City finances for 2001.

Cash Management

The City adheres to the regulations set forth in the Ohio Revised Code to ensure the safety of its investments. All deposits are made under contracts with local banking institutions and with the State Treasurer's Investment Pool (STAROhio).

A majority of the City's deposits are collateralized by pooled collateral. 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 the public funds on deposit. The collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Risk Management

The City of Avon has a personal service contract and liability insurance coverage with the Custis Insurance Co. In 2001 the City expended \$65,552 for general liability insurance coverage, a \$15,467 increase in premium from 2000. The City paid \$50,085 in 2000.

The City carries a \$2,000,000 comprehensive combined single limit general liability insurance policy with a \$3,500 deductible, and a general law enforcement liability insurance policy of \$1,000,000 with a \$5,000 deductible. An additional \$10,000,000 umbrella coverage was also purchased.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to a governmental unit that publishes an easily readable and efficiently organized Comprehensive Annual Financial Report which conforms to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. Because we believe our report continues to conform to the requirements and standards of the Certificate of Achievement Program, we are submitting the 2001 Comprehensive Annual Financial Report to the GFOA for consideration.

The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting, and its award represents a significant accomplishment by a government and its management.

Independent Audit

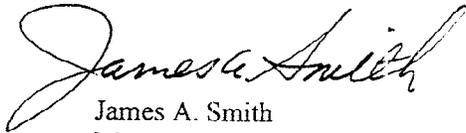
Independent auditor Jim Petro, Auditor of State, was selected to render an opinion on the City's financial statements and financial controls as of December 31, 2001. The Report of Independent Accountants on the basic financial statements is included in the financial section of this report.

Acknowledgments

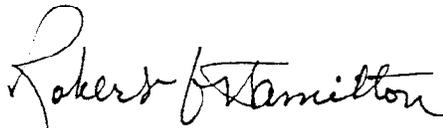
The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department and the supervisors of other various departments. The preparation of the Comprehensive Annual Financial Report requires a major effort, and we would like to express our appreciation to everyone who assisted and contributed to the presentation of this year's report. Special acknowledgment is extended to the Local Government Services Division of the Office of the Auditor of State for their continued guidance in the preparation of this report.

We are happy to report that the City's financial policies and management, combined with a strong local economy, have enabled Avon to continue to improve its already sound financial condition. In addition, the prospects for continuing this trend are encouraging. Each year, we renew our commitment to implement responsible and progressive changes in order to improve our responsiveness to the citizenry and to insure the financial stability of the community. We extend our appreciation to City Council for its continued support and commitment to responsible fiscal reporting.

Respectfully submitted,



James A. Smith
Mayor



Robert F. Hamilton
Director of Finance

City of Avon, Ohio
Principal Officials
December 31, 2001

Elected Officials:

Mayor.....	James A. Smith
President of Council	Shawn P. Brady
Councilman at Large.....	Jo Anne Easterday
Councilman at Large.....	Thomas L. Wearsch
Councilman – Ward I.....	Niels Jensen
Councilman – Ward II	David Kaiser
Councilman – Ward III.....	Timothy E. Nickum
Councilman – Ward IV.....	John P. Kilroy

Directors:

Law Director.....	Daniel P. Stringer
Finance Director	Robert F. Hamilton
Safety Director.....	James A. Smith
Service Director.....	Gerald W. Plas

Chairmen, Boards and Commissions:

Board of Zoning and Building Appeals.....	Cy Bliss
Planning Commission.....	James C. Piazza
Civil Service Commission.....	Jimmy Marsiglia
Park and Recreation Commission.....	David L. Mast

Other Staff Members

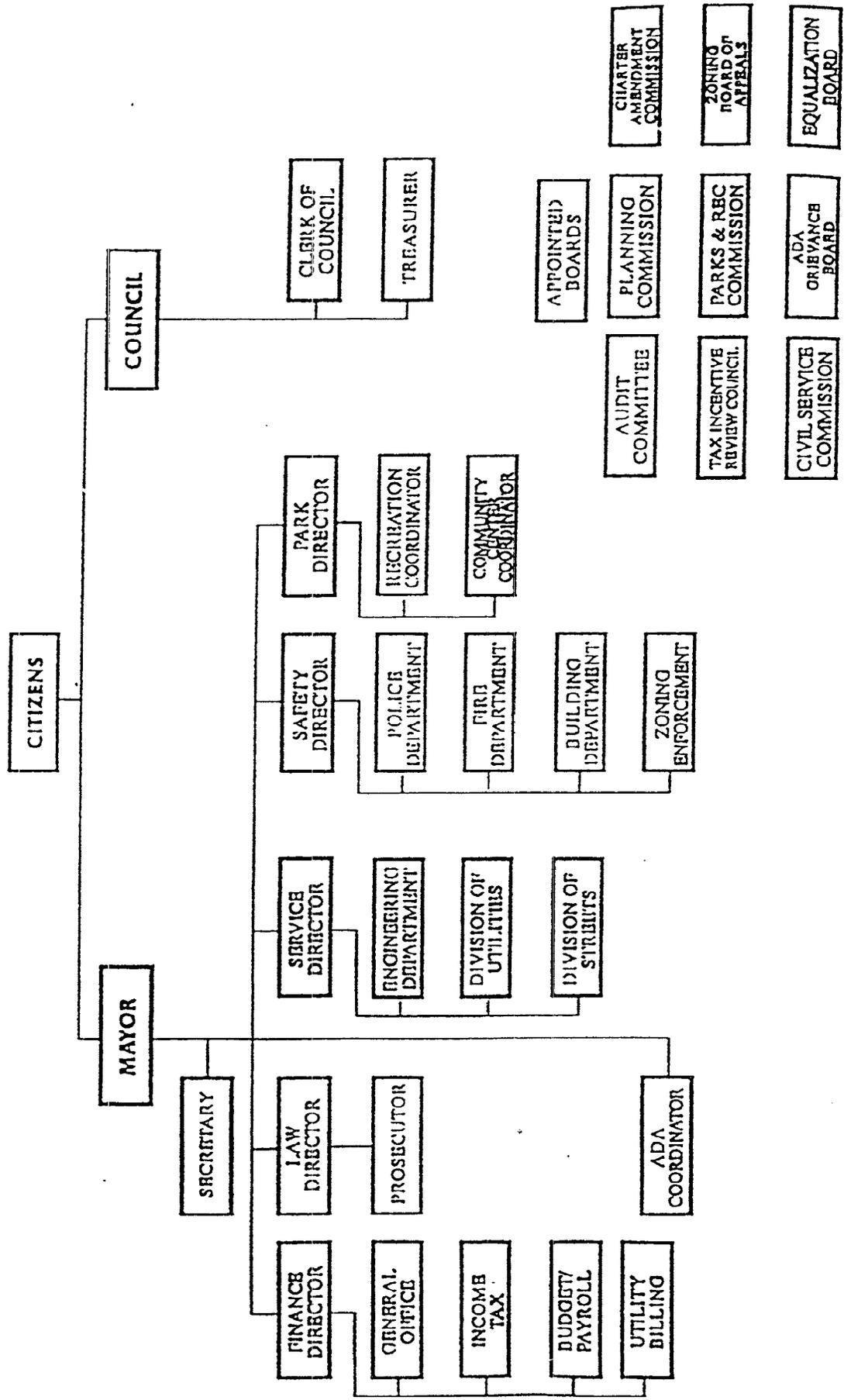
Treasurer.....	Barbara A. Kraus
Prosecutor	Anthony L. Manning
Police Chief	John R. Vilagi
Police Lieutenant	Paul Romond
Police Sergeant	Thomas P. Dunegan
Police Sergeant	Roy T. Dreger
Police Sergeant	Michael E. Kish
Police Sergeant	Lawrence M. Fischbach, III
Fire Chief.....	Frank Root, Jr.
Assistant Fire Chief	John Votava
Captain.....	Frank Root, III
Captain.....	James Schmitz
Captain.....	George A. Kraus
Lieutenant	Andrew D. Monda, Jr.
Lieutenant	Michael Emling
Lieutenant	Timothy L. Golay
Building Inspector	James P. Smith
Assistant Building Inspector.....	Marin R. Susak
Assistant Building Inspector.....	Robert A. Schumacher
Assistant Building Inspector.....	Robert C. Kendle
Assistant Building Inspector.....	Gerald M. Buckingham
Assistant Building Inspector.....	Frank M. Foley

City of Avon
Principal Officials (continued)
December 31, 2001

Other Staff Members (continued):

Clerk of Building Department	Antonette Konowal
City Consulting Engineer	Michael C. Bramhall
Superintendent of Utilities	David A. Conrad
Supervisor of Utilities	Cynthia Tomlin
Superintendent of Streets	William Biro
Secretary to the Mayor	Lenore M. Smith
Clerk of Council	Ellen R. Young
Clerk of Court	Jill K. Clements
Clerk of Finance	June F. Mitchell
Clerk Secretary of Planning Commission and Zoning Board of Appeals	Dorothy A. Bommer
Zoning Enforcement Officer	Timothy Y. Krugman

CITY OF AVON ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Avon,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2000

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.



Imelda Grewe
President

Jeffrey L. Esler
Executive Director



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Building
615 Superior Avenue, NW.
Twelfth Floor
Cleveland, Ohio 44113-1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Members of City Council
City of Avon
Lorain County
36080 Chester Road
Avon, Ohio 44011

We have audited the accompanying basic financial statements of the City of Avon, Lorain County, Ohio (the City) as of and for the year ended December 31, 2001, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 basic financial statements referred to above present fairly, in all material respects, the financial position of the City of Avon, Lorain County, Ohio as of December 31, 2001, and the results of its operations and the cash flows of its proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 4, during the year ended December 31, 2001, the City adopted Governmental Accounting Standards Board Statements 33, 34, 36, 37, and Interpretation 6.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2002 on our consideration of the City'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.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion thereon.

We performed our audit to form an opinion on the basic financial statements of the City, taken as a whole. The combining and individual fund statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects, in relation to the basic 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", written in a cursive style.

Jim Petro
Auditor of State

July 3, 2002

City of Avon
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

The discussion and analysis of the City of Avon's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2001. The intent of this discussion and analyses is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2001 are:

- City income tax revenue totaled \$2,639,125 in governmental funds, an increase of 13.7 percent over 2000. City income tax revenue continues to increase primarily because of new industrial and commercial companies moving to the City of Avon.
- Total assets increased by \$5,113,089, a 7.62 percent increase over 2000.
- Total net assets increased by \$4,858,413 or 9.49 percent over 2000.
- Total capital assets increased \$4,585,539 or 9.28 percent over 2000.
- Total outstanding long term liabilities increased \$99,603 over 2000, an increase of .90 percent.

Using This Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the City of Avon as a financial whole or as an entire operating entity. The statements proceed to provide an increasingly detailed look at our specific financial condition.

The statement of Net Assets and Statement of Activities provides information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

Reporting the City of Avon as a Whole

Statement of Net Assets and Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City do financially during 2001?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

City of Avon
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

These two statements report the City's net assets and the changes in those assets. The changes in net assets are important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of the City capital assets will also need to be evaluated. The Statement of Net Assets and the Statement of Activities are divided into the following categories:

- Assets
- Liabilities
- Net Assets (Assets minus Liabilities)
- Program Revenue and Expenses
- General Revenues
- Net Assets Beginning of Year and Year's End

Reporting the City of Avon Most Significant Funds

Fund Financial Statements

The presentation of the City's major funds begins on page 18. Fund financial reports provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds which account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Avon, the major funds are the General, Street Construction, Maintenance and Repair, Police, Park Development, Special Assessment Bond Retirement, Water and Sewer.

Government Funds

Most of the City's activities are reported in the governmental funds which focus on how money flows into and out of those funds and the balances left at year end available for spending in future periods. Governmental funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that are expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Government fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

Proprietary funds (the water and sewer funds) have historically operated as enterprise funds using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in statements for the City as a whole.

City of Avon
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

The City as a Whole

The Statement of Net Assets looks at the City as a whole. Table I provides a summary of the City's net assets for 2001 compared to 2000.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2001	2000	2001	2000	2001	2000
Current and Other Assets	\$14,836,410	\$14,334,411	\$3,394,768	\$3,369,217	\$18,231,178	\$17,703,628
Capital Assets, Net	35,392,711	32,261,757	18,615,801	17,161,216	54,008,512	49,422,973
<i>Total Assets</i>	50,229,121	46,596,168	22,010,569	20,530,433	72,239,690	67,126,601
Current and Other Liabilities	4,916,867	4,545,339	94,706	677,146	5,011,573	5,222,485
Long-Term Liabilities:						
Due Within One Year	351,428	357,418	195,056	189,635	546,484	547,053
Due In More Than One Year	7,606,211	7,336,621	2,995,390	3,164,808	10,601,601	10,501,429
<i>Total Liabilities</i>	12,874,506	12,239,378	3,285,152	4,031,589	16,159,658	16,270,967
Invested in Capital Assets, Net of Related Debt	28,762,982	27,555,317	15,543,633	13,899,413	44,306,615	41,454,730
Restricted:						
Capital Projects	1,809,583	1,277,257	0	0	1,809,583	1,277,257
Debt Service	4,644,502	3,674,511	0	0	4,644,502	3,674,511
Other Purposes	654,630	979,401	0	0	654,630	979,401
Unrestricted	1,482,918	870,304	3,181,784	2,965,416	4,664,702	3,835,720
<i>Total Net Assets</i>	\$37,354,615	\$34,356,790	\$18,725,417	\$16,864,829	\$56,080,032	\$51,221,619

Total assets increased by \$5,113,089 from 2000 to 2001. The increase was due mainly to additions to capital assets, such as new equipment for the police, fire and maintenance departments, various road and sewer line improvements.

Total liabilities decreased by \$111,309, mainly due to a decrease in deferred revenue related to taxes and intergovernmental receivables recognition.

Total net assets increased \$4,858,413 with governmental net assets comprising \$2,997,825 and business-type activities comprising \$1,860,588 of that amount. Current assets increased mainly due to the recognition of intergovernmental receivables with the implementation of GASB Statement No. 33, capital assets increased due to the above mentioned purchases, current liabilities increased due to new notes and long-term liabilities increased due to a new special assessment bond.

City of Avon
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

Table 2 shows the changes in net assets for the year ended December 31, 2001. Since this is the first year the City has prepared financial statements implementing GASB Statement 34, revenue and expense comparisons to 2000 are not available. In future years, when prior-year information is available, a comparative analysis of government-wide data will be presented.

Table 2
Changes in Net Assets

	Governmental Activities 2001	Business-Type Activities 2001	Total 2001
Revenues			
Program Revenues:			
Charges for Services	\$2,208,634	\$1,825,358	\$4,033,992
Operating Grants and Contributions	993,420	0	993,420
Capital Grants and Contributions	3,216,959	2,710,634	5,927,593
General Revenues:			
Property Taxes	1,918,616	0	1,918,616
Income Taxes	3,246,032	0	3,246,032
Intergovernmental	115,580	0	115,580
Investments	821,670	49,777	871,447
Miscellaneous	88,801	58,525	147,326
Transfers	369,202	0	369,202
Total Revenues and Transfers	12,978,914	4,644,294	17,623,208
Program Expenses and Transfers			
General Government	1,191,523	0	1,191,523
Security of Persons and Property	2,471,684	0	2,471,684
Transportation	3,245,758	0	3,245,758
Community Development	1,427,607	0	1,427,607
Basic Utility Services	916,029	0	916,029
Leisure Time Activities	222,207	0	222,207
Interest and Fiscal Charges	506,281	0	506,281
Water	0	1,378,699	1,378,699
Sewer	0	1,035,805	1,035,805
Transfers	0	369,202	369,202
Total Expenses and Transfers	9,981,089	2,783,706	12,764,795
Increase in Net Assets	\$2,997,825	\$1,860,588	\$4,858,413

City of Avon
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

GOVERNMENTAL ACTIVITIES

Several revenue sources fund the City's governmental activities with City income tax being the largest contribution. The income tax rate of 1 percent was established by City Ordinance No. 371-68, passed February 28, 1968. The Income Tax Ordinance was amended on November 2, 1993 requiring proposed tax rate changes be submitted to the electors of the City for approval or rejection. On November 6, 2001 the electors approved an increase in the income tax rate to 1-1/2 percent from 1 percent and a change in the tax credit for residents having income taxable in another community. The income tax revenue amount for 2001 was \$3,246,032. General revenues from property taxes and local government funds are also significant revenue generators. The City monitors its sources of revenue very closely for any changes or fluctuations.

The City has enjoyed a steady increase in income tax collections for the past eight years. This has been especially important to the City because the tax revenue has provided the City the funds to maintain streets, make infrastructure improvements and strengthen safety forces. The City of Avon continues to be very aggressive in collecting delinquent income tax. The City has a strong economic development program which supports the outstanding growth and income tax revenues. The number of businesses, be they industrial or commercial, large or small, provide the City with an income tax base that can sustain the loss of any major tax paying entity and still be able to meet the financial needs of the City. City income tax revenues of \$3,246,032 were designated for the City's General Fund. In November 2001, the electors approved a one half percent increase in the income tax rate with the proceeds to be used to build a new fire station. The present fire department will convert from part-time to full-time staffing and provide some support for the police department.

Total revenues for 2001 were \$12,609,712. Income tax made up 25.7 percent of total revenues for governmental activities for the City. Charges for services accounted for 17.5 percent, property taxes accounted for 15.2 percent, operating grants, capital grants and contributions accounted for 33.4 percent and the remaining 8.2 percent consists of grants and entitlements, investments, miscellaneous revenues and transfers. Charges for services represents receipts from the Mayor's Court, Cable Television, building permits, park development and fees, recreation fees, water and sewer services, emergency rescue fees, county health fees, contractor registration, New Community Baptist Church, community center fees, retention fees, and rental fees.

Total expenses for 2001 were \$9,981,089. Transportation accounted for program expenses of \$3,245,758 which is 32.5 percent of the total City expenses for the year 2001. Security of persons and property represents the next highest program expense at 24.8 percent, followed by community development expenses at 14.3 percent.

The Police Department is very efficient and continues to operate within its operating budget. The department has an equipment levy that is utilized to purchase two new vehicles per year. The money is also used to purchase equipment that will better serve our community and provide extra safety for the police officers. The Police Department is funded from revenues transferred from the general fund. A two (2) mill five-year operating levy generates \$290,034 for the Police Department. Complimenting the Police operating levy is a five-year one-half mill Equipment Levy. The Equipment Levy provides revenue of \$109,155.

In 2001, the Fire Department continues to operate as a part-time Fire Department and is funded with general fund revenues. During the year, the Fire Department was given approval to hire several employees to work on a full-time basis. The Department continues to perform within its budget. The Fire Department has an equipment levy that is used to purchase vehicles for both the Fire Department and the rescue squad. The Department receives \$109,155 from the Fire Equipment tax levy. The Department continues to upgrade emergency fire and rescue equipment to better serve the community. In November 2001, the electors approved changes to the City's income tax laws to construct a new building for the Department.

City of Avon
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

Transportation costs of \$3,245,758 or 32.5 percent of the 2001 program expenses were used for the maintenance and repairs to the City's roads and infrastructure. The City paid for these projects primarily from the City's general revenues, a part of which is provided by the City's income tax. Because of the City's history of economic growth and subsequent increases in income tax revenue, the City has taken advantage of placing these dollars into the street improvements. In 1999, 2000 and 2001, the City spent \$601,526, \$555,336 and \$1,072,501, respectively for street improvements. The City takes great pride in maintaining its streets in above average condition and continues to set aside money towards future capital improvements. A partial enclosure of the channel adjacent to Route 83 and Mills Road was completed with financial assistance from the State of Ohio. The total cost to partially enclose the channel was \$241,684. The State of Ohio provided Issue II grant monies in the amount of \$178,846. The City plans to apply for State Issue II monies in 2002 to complete additional sections of the channel.

Table 3 presents a summary for governmental activities, the total cost of services and the net cost of providing these services. Comparison to 2000 has not been made since they are not available.

Table 3
Governmental Activities

	<u>Total Cost of Services 2001</u>	<u>Net Cost of Services 2001</u>
General Government	\$1,191,523	\$312,634
Security of Persons and Property	2,471,684	2,059,378
Transportation	3,245,758	173,906
Community Environment	1,427,607	724,763
Basic Utility Services	916,029	18,745
Leisure Time Activities	222,207	(233,631)
Interest and Fiscal Charges	<u>506,281</u>	<u>506,281</u>
<i>Total Capital Assets</i>	<u><u>\$9,981,089</u></u>	<u><u>\$3,562,076</u></u>

The City's Funds

Information about the City's governmental funds begins on page 18. These funds are accounted for by using the modified accrual bases of accounting. All governmental funds had total revenues of \$9,200,263 and expenditures of \$10,923,645. The most significant fund is the General Fund with a year-end fund balance of \$2,677,161, which included an unreserved fund balance of \$2,643,086, compared to annual expenditures of \$2,360,952. While revenues exceeded expenditures by \$3,123,630, most of the excess was transferred to other funds. These transferred funds enabled the City to fund the Police Department, service long-term debt, reduce cost of short-term debt and fund capital improvements.

City of Avon
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During the course of 2001, the City amended its general fund budget sixteen times for a total increase in certifications of \$2,282,319. At the direction of Council, all capital projects and requests for capital type purchases must be reviewed and approved individually by Council. Recommendations and requests for budget changes are referred to the Finance Committee of City Council for review, after which to Council Work session for presentation before going to the formal Council Meeting for Ordinance enactment on the change. The City does allow small interdepartmental budget changes that modify line items within departments within the same fund. The general fund supports many major activities such as the Police Department, Fire Department, Building and Planning Departments as well as the legislative and most executive activities. Some major capital projects are funded with general fund dollars. By Ordinance, these funds are transferred from the general fund to capital project funds where the revenue and expenditures for the capital improvement are tracked and monitored. For the general fund, the original budgeted revenues were \$2,864,771 and the final budgeted amount was \$5,147,090. Of this \$2,282,319 difference, most was due to increased income tax, intergovernmental and interest revenues. Although the original appropriations were gradually increased during the year, the City continued to maintain a respectable level of liquidity in the general fund by maintaining unrestricted cash at year end of 38.2 percent of those revenues.

Capital Assets and Debt Administration

Capital Assets

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2001	2000	2001	2000	2001	2000
Land	\$1,298,696	\$1,298,696	\$7,580	\$7,580	\$1,306,276	\$1,306,276
Land Improvements	38,211	23,901	0	4,901	38,211	28,802
Buildings and Improvements	1,860,567	1,875,176	1,337,939	1,371,811	3,198,506	3,246,987
Machinery and Equipment	1,587,991	1,467,680	74,485	79,702	1,662,476	1,547,382
Construction in Progress	1,408,784	0	0	0	1,408,784	0
Infrastructure						
Park Improvements	247,761	257,101	0	0	247,761	257,101
Streets	21,658,067	19,815,588	0	0	21,658,067	19,815,588
Bridges and Culverts	440,468	457,140	0	0	440,468	457,140
Traffic Signals	631,381	671,074	0	0	631,381	671,074
Storm Sewer	6,219,785	6,394,401	0	0	6,219,785	6,394,401
Water Lines	1,000	1,000	7,620,464	6,612,487	7,621,464	6,613,487
Sewer Lines	0	0	9,575,333	9,084,735	9,575,333	9,084,735
Total Capital Assets	\$35,392,711	\$32,261,757	\$18,615,801	\$17,161,216	\$54,008,512	\$49,422,973

City of Avon
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

Total capital assets for the City of Avon as of December 31, 2001 were \$54,008,512. The most significant additions in capital assets came in the area of streets by \$3,366,085, construction in progress by \$1,408,784, water lines by \$1,243,551, sewer lines by \$781,425 and machinery and equipment by \$381,794. See Note 8 to the Basic Financial Statements.

In 2001, the City improved the roadways of thirteen City streets at a cost of \$1,072,501, the balance of the cost was contributed by the developers. This is the eighth consecutive year the City has improved City streets. Also, the City continued to add sidewalks in high pedestrian traffic areas. New sidewalks are added each year in areas where the administration views critical to the safety of the people living in Avon. Sidewalks are paid for by the property owners. The City does not incur any costs unless the sidewalks installed are on City property, in which case the sidewalks are paid from general fund revenues.

In 2001 Council approved thirteen new subdivisions and/or phases to existing subdivisions. The subdivision developers invested \$2,710,634 in new waterlines and sanitary sewers. City Council is committed along with the Administration to maintain its capital assets at a condition acceptable to provide the best possible service for all residents. In 1995, the City established a sewer capital projects fund for the purpose of maintaining the sanitary sewer system. The City allocates 86.7 percent of all sanitary sewer tap-in fees to this special fund. As of December 31, 2001, the fund balance was \$977,722.

In 1995, the City purchased 62.25 acres of land for a City Park. In 2001, Council authorized \$1,913,801 for the construction and development of the park. City Council and the Administration are committed to park and recreational facilities improvements at this location and other locations throughout the City for the benefit of its residents.

The Administration continues to seek grants for infrastructure projects as well as improving City facilities and services. In 2001, the City applied to the Ohio Department of Development for a grant totaling \$186,000 for a major ditch enclosure along State Route 83 at Mills Road.

In 2001, City Council passed ordinances authorizing the City to place on the ballot a ½ percent increase in the income tax rate, the money from which is to build a new fire station and provide operating monies for the Fire and Police Departments. In November 2001, the electors approved increasing the income tax rate.

Debt

On December 31, 2001, the City of Avon had \$12,602,508 in bonds, loans, contractual commitments and notes outstanding with \$2,847,484 due within one year. Table 5 summarizes bonds, loans, contractual commitments and notes outstanding.

City of Avon
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

Table 5
Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2001	2000	2001	2000	2001	2000
General Obligation Bonds	\$2,984,471	\$3,123,320	\$579,600	\$613,200	\$3,564,071	\$3,736,520
Special Assessment Bonds	4,130,929	3,683,479	0	0	4,130,929	3,683,479
OPWC Loans	113,940	148,167	0	0	113,940	148,167
OWDA Loans	0	0	1,255,837	1,343,099	1,255,837	1,343,099
Intergovernmental Payable	0	0	1,236,731	1,305,504	1,236,731	1,305,504
Notes Payable	2,301,000	2,151,000	0	0	2,301,000	2,151,000
Total	\$9,530,340	\$9,105,966	\$3,072,168	\$3,261,803	\$12,602,508	\$12,367,769

The general obligation bonds include the Library Improvement Bonds - a \$795,000 voted tax levy approved by the voters on May 3, 1996; payments are made from property taxes collected by the Lorain County Auditor. Other general obligation bonds include: Northgate Sanitary Sewer \$335,000, Detroit Road Park \$200,000, purchase of Avon City Hall \$783,264, Just Imagine Drive Paving \$570,000, North Branch Sewer Avins Ditch \$80,099, Moore Road Improvement \$104,082, Moore Road/Formanek improvements \$6,626, Sanitary Water Construction \$110,400. The latter bond obligations are paid from monies transferred from the general fund into the debt service funds.

The special assessment bonds consist of Moore Road/Formanek improvements, Route 83 Sewer Improvement, Chester Road Sanitary Sewer, Moore/Chester Road Waterline West, Chester Road Waterline East, Avon Road Waterline, Eaton Subdivisions, North Branch Sewer Avins Ditch, Moore Road Improvements, and Mills, Jaycox, Sandy Lane Improvements. Principal and interest for these bonds are paid from the collection of special assessments by the Lorain County Auditor.

The Ohio Public Works Commission loans represent interest free loans obtained to finance portions of sanitary sewers for the Sanitary Rehabilitation and the Route 83 sewer improvement. The third interest free loan was for the reconstruction of the Nagel Road Bridge. The Route 83 sanitary sewer improvement loan is paid from collection of special assessments by the County Auditor; the Nagel Road bridge loan is paid from monies transferred into the debt service funds from the general fund; the sanitary rehabilitation loan is paid from monies transferred into the debt service funds from the proprietary funds and from the general fund.

The notes payable represent bond anticipation notes for the following improvement projects: Park Recreation facility \$1,500,000 - the note will be paid with the proceeds from sale of general obligation retirement bonds upon completion of the project; Kinzel Road Watermain \$226,000 and Kinzel Road Storm Sewer (Sewer Capital – various purpose) \$225,000 - the notes will be paid from the water capital projects fund and charges from services and transfers from the water fund, respectively; the North Branch Sanitary Sewer (Sewer Capital – various purpose) \$350,000 note will be paid from the proceeds of special assessment bonds and collection of the property assessments by the Lorain County Auditor.

The City's overall legal ten and one-half percent debt limitation (voted and unvoted) on December 31, 2001 was \$34,493,806. The aggregate outstanding debt after issuance of bonds subject to the ten and one-half percent limitation is \$7,098,529. The difference of \$27,395,277 between the maximum issuable amount and the outstanding amount represents the aggregate principal amount of additional voted and unvoted nonexempt debt which the City may issue without exceeding the ten and one-half percent limitation.

City of Avon
Management's Discussion and Analysis
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Current Financial Related Activities

The City of Avon is financially strong. Over the past eight years the City has enjoyed strong growth in revenues as a result of new commercial and industrial development. The City, with the support of the school system, has granted tax abatement to ten companies. Although property taxes have been partially deferred as a result of the tax abatement, the deferral has been more than offset by the significant increase in income tax collections. The City is ideally situated on Interstate 90, approximately twenty minutes from Cleveland, Ohio and Cleveland Hopkins International Airport. Interstate 90 divides the City providing a perfect separation for industrial development north of Interstate 90 and commercial and upscale residential development south of Interstate 90. With development of the industrial sites on the north side, the City's financial conditions have been significantly strengthened. The economic development of the City has led to a strong healthy community that has seen its bond rating improve from A1 to AA3 by Moody's.

The City adopted a master plan for the development, growth and expansion of the City. A Master Sewer Plan is in place. The City has hired URS Corporation to design a master street/road plan. Forty thousand dollars has been allotted for the road analysis study. The Council and Administration work with the French Creek Development Association to preserve the French Creek District section of the City. Restoration and preservation of the French Creek District centralizes small commercial businesses in the core area of the City. The City takes great pride in its French Creek business district.

In 2001, the City began the process of constructing a new fire station and moving from part-time to a full-time department - a two million dollar project. The Administration submitted plans for a new building and a full-time Fire Department. City Council authorized placing the question of increasing the income tax rate from one percent to one and one-half percent with the one-half percent increase allocated to the construction of a new Fire Department building and providing of additional funds to support the staffing of the department plus funds for the Police Department. The income tax issue was placed on the ballot and on November 6, 2001, the electors voted and approved the tax rate change. The City is looking forward to construction and completion of the new Fire Station in late 2002 or early 2003.

In 2001, the City applied for a Nature Works Grant to construct a Nature Work trail at Schwartz Road Park. The City was approved for an \$80,000 grant for 2002. The City makes application for and has been receiving recycling grants on an annual basis. In 2001, the City received two grants from the Lorain County Solid Waste Management District. The first grant of \$88,280 was for solid waste recycling and the second grant in the amount of \$60,000 was for new park equipment. The park grant was used to purchase bleachers, player benches, picnic tables and refuse bins for placement in all of the City parks and a bridge for Schwartz Road Park. Under the Ohio Department of Development program, the City received State Issue II grant proceeds in the amount of \$186,000 for the first stage of the Route 83 (Center Road) Channel enclosure. The enclosure not only beautifies the project location but has provided a major improvement benefit and safety to the residents. All of these improvements came without additional taxes to the residents. The Administration and Council work very hard to obtain grants for the benefit of Avon residents while keeping taxes at a minimum.

City Health care costs for employees skyrocketed at the beginning of 1996. In October, 1996, the City joined the Lorain County Health Care Program, a self-funded insurance program under the direction of the Lorain County Commissioners. The City's insurance premium costs dropped significantly as a result of the move to the County program. Health care insurance costs continue to escalate everywhere while the Lorain County's insurance costs have remained at reasonable levels while providing the best possible insurance coverage for City employees.

City of Avon
Management's Discussion and Analysis
For the Year Ended December 31, 2001
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The Finance Director, Mayor and City Council work extremely hard at keeping our debt low. We plan finances so that we can pay cash for many of the facility improvements and acquisitions, and continue to pay cash for all equipment and other major purchases necessary to maintain our level of services. We live within our means and plan ahead knowing that responsible leadership commands that we observe the budget and expend less than the revenues we receive. We manage our assets and our annual budget by monthly reviews within each department, a responsibility given to our Department Heads. We have expanded our services but yet have kept the size of our work force to a level where we believe we meet the needs of our residents.

The City of Avon has committed itself to financial excellence and has a history of doing just that. The City has received the Government Finance Officers Award Certificate of Achievement for Excellence since 1991, the year of our first Comprehensive Annual Financial Report. The City of Avon is also now one of the first cities in Ohio to report using the Government Accounting Standards Board (GASB) 34 requirements. Our commitment to our residents has always been one of full disclosure of the financial position of the City.

On behalf of the City of Avon we personally thank our State Auditor, Mr. Jim Petro and his staff for their involvement and support in putting together the GASB 34 statements. Mr. Petro and his staff certainly exemplify the fact that they seek the State of Ohio to be one of the more respected financial reporting governments and have committed themselves toward leading the way and providing the necessary guidance to enable all communities the opportunity to reach a level of reporting excellence.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the city's finances and show the City's accountability for all money it receives, spends or invests. If you have any questions about this report or need financial information contact Director of Finance, Robert F. Hamilton, City of Avon, 36080 Chester Road, Avon, Ohio 44011, telephone 440-937-7806.

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City Of Avon, Ohio
Statement of Net Assets
December 31, 2001

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$6,683,274	\$1,533,813	\$8,217,087
Materials and Supplies Inventory	27,066	156,621	183,687
Accounts Receivable	0	185,380	185,380
Internal Balances	36,539	(36,539)	0
Intergovernmental Receivable	675,391	0	675,391
Prepaid Items	28,436	4,417	32,853
Income Taxes Receivable	1,005,197	0	1,005,197
Property Taxes Receivable	2,249,578	0	2,249,578
Special Assessments Receivable	4,130,929	314,345	4,445,274
Deferred Charges	0	1,236,731	1,236,731
Capital Assets, Non-Depreciable	2,707,480	7,580	2,715,060
Capital Assets, Depreciable, Net	32,685,231	18,608,221	51,293,452
<i>Total Assets</i>	<u>50,229,121</u>	<u>22,010,569</u>	<u>72,239,690</u>
Liabilities			
Accounts Payable	191,184	25,453	216,637
Contracts Payable	20,937	0	20,937
Accrued Wages and Benefits	70,757	10,135	80,892
Intergovernmental Payable	133,689	59,118	192,807
Deferred Revenue	2,134,954	0	2,134,954
Accrued Interest Payable	64,346	0	64,346
Notes Payable	2,301,000	0	2,301,000
Long-Term Liabilities:			
Due Within One Year	351,428	195,056	546,484
Due In More Than One Year	7,606,211	2,995,390	10,601,601
<i>Total Liabilities</i>	<u>12,874,506</u>	<u>3,285,152</u>	<u>16,159,658</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	28,762,982	15,543,633	44,306,615
Restricted for:			
Capital Projects	1,809,583	0	1,809,583
Debt Service	4,644,502	0	4,644,502
Other Purposes	654,630	0	654,630
Unrestricted	1,482,918	3,181,784	4,664,702
<i>Total Net Assets</i>	<u>\$37,354,615</u>	<u>\$18,725,417</u>	<u>\$56,080,032</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Activities
For the Year Ended December 31, 2001

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$1,191,523	\$758,999	\$119,890	\$0
Security of Persons and Property	2,471,684	331,987	80,319	0
Transportation	3,245,758	0	605,767	2,466,085
Community Environment	1,427,607	556,469	146,375	0
Basic Utility Services	916,029	116,410	30,000	750,874
Leisure Time Activities	222,207	444,769	11,069	0
Interest and Fiscal Charges	506,281	0	0	0
<i>Total Governmental Activities</i>	<u>9,981,089</u>	<u>2,208,634</u>	<u>993,420</u>	<u>3,216,959</u>
Business-Type Activities				
Water	1,378,699	1,075,991	0	1,474,796
Sewer	1,035,805	749,367	0	1,235,838
<i>Total Business-Type Activities</i>	<u>2,414,504</u>	<u>1,825,358</u>	<u>0</u>	<u>2,710,634</u>
<i>Total</i>	<u><u>\$12,395,593</u></u>	<u><u>\$4,033,992</u></u>	<u><u>\$993,420</u></u>	<u><u>\$5,927,593</u></u>

General Revenues

Property Taxes Levied for:

 General Purposes

 Other Purposes

 Debt Service

 Capital Projects

Income Taxes Levied for

 General Purposes

Grants and Entitlements not Restricted
to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year - (See Note 4)

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue
and Changes in Net Assets

Primary Government

Governmental Activities	Business-Type Activity	Total
(\$312,634)	\$0	(\$312,634)
(2,059,378)	0	(2,059,378)
(173,906)	0	(173,906)
(724,763)	0	(724,763)
(18,745)	0	(18,745)
233,631	0	233,631
(506,281)	0	(506,281)
(3,562,076)	0	(3,562,076)
0	1,172,088	1,172,088
0	949,400	949,400
0	2,121,488	2,121,488
(3,562,076)	2,121,488	(1,440,588)
614,100	0	614,100
991,071	0	991,071
90,642	0	90,642
222,803	0	222,803
3,246,032	0	3,246,032
115,580	0	115,580
821,670	49,777	871,447
88,801	58,525	147,326
6,190,699	108,302	6,299,001
369,202	(369,202)	0
6,559,901	(260,900)	6,299,001
2,997,825	1,860,588	4,858,413
34,356,790	16,864,829	51,221,619
\$37,354,615	\$18,725,417	\$56,080,032

City of Avon, Ohio
Balance Sheet
Governmental Funds
December 31, 2001

	General	Street Construction, Maintenance and Repair	Police	Park Development	Special Assessment Bond Retirement
Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$2,276,551	\$414,792	\$7,792	\$909,619	\$181,418
Taxes Receivable	1,811,021	574,797	113,313	0	0
Interfund Receivable	53,000	0	0	0	0
Intergovernmental Receivable	425,318	168,722	14,640	0	0
Materials and Supplies Inventory	3,003	15,000	9,063	0	0
Prepaid Items	13,011	3,533	11,842	50	0
Special Assessments Receivable	0	0	0	0	4,130,929
<i>Total Assets</i>	<u>\$4,581,904</u>	<u>\$1,176,844</u>	<u>\$156,650</u>	<u>\$909,669</u>	<u>\$4,312,347</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$22,404	\$11,749	\$10,355	\$1,881	\$0
Contracts Payable	18,549	0	0	0	0
Accrued Wages and Benefits	32,194	8,778	28,510	0	0
Interfund Payable	0	120,542	0	0	63,961
Intergovernmental Payable	3,730	982	5,164	0	3,072
Deferred Revenue	1,827,866	676,965	125,527	0	4,130,929
Accrued Interest Payable	0	0	0	13,650	0
Notes Payable	0	0	0	1,500,000	0
<i>Total Liabilities</i>	<u>1,904,743</u>	<u>819,016</u>	<u>169,556</u>	<u>1,515,531</u>	<u>4,197,962</u>
Fund Balances					
Reserved for Encumbrances	31,072	28,320	171	8,739	0
Reserved for Inventory	3,003	15,000	9,063	0	0
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	2,643,086	0	0	0	0
Special Revenue Funds	0	314,508	(22,140)	(614,601)	0
Debt Service Funds	0	0	0	0	114,385
Capital Projects Funds	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>2,677,161</u>	<u>357,828</u>	<u>(12,906)</u>	<u>(605,862)</u>	<u>114,385</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,581,904</u>	<u>\$1,176,844</u>	<u>\$156,650</u>	<u>\$909,669</u>	<u>\$4,312,347</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2001*

Other Governmental Funds	Total Governmental Funds		
		Total Governmental Fund Balances	\$4,654,725
		<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
\$2,893,102	\$6,683,274	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	35,392,711
755,644	3,254,775		
193,042	246,042		
66,711	675,391	Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds:	
0	27,066	Special Assessments	4,130,929
0	28,436	Delinquent Property Taxes	66,456
0	4,130,929	Intergovernmental	408,186
<u>\$3,908,499</u>	<u>\$15,045,913</u>	Municipal Income Taxes	813,145
		Total	5,418,716
\$144,795	\$191,184	Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(117,674)
2,388	20,937		
1,275	70,757	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental fund, an interest expenditure is reported when due.	(36,224)
25,000	209,503		
3,067	16,015	Long-term liabilities, including bonds and compensated absences, are not due and payable in the current period and therefore are not reported in the funds:	
792,383	7,553,670	General Obligation Bonds	(2,984,471)
14,472	28,122	Special Assessment Bonds	(4,130,929)
<u>801,000</u>	<u>2,301,000</u>	OPWC Loans	(113,940)
		Compensated Absences	(728,299)
<u>1,784,380</u>	<u>10,391,188</u>	Total	(7,957,639)
430,503	498,805	<i>Net Assets of Governmental Activities</i>	<u>\$37,354,615</u>
0	27,066		
0	2,643,086		
242,930	(79,303)		
22,379	136,764		
<u>1,428,307</u>	<u>1,428,307</u>		
<u>2,124,119</u>	<u>4,654,725</u>		
<u>\$3,908,499</u>	<u>\$15,045,913</u>		

City of Avon, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2001

	General	Street Construction, Maintenance and Repair	Police	Park Development	Special Assessment Bond Retirement
Revenues					
Property and Other Taxes	\$602,085	\$506,393	\$290,034	\$0	\$0
Municipal Income Taxes	2,639,125	0	0	0	0
Charges for Services	267,863	0	0	0	0
Licenses and Permits	1,060,273	0	0	390,126	0
Fines and Forfeitures	291,790	0	0	0	0
Intergovernmental	262,827	424,382	29,280	0	0
Special Assessments	0	0	0	0	102,583
Interest	291,239	17,831	0	0	364,832
Contributions and Donations	0	0	0	0	0
Other	69,380	13,364	1,239	0	0
<i>Total Revenues</i>	<u>5,484,582</u>	<u>961,970</u>	<u>320,553</u>	<u>390,126</u>	<u>467,415</u>
Expenditures					
Current:					
General Government	1,185,387	0	0	0	74,621
Security of Persons and Property	442,000	0	1,636,225	0	0
Transportation	0	929,404	0	0	0
Community Environment	733,565	0	0	0	0
Basic Utility Services	0	0	0	0	0
Leisure Time Activities	0	0	0	1,481,680	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	10,000	149,218
Interest and Fiscal Charges	0	0	0	25,620	196,055
<i>Total Expenditures</i>	<u>2,360,952</u>	<u>929,404</u>	<u>1,636,225</u>	<u>1,517,300</u>	<u>419,894</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,123,630</u>	<u>32,566</u>	<u>(1,315,672)</u>	<u>(1,127,174)</u>	<u>47,521</u>
Other Financing Sources (Uses)					
Special Assessment Bonds Issued	0	0	0	0	0
Transfers In	115,680	3,162	1,303,541	0	97,006
Transfers Out	(3,365,783)	(66,000)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(3,250,103)</u>	<u>(62,838)</u>	<u>1,303,541</u>	<u>0</u>	<u>97,006</u>
<i>Net Change in Fund Balances</i>	(126,473)	(30,272)	(12,131)	(1,127,174)	144,527
<i>Fund Balances (Deficits) Beginning of Year - Restated (See Note 4)</i>	2,803,184	410,521	(2,494)	521,312	(30,142)
Increase (Decrease) in Reserve for Inventory	450	(22,421)	1,719	0	0
<i>Fund Balances (Deficits) End of Year</i>	<u>\$2,677,161</u>	<u>\$357,828</u>	<u>(\$12,906)</u>	<u>(\$605,862)</u>	<u>\$114,385</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio

*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2001*

Other Governmental Funds	Total Governmental Funds		
		Net Change in Fund Balances - Total Governmental Funds	(\$764,180)
		<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
\$486,298	\$1,884,810	Governmental funds report capital outlays as expenditures.	
0	2,639,125	However, in the statement of activities, the cost of those	
173,053	440,916	assets is allocated over their estimated useful lives as	
0	1,450,399	depreciation expense. This is the amount by which capital	
25,529	317,319	outlays exceeded depreciation in the current period.	
680,157	1,396,646	Fixed Asset Additions	5,199,792
21,994	124,577	Current Year Depreciation	<u>(2,040,240)</u>
147,768	821,670	Total	3,159,552
36,000	36,000		
4,818	88,801		
<u>1,575,617</u>	<u>9,200,263</u>	Governmental funds only report the disposal of fixed assets to	
		the extent proceeds are received from the sale. In the	
		statement of activities, a gain or loss is reported for each	
		disposal.	(28,598)
408	1,260,416	Revenues in the statement of activities that do not provide	
189,752	2,267,977	current financial resources are not reported as revenues	
102,951	1,032,355	in the funds.	
151,177	884,742	Delinquent Property Taxes	33,806
25,722	25,722	Intergovernmental	(144,799)
150,186	1,631,866	Special Assessments	447,450
2,942,272	2,942,272	Income Tax	<u>606,907</u>
		Total	943,364
198,200	357,418	The issuance of special assessment bonds increases other	
299,202	520,877	financing sources in the governmental funds but increases	
<u>4,059,870</u>	<u>10,923,645</u>	long-term liabilities in the statement of net assets.	(590,000)
		Repayment of bond and loan principal is an expenditure in the	
(2,484,253)	(1,723,382)	governmental funds, but the repayment reduces long-term	
		liabilities in the statement of net assets.	357,418
590,000	590,000	In the statement of activities, interest is accrued on	
2,838,090	4,357,479	outstanding bonds, whereas in governmental funds, an	
(556,494)	(3,988,277)	interest expenditure is reported when due.	14,596
<u>2,871,596</u>	<u>959,202</u>	Some expenses reported in the statement of activities, such as	
		compensated absences and intergovernmental payable (which	
387,343	(764,180)	represent contractually required pension contributions), do not	
		require the use of current financial resources and therefore	
1,736,776	5,439,157	are not reported as expenditures in governmental funds.	
0	(20,252)	Compensated Absences	(31,018)
<u>\$2,124,119</u>	<u>\$4,654,725</u>	Pension Obligation	(43,057)
		Change in Inventory	<u>(20,252)</u>
		Total	(94,327)
		<i>Change in Net Assets of Governmental Activities</i>	
			<u>\$2,997,825</u>

City of Avon, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property and Other Taxes	\$335,610	\$606,095	\$601,836	(\$4,259)
Municipal Income Taxes	1,530,045	2,763,189	2,920,659	157,470
Charges for Services	124,177	224,258	267,863	43,605
Licenses and Permits	439,682	767,494	1,057,073	289,579
Fines and Forfeitures	160,931	290,633	287,631	(3,002)
Intergovernmental	94,524	170,706	250,186	79,480
Interest	138,431	250,000	312,283	62,283
Other	41,371	74,715	72,002	(2,713)
<i>Total Revenues</i>	<u>2,864,771</u>	<u>5,147,090</u>	<u>5,769,533</u>	<u>622,443</u>
Expenditures				
Current:				
General Government	1,330,630	1,330,630	1,217,497	113,133
Security of Persons and Property	468,811	468,811	451,737	17,074
Community Environment	827,599	827,599	740,579	87,020
<i>Total Expenditures</i>	<u>2,627,040</u>	<u>2,627,040</u>	<u>2,409,813</u>	<u>217,227</u>
<i>Excess of Revenues Over Expenditures</i>	<u>237,731</u>	<u>2,520,050</u>	<u>3,359,720</u>	<u>839,670</u>
Other Financing Sources (Uses)				
Advances In	17,900	17,900	17,900	0
Transfers In	1,103,218	1,103,218	115,680	(987,538)
Transfers Out	(1,077,050)	(4,545,141)	(3,365,783)	1,179,358
<i>Total Other Financing Sources (Uses)</i>	<u>44,068</u>	<u>(3,424,023)</u>	<u>(3,232,203)</u>	<u>191,820</u>
<i>Net Change in Fund Balance</i>	281,799	(903,973)	127,517	1,031,490
<i>Fund Balance Beginning of Year</i>	2,028,947	2,028,947	2,028,947	0
Prior Year Encumbrances Appropriated	46,288	46,288	46,288	0
<i>Fund Balance End of Year</i>	<u>\$2,357,034</u>	<u>\$1,171,262</u>	<u>\$2,202,752</u>	<u>\$1,031,490</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Taxes	\$242,093	\$506,360	\$506,421	\$61
Intergovernmental	252,100	380,150	393,103	12,953
Interest	16,579	25,000	19,287	(5,713)
Other	5,968	9,000	13,364	4,364
<i>Total Revenues</i>	516,740	920,510	932,175	11,665
Expenditures				
Current:				
Transportation	757,962	1,126,877	984,760	142,117
<i>Excess of Revenues Under Expenditures</i>	(241,222)	(206,367)	(52,585)	153,782
Other Financing Sources (Uses)				
Advances In	120,542	120,542	120,542	0
Transfers In	3,162	3,162	3,162	0
Transfers Out	(66,000)	(66,000)	(66,000)	0
<i>Total Other Financing Sources (Uses)</i>	57,704	57,704	57,704	0
<i>Net Change in Fund Balance</i>	(183,518)	(148,663)	5,119	153,782
<i>Fund Balance Beginning of Year</i>	340,408	340,408	340,408	0
Prior Year Encumbrances Appropriated	40,231	40,231	40,231	0
<i>Fund Balance End of Year</i>	<u>\$197,121</u>	<u>\$231,976</u>	<u>\$385,758</u>	<u>\$153,782</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property and Other Taxes	\$263,596	\$288,840	\$294,644	\$5,804
Intergovernmental	22,268	24,400	29,280	4,880
Other	3,194	3,500	1,239	(2,261)
<i>Total Revenues</i>	289,058	316,740	325,163	8,423
Expenditures				
Current:				
Security of Persons and Property	1,698,994	1,737,845	1,662,211	75,634
<i>Excess of Revenues Under Expenditures</i>	(1,409,936)	(1,421,105)	(1,337,048)	84,057
Other Financing Sources				
Transfers In	1,409,936	1,409,936	1,303,541	(106,395)
<i>Net Change in Fund Balance</i>	0	(11,169)	(33,507)	(22,338)
<i>Fund Balance Beginning of Year</i>	1	1	1	0
Prior Year Encumbrances Appropriated	33,705	33,705	33,705	0
<i>Fund Balance End of Year</i>	<u>\$33,706</u>	<u>\$22,537</u>	<u>\$199</u>	<u>(\$22,338)</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Park Development Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and Permits	\$76,926	\$300,000	\$390,126	\$90,126
Intergovernmental	17,225	67,177	67,177	0
<i>Total Revenues</i>	<u>94,151</u>	<u>367,177</u>	<u>457,303</u>	<u>90,126</u>
Expenditures				
Current:				
Leisure Time Activities	101,270	1,908,056	1,492,746	415,310
Debt Service:				
Principal Retirement	0	10,000	10,000	0
Interest and Fiscal Charges	0	11,970	11,970	0
Total Debt Service	0	21,970	21,970	0
<i>Total Expenditures</i>	<u>101,270</u>	<u>1,930,026</u>	<u>1,514,716</u>	<u>415,310</u>
<i>Excess of Revenues Under Expenditures</i>	(7,119)	(1,562,849)	(1,057,413)	505,436
Other Financing Sources				
Proceeds of Notes	0	1,500,000	1,500,000	0
<i>Net Change in Fund Balance</i>	(7,119)	(62,849)	442,587	505,436
<i>Fund Balance Beginning of Year</i>	440,187	440,187	440,187	0
Prior Year Encumbrances Appropriated	16,225	16,225	16,225	0
<i>Fund Balance End of Year</i>	<u>\$449,293</u>	<u>\$393,563</u>	<u>\$898,999</u>	<u>\$505,436</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2001

	Business-Type Activities		
	Water	Sewer	Total
Assets			
<i>Current Assets</i>			
Equity in Pooled Cash and Cash Equivalents	\$815,782	\$718,031	\$1,533,813
Accounts Receivable	105,208	80,172	185,380
Interfund Receivable	63,961	0	63,961
Materials and Supplies Inventory	143,215	13,406	156,621
Prepaid Items	2,650	1,767	4,417
Special Assessments Receivable	314,345	0	314,345
Deferred Charges	1,236,731	0	1,236,731
<i>Total Current Assets</i>	<u>2,681,892</u>	<u>813,376</u>	<u>3,495,268</u>
<i>Noncurrent Assets</i>			
Non-Depreciable Assets	0	7,580	7,580
Depreciable Assets	9,035,075	9,573,146	18,608,221
<i>Total Noncurrent Assets</i>	<u>9,035,075</u>	<u>9,580,726</u>	<u>18,615,801</u>
<i>Total Assets</i>	<u>11,716,967</u>	<u>10,394,102</u>	<u>22,111,069</u>
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	20,622	4,831	25,453
Accrued Wages and Benefits	5,172	4,963	10,135
Interfund Payable	0	100,500	100,500
Intergovernmental Payable	114,050	11,858	125,908
OWDA Loans - Current	0	90,466	90,466
Bonds Payable - Current	18,900	18,900	37,800
<i>Total Current Liabilities</i>	<u>158,744</u>	<u>231,518</u>	<u>390,262</u>
<i>Long-Term Liabilities</i>			
Compensated Absences Payable	59,139	59,139	118,278
Intergovernmental Payable	1,169,941	0	1,169,941
OWDA Loans	0	1,165,371	1,165,371
Bonds Payable	270,900	270,900	541,800
<i>Total Long-Term Liabilities</i>	<u>1,499,980</u>	<u>1,495,410</u>	<u>2,995,390</u>
<i>Total Liabilities</i>	<u>1,658,724</u>	<u>1,726,928</u>	<u>3,385,652</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	7,508,544	8,035,089	15,543,633
Unrestricted	2,549,699	632,085	3,181,784
<i>Total Net Assets</i>	<u>\$10,058,243</u>	<u>\$8,667,174</u>	<u>\$18,725,417</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
*Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2001*

	Business-Type Activities		
	Water	Sewer	Total
Operating Revenues			
Charges for Services	\$1,075,991	\$749,367	\$1,825,358
Other	55,243	3,282	58,525
<i>Total Operating Revenues</i>	<u>1,131,234</u>	<u>752,649</u>	<u>1,883,883</u>
Operating Expenses			
Personal Services	268,307	278,894	547,201
Materials and Supplies	583,434	220,708	804,142
Contractual Services	116,405	223,473	339,878
Other Operating Expenses	21,475	3,938	25,413
Depreciation	287,250	291,657	578,907
<i>Total Operating Expenses</i>	<u>1,276,871</u>	<u>1,018,670</u>	<u>2,295,541</u>
<i>Operating Loss</i>	<u>(145,637)</u>	<u>(266,021)</u>	<u>(411,658)</u>
Non Operating Income (Expenses)			
Interest	25,382	24,395	49,777
Interest and Fiscal Charges	(101,828)	(17,135)	(118,963)
<i>Total Non Operating Revenues (Expenses)</i>	<u>(76,446)</u>	<u>7,260</u>	<u>(69,186)</u>
<i>Loss Before</i>			
<i>Contributions and Transfers</i>	<u>(222,083)</u>	<u>(258,761)</u>	<u>(480,844)</u>
Capital Contributions	1,474,796	1,235,838	2,710,634
Transfers In	0	20,333	20,333
Transfers Out	(38,353)	(351,182)	(389,535)
<i>Change in Net Assets</i>	1,214,360	646,228	1,860,588
<i>Net Assets Beginning of Year</i>			
<i>- (Restated - See Note 4)</i>	<u>8,843,883</u>	<u>8,020,946</u>	<u>16,864,829</u>
<i>Net Assets End of Year</i>	<u>\$10,058,243</u>	<u>\$8,667,174</u>	<u>\$18,725,417</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2001

	Business-Type Activities		
	Water	Sewer	Totals
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Customers	\$1,057,811	\$752,144	\$1,809,955
Cash Payments to Suppliers for Materials and Supplies	(633,228)	(224,130)	(857,358)
Cash Payments for Employee Services and Benefits	(271,442)	(264,592)	(536,034)
Cash Payments for Contractual Services	(118,727)	(223,629)	(342,356)
Other Operating Revenues	40,903	3,282	44,185
Other Operating Expenses	(21,475)	(3,938)	(25,413)
<i>Net Cash Provided by Operating Activities</i>	<u>53,842</u>	<u>39,137</u>	<u>92,979</u>
Cash Flows from Noncapital Financing Activities			
Transfers In	0	20,333	20,333
Transfers Out	(38,353)	(351,182)	(389,535)
<i>Net Cash Used for Noncapital Financing Activities</i>	<u>(38,353)</u>	<u>(330,849)</u>	<u>(369,202)</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	(8,517)	0	(8,517)
Special Assessments	28,807	0	28,807
Tap-In Fees	282,885	454,413	737,298
Principal Paid on Revenue Bonds	(16,800)	(16,800)	(33,600)
Interest Paid on Revenue Bonds	(20,167)	(20,167)	(40,334)
Principal Paid on OWDA Loans	0	(87,262)	(87,262)
Interest Paid on OWDA Loans	0	(53,944)	(53,944)
Interest Paid to City of Avon Lake	(58,827)	0	(58,827)
Payments to City of Avon Lake	(51,640)	0	(51,640)
<i>Net Cash Provided by Capital and Related Financing Activities</i>	<u>155,741</u>	<u>276,240</u>	<u>431,981</u>
Cash Flows from Investing Activities			
Interest on Investments	25,382	24,395	49,777
Net Increase in Cash and Cash Equivalents	196,612	8,923	205,535
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>619,170</u>	<u>709,108</u>	<u>1,328,278</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$815,782</u></u>	<u><u>\$718,031</u></u>	<u><u>\$1,533,813</u></u>

(continued)

City of Avon, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2001

	Business-Type Activities		
	Water	Sewer	Totals
Reconciliation of Operating Loss to Net Cash Provided By Operating Activities			
Operating Loss	(\$145,637)	(\$266,021)	(\$411,658)
<i>Adjustments:</i>			
Depreciation	287,250	291,657	578,907
(Increase) Decrease in Assets:			
Accounts Receivable	(32,519)	2,777	(29,742)
Materials and Supplies Inventory	(9,289)	(831)	(10,120)
Prepaid Items	(650)	(417)	(1,067)
Increase (Decrease) in Liabilities:			
Accounts Payable	(31,042)	(5,631)	(36,673)
Contracts Payable	(3,347)	0	(3,347)
Accrued Wages	1,116	887	2,003
Compensated Absences Payable	12,819	12,819	25,638
Intergovernmental Payable	(24,859)	3,897	(20,962)
<i>Total Adjustments</i>	199,479	305,158	504,637
<i>Net Cash Provided by Operating Activities</i>	<u>\$53,842</u>	<u>\$39,137</u>	<u>\$92,979</u>

Noncash Capital Financing Activities

During 2001, the water and sewer enterprise funds received water and sewer lines from developers valued at \$1,474,796 and \$1,235,838, respectively.

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2001

Assets

Equity in Pooled Cash and Cash Equivalents	<u><u>\$2,455,906</u></u>
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Liabilities

Deposits Held and Due to Others	\$2,398,102
Intergovernmental Payable	<u>57,804</u>

<i>Total Liabilities</i>	<u><u>\$2,455,906</u></u>
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See accompanying notes to the basic financial statements

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

Note 1 - Description of City and Reporting Entity

The City of Avon (the City) is a municipal corporation duly organized and existing under the constitution and laws of the State of Ohio. The City may exercise all powers of local self-government and police powers to the extent not in conflict with applicable general laws. Avon was incorporated as a village in 1917 and made a city in May 1961. The City operates under its own charter and is governed by the mayor-council form of government.

The Mayor is the City's chief executive officer and is elected to a four year term. The Mayor supervises the administration of all departments and appoints department heads and public members of administrative boards, upon confirmation by Council. The chief conservator of the peace, he oversees the enforcement of all laws and ordinances and presides over the Mayor's Court. He also executes all contracts, conveyances, and evidences of indebtedness of the City.

Legislative authority is vested in a seven member council with four members elected from wards and three elected at large. The member receiving the greatest number of votes becomes the president. Council enacts ordinances and resolutions related to tax levies, appropriates and borrows money, and accepts bids for materials and services and other municipal purposes.

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 City consists of all funds, agencies, departments and offices that are not legally separate from the City. The primary government includes the City departments and agencies that provide the following services: police protection, fire fighting and prevention, street maintenance and repairs, sanitation, building inspection, parks and recreation, water and sewer.

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

The City participated in the Lorain County General Health District and the Northeast Ohio Public Energy Council (NOPEC). These are jointly governed organizations and are presented in Note 15.

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

Note 2 - Summary of Significant Accounting Policies

The financial statements of the City 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 City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the City's accounting policies are described below.

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

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

B. Fund Accounting

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

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

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

General Fund This fund is the operating fund of the City 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 City of Avon for any purpose provided it is expended or transferred according to the general laws of Ohio.

Street Construction, Maintenance and Repair Special Revenue Fund This fund is used to account for the portion of the State gasoline tax and motor vehicle registration fees designated for street construction, maintenance and repair of dedicated streets within the City.

Police Special Revenue Fund This fund is used to account for property taxes levied to pay for the cost of operating the City's police department.

Park Development Special Revenue Fund This fund is used to account for fees assessed to anyone building within the City limits, proceeds from the sale of property or donations used to provide for the maintenance of City parks.

Special Assessment Bond Retirement Debt Service Fund This fund is used to account for the accumulation of resources to pay principal and interest on special assessment debt.

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

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The City's only proprietary fund is as follows:

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

Water Fund This fund is used to account for revenues generated from charges for distribution of water to the residential and commercial users of the City.

Sewer Fund This fund is used to account for revenues generated from charges for sanitary sewer services provided to the residential and commercial users of the City.

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for contractor's deposits, Lorain Public library, North Ridgeville sewer, subdivision deposits and Mayor's court.

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are presented using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets.

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

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of revenues, expenses and changes in fund net assets present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flow provides information about how the City finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicles license fees), fines and forfeitures, interest, grants, fees and rentals.

Deferred Revenue Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2001, but which were levied to finance year 2002 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

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

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

E. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents."

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

During 2001, investments were limited to repurchase agreements and State Treasury Asset Reserve of Ohio (STAROhio).

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 December 31, 2001.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2001 amounted to \$291,239, which includes \$164,672 assigned from other City funds.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents.

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

F. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, 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. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the proprietary funds are expensed when used.

Inventory consists of expendable supplies held for consumption.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2001 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five hundred dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. The City's infrastructure consists of park improvements, streets, bridges and culverts, traffic signals, storm sewers and water lines. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	10 years	10 years
Buildings and Improvements	50 years	50 years
Machinery and Equipment	3 – 20 years	3 – 20 years
Infrastructure	10 - 40 years	10 - 40 years

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

I. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “interfund receivables/payables”. Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

J. 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 employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all 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 method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

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

L. Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances and inventories are recorded as a reservation of fund balance.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

O. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services and other operating revenue for the water and sewer fund. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2001.

R. Estimates

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

S. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the department level for the general fund and at the fund level for all other funds. The Finance Director with approval from the Mayor has been authorized to allocate appropriations to the department and object level within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2001.

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

Note 3 – Fund Deficits and Legal Compliance

A. Fund Deficits

Fund balances at December 31, 2001 included individual fund deficits in the Police and the Park Development Special Revenue funds of \$12,906 and \$605,862, respectively. The difference is caused by revenue being insufficient to cover expenditures on the modified accrual basis of accounting. The general fund is liable for any deficit in the funds and provides transfers when cash is required, not when accruals occur.

B. Legal Compliance

The Law Enforcement Special Revenue fund had total appropriations of \$21,562 in excess of estimated resources plus carryover of \$19,469 resulting in a (\$2,093) violation of section 5705.39, Ohio Revised Code. In order to eliminate the budgetary violations, appropriations will be monitored more closely.

Note 4 – Change in Accounting Principles and Restatement of Prior Year Fund Balances

Changes in Accounting Principles For 2001, the City has implemented GASB Statement No. 33, “Accounting and Financial Reporting for Nonexchange Transactions,” GASB Statement No. 34, “Basic Financial Statements and Management’s Discussion and Analysis – for State and Local Governments,” and GASB Statement No. 36, “Recipient Reporting for Certain Shared Nonexchange Revenues,” GASB Statement No. 37, “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments: Omnibus,” GASB Statement No. 38, “Certain Financial Statement Note Disclosures,” and GASB Interpretation No. 6, “Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.”

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

GASB Statement No. 33 and 36 establish accounting and financial reporting standards for nonexchange transactions involving financial or capital resources. The timing for the recognition of assets, liabilities, and expenditures/expenses resulting from nonexchange transactions will be the same whether the accrual or modified accrual basis of accounting is required. For revenue recognition to occur on the modified accrual basis, however, the criteria established for accrual basis revenue recognition must be met and the revenue must be available.

GASB 34 creates new basic financial statements for reporting on the City's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at December 31, 2000, caused by the conversion to the accrual basis of accounting.

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of the MD&A, the classification of program revenues and the criteria for determining major funds. GASB Statement No. 38 modifies, establishes and rescinds certain financial statement note disclosures.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

Restatement of Prior Year Fund Balance The implementation of these has the following effects on fund balance of the major and nonmajor funds of the City as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	<u>General</u>	<u>Street Construction, Maintenance and Repair</u>	<u>Police</u>	<u>Park Development</u>
Fund Balances, December 31, 2000	\$2,462,440	\$409,915	(\$12,064)	\$521,312
Implementation of GASB				
Interpretation No. 6	1,656	606	9,570	0
GASB 33 Adjustments:				
Special Assessment Receivable	0	0	0	0
Intergovernmental Receivable	<u>339,088</u>	<u>0</u>	<u>0</u>	<u>0</u>
Adjusted Fund Balance, December 31, 2000	<u><u>\$2,803,184</u></u>	<u><u>\$410,521</u></u>	<u><u>(\$2,494)</u></u>	<u><u>\$521,312</u></u>

(continued)

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

	Special Assessment Bond Retirement	Nonmajor	Total
Fund Balances, December 31, 2000	\$4,949	\$1,736,776	\$5,123,328
Implementation of GASB			
Interpretation No. 6	0	0	11,832
GASB 33 Adjustments:			
Special Assessment Receivable	(35,091)	0	(35,091)
Intergovernmental Receivable	0	0	339,088
Adjusted Fund Balance, December 31, 2000	(\$30,142)	\$1,736,776	5,439,157
GASB 34 Adjustments:			
Capital Assets			32,261,757
Long-Term (Deferred) Assets			4,475,352
Long-Term Liabilities			(7,694,039)
Pension Obligation			(74,617)
Accrued Interest Payable			(50,820)
Governmental Activities Net Assets, December 31, 2000			\$34,356,790

During 2001, it was determined that capital assets in the enterprise funds were misstated. These restatements along with the implementation of GASB Statement No. 33 had the following effect on fund equity as it was previously reported.

	Water	Sewer	Total
Fund Equity, December 31, 2000	\$8,858,785	\$12,542,549	\$21,401,334
GASB 33 Adjustments:			
Deferred Contributed Capital	365,985	0	365,985
Reclassification:			
Capital Assets	(380,887)	(4,521,603)	(4,902,490)
Business-type Activities Net Assets, December 31, 2000	\$8,843,883	\$8,020,946	\$16,864,829

Note 5 - Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balances/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

are presented for the General, Street Construction, Maintenance and Repair, Police and Park Development funds 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 the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balances.
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and for the three major special revenue funds.

	Net Change in Fund Balance			
	General	Street Construction, Maintenance and Repair	Police	Park Development
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
GAAP Basis	(\$126,473)	(\$30,272)	(\$12,131)	(\$1,127,174)
Net Adjustment for Revenue Accruals	268,260	(30,509)	4,610	67,177
Advances In	17,900	120,542	0	0
Unrecorded Cash	16,691	714	0	0
Proceeds of Notes	0	0	0	1,500,000
Net Adjustment for Expenditure Accruals	8,247	(27,036)	(18,393)	13,204
Encumbrances	<u>(57,108)</u>	<u>(28,320)</u>	<u>(7,593)</u>	<u>(10,620)</u>
Budget Basis	<u>\$127,517</u>	<u>\$5,119</u>	<u>(\$33,507)</u>	<u>\$442,587</u>

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

Note 6 - Deposits and Investments

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the City treasury. Active monies must be maintained either as cash in the City 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 Council 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 the City'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 Finance Director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Interim monies may be invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, 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; and,
6. The State Treasurer's investment pool (STAROhio).

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and,
3. Obligations of the City.

Investments in stripped principal or interest obligation, 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 City, and must be purchased with the expectation that it will be held to maturity.

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

The following information on classified deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

Deposits At year-end, the carrying amount of the City's deposits was \$158,163 and the bank balance was \$245,773. Of the bank balance:

1. \$220,115 was covered by federal depository insurance.
2. \$25,658 was uncollateralized and uninsured. Although the securities were held by the pledging financial institutions trust department or agent in the City's name and all State statutory requirements for the investment of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments GASB Statement No. 3 requires the City to categorize investments to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments that are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments that are held by the counterparty or by its trust department or agent but not in the City's name. STAROhio is not categorized since it is not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying Value	Fair Value
Repurchase Agreements	\$4,427,439	\$4,427,439	\$4,427,439
STAROhio		6,087,391	6,087,391
Total Investments		\$10,514,830	\$10,514,830

City of Avon, Ohio
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For the Year Ended December 31, 2001

The classification of cash and cash equivalents and investments on the basic financial statements is based on criteria set forth in GASB Statement 9. Cash equivalents are defined as investments with an original maturity of three months or less. Reconciliation between the classification of cash and investments on the basic financial statements and the classification per GASB Statement 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$10,672,993	\$0
Investments:		
Repurchase Agreements	(4,427,439)	4,427,439
STAROhio	(6,087,391)	6,087,391
GASB Statement No. 3	\$158,163	\$10,514,830

Note 7 - Receivables

Receivables at December 31, 2001, consisted primarily of municipal income taxes, property and other taxes, special assessments, intergovernmental receivables arising from entitlements and shared revenues and accounts (billings for user charged services and court fines).

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

Special assessments expected to be collected in more than one year amount to \$3,955,990 in the special assessment bond retirement fund. The amount of delinquent taxes outstanding at year-end is \$131,591.

A. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2001 for real and public utility property taxes represents collections of 2000 taxes. Property tax payments received during 2001 for tangible personal property (other than public utility property) are for 2001 taxes.

2001 real property taxes are levied after October 1, 2001 on the assessed value as of January 1, 2001, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2001 real property taxes are collected in and intended to finance 2002.

Public utility real and tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2001 public utility property taxes which become a lien December 31, 2000, are levied after October 1, 2001, and are collected in 2002 with real property taxes.

2001 tangible personal property taxes are levied after October 1, 2000, on the value as of December 31, 2000. Collections are made in 2001. Tangible personal property assessments are 25 percent of true value.

The full tax rate for all City operations for the year ended December 31, 2001 was \$10.45 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2001 property tax receipts were based are as follows:

City of Avon, Ohio
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For the Year Ended December 31, 2001

Real Property	\$297,017,550
Public Utility Property	15,157,750
Tangible Personal Property	16,337,140
Total Valuation	\$328,512,440

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 later 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 at September 20.

The Lorain County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Avon. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2001 and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2001 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

B. Income Tax

The City levies a municipal income tax of one percent on all salaries, wages, commissions and other compensation, and net profits earned within the City as well as incomes of residents earned outside of the City. In the latter case the City allows a credit of 100 percent of the tax paid to another municipality to a maximum of the total amount assessed. In November 2001, the electors approved a one half percent increase in the income tax rate with the proceeds to be used to build a new fire station.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax proceeds are received by the general fund.

C. Intergovernmental Receivables

A summary of the governmental activities principal items of intergovernmental receivables follow:

	Amount
Local Government	\$221,838
Estate Tax	154,054
Gasoline Tax	119,169
Homestead and Rollback	110,366
Fines, Licenses and Fees	38,585
Permissive Tax	28,179
Grants	3,200
Total	\$675,391

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

Note 8 – Capital Assets

Capital asset activity for the year ended December 31, 2001, was as follows:

	Balance 12/31/00	Additions	Deletions	Balance 12/31/01
Governmental Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$1,298,696	\$0	\$0	\$1,298,696
Construction in Progress	0	1,408,784	0	1,408,784
<i>Total Capital Assets, Not Being Depreciated</i>	1,298,696	1,408,784	0	2,707,480
<i>Capital Assets, Being Depreciated:</i>				
Land Improvements	124,031	18,934	0	142,965
Buildings and Improvements	2,171,412	24,195	0	2,195,607
Machinery and Equipment	3,115,687	381,794	(57,195)	3,440,286
Infrastructure:				
Park Improvements	280,187	0	0	280,187
Streets	27,421,392	3,366,085	0	30,787,477
Bridges and Culverts	583,531	0	0	583,531
Traffic Signals	749,470	0	0	749,470
Storm Sewer	7,256,576	0	0	7,256,576
Water Lines	37,300	0	0	37,300
<i>Total Capital Assets, Being Depreciated</i>	41,739,586	3,791,008	(57,195)	45,473,399
Less Accumulated Depreciation:				
Land Improvements	(100,130)	(4,624)	0	(104,754)
Buildings and Improvements	(296,236)	(38,804)	0	(335,040)
Machinery and Equipment	(1,648,007)	(232,885)	28,597	(1,852,295)
Infrastructure:				
Park Improvements	(23,086)	(9,340)	0	(32,426)
Streets	(7,605,804)	(1,523,606)	0	(9,129,410)
Bridges and Culverts	(126,391)	(16,672)	0	(143,063)
Traffic Signals	(78,396)	(39,693)	0	(118,089)
Storm Sewer	(862,175)	(174,616)	0	(1,036,791)
Water Lines	(36,300)	0	0	(36,300)
<i>Total Accumulated Depreciation</i>	(10,776,525)	(2,040,240) *	28,597	(12,788,168)
Total Capital Assets, Being Depreciated, Net	30,963,061	1,750,768	(28,598)	32,685,231
Governmental Activities				
Capital Assets, Net	<u>\$32,261,757</u>	<u>\$3,159,552</u>	<u>(\$28,598)</u>	<u>\$35,392,711</u>

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

	Balance 12/31/00	Additions	Deletions	Balance 12/31/01
Business-Type Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$7,580	\$0	\$0	\$7,580
<i>Capital Assets, Being Depreciated:</i>				
Land Improvements	98,013	0	0	98,013
Buildings and Improvements	1,693,594	0	0	1,693,594
Machinery and Equipment	196,164	8,516	0	204,680
Infrastructure:				
Water Lines	9,272,873	1,243,551	0	10,516,424
Sewer Lines	10,660,168	781,425	0	11,441,593
<i>Total Capital Assets, Being Depreciated</i>	21,920,812	2,033,492	0	23,954,304
Less Accumulated Depreciation:				
Land Improvements	(93,112)	(4,901)	0	(98,013)
Buildings and Improvements	(321,783)	(33,872)	0	(355,655)
Machinery and Equipment	(116,462)	(13,733)	0	(130,195)
Infrastructure:				
Water Lines	(2,660,386)	(235,574)	0	(2,895,960)
Sewer Lines	(1,575,433)	(290,827)	0	(1,866,260)
<i>Total Accumulated Depreciation</i>	(4,767,176)	(578,907)	0	(5,346,083)
Total Capital Assets				
Being Depreciated, Net	17,153,636	1,454,585	0	18,608,221
Business-Type Activities				
Capital Assets, Net	\$17,161,216	\$1,454,585	\$0	\$18,615,801
Total Capital Assets	<u>\$49,422,973</u>	<u>\$4,614,137</u>	<u>(\$28,598)</u>	<u>\$54,008,512</u>

* Depreciation expense was charged to governmental functions as follows:

General Government	\$43,707
Security of Persons and Property	75,880
Transportation	1,902,936
Community Environment	850
Leisure Time Activities	16,867
Total Depreciation Expense	<u>\$2,040,240</u>

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

Note 9 – Note Debt

A summary of note transactions for the year ended December 31, 2001 follows:

	Balance 12/31/00	Additions	Deletions	Balance 12/31/01
Park Development Fund				
2001, 2.80 % Recreation Facility	\$0	\$1,500,000	\$0	\$1,500,000
Sewer Capital Fund				
2000, 5.20% Various Purpose	1,925,000	0	1,925,000	0
2001, 3.25% Various Purpose	0	225,000	0	225,000
2001, 3.25% Various Purpose	0	350,000	0	350,000
<i>Total Sewer Capital Fund</i>	<u>1,925,000</u>	<u>575,000</u>	<u>1,925,000</u>	<u>575,000</u>
Water Capital Fund				
2000, 5.20% Various Purpose	226,000	0	226,000	0
2001, 3.20% Kinzel Road Watermain Improvement	0	226,000	0	226,000
<i>Total Water Capital Fund</i>	<u>226,000</u>	<u>226,000</u>	<u>226,000</u>	<u>226,000</u>
<i>Total</i>	<u>\$2,151,000</u>	<u>\$2,301,000</u>	<u>\$2,151,000</u>	<u>\$2,301,000</u>

All the notes are backed by the full faith and credit of the City of Avon and mature within one year. The note liability is reflected in the funds which received the proceeds. All note proceeds have been fully expended. The park development note will be paid by revenues from the general fund. The sewer and water capital notes will be paid primarily by special assessments and transfers from the general fund. All notes mature within one year.

By Ohio law, notes can be issued in anticipation of bond proceeds, special assessment bond proceeds and levies, or for up to 50 percent of anticipated revenue collections. There are limitations on the number of times a note can be renewed. All notes outstanding at year-end are bond anticipation notes. The notes will be refinanced until the projects are complete and the City determines it to be advantageous to issue bonds.

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

Note 10 – Long-Term Obligations

The original issue date, interest rate, original issue amount and date of maturity of each of the City’s bonds and loans follows:

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
<i>General Obligation Bonds:</i>			
Sanitary Water Construction – 1992	4.00 – 6.65 %	\$160,000	December 1, 2012
Moore Road/Formanek – 1989	7.13	12,386	December 1, 2008
Detroit Road Park – 1996	5.20 – 5.90	250,000	December 1, 2016
Library Improvement – 1996	3.90 – 5.55	1,060,000	December 1, 2014
Northgate Sewer Improvement – 1996	5.00 – 5.70	400,000	December 1, 2016
New City Hall – 1997	3.90 – 5.50	895,800	December 1, 2017
Just Imagine Drive – 1997	3.90 - 5.35	655,000	December 1, 2017
North Branch Sewer Avins Ditch – 1998	4.60 – 5.20	88,467	December 1, 2018
Moore Road Improvement – 1999	4.40 - 5.40	110,870	December 1, 2019
<i>Special Assessment Bonds:</i>			
Moore Road/Formanek – 1989	7.13	202,614	December 1, 2008
Route 83 Sewer Improvement – 1995	4.20 – 6.50	520,000	December 1, 2015
Chester Road Sanitary Sewer – 1997	3.90 – 5.50	974,600	December 1, 2017
Moore/Chester Road Waterline – 1997	3.90 – 5.50	94,200	December 1, 2017
Chester Road Waterline East – 1997	3.90 - 5.50	152,200	December 1, 2017
Avon Road Waterline – 1997	3.90 - 5.50	324,200	December 1, 2017
Eaton Subdivision – 1997	3.90 - 5.50	39,000	December 1, 2007
North Branch Sewer Avins Ditch – 1998	4.60 – 5.20	140,000	December 1, 2018
Moore Road Improvement - 1999	4.40 - 5.20	869,130	December 1, 2019
Mills, Jaycox, Sandy Lane – 2000	4.50 – 5.75	585,000	December 1, 2020
Various Purpose - 2001	3.95 – 5.25	590,000	December 1, 2021
<i>Ohio Public Works Commission Loans:</i>			
Sanitary Sewer Rehabilitation – 1993	0.00	91,850	December 1, 2003
Nagel Road Bridge – 1996	0.00	100,787	December 1, 2005
Route 83 Sanitary Sewer – 1996	0.00	149,627	December 1, 2005
<i>Ohio Water Development Loans:</i>			
Sanitary Sewer Addition – 1988	7.65	687,406	January 1, 2012
Sanitary Sewer Construction – 1989	2.00	1,536,998	January 1, 2013
<i>Enterprise General Obligation Bonds:</i>			
Water Construction – 1992	4.00 - 6.55	420,000	December 1, 2012
Sewer Construction – 1992	4.00 - 6.55	420,000	December 1, 2012

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

Changes in bonds and other long-term obligations of the City during 2001 were as follows:

	Principal Outstanding 12/31/00	Additions	Deletions	Principal Outstanding 12/31/01	Due Within One Year
Governmental Activities					
<i>General Obligation Bonds:</i>					
Sanitary Water Construction	\$116,800	\$0	\$6,400	\$110,400	\$7,200
Moore Road/Formanek	7,202	0	576	6,626	864
Detroit Road Park	210,000	0	10,000	200,000	10,000
Library Improvement	840,000	0	45,000	795,000	45,000
Northgate Sewer Improvement	350,000	0	15,000	335,000	15,000
New City Hall	813,156	0	29,892	783,264	31,651
Just Imagine Drive	595,000	0	25,000	570,000	25,000
North Branch Sewer Avins Ditch	83,686	0	3,587	80,099	3,587
Moore Road Improvement	107,476	0	3,394	104,082	3,960
<i>Total General Obligation Bonds</i>	<u>3,123,320</u>	<u>0</u>	<u>138,849</u>	<u>2,984,471</u>	<u>142,262</u>
<i>Special Assessment Bonds:</i>					
Moore Road/Formanek	117,798	0	9,424	108,374	14,136
Route 83 Sewer Improvement	440,000	0	20,000	420,000	20,000
Chester Road Sanitary Sewer	884,686	0	32,522	852,164	34,435
Moore/Chester Road Waterline	85,510	0	3,143	82,367	3,328
Chester Road Waterline East	138,159	0	5,079	133,080	5,378
Avon Road Waterline	294,290	0	10,818	283,472	11,455
Eaton Subdivisions	29,198	0	3,545	25,653	3,754
North Branch Sewer Avins Ditch	266,314	0	11,413	254,901	11,413
Moore Road Improvement	842,524	0	26,606	815,918	31,040
Mills, Jaycox, Sandy Lane	585,000	0	20,000	565,000	20,000
Various Purpose	0	590,000	0	590,000	20,000
<i>Total Special Assessment Bonds</i>	<u>\$3,683,479</u>	<u>\$590,000</u>	<u>\$142,550</u>	<u>\$4,130,929</u>	<u>\$174,939</u>

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

	Principal Outstanding 12/31/00	Additions	Deletions	Principal Outstanding 12/31/01	Due Within One Year
<i>Ohio Public Works</i>					
<i>Commission Loans:</i>					
Sanitary Sewer Rehabilitation	\$22,962	\$0	\$9,185	\$13,777	\$9,185
Nagel Road Bridge	50,392	0	10,079	40,313	10,079
Route 83 Sanitary Sewer Project	74,813	0	14,963	59,850	14,963
<i>Total Ohio Public Works</i>					
<i>Commission Loans</i>	148,167	0	34,227	113,940	34,227
Capital Lease	41,792	0	41,792	0	0
Compensated Absences	697,281	31,018	0	728,299	0
<i>Total Governmental Activities</i>	\$7,694,039	\$621,018	\$357,418	\$7,957,639	\$351,428
Business Type Activities					
<i>Ohio Water Development Loans</i>					
Sanitary Sewer Addition	\$479,524	\$0	\$61,465	\$418,059	\$62,695
Sanitary Sewer Construction	863,575	0	25,797	837,778	27,771
<i>Total Ohio Water Development Loans</i>	1,343,099	0	87,262	1,255,837	90,466
<i>General Obligation Bonds</i>					
Water Construction	306,600	0	16,800	289,800	18,900
Sewer Construction	306,600	0	16,800	289,800	18,900
<i>Total General Obligation Bonds</i>	613,200	0	33,600	579,600	37,800
Intergovernmental Payable	1,305,504	0	68,773	1,236,731	66,790
Compensated Absences	92,640	24,638	0	118,278	0
<i>Total Business Type Activities</i>	\$3,354,443	\$24,638	\$189,635	\$3,190,446	\$195,056
<i>Total Long-Term Obligations</i>	\$11,048,482	\$645,656	\$547,053	\$11,148,085	\$546,484

General obligation bonds except the Detroit Road Park bond, the Sanitary Sewer Rehabilitation and the Nagel Road Bridge Ohio Public Works Commission loans will be paid from the general bond retirement debt service fund. The Detroit Road Park general obligation bond will be paid from the park development special revenue fund. Special assessment bonds, less the portion paid by the general obligation bond retirement fund, and the Route 83 Ohio Public Works Commission loan will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City.

The capital lease was paid from revenues received in the equipment capital projects fund.

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

Compensated absences will be paid from the general fund, the street construction, maintenance and repair and the police special revenue fund and the water and sewer enterprise funds. During the year, there were no payments to employees for termination of employment or retirement.

The OWDA loans and general obligation bonds reported in the enterprise funds will be paid from revenues derived by the City from water and sewer user charges.

Enterprise General Obligation Bonds

In 1992, the City issued \$420,000 in water construction and \$420,000 in sewer construction bonds with an interest rate of between 4.00 and 6.55%. The bonds include serial and term bonds. The term bonds have annual mandatory sinking fund redemption requirements and there are optional redemption provisions for the serial bonds. The term bonds mature on December 1, 2012 in the amount of \$85,000, \$42,500 in the sewer fund and in the water fund, at a redemption price equal to 100 percent of the principal plus accrued interest to the redemption date. The serial bonds maturing on or after December 1, 2003 are subject to early redemption, by and at the sole option of the City, either in whole on any date or in part on any interest payment date on or after December 1, 2002, in integral multiples of \$5,000, at the following redemption prices plus accrued interest to the redemption date:

Redemption Dates (Dates Inclusive)	Redemption Price
December 1, 2002, to November 30, 2003	102%
December 1, 2003, to November 30, 2004	101
December 1, 2004 and thereafter	100

Avon Lake Contractual Agreement

During 1994, the City of Avon entered into a contractual agreement with the City of Avon Lake for the construction and future maintenance of a water trunk line that runs through Avon that Avon residents will be able to tap into. The project was financed mainly by general obligation bonds which were issued in 1994 by the City of Avon Lake. All proceeds were received by the City of Avon Lake and the City of Avon Lake is responsible for the debt retirement. The line will be a fixed asset of the City of Avon Lake. Cost overruns have increased Avon's share of the costs. The total amount owed to the City of Avon Lake as of December 31, 2001 is \$1,236,731. This amount has been recorded on Avon's books as a long-term liability in the water enterprise fund. The annual interest rate of this obligation ranges from 4.3 percent to 6.5 percent.

A corresponding amount has been recorded as deferred charges in the water enterprise fund. This amount will be amortized over the life of the debt to the City of Avon Lake. In 2001, a payment was made to the City of Avon Lake in the amount of \$68,773; \$17,133 from the special assessment debt service fund and \$51,640 from the enterprise water fund.

Of the amount owed to Avon Lake, \$348,852 will be repaid from special assessments levied against property, The remainder of the amount owed to the City of Avon Lake will be repaid with water fund revenues.

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

The City's overall legal debt margin was \$27,395,277 and an unvoted debt margin of \$10,969,655 at December 31, 2001. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2001 are as follows:

	Governmental Activities				
	General Obligation Bonds		Special Assessment Bonds		OPWC
	Principal	Interest	Principal	Interest	Loans
2002	\$142,262	\$160,260	\$174,929	\$218,218	\$34,227
2003	149,020	153,421	178,180	212,582	29,633
2004	151,578	146,008	181,421	204,124	25,040
2005	164,137	137,695	189,664	195,447	25,040
2006	172,260	130,503	197,340	186,096	0
2007-2011	992,119	506,854	1,118,881	762,694	0
2012-2016	1,054,060	219,189	1,359,532	428,428	0
2017-2021	159,035	10,331	730,982	89,604	0
Total Outstanding	<u>\$2,984,471</u>	<u>\$1,464,261</u>	<u>\$4,130,929</u>	<u>\$2,297,193</u>	<u>\$113,940</u>

	Business-type Activities					
	OWDA Loans		Revenue Bonds		Avon Lake	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$90,466	\$50,741	\$37,800	\$38,336	\$66,795	\$71,964
2003	93,844	47,363	37,800	36,030	70,632	68,496
2004	97,409	43,797	42,000	32,760	74,460	64,704
2005	101,176	40,033	46,200	30,724	78,312	60,624
2006	105,157	36,048	50,400	27,652	82,908	53,832
2007-2011	594,114	111,915	294,000	85,186	491,256	202,908
2012-2016	173,671	7,487	71,400	4,748	372,368	45,468
Total Outstanding	<u>\$1,255,837</u>	<u>\$337,384</u>	<u>\$579,600</u>	<u>\$255,436</u>	<u>\$1,236,731</u>	<u>\$567,996</u>

Note 11 – Compensated Absences

The criteria for determining vacation and sick leave liabilities are derived from negotiated agreements and City ordinances. Full-time employees earn 10 to 25 vacation days per year, depending upon length of service. Unused vacation balances that can be carried over to the next year vary according to the employee's classification. All employees other than police department employees may carry over 80 hours into the following year. Police department employees may carry over 40 hours. In addition, police department employees may carry over unused compensatory time and holidays. Accumulated, unused vacation, compensatory time, and holidays are paid upon termination of employment.

All full-time employees of the City earn sick leave at the rate of one and one-fourth days per month. Sick leave accumulation is unlimited. Upon retirement, payment is made for one-half of total sick leave accumulation for all employees except for the employees who are covered under the AFSCME bargaining agreement, Teamsters bargaining agreement, fire department employees, and appointed administrators. Sick leave payment upon retirement for employees under the AFSCME and Teamsters agreement is limited to 960 hours of total sick leave

City of Avon, Ohio
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For the Year Ended December 31, 2001

accumulation. Fire department employees work part-time and do not accumulate sick leave. Appointed administrators do not receive termination sick leave payment unless they retire from the City. For all employees, accumulated sick leave in excess of 90 days may be converted to vacation leave at the rate of one sick leave day for one vacation day to a maximum of five days for a calendar year.

Note 12 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2001, the City negotiated with Curtis Insurance Service, Inc. for commercial insurance coverage relating to general liability, property, fire, auto, employee bonds and public officials bonds.

The cost of the current coverage was \$65,552. This coverage includes a \$2,000,000 comprehensive combined single limit general liability insurance policy with a \$3,500 deductible, a \$1,000,000 general law enforcement liability insurance policy with a \$5,000 deductible and a \$10,000,000 umbrella coverage policy.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years and there was no significant change in insurance coverage from the prior year.

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

In 1996, City joined the Lorain County Health Care program, a risk-sharing pool under the direction of the Lorain County Commissioners, which provides employee health care benefits for all full-time employees who wish to participate in the plan. The pool consists of twelve political subdivisions who pool risk for basic hospital, surgical and prescription drug coverage. The City pays monthly contributions to the Consortium, which is used to cover claims and administrative costs, and to purchase excess loss insurance for the plan. The Consortium has entered into an agreement for individual and aggregate excess loss coverage with a commercial insurance carrier. The individual excess loss coverage has been structured to indemnify the program for medical claims paid for an individual in excess of \$100,000, with no individual lifetime maximum. The aggregate excess loss coverage has been structured to indemnify the program for aggregate claims paid in excess of 115 percent of projected claims. In the event that the losses of the Consortium in any year exceeds amounts paid to the Consortium, together with all stop-loss, reinsurance and other coverage then in effect, then the payment of all uncovered losses shall revert to and be the sole obligation of the political subdivision against which the claim was made,

Note 13 - Defined Benefit Pension Plans

A. Public Employee Retirement System

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

City of Avon, Ohio
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For the Year Ended December 31, 2001

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The 2001 employer pension contribution rate for the City was 9.25 percent of covered payroll, increased from 6.54 percent for 2000. For 2000, PERS instituted a temporary employer rate rollback for State and local governments. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to PERS for the years ended December 31, 2001, 2000 and 1999, were \$363,205, \$119,620, and \$146,534 respectively. The full amount has been contributed for 2000 and 1999. 86.52 percent has been contributed for 2001 with the remainder being presented as "intergovernmental payable" in the governmental activities column on the statement of net assets.

B. Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer public employee retirement system administered by the OP&F's Board of Trustees. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and by Chapter 742 of the Ohio Revised Code. The OP&F issues a publicly available financial report that includes financial information and required supplementary information. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Police are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 12 percent. For 2000, the City contributions were 12.25 percent. Contributions are authorized by State statute. The City's contributions to OP&F for police were \$115,709 for the year ended December 31, 2001, \$99,060 for 2000 and \$84,700 for 1999. The full amount has been contributed for 2000 and 1999 and 69.14 percent has been contributed for 2001 with the remainder being presented as "intergovernmental payable" in the governmental activities column on the statement of net assets.

Note 14 - Postemployment Benefits

A. Public Employees Retirement System (PERS)

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2001 employer contribution rate was 13.55 percent of covered payroll; 4.30 percent was the portion that was used to fund health care for 2001. For 2000, the contribution rate was 10.84 percent of covered payroll; 4.30 percent was the portion that was used to fund health care.

Benefits are advanced-funded using the entry age normal cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 2000, include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.75 percent annually.

City of Avon, Ohio
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For the Year Ended December 31, 2001

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

The number active contributing participants were 411,076. The City's actual contributions for 2001 which were used to fund postemployment benefits were \$183,739. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 2000, (the latest information available) were \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability were \$14,364.6 million and \$2,628.7 million, respectively.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care cost paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll, of which 7.5 percent of covered payroll was applied to the postemployment health care program during 2001. For 2000, the percent used to fund health care was 7.25 percent. In addition, since July 1, 1992, most retirees have been required to contribute a portion of their health care coverage through a deduction from their monthly benefit payment.

The City's actual contributions for 2001 that were used to fund postemployment benefits were \$69,425 for police. The OP&F's total health care expenses for the year ended December 31, 2000, (the latest information available) were \$106,160,054, which was net of member contributions of \$5,657,431. The number of OP&F participants eligible to receive health care benefits as of December 31, 2000, was 12,853 for police and 10,037 for firefighters.

Note 15 - Jointly Governed Organizations

A. Lorain County General Health District

The Lorain County General Health District, a jointly governed organization, provides health services to the citizens within the Health District. The Health District is governed by the Board of Health which represents the area served by the Health District and oversees the operation of the Health District. The Board of Health members are appointed to staggered four year terms. One member is appointed by the City of North Ridgeville, one member is jointly appointed by the Cities of Avon and Sheffield Lake and one member is appointed jointly by the Cities of Amherst and Oberlin. The remaining four members are appointed by the various mayors of villages, chairmen of the township trustees and the County Commissioners. The City contributed \$39,647 during 2001 for the operation of the Health District. Financial information can be obtained by contacting the Lorain County General Health District, Lorain, Ohio.

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

B. Northeast Ohio Public Energy Council

The City is a member of The Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 93 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Avon did not contribute to NOPEC during 2001. Financial information can be obtained by contacting Dan DiLiberto, Treasurer, 35150 Lakeshore Boulevard, Eastlake, Ohio 44095.

Note 16 - Contingencies

A. Grants

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

B. Litigation

The City is a party to legal proceedings seeking damages. The City management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

Note 17 – Construction and Other Significant Commitments

During the year the City had several construction projects on roads, sewers and water lines completed. As of December 31, 2001 the only outstanding significant contractual commitment was for the construction of the recreational facility at the Veterans Park. The contract amount was for \$1,777,300 with \$1,408,784 paid during the year, leaving a balance of \$367,516 outstanding at year-end.

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

Note 18 – Subsequent Event

The sewer capital various purpose note of \$350,000 was refinanced on June 14, 2002. This bond anticipation note will be used to help finance the \$3,000,000 North Branch Sewer Interceptor project. The other notes were not rolled over or bonded.

Note 19 - Interfund Transfers and Balances

Transfers are primarily from the general fund to various funds within the City. Income tax revenues are collected in the general fund and then transferred to the police special revenue fund to cover daily operating expenses and to cover the cost of street improvement projects within the capital improvements fund. The general fund will transfer funds to help finance the various programs accounted for in other funds. Transfers are also made to cover the various debt obligations of the City from the general fund, capital projects and enterprise funds to the debt service funds.

Transfers made during the year ended December 31, 2001 were as follows:

	Transfer From		
	<i>Governmental Activities</i>		
Transfer To	General	Street Construction Maintenance and Repair	Nonmajor
<i>Governmental Activities</i>			
General	\$0	\$0	\$115,680
Street Construction, Maintenance, Repair	0	0	3,162
Police	1,303,541	0	0
Nonmajor Funds	2,041,909	66,000	437,652
Total Governmental Activities	<u>3,345,450</u>	<u>66,000</u>	<u>465,814</u>
<i>Business-Type Activities</i>			
Water Fund	20,333	0	0
Total	<u>\$3,365,783</u>	<u>\$66,000</u>	<u>\$556,494</u>

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2001

<u>Transfer To</u>	<u>Transfer From</u>		<u>Totals</u>
	<i>Business-Type Activities</i>		
<u>Governmental Activities</u>	<u>Water</u>	<u>Sewer</u>	
General	\$0	\$0	\$115,680
Street Construction, Maintenance, Repair	0	0	3,162
Police	0	0	1,303,541
Nonmajor Funds	38,353	351,181	2,935,096
Total Governmental Activities	<u>38,353</u>	<u>351,181</u>	<u>4,357,479</u>
<u><i>Business-Type Activities</i></u>			
Water Fund	0	0	20,333
Total	<u>\$38,353</u>	<u>\$351,181</u>	<u>\$4,377,812</u>

As of December 31, 2001, individual fund receivables and payables that resulted from various interfund transactions were as follows:

	Interfund Payables			<u>Totals</u>
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
Interfund Receivables	<u>Street Construction, Maintenance and Repair</u>	<u>Nonmajor Funds</u>	<u>Sewer</u>	
<i>Governmental Activities:</i>				
Major Funds:				
General Fund	\$0	\$25,000	\$28,000	\$53,000
Nonmajor Funds	120,542	0	72,500	193,042
Total Governmental Activities	<u>120,542</u>	<u>25,000</u>	<u>100,500</u>	<u>246,042</u>
<i>Business-Type Activities:</i>				
Enterprise Fund:				
Water	0	63,961	0	63,961
Total	<u>\$120,542</u>	<u>\$88,961</u>	<u>\$100,500</u>	<u>\$310,003</u>

Combining Statements and

Individual Fund Schedules

Combining Statements - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specified purposes.

Recycling Fund - This fund accounts for grant proceeds, interest and miscellaneous revenues used to pay costs related to the development of the City recycling program.

ADA Park Violations Fund – This fund accounts for fines collected to be used for the maintenance of City parks.

State Highway Fund - This fund accounts for 7.5 percent of the State gasoline tax and motor vehicle registration fees designated for maintenance and repair of State highways within the City.

Permissive Tax Fund - This fund accounts for resources received from City and County permissive license fees. The proceeds are used for street lighting and traffic signals.

Enforcement and Education Fund – This fund accounts for fines which are used to pay for educating the public on the dangers of driving while under the influence of alcohol and the laws governing the operation of a motor vehicle while under the influence of alcohol.

Law Enforcement Fund – This fund accounts for confiscated cash and/or proceeds from the sale of property confiscated during drug related arrests. The proceeds are used for law enforcement.

Mayor's Court Computer Fund – This fund accounts for fines collected to be used to update court computer systems.

Community Center Fund - This fund accounts for donations received for the maintenance of the "Avon-Lion's Community Center."

Drainage Fund – This fund accounts for drainage fees assessed to anyone building within the City limits. The proceeds are used to provide storm sewer maintenance and to correct problems connected with flooding.

Cemetery Fund – This fund accounts for burial fees used to maintain the cemetery.

Recreation Fund – This fund accounts for fees received from individuals participating in the recreation programs provided by the City.

Park Operating Fund – This fund accounts for costs associated with the operations and upkeep of the City parks.

Police Pension Fund – This fund accounts for property taxes and transfers from the police fund to provide the employer's share of police pension benefits.

(continued)

Combining Statements - Nonmajor Governmental Funds (continued)

Nonmajor Debt Service Funds

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

General Obligation Bond Retirement Fund - This fund accounts for transfers in and tax levies that are utilized for the repayment of general obligation debt.

Library Bond Retirement Fund - This fund accounts for the accumulation of property taxes to pay principal and interest on the library general obligation debt.

Nonmajor Capital Projects Funds

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

Equipment Fund - This fund accounts for monies received from property taxes to purchase equipment for the Police and Fire Departments.

Issue II Fund - This fund accounts for all costs associated with State of Ohio Issue II monies used for infrastructure replacements.

Capital Improvements Fund - This fund accounts for the costs associated with purchasing, constructing and maintaining the sidewalks, equipment and buildings throughout the City.

Storm Water Detention Fund - This fund accounts for monies derived from fees generated by new developments used for maintenance of a water detention system.

Safety Facility Construction Fund - This fund accounts for construction projects related to the Police department.

Routes 611/254 Intersection Improvement Fund - This fund accounts for the cost related to widening the intersection, moving utility services and improving signalization.

Route 83/Kinzel Road Intersection Improvement Fund - This fund accounts for the costs associated with widening the intersection and installing a new traffic light.

Sidewalk Program Fund - This fund accounts for the monies used to construct sidewalks within the City.

CDBG Fund - This fund accounts for the costs associated with the various community development block grant projects.

Water Capital Fund - This fund accounts for the costs associated with constructing and maintaining the water lines throughout the City that will be paid primarily from special assessments and transfers from the general, water and storm water detention funds.

Sewer Capital Fund - This fund accounts for the costs associated with constructing and maintaining the sewer pipelines throughout the City that will be paid primarily from special assessments and transfers from the general, sewer and storm sewer detention funds.

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2001

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$329,472	\$20,406	\$2,543,224	\$2,893,102
Receivables:				
Taxes	204,974	92,122	458,548	755,644
Interfund	0	0	193,042	193,042
Intergovernmental	49,747	5,184	11,780	66,711
<i>Total Assets</i>	<u>\$584,193</u>	<u>\$117,712</u>	<u>\$3,206,594</u>	<u>\$3,908,499</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$34,815	\$0	\$109,980	\$144,795
Contracts Payable	0	0	2,388	2,388
Accrued Wages and Benefits	1,275	0	0	1,275
Interfund Payable	0	0	25,000	25,000
Intergovernmental Payable	455	0	2,612	3,067
Deferred Revenue	236,541	95,333	460,509	792,383
Accrued Interest Payable	0	0	14,472	14,472
Notes Payable	0	0	801,000	801,000
<i>Total Liabilities</i>	<u>273,086</u>	<u>95,333</u>	<u>1,415,961</u>	<u>1,784,380</u>
Fund Balances				
Reserved for Encumbrances	68,177	0	362,326	430,503
Unreserved, Undesignated				
Reported in:				
Special Revenue Funds	242,930	0	0	242,930
Debt Service Funds	0	22,379	0	22,379
Capital Projects Funds	0	0	1,428,307	1,428,307
<i>Total Fund Balances</i>	<u>311,107</u>	<u>22,379</u>	<u>1,790,633</u>	<u>2,124,119</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$584,193</u>	<u>\$117,712</u>	<u>\$3,206,594</u>	<u>\$3,908,499</u>

City of Avon, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2001

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property and Other Taxes	\$178,043	\$89,100	\$219,155	\$486,298
Charges for Services	56,643	0	116,410	173,053
Fines and Forfeitures	25,529	0	0	25,529
Intergovernmental	267,380	10,368	402,409	680,157
Special Assessments	0	0	21,994	21,994
Interest	2,295	0	145,473	147,768
Contributions and Donations	6,000	0	30,000	36,000
Other	2,278	40	2,500	4,818
<i>Total Revenues</i>	<u>538,168</u>	<u>99,508</u>	<u>937,941</u>	<u>1,575,617</u>
Expenditures				
Current:				
General Government	408	0	0	408
Security of Persons and Property	189,752	0	0	189,752
Transportation	102,951	0	0	102,951
Community Environment	151,177	0	0	151,177
Basic Utility Services	25,722	0	0	25,722
Leisure Time Activities	150,186	0	0	150,186
Capital Outlay	0	0	2,942,272	2,942,272
Debt Service:				
Principal Retirement	0	156,408	41,792	198,200
Interest and Fiscal Charges	0	174,142	125,060	299,202
<i>Total Expenditures</i>	<u>620,196</u>	<u>330,550</u>	<u>3,109,124</u>	<u>4,059,870</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(82,028)</u>	<u>(231,042)</u>	<u>(2,171,183)</u>	<u>(2,484,253)</u>
Other Financing Sources (Uses)				
Special Assessment Bond Proceeds	0	0	590,000	590,000
Transfers In	123,012	240,515	2,474,563	2,838,090
Transfers Out	0	0	(556,494)	(556,494)
<i>Total Other Financing Sources (Uses)</i>	<u>123,012</u>	<u>240,515</u>	<u>2,508,069</u>	<u>2,871,596</u>
<i>Net Change in Fund Balances</i>	40,984	9,473	336,886	387,343
<i>Fund Balances Beginning of Year</i>	<u>270,123</u>	<u>12,906</u>	<u>1,453,747</u>	<u>1,736,776</u>
<i>Fund Balances End of Year</i>	<u>\$311,107</u>	<u>\$22,379</u>	<u>\$1,790,633</u>	<u>\$2,124,119</u>

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2001

	<u>Recycling</u>	<u>ADA Park Violations</u>	<u>State Highway</u>	<u>Permissive Tax</u>
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$44,171	\$300	\$54,838	\$26,199
Receivables:				
Taxes	0	0	0	0
Intergovernmental	0	0	11,345	28,179
<i>Total Assets</i>	<u>\$44,171</u>	<u>\$300</u>	<u>\$66,183</u>	<u>\$54,378</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$24,692	\$0	\$0	\$7,828
Accrued Wages and Benefits	111	0	0	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	0	0	6,947	18,786
<i>Total Liabilities</i>	<u>24,803</u>	<u>0</u>	<u>6,947</u>	<u>26,614</u>
Fund Balances				
Reserved for Encumbrances	9,517	0	14,003	444
Unreserved, Undesignated	9,851	300	45,233	27,320
<i>Total Fund Balances</i>	<u>19,368</u>	<u>300</u>	<u>59,236</u>	<u>27,764</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$44,171</u>	<u>\$300</u>	<u>\$66,183</u>	<u>\$54,378</u>

(continued)

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2001

	<u>Enforcement and Education</u>	<u>Law Enforcement</u>	<u>Mayor's Court Computer</u>	<u>Community Center</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$7,286	\$29,582	\$37,432	\$11,996
Receivables:				
Taxes	0	0	0	0
Intergovernmental	0	0	0	0
<i>Total Assets</i>	<u>\$7,286</u>	<u>\$29,582</u>	<u>\$37,432</u>	<u>\$11,996</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0	90
Intergovernmental Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>90</u>
 Fund Balances				
Reserved for Encumbrances	0	0	0	6,000
Unreserved, Undesignated	7,286	29,582	37,432	5,906
<i>Total Fund Balances</i>	<u>7,286</u>	<u>29,582</u>	<u>37,432</u>	<u>11,906</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,286</u>	<u>\$29,582</u>	<u>\$37,432</u>	<u>\$11,996</u>

<u>Drainage</u>	<u>Cemetery</u>	<u>Recreation</u>	<u>Park Operating</u>	<u>Police Pension</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$8,683	\$3,734	\$42,930	\$61,805	\$516	\$329,472
0	0	0	100,591	104,383	204,974
0	0	0	5,039	5,184	49,747
<u>\$8,683</u>	<u>\$3,734</u>	<u>\$42,930</u>	<u>\$167,435</u>	<u>\$110,083</u>	<u>\$584,193</u>
\$339	\$0	\$0	\$1,956	\$0	\$34,815
0	0	371	703	0	1,275
0	0	0	455	0	455
0	0	0	103,476	107,332	236,541
<u>339</u>	<u>0</u>	<u>371</u>	<u>106,590</u>	<u>107,332</u>	<u>273,086</u>
872	0	0	37,341	0	68,177
7,472	3,734	42,559	23,504	2,751	242,930
<u>8,344</u>	<u>3,734</u>	<u>42,559</u>	<u>60,845</u>	<u>2,751</u>	<u>311,107</u>
<u>\$8,683</u>	<u>\$3,734</u>	<u>\$42,930</u>	<u>\$167,435</u>	<u>\$110,083</u>	<u>\$584,193</u>

City of Avon, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2001

	Recycling	ADA Park Violations	State Highway	Permissive Tax
Revenues				
Property and Other Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Fines and Forfeitures	0	300	0	0
Intergovernmental	148,280	0	29,740	68,914
Interest	0	0	1,805	490
Contributions and Donations	0	0	0	0
Other	0	0	0	998
<i>Total Revenues</i>	<u>148,280</u>	<u>300</u>	<u>31,545</u>	<u>70,402</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	0	0	6,376	96,575
Community Environment	151,177	0	0	0
Basic Utility Services	0	0	0	0
Leisure Time Activities	0	0	0	0
<i>Total Expenditures</i>	<u>151,177</u>	<u>0</u>	<u>6,376</u>	<u>96,575</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,897)	300	25,169	(26,173)
Other Financing Sources				
Transfers In	<u>6,000</u>	<u>0</u>	<u>0</u>	<u>40,000</u>
<i>Net Change in Fund Balances</i>	3,103	300	25,169	13,827
<i>Fund Balances Beginning of Year</i>	<u>16,265</u>	<u>0</u>	<u>34,067</u>	<u>13,937</u>
<i>Fund Balances End of Year</i>	<u><u>\$19,368</u></u>	<u><u>\$300</u></u>	<u><u>\$59,236</u></u>	<u><u>\$27,764</u></u>

<u>Enforcement and Education</u>	<u>Law Enforcement</u>	<u>Mayor's Court Computer</u>	<u>Community Center</u>	<u>Drainage</u>	<u>Cemetery</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	2,295	0	2,000
2,718	11,496	11,015	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	6,000	0	0
1,280	0	0	0	0	0
<u>3,998</u>	<u>11,496</u>	<u>11,015</u>	<u>8,295</u>	<u>0</u>	<u>2,000</u>
0	0	0	0	0	408
5,435	583	5,944	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	25,722	0
0	0	0	6,429	0	0
<u>5,435</u>	<u>583</u>	<u>5,944</u>	<u>6,429</u>	<u>25,722</u>	<u>408</u>
(1,437)	10,913	5,071	1,866	(25,722)	1,592
0	0	0	6,000	25,000	0
(1,437)	10,913	5,071	7,866	(722)	1,592
8,723	18,669	32,361	4,040	9,066	2,142
<u>\$7,286</u>	<u>\$29,582</u>	<u>\$37,432</u>	<u>\$11,906</u>	<u>\$8,344</u>	<u>\$3,734</u>

(continued)

City of Avon, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2001

	Recreation	Park Operating	Police Pension	Total Nonmajor Special Revenue Funds
Revenues				
Property and Other Taxes	\$0	\$88,619	\$89,424	\$178,043
Charges for Services	48,539	3,809	0	56,643
Fines and Forfeitures	0	0	0	25,529
Intergovernmental	0	10,078	10,368	267,380
Interest	0	0	0	2,295
Contributions and Donations	0	0	0	6,000
Other	0	0	0	2,278
<i>Total Revenues</i>	<u>48,539</u>	<u>102,506</u>	<u>99,792</u>	<u>538,168</u>
Expenditures				
Current:				
General Government	0	0	0	408
Security of Persons and Property	0	0	177,790	189,752
Transportation	0	0	0	102,951
Community Environment	0	0	0	151,177
Basic Utility Services	0	0	0	25,722
Leisure Time Activities	38,268	105,489	0	150,186
<i>Total Expenditures</i>	<u>38,268</u>	<u>105,489</u>	<u>177,790</u>	<u>620,196</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	10,271	(2,983)	(77,998)	(82,028)
Other Financing Sources				
Transfers In	10,000	0	36,012	123,012
<i>Net Change in Fund Balances</i>	20,271	(2,983)	(41,986)	40,984
<i>Fund Balances Beginning of Year</i>	<u>22,288</u>	<u>63,828</u>	<u>44,737</u>	<u>270,123</u>
<i>Fund Balances End of Year</i>	<u>\$42,559</u>	<u>\$60,845</u>	<u>\$2,751</u>	<u>\$311,107</u>

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2001

	General Obligation Bond Retirement	Library Bond Retirement	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$7,016	\$13,390	\$20,406
Receivables:			
Taxes	0	92,122	92,122
Intergovernmental	0	5,184	5,184
<i>Total Assets</i>	<u>\$7,016</u>	<u>\$110,696</u>	<u>\$117,712</u>
Liabilities and Fund Balances			
Liabilities			
Deferred Revenue	\$0	\$95,333	\$95,333
Fund Balances			
Unreserved, Undesignated	<u>7,016</u>	<u>15,363</u>	<u>22,379</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,016</u>	<u>\$110,696</u>	<u>\$117,712</u>

City of Avon, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2001

	General Obligation Bond Retirement	Library Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Property and Other Taxes	\$0	\$89,100	\$89,100
Intergovernmental	0	10,368	10,368
Other	40	0	40
<i>Total Revenues</i>	<u>40</u>	<u>99,468</u>	<u>99,508</u>
Expenditures			
Debt Service:			
Principal Retirement	111,408	45,000	156,408
Interest and Fiscal Charges	127,560	46,582	174,142
<i>Total Expenditures</i>	<u>238,968</u>	<u>91,582</u>	<u>330,550</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(238,928)	7,886	(231,042)
Other Financing Sources			
Transfers In	240,515	0	240,515
<i>Net Change in Fund Balances</i>	1,587	7,886	9,473
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>5,429</u>	<u>7,477</u>	<u>12,906</u>
<i>Fund Balances End of Year</i>	<u><u>\$7,016</u></u>	<u><u>\$15,363</u></u>	<u><u>\$22,379</u></u>

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2001

	<u>Equipment</u>	<u>Issue II</u>	<u>Storm Water Detention</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$207,830	\$130,024	\$272,195
Receivables:			
Taxes	458,548	0	0
Interfund	0	0	0
Intergovernmental	11,780	0	0
<i>Total Assets</i>	<u>\$678,158</u>	<u>\$130,024</u>	<u>\$272,195</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$11,665	\$0	\$0
Contracts Payable	0	0	565
Interfund Payable	0	0	0
Intergovernmental Payable	0	0	0
Deferred Revenue	460,509	0	0
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
<i>Total Liabilities</i>	<u>472,174</u>	<u>0</u>	<u>565</u>
Fund Balances			
Reserved for Encumbrances	89,529	0	7,060
Unreserved, Undesignated	116,455	130,024	264,570
<i>Total Fund Balances</i>	<u>205,984</u>	<u>130,024</u>	<u>271,630</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$678,158</u>	<u>\$130,024</u>	<u>\$272,195</u>

(continued)

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds (continued)
December 31, 2001

	Safety Facility Construction	Routes 611/254 Intersection Improvement	Routes 83/Kinzel Intersection Improvement
Assets			
Equity in Pooled Cash and Cash Equivalents	\$9,331	\$20,539	\$0
Receivables:			
Taxes	0	0	0
Interfund	0	0	120,542
Intergovernmental	0	0	0
<i>Total Assets</i>	<u>\$9,331</u>	<u>\$20,539</u>	<u>\$120,542</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$0	\$0
Contracts Payable	0	0	0
Interfund Payable	0	0	0
Intergovernmental Payable	0	0	0
Deferred Revenue	0	0	0
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances			
Reserved for Encumbrances	49	0	0
Unreserved, Undesignated	9,282	20,539	120,542
<i>Total Fund Balances</i>	<u>9,331</u>	<u>20,539</u>	<u>120,542</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$9,331</u>	<u>\$20,539</u>	<u>\$120,542</u>

Water Capital	Sewer Capital	Total Nonmajor Capital Projects Funds
\$313,727	\$1,589,578	\$2,543,224
0	0	458,548
0	72,500	193,042
0	0	11,780
<u>\$313,727</u>	<u>\$1,662,078</u>	<u>\$3,206,594</u>
\$27,005	\$71,310	\$109,980
1,823	0	2,388
0	25,000	25,000
0	2,612	2,612
0	0	460,509
4,038	10,434	14,472
226,000	575,000	801,000
<u>258,866</u>	<u>684,356</u>	<u>1,415,961</u>
1,031	264,657	362,326
53,830	713,065	1,428,307
<u>54,861</u>	<u>977,722</u>	<u>1,790,633</u>
<u>\$313,727</u>	<u>\$1,662,078</u>	<u>\$3,206,594</u>

City of Avon, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2001

	Equipment	Issue II	Capital Improvements	Storm Water Detention	Safety Facility Construction
Revenues					
Property and Other Taxes	\$219,155	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	9,325	0
Intergovernmental	23,562	0	200,000	0	0
Special Assessments	0	0	0	0	0
Interest	2,060	0	0	0	0
Contribution and Donations	0	0	0	0	0
Other	2,500	0	0	0	0
<i>Total Revenues</i>	<u>247,277</u>	<u>0</u>	<u>200,000</u>	<u>9,325</u>	<u>0</u>
Expenditures					
Capital Outlay	172,783	0	1,072,501	21,311	11,061
Debt Service:					
Principal Retirement	41,792	0	0	0	0
Interest and Fiscal Charges	3,208	0	0	0	0
<i>Total Expenditures</i>	<u>217,783</u>	<u>0</u>	<u>1,072,501</u>	<u>21,311</u>	<u>11,061</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>29,494</u>	<u>0</u>	<u>(872,501)</u>	<u>(11,986)</u>	<u>(11,061)</u>
Other Financing Sources (Uses)					
Special Assessment Bond Proceeds	0	0	0	0	0
Transfers In	0	0	810,344	186,000	0
Transfers Out	0	0	(90,680)	(211,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>719,664</u>	<u>(25,000)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	29,494	0	(152,837)	(36,986)	(11,061)
<i>Fund Balances Beginning of Year</i>	<u>176,490</u>	<u>130,024</u>	<u>152,837</u>	<u>308,616</u>	<u>20,392</u>
<i>Fund Balances End of Year</i>	<u>\$205,984</u>	<u>\$130,024</u>	<u>\$0</u>	<u>\$271,630</u>	<u>\$9,331</u>

Routes 611/254 Intersection Improvement	Routes 83/Kinzel Intersection Improvement	Sidewalk Program	CDBG	Water Capital	Sewer Capital	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$219,155
0	0	0	0	107,085	0	116,410
0	0	0	0	0	178,847	402,409
0	0	0	0	0	21,994	21,994
1,068	0	0	0	30,432	111,913	145,473
0	0	0	0	0	30,000	30,000
0	0	0	0	0	0	2,500
1,068	0	0	0	137,517	342,754	937,941
292,558	0	31,751	450,000	281,924	608,383	2,942,272
0	0	0	0	0	0	41,792
0	0	0	0	14,035	107,817	125,060
292,558	0	31,751	450,000	295,959	716,200	3,109,124
(291,490)	0	(31,751)	(450,000)	(158,442)	(373,446)	(2,171,183)
0	0	0	0	0	590,000	590,000
168,427	0	0	455,000	135,000	719,792	2,474,563
0	0	0	(25,000)	0	(229,814)	(556,494)
168,427	0	0	430,000	135,000	1,079,978	2,508,069
(123,063)	0	(31,751)	(20,000)	(23,442)	706,532	336,886
143,602	120,542	31,751	20,000	78,303	271,190	1,453,747
\$20,539	\$120,542	\$0	\$0	\$54,861	\$977,722	\$1,790,633

Combining Statements - Agency Funds

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are purely custodial (assets equals liabilities) and thus do not involve measurement of results of operations.

Agency Funds

Deposits Fund – This fund accounts for various deposits held by the City to ensure compliance with various City ordinances. Upon satisfactory completion of the construction projects, deposits are returned.

Lorain Public Library Fund – This fund accounts for resources received from a one mill levy used to pay for the upkeep of the Lorain Public Library – Avon Branch. These funds are collected and immediately given to the Library.

North Ridgeville Sewer Fund – This fund accounts for the billing and collection of sewer charges that are then distributed to the City of North Ridgeville.

Subdivisions Fund – This fund accounts for deposits made by developers of the City's subdivisions to ensure compliance with various City ordinances regarding development within the City. Upon satisfactory completion of the subdivisions, the funds are returned to the developer.

Mayor's Court Fund – This fund accounts for the activities within the mayor's court.

City of Avon, Ohio
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2001

	<u>Deposits</u>	<u>Lorain Public Library</u>	<u>North Ridgeville Sewer</u>	<u>Subdivisions</u>	<u>Total</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$851,660	\$2,064	\$55,740	\$1,546,442	\$2,455,906
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Liabilities					
Deposits Held and Due to Others	\$851,660	\$0	\$0	\$1,546,442	\$2,398,102
Intergovernmental Payable	0	2,064	55,740	0	57,804
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities</i>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

City of Avon, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2001

	Beginning Balance 12/31/00	Additions	Deductions	Ending Balance 12/31/01
Deposits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$759,718	\$574,227	\$482,285	\$851,660
Liabilities				
Deposits Held and Due to Others	\$759,718	\$574,227	\$482,285	\$851,660
 Lorain Public Library				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$5,236	\$279,768	\$282,940	\$2,064
Liabilities				
Intergovernmental Payable	\$5,236	\$279,768	\$282,940	\$2,064
 North Ridgeville Sewer				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$35,365	\$919,541	\$899,166	\$55,740
Liabilities				
Intergovernmental Payable	\$35,365	\$919,541	\$899,166	\$55,740
 Subdivisions				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,052,394	\$1,208,421	\$714,373	\$1,546,442
Liabilities				
Deposits Held and Due to Others	\$1,052,394	\$1,208,421	\$714,373	\$1,546,442

(continued)

City of Avon, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds (continued)
For the Year Ended December 31, 2001

	Beginning Balance 12/31/00	Additions	Deductions	Ending Balance 12/31/01
<i>Mayor's Court</i>				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$0	\$189,301	\$189,301	\$0
Liabilities				
Deposits Held and Due to Others	\$0	\$189,301	\$189,301	\$0
<i>Total - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,852,713	\$2,981,957	\$2,378,764	\$2,455,906
Cash and Cash Equivalents in Segregated Accounts	0	189,301	189,301	0
<i>Total Assets</i>	\$1,852,713	\$3,171,258	\$2,568,065	\$2,455,906
Liabilities				
Deposits Held and Due to Others	\$1,812,112	\$1,971,949	\$1,385,959	\$2,398,102
Intergovernmental Payable	40,601	1,199,309	1,182,106	57,804
<i>Total Liabilities</i>	\$1,852,713	\$3,171,258	\$2,568,065	\$2,455,906

**Individual Fund Schedules of Revenues, Expenditures/Expenses
And Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual**

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2001

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property and Other Taxes	\$335,610	\$606,095	\$601,836	(\$4,259)
Municipal Income Taxes	1,530,045	2,763,189	2,920,659	157,470
Charges for Services	124,177	224,258	267,863	43,605
Licenses and Permits	439,682	767,494	1,057,073	289,579
Fines and Forfeitures	160,931	290,633	287,631	(3,002)
Intergovernmental	94,524	170,706	250,186	79,480
Interest	138,431	250,000	312,283	62,283
Other	41,371	74,715	72,002	(2,713)
<i>Total Revenues</i>	<u>2,864,771</u>	<u>5,147,090</u>	<u>5,769,533</u>	<u>622,443</u>
Expenditures				
Current:				
General Government:				
Mayor:				
Personal Services	138,827	138,827	126,605	12,222
Materials and Supplies	4,050	4,050	2,051	1,999
Contractual Services	84,184	84,184	75,370	8,814
Capital Outlay	4,165	4,165	3,865	300
Total Mayor	<u>231,226</u>	<u>231,226</u>	<u>207,891</u>	<u>23,335</u>
Finance:				
Personal Services	141,998	141,998	126,014	15,984
Materials and Supplies	2,850	2,850	2,509	341
Contractual Services	42,732	42,732	36,086	6,646
Capital Outlay	2,071	2,071	2,071	0
Total Finance	<u>189,651</u>	<u>189,651</u>	<u>166,680</u>	<u>22,971</u>
Treasurer:				
Personal Services	15,950	15,950	15,651	299
Materials and Supplies	600	600	548	52
Contractual Services	1,000	1,000	575	425
Total Treasurer	<u>17,550</u>	<u>17,550</u>	<u>16,774</u>	<u>776</u>
Law Director:				
Personal Services	93,500	93,500	90,439	3,061
Materials and Supplies	981	981	388	593
Contractual Services	86,050	86,050	80,609	5,441
Total Law Director	<u>\$180,531</u>	<u>\$180,531</u>	<u>\$171,436</u>	<u>\$9,095</u>

(continued)

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2001

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Council				
Personal Services	\$104,675	\$104,675	\$92,087	\$12,588
Materials and Supplies	8,976	8,976	8,318	658
Contractual Services	29,525	29,525	26,286	3,239
Total Council	143,176	143,176	126,691	16,485
City Hall:				
Personal Services	26,325	26,325	20,895	5,430
Materials and Supplies	15,146	15,146	14,744	402
Contractual Services	143,667	143,667	138,749	4,918
Capital Outlay	10,643	10,643	10,060	583
Other	100	100	0	100
Total City Hall	195,881	195,881	184,448	11,433
Civil Service:				
Personal Services	400	400	0	400
Materials and Supplies	100	100	0	100
Contractual Services	12,400	12,400	1,171	11,229
Total Civil Service	12,900	12,900	1,171	11,729
Statutory Accounts:				
Personal Services	15,499	15,499	15,499	0
Contractual Services	88,799	88,799	88,042	757
Total Statutory Accounts	104,298	104,298	103,541	757
Engineer:				
Contractual Services	129,198	129,198	129,198	0
Grant Coordinator:				
Contractual Services	6,000	6,000	0	6,000
Income Tax Department:				
Personal Services	30,370	30,370	25,134	5,236
Contractual Services	89,849	89,849	84,533	5,316
Total Income Tax Department	120,219	120,219	109,667	10,552
Total General Government	\$1,330,630	\$1,330,630	\$1,217,497	\$113,133

(continued)

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2001

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Security of Persons and Property:				
Fire Department:				
Personal Services	\$194,525	\$194,525	\$189,556	\$4,969
Materials and Supplies	33,491	33,491	31,927	1,564
Contractual Services	76,795	76,795	73,732	3,063
Other	400	400	146	254
Total Fire Department	305,211	305,211	295,361	9,850
Emergency Rescue:				
Personal Services	158,700	158,700	151,476	7,224
Contractual Services	4,900	4,900	4,900	0
Total Emergency Rescue	163,600	163,600	156,376	7,224
Total Security of Persons and Property	468,811	468,811	451,737	17,074
Community Environment				
Planning Commission:				
Personal Services	70,021	70,021	64,215	5,806
Materials and Supplies	1,185	1,185	1,080	105
Contractual Services	7,390	7,390	6,971	419
Other	2,000	2,000	494	1,506
Total Planning Commission	80,596	80,596	72,760	7,836
Building Inspector:				
Personal Services	516,705	516,705	457,915	58,790
Materials and Supplies	30,054	30,054	24,678	5,376
Contractual Services	129,195	129,195	120,772	8,423
Capital Outlay	29,499	29,499	29,499	0
Other	1,000	1,000	275	725
Total Building Inspector	706,453	706,453	633,139	73,314
Safety Director/Zoning Officer				
Personal Services	36,700	36,700	33,720	2,980
Materials and Supplies	2,750	2,750	813	1,937
Contractual Services	1,100	1,100	147	953
Total Safety Director/Zoning Officer	40,550	40,550	34,680	5,870
Total Community Environment	827,599	827,599	740,579	87,020
<i>Total Expenditures</i>	<i>\$2,627,040</i>	<i>\$2,627,040</i>	<i>\$2,409,813</i>	<i>\$217,227</i>

(continued)

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<i>Excess of Revenues Over Expenditures</i>	<u>\$237,731</u>	<u>\$2,520,050</u>	<u>\$3,359,720</u>	<u>\$839,670</u>
Other Financing Sources (Uses)				
Advances In	17,900	17,900	17,900	0
Transfers In	1,103,218	1,103,218	115,680	(987,538)
Transfers Out	<u>(1,077,050)</u>	<u>(4,545,141)</u>	<u>(3,365,783)</u>	<u>1,179,358</u>
<i>Total Other Financing Sources (Uses)</i>	<u>44,068</u>	<u>(3,424,023)</u>	<u>(3,232,203)</u>	<u>191,820</u>
<i>Net Change in Fund Balance</i>	281,799	(903,973)	127,517	1,031,490
<i>Fund Balance Beginning of Year</i>	2,028,947	2,028,947	2,028,947	0
Prior Year Encumbrances Appropriated	<u>46,288</u>	<u>46,288</u>	<u>46,288</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,357,034</u></u>	<u><u>\$1,171,262</u></u>	<u><u>\$2,202,752</u></u>	<u><u>\$1,031,490</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2001

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Property and Other Taxes	\$242,093	\$506,360	\$506,421	\$61
Intergovernmental	252,100	380,150	393,103	12,953
Interest	16,579	25,000	19,287	(5,713)
Other	5,968	9,000	13,364	4,364
<i>Total Revenues</i>	<u>516,740</u>	<u>920,510</u>	<u>932,175</u>	<u>11,665</u>
Expenditures				
Current:				
Transportation:				
Street Department:				
Personal Services	351,863	523,120	487,725	35,395
Materials and Supplies	147,748	219,660	176,713	42,947
Contractual Services	84,076	124,997	89,673	35,324
Capital Outlay	173,872	258,500	230,289	28,211
Other	403	600	360	240
<i>Total Expenditures</i>	<u>757,962</u>	<u>1,126,877</u>	<u>984,760</u>	<u>142,117</u>
<i>Excess of Revenues</i> <i>Under Expenditures</i>	<u>(241,222)</u>	<u>(206,367)</u>	<u>(52,585)</u>	<u>153,782</u>
Other Financing Sources (Uses)				
Advances In	120,542	120,542	120,542	0
Transfers In	3,162	3,162	3,162	0
Transfers Out	(66,000)	(66,000)	(66,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>57,704</u>	<u>57,704</u>	<u>57,704</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(183,518)	(148,663)	5,119	153,782
<i>Fund Balance Beginning of Year</i>	340,408	340,408	340,408	0
Prior Year Encumbrances Appropriated	40,231	40,231	40,231	0
<i>Fund Balance End of Year</i>	<u>\$197,121</u>	<u>\$231,976</u>	<u>\$385,758</u>	<u>\$153,782</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property and Other Taxes	\$263,596	\$288,840	\$294,644	\$5,804
Intergovernmental	22,268	24,400	29,280	4,880
Other	3,194	3,500	1,239	(2,261)
<i>Total Revenues</i>	<u>289,058</u>	<u>316,740</u>	<u>325,163</u>	<u>8,423</u>
Expenditures				
Current:				
Security of Persons and Property				
Police Department:				
Personal Services	1,379,609	1,411,157	1,370,067	41,090
Materials and Supplies	111,968	114,528	96,483	18,045
Contractual Services	207,417	212,160	195,661	16,499
<i>Total Expenditures</i>	<u>1,698,994</u>	<u>1,737,845</u>	<u>1,662,211</u>	<u>75,634</u>
<i>Excess of Revenues Under Expenditures</i>	(1,409,936)	(1,421,105)	(1,337,048)	84,057
Other Financing Sources				
Transfers In	1,409,936	1,409,936	1,303,541	(106,395)
<i>Net Change in Fund Balance</i>	0	(11,169)	(33,507)	(22,338)
<i>Fund Balance Beginning of Year</i>	1	1	1	0
Prior Year Encumbrances Appropriated	33,705	33,705	33,705	0
<i>Fund Balance End of Year</i>	<u>\$33,706</u>	<u>\$22,537</u>	<u>\$199</u>	<u>(\$22,338)</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Park Development Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and Permits	\$76,926	\$300,000	\$390,126	\$90,126
Intergovernmental	17,225	67,177	67,177	0
<i>Total Revenues</i>	<u>94,151</u>	<u>367,177</u>	<u>457,303</u>	<u>90,126</u>
Expenditures				
Current:				
Leisure Time Activities				
Park Development:				
Contractual Services	4,742	89,351	70,495	18,856
Capital Outlay	96,528	1,818,705	1,422,251	396,454
Total Leisure Time Activities	<u>101,270</u>	<u>1,908,056</u>	<u>1,492,746</u>	<u>415,310</u>
Debt Service:				
Principal Retirement	0	10,000	10,000	0
Interest and Fiscal Charges	0	11,970	11,970	0
Total Debt Service	<u>0</u>	<u>21,970</u>	<u>21,970</u>	<u>0</u>
<i>Total Expenditures</i>	<u>101,270</u>	<u>1,930,026</u>	<u>1,514,716</u>	<u>415,310</u>
<i>Excess of Revenues Under Expenditures</i>	(7,119)	(1,562,849)	(1,057,413)	505,436
Other Financing Sources				
Proceeds of Notes	<u>0</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(7,119)	(62,849)	442,587	505,436
<i>Fund Balance Beginning of Year</i>	440,187	440,187	440,187	0
Prior Year Encumbrances Appropriated	<u>16,225</u>	<u>16,225</u>	<u>16,225</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$449,293</u></u>	<u><u>\$393,563</u></u>	<u><u>\$898,999</u></u>	<u><u>\$505,436</u></u>

City of Avon, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special Assessments	<u>\$295,768</u>	<u>\$507,382</u>	<u>\$507,382</u>	<u>\$0</u>
Expenditures				
General Government:				
Contractual Services	12,806	78,353	71,549	6,804
Debt Service:				
Principal Retirement	166,353	166,353	166,351	2
Interest and Fiscal Charges	<u>223,464</u>	<u>223,464</u>	<u>218,889</u>	<u>4,575</u>
<i>Total Expenditures</i>	<u>402,623</u>	<u>468,170</u>	<u>456,789</u>	<u>11,381</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(106,855)	39,212	50,593	11,381
Other Financing Sources				
Transfers In	<u>76,353</u>	<u>76,353</u>	<u>97,006</u>	<u>20,653</u>
<i>Net Change in Fund Balance</i>	(30,502)	115,565	147,599	32,034
<i>Fund Balance Beginning of Year</i>	<u>33,819</u>	<u>33,819</u>	<u>33,819</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,317</u></u>	<u><u>\$149,384</u></u>	<u><u>\$181,418</u></u>	<u><u>\$32,034</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$1,045,070	\$858,000	\$1,086,618	\$228,618
Tap-In Fees	304,508	250,000	282,885	32,885
Interest	30,451	25,000	28,616	3,616
Other	32,156	26,400	40,903	14,503
<i>Total Revenues</i>	<u>1,412,185</u>	<u>1,159,400</u>	<u>1,439,022</u>	<u>279,622</u>
Expenses				
Personal Services	263,962	290,597	271,442	19,155
Materials and Supplies	622,007	683,300	662,596	20,704
Contractual Services	119,324	131,364	120,996	10,368
Other	19,802	21,800	21,475	325
Capital Outlay	29,668	34,133	8,517	25,616
Debt Service:				0
Principal Retirement	62,167	68,440	68,440	0
Interest and Fiscal Charges	71,763	79,004	78,994	10
<i>Total Expenses</i>	<u>1,188,693</u>	<u>1,308,638</u>	<u>1,232,460</u>	<u>76,178</u>
<i>Excess of Revenues Over (Under) Expenses</i>	223,492	(149,238)	206,562	355,800
Transfers Out	(38,353)	(38,353)	(38,353)	0
<i>Net Change in Fund Balance</i>	185,139	(187,591)	168,209	355,800
<i>Fund Balance Beginning of Year</i>	573,346	573,346	573,346	0
Prior Year Encumbrances Appropriated	41,198	41,198	41,198	0
<i>Fund Balance End of Year</i>	<u>\$799,683</u>	<u>\$426,953</u>	<u>\$782,753</u>	<u>\$355,800</u>

City of Avon, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$826,210	\$824,257	\$752,144	(\$72,113)
Tap-In Fees	400,948	400,000	454,413	54,413
Interest	50,118	50,000	35,047	(14,953)
Other	2,606	2,600	3,282	682
<i>Total Revenues</i>	<u>1,279,882</u>	<u>1,276,857</u>	<u>1,244,886</u>	<u>(31,971)</u>
Expenses				
Personal Services	279,944	290,597	264,592	26,005
Materials and Supplies	322,769	331,111	249,119	81,992
Contractual Services	347,568	356,853	225,398	131,455
Other	11,560	12,000	3,938	8,062
Debt Service:				
Principal Retirement	100,248	104,062	104,062	0
Interest and Fiscal Charges	71,393	74,111	74,111	0
<i>Total Expenses</i>	<u>1,133,482</u>	<u>1,168,734</u>	<u>921,220</u>	<u>247,514</u>
<i>Excess of Revenues Over Expenses</i>	<u>146,400</u>	<u>108,123</u>	<u>323,666</u>	<u>215,543</u>
Advances In	10,883	10,883	0	(10,883)
Transfers In	20,333	20,333	20,333	0
Transfers Out	(477,026)	(477,026)	(351,182)	125,844
<i>Net Change in Fund Balance</i>	(299,410)	(337,687)	(7,183)	330,504
<i>Fund Balance Beginning of Year</i>	691,178	691,178	691,178	0
Prior Year Encumbrances Appropriated	6,051	6,051	6,051	0
<i>Fund Balance End of Year</i>	<u>\$397,819</u>	<u>\$359,542</u>	<u>\$690,046</u>	<u>\$330,504</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recycling Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	<u>\$94,280</u>	<u>\$148,280</u>	<u>\$148,280</u>	<u>\$0</u>
Expenditures				
Current:				
Community Environment:				
Recycling:				
Personal Services	3,470	6,000	5,900	100
Contractual Services	55,960	96,770	88,828	7,942
Capital Outlay	34,696	60,000	57,716	2,284
Other	<u>154</u>	<u>267</u>	<u>267</u>	<u>0</u>
<i>Total Expenditures</i>	<u>94,280</u>	<u>163,037</u>	<u>152,711</u>	<u>10,326</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	0	(14,757)	(4,431)	10,326
Other Financing Sources				
Transfers In	<u>0</u>	<u>6,000</u>	<u>6,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	(8,757)	1,569	10,326
<i>Fund Balance Beginning of Year</i>	15,615	15,615	15,615	0
Prior Year Encumbrances Appropriated	<u>8,757</u>	<u>8,757</u>	<u>8,757</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$24,372</u></u>	<u><u>\$15,615</u></u>	<u><u>\$25,941</u></u>	<u><u>\$10,326</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
ADA Parking Violations Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$1,000	\$1,000	\$300	(\$700)
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,000	1,000	300	(700)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$300</u>	<u>(\$700)</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$26,500	\$26,500	\$27,204	\$704
Interest	800	800	1,941	1,141
<i>Total Revenues</i>	27,300	27,300	29,145	1,845
Expenditures				
Current:				
Transportation:				
State Highway:				
Contractual Services	19,000	27,240	27,240	0
<i>Net Change in Fund Balance</i>	8,300	60	1,905	1,845
<i>Fund Balance Beginning of Year</i>	30,598	30,598	30,598	0
Prior Year Encumbrances Appropriated	8,240	8,240	8,240	0
<i>Fund Balance End of Year</i>	<u>\$47,138</u>	<u>\$38,898</u>	<u>\$40,743</u>	<u>\$1,845</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Tax Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$61,600	\$61,600	\$63,773	\$2,173
Interest	300	300	510	210
Other	0	0	998	998
<i>Total Revenues</i>	<u>61,900</u>	<u>61,900</u>	<u>65,281</u>	<u>3,381</u>
Expenditures				
Current:				
Transportation:				
Permissive Tax:				
Materials and Supplies	1,697	1,714	1,714	0
Contractual Services	99,803	100,784	89,336	11,448
<i>Total Expenditures</i>	<u>101,500</u>	<u>102,498</u>	<u>91,050</u>	<u>11,448</u>
<i>Excess of Revenues Under Expenditures</i>	(39,600)	(40,598)	(25,769)	14,829
Other Financing Sources				
Transfers In	40,000	40,000	40,000	0
<i>Net Change in Fund Balance</i>	400	(598)	14,231	14,829
<i>Fund Balance Beginning of Year</i>	<u>11,487</u>	<u>11,487</u>	<u>11,487</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$11,887</u></u>	<u><u>\$10,889</u></u>	<u><u>\$25,718</u></u>	<u><u>\$14,829</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$3,000	\$3,000	\$2,769	(\$231)
Other	200	200	1,280	1,080
<i>Total Revenues</i>	<u>3,200</u>	<u>3,200</u>	<u>4,049</u>	<u>849</u>
Expenditures				
Current:				
Security of Persons and Property:				
Enforcement and Education:				
Personal Services	443	700	0	700
Contractual Services	5,257	8,310	6,199	2,111
<i>Total Expenditures</i>	<u>5,700</u>	<u>9,010</u>	<u>6,199</u>	<u>2,811</u>
<i>Net Change in Fund Balance</i>	(2,500)	(5,810)	(2,150)	3,660
<i>Fund Balance Beginning of Year</i>	8,626	8,626	8,626	0
Prior Year Encumbrances Appropriated	810	810	810	0
<i>Fund Balance End of Year</i>	<u><u>\$6,936</u></u>	<u><u>\$3,626</u></u>	<u><u>\$7,286</u></u>	<u><u>\$3,660</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	<u>\$800</u>	<u>\$800</u>	<u>\$11,496</u>	<u>\$10,696</u>
Expenditures				
Current:				
Security of Persons and Property:				
Law Enforcement:				
Materials and Supplies	1,548	5,562	583	4,979
Contractual Services	278	1,000	0	1,000
Capital Outlay	<u>4,174</u>	<u>15,000</u>	<u>0</u>	<u>15,000</u>
<i>Total Expenditures</i>	<u>6,000</u>	<u>21,562</u>	<u>583</u>	<u>20,979</u>
<i>Net Change in Fund Balance</i>	(5,200)	(20,762)	10,913	31,675
<i>Fund Balance Beginning of Year</i>	18,107	18,107	18,107	0
Prior Year Encumbrances Appropriated	<u>562</u>	<u>562</u>	<u>562</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$13,469</u>	<u>(\$2,093)</u>	<u>\$29,582</u>	<u>\$31,675</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Mayor's Court Computer Fund
For the Year Ended December 31, 2001

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Fines and Forfeitures	\$10,750	\$10,750	\$11,015	\$265
Expenditures				
Current:				
Security of Persons and Property:				
Mayor's Court Computer:				
Capital Outlay	7,500	7,500	5,944	1,556
<i>Net Change in Fund Balance</i>	3,250	3,250	5,071	1,821
<i>Fund Balance Beginning of Year</i>	32,361	32,361	32,361	0
<i>Fund Balance End of Year</i>	\$35,611	\$35,611	\$37,432	\$1,821

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Center Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$3,100	\$3,100	\$2,295	(\$805)
Contributions and Donations	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>0</u>
<i>Total Revenues</i>	<u>9,100</u>	<u>9,100</u>	<u>8,295</u>	<u>(805)</u>
Expenditures				
Current:				
Leisure Time Activities:				
Community Center:				
Personal Services	2,642	6,350	5,538	812
Materials and Supplies	89	214	95	119
Contractual Services	416	1,000	721	279
Capital Outlay	2,912	7,000	6,000	1,000
Other	<u>291</u>	<u>700</u>	<u>120</u>	<u>580</u>
<i>Total Expenditures</i>	<u>6,350</u>	<u>15,264</u>	<u>12,474</u>	<u>2,790</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	2,750	(6,164)	(4,179)	1,985
Other Financing Sources				
Transfers In	<u>0</u>	<u>6,000</u>	<u>6,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	2,750	(164)	1,821	1,985
<i>Fund Balance Beginning of Year</i>	4,161	4,161	4,161	0
Prior Year Encumbrances Appropriated	<u>14</u>	<u>14</u>	<u>14</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$6,925</u></u>	<u><u>\$4,011</u></u>	<u><u>\$5,996</u></u>	<u><u>\$1,985</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drainage Fund
For the Year Ended December 31, 2001

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Basic Utility Services:				
Drainage:				
Materials and Supplies	25,000	34,066	26,255	7,811
<i>Excess of Revenues</i>				
<i> Under Expenditures</i>	(25,000)	(34,066)	(26,255)	7,811
Other Financing Sources				
Transfers In	25,000	25,000	25,000	0
<i>Net Change in Fund Balance</i>	0	(9,066)	(1,255)	7,811
<i>Fund Balance Beginning of Year</i>	8,527	8,527	8,527	0
Prior Year Encumbrances Appropriated	539	539	539	0
<i>Fund Balance End of Year</i>	<u>\$9,066</u>	<u>\$0</u>	<u>\$7,811</u>	<u>\$7,811</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$0	\$2,000	\$2,000	\$0
Expenditures				
Current:				
General Government:				
Cemetery:				
Materials and Supplies	150	150	0	150
Contractual Service	500	500	408	92
<i>Total Expenditures</i>	<u>650</u>	<u>650</u>	<u>408</u>	<u>242</u>
<i>Net Change in Fund Balance</i>	(650)	1,350	1,592	242
<i>Fund Balance Beginning of Year</i>	<u>2,142</u>	<u>2,142</u>	<u>2,142</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,492</u>	<u>\$3,492</u>	<u>\$3,734</u>	<u>\$242</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$19,850	\$21,850	\$48,539	\$26,689
Expenditures				
Current:				
Leisure Time Activities:				
Recreation Department:				
Personal Services	18,862	21,900	17,628	4,272
Materials and Supplies	1,421	1,650	1,163	487
Contractual Services	1,120	1,300	264	1,036
Other	517	600	0	600
Total Recreation Department	21,920	25,450	19,055	6,395
Adult Volleyball:				
Materials and Supplies	3,617	4,200	2,477	1,723
Men's Basketball:				
Materials and Supplies	1,723	2,000	1,972	28
Small Fry Basketball:				
Materials and Supplies	2,584	3,000	1,568	1,432
Adult Softball:				
Materials and Supplies	3,187	3,700	3,625	75
Gymnastics:				
Materials and Supplies	3,316	3,850	3,850	0
Baton:				
Materials and Supplies	2,239	2,600	2,413	187
Youth Baseball:				
Materials and Supplies	861	1,000	777	223
Karate:				
Materials and Supplies	1,292	1,500	0	1,500
Safety Town:				
Materials and Supplies	1,723	2,000	1,664	336
Physical Fit:				
Materials and Supplies	688	800	800	0
<i>Total Expenditures</i>	<u>\$43,150</u>	<u>\$50,100</u>	<u>\$38,201</u>	<u>\$11,899</u>

(continued)

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund (continued)
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<i>Excess of Revenues Over (Under) Expenditures</i>	(\$23,300)	(\$28,250)	\$10,338	\$38,588
Other Financing Sources				
Transfers In	<u>23,000</u>	<u>23,000</u>	<u>10,000</u>	<u>(13,000)</u>
<i>Net Change in Fund Balance</i>	(300)	(5,250)	20,338	25,588
<i>Fund Balance Beginning of Year</i>	<u>22,592</u>	<u>22,592</u>	<u>22,592</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$22,292</u></u>	<u><u>\$17,342</u></u>	<u><u>\$42,930</u></u>	<u><u>\$25,588</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Park Operating Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Taxes	\$88,425	\$88,614	\$88,624	\$10
Charges for Services	748	750	3,809	3,059
Intergovernmental	8,582	8,600	10,078	1,478
Other	5,488	5,500	0	(5,500)
<i>Total Revenues</i>	<u>103,243</u>	<u>103,464</u>	<u>102,511</u>	<u>(953)</u>
Expenditures				
Current:				
Leisure Time Activities:				
Park Operating:				
Personal Services	59,167	73,684	71,576	2,108
Materials and Supplies	16,659	20,746	18,448	2,298
Contractual Services	29,702	36,990	26,380	10,610
Capital Outlay	20,637	25,700	24,778	922
<i>Total Expenditures</i>	<u>126,165</u>	<u>157,120</u>	<u>141,182</u>	<u>15,938</u>
<i>Net Change in Fund Balance</i>	(22,922)	(53,656)	(38,671)	14,985
<i>Fund Balance Beginning of Year</i>	56,413	56,413	56,413	0
Prior Year Encumbrances Appropriated	<u>5,256</u>	<u>5,256</u>	<u>5,256</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$38,747</u></u>	<u><u>\$8,013</u></u>	<u><u>\$22,998</u></u>	<u><u>\$14,985</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2001

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property and Other Taxes	\$90,003	\$90,003	\$89,382	(\$621)
Intergovernmental	8,550	8,550	10,368	1,818
<i>Total Revenues</i>	98,553	98,553	99,750	1,197
Expenditures				
Current:				
Security of Persons and Property:				
Police Pension:				
Personal Services	144,988	176,421	176,421	0
Contractual Services	1,233	1,500	1,369	131
<i>Total Expenditures</i>	146,221	177,921	177,790	131
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(47,668)	(79,368)	(78,040)	1,328
Other Financing Sources				
Transfers In	60,152	60,152	36,012	(24,140)
<i>Net Change in Fund Balance</i>	12,484	(19,216)	(42,028)	(22,812)
<i>Fund Balance Beginning of Year</i>	42,544	42,544	42,544	0
<i>Fund Balance End of Year</i>	\$55,028	\$23,328	\$516	(\$22,812)

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues				
Other	\$0	\$0	\$40	\$40
Expenditures				
Debt Service:				
Principal Retirement	112,257	113,764	111,408	2,356
Interest and Fiscal Charges	125,892	127,560	127,560	0
<i>Total Expenditures</i>	<u>238,149</u>	<u>241,324</u>	<u>238,968</u>	<u>2,356</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(238,149)	(241,324)	(238,928)	2,396
Other Financing Sources				
Transfers In	232,963	238,149	240,515	2,366
<i>Net Change in Fund Balance</i>	(5,186)	(3,175)	1,587	4,762
<i>Fund Balance Beginning of Year</i>	<u>5,429</u>	<u>5,429</u>	<u>5,429</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$243</u>	<u>\$2,254</u>	<u>\$7,016</u>	<u>\$4,762</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Library Bond Retirement Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Taxes	\$86,491	\$92,553	\$89,382	(\$3,171)
Intergovernmental	<u>0</u>	<u>0</u>	<u>10,368</u>	<u>10,368</u>
<i>Total Revenues</i>	<u>86,491</u>	<u>92,553</u>	<u>99,750</u>	<u>7,197</u>
Expenditures				
Debt Service:				
Principal Retirement	45,000	45,000	45,000	0
Interest and Fiscal Charges	<u>46,713</u>	<u>46,713</u>	<u>46,582</u>	<u>131</u>
<i>Total Expenditures</i>	<u>91,713</u>	<u>91,713</u>	<u>91,582</u>	<u>131</u>
<i>Net Change in Fund Balance</i>	(5,222)	840	8,168	7,328
<i>Fund Balance Beginning of Year</i>	<u>5,222</u>	<u>5,222</u>	<u>5,222</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$6,062</u></u>	<u><u>\$13,390</u></u>	<u><u>\$7,328</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Equipment Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property and Other Taxes	\$202,820	\$210,939	\$214,534	\$3,595
Intergovernmental	19,230	20,000	23,562	3,562
Interest	0	0	2,460	2,460
Other	7,692	8,000	2,500	(5,500)
<i>Total Revenues</i>	<u>229,742</u>	<u>238,939</u>	<u>243,056</u>	<u>4,117</u>
Expenditures				
Capital Outlay:				
Equipment:				
Contractual Services	7,092	48,532	48,480	52
Capital Outlay	39,092	267,531	263,282	4,249
<i>Total Expenditures</i>	<u>46,184</u>	<u>316,063</u>	<u>311,762</u>	<u>4,301</u>
<i>Net Change in Fund Balance</i>	183,558	(77,124)	(68,706)	8,418
<i>Fund Balance Beginning of Year</i>	129,106	129,106	129,106	0
Prior Year Encumbrances Appropriated	<u>46,236</u>	<u>46,236</u>	<u>46,236</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$358,900</u></u>	<u><u>\$98,218</u></u>	<u><u>\$106,636</u></u>	<u><u>\$8,418</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Fund
For the Year Ended December 31, 2001

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	130,024	130,024	130,024	0
<i>Fund Balance End of Year</i>	<u>\$130,024</u>	<u>\$130,024</u>	<u>\$130,024</u>	<u>\$0</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvements Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$108,956	\$200,000	\$200,000	\$0
Expenditures				
Capital Outlay:				
Capital Improvements:				
Capital Outlay	45,000	1,072,461	1,072,461	0
Other	0	40	40	0
<i>Total Expenditures</i>	<u>45,000</u>	<u>1,072,501</u>	<u>1,072,501</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>63,956</u>	<u>(872,501)</u>	<u>(872,501)</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfers In	810,344	810,344	810,344	0
Transfers Out	0	(90,680)	(90,680)	0
<i>Total Other Financing Sources (Uses)</i>	<u>810,344</u>	<u>719,664</u>	<u>719,664</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	874,300	(152,837)	(152,837)	0
<i>Fund Balance Beginning of Year</i>	<u>152,837</u>	<u>152,837</u>	<u>152,837</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,027,137</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Storm Water Detention Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$50,000	\$50,000	\$9,325	(\$40,675)
Expenditures				
Capital Outlay:				
Storm Water Detention:				
Contractual Services	<u>87,175</u>	<u>69,800</u>	<u>29,886</u>	<u>39,914</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(37,175)</u>	<u>(19,800)</u>	<u>(20,561)</u>	<u>(761)</u>
Other Financing Sources (Uses)				
Transfers In	0	372,000	186,000	(186,000)
Transfers Out	<u>0</u>	<u>(312,000)</u>	<u>(211,000)</u>	<u>101,000</u>
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>60,000</u>	<u>(25,000)</u>	<u>(85,000)</u>
<i>Net Change in Fund Balance</i>	(37,175)	40,200	(45,561)	(85,761)
<i>Fund Balance Beginning of Year</i>	302,506	302,506	302,506	0
Prior Year Encumbrances Appropriated	<u>7,625</u>	<u>7,625</u>	<u>7,625</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$272,956</u>	<u>\$350,331</u>	<u>\$264,570</u>	<u>(\$85,761)</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Safety Facility Construction Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Safety Facility				
Contractual Services	9,500	12,808	11,725	1,083
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(9,500)	(12,808)	(11,725)	1,083
Other Financing Sources				
Transfers In	30,000	30,000	0	(30,000)
<i>Net Change in Fund Balance</i>	20,500	17,192	(11,725)	(28,917)
<i>Fund Balance Beginning of Year</i>	17,699	17,699	17,699	0
Prior Year Encumbrances Appropriated	3,308	3,308	3,308	0
<i>Fund Balance End of Year</i>	<u>\$41,507</u>	<u>\$38,199</u>	<u>\$9,282</u>	<u>(\$28,917)</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Routes 611/254 Intersection Improvement Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$700	\$1,068	\$1,068	\$0
Expenditures				
Capital Outlay:				
Detroit Road Culvert:				
Capital Outlay	156,608	348,608	307,561	41,047
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(155,908)	(347,540)	(306,493)	41,047
Other Financing Sources				
Transfers In	0	190,000	168,427	(21,573)
<i>Net Change in Fund Balance</i>	(155,908)	(157,540)	(138,066)	19,474
<i>Fund Balance Beginning of Year</i>	158,605	158,605	158,605	0
<i>Fund Balance End of Year</i>	<u>\$2,697</u>	<u>\$1,065</u>	<u>\$20,539</u>	<u>\$19,474</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Routes 83/Kinzel Road Intersection Improvement Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$132,000	\$132,000	\$118,326	(\$13,674)
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	<u>132,000</u>	<u>132,000</u>	<u>118,326</u>	<u>(13,674)</u>
Other Financing Sources (Uses)				
Advances Out	(140,403)	(120,542)	(120,542)	0
Transfers In	21,000	21,000	0	(21,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(119,403)</u>	<u>(99,542)</u>	<u>(120,542)</u>	<u>(21,000)</u>
<i>Net Change in Fund Balance</i>	12,597	32,458	(2,216)	(34,674)
<i>Fund Balance Beginning of Year</i>	<u>2,216</u>	<u>2,216</u>	<u>2,216</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$14,813</u>	<u>\$34,674</u>	<u>\$0</u>	<u>(\$34,674)</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sidewalk Program Fund
For the Year Ended December 31, 2001

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Sidewalk Program:				
Capital Outlay	0	31,751	31,751	0
<i>Net Change in Fund Balance</i>	0	(31,751)	(31,751)	0
<i>Fund Balance Beginning of Year</i>	31,751	31,751	31,751	0
<i>Fund Balance End of Year</i>	\$31,751	\$0	\$0	\$0

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
CDBG Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
CDBG:				
Capital Outlay	<u>6,500</u>	<u>450,000</u>	<u>450,000</u>	<u>0</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(6,500)</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>0</u>
Other Financing Sources (Uses)				
Advances Out	0	(17,900)	(17,900)	0
Transfers In	0	455,000	455,000	0
Transfers Out	<u>0</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>412,100</u>	<u>412,100</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(6,500)	(37,900)	(37,900)	0
<i>Fund Balance Beginning of Year</i>	<u>37,900</u>	<u>37,900</u>	<u>37,900</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$31,400</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Water Capital Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$90,000	\$90,000	\$107,085	\$17,085
Interest	0	4,818	6,374	1,556
<i>Total Revenues</i>	<u>90,000</u>	<u>94,818</u>	<u>113,459</u>	<u>18,641</u>
Expenditures				
Capital Outlay:				
Water:				
Contractual Services	2,126	4,500	4,500	0
Capital Outlay	150,178	317,948	279,041	38,907
Total Water	<u>152,304</u>	<u>322,448</u>	<u>283,541</u>	<u>38,907</u>
Debt Service:				
Principal Retirement	106,748	226,000	226,000	0
Interest and Fiscal Charges	4,722	9,997	9,997	0
Total Debt Service	<u>111,470</u>	<u>235,997</u>	<u>235,997</u>	<u>0</u>
<i>Total Expenditures</i>	<u>263,774</u>	<u>558,445</u>	<u>519,538</u>	<u>38,907</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(173,774)</u>	<u>(463,627)</u>	<u>(406,079)</u>	<u>57,548</u>
Other Financing Sources				
Proceeds of Notes	0	226,000	226,000	0
Transfers In	0	135,000	135,000	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>361,000</u>	<u>361,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(173,774)	(102,627)	(45,079)	57,548
<i>Fund Balance Beginning of Year</i>	327,732	327,732	327,732	0
Prior Year Encumbrances Appropriated	<u>1,033</u>	<u>1,033</u>	<u>1,033</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$154,991</u></u>	<u><u>\$226,138</u></u>	<u><u>\$283,686</u></u>	<u><u>\$57,548</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Capital Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$410,414	\$186,000	\$178,847	(\$7,153)
Special Assessments	48,530	21,994	21,994	0
Interest	121,860	55,227	74,025	18,798
Contributions and Donations	66,196	30,000	30,000	0
<i>Total Revenues</i>	<u>647,000</u>	<u>293,221</u>	<u>304,866</u>	<u>11,645</u>
Expenditures				
Current:				
Sewer				
Contractual Services	93,187	113,439	113,439	0
Capital Outlay	890,999	1,074,636	686,457	388,179
Total Sewer	<u>984,186</u>	<u>1,188,075</u>	<u>799,896</u>	<u>388,179</u>
Debt Service:				
Principal Retirement	0	1,925,000	1,925,000	0
Interest and Fiscal Charges	0	97,383	97,383	0
Total Debt Service	<u>0</u>	<u>2,022,383</u>	<u>2,022,383</u>	<u>0</u>
<i>Total Expenditures</i>	<u>984,186</u>	<u>3,210,458</u>	<u>2,822,279</u>	<u>388,179</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(337,186)</u>	<u>(2,917,237)</u>	<u>(2,517,413)</u>	<u>399,824</u>
Other Financing Sources (Uses)				
Proceeds of Bonds	0	590,000	590,000	0
Proceeds of Notes	0	575,000	575,000	0
Transfers In	0	727,797	719,792	(8,005)
Transfers Out	(229,814)	(229,814)	(229,814)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(229,814)</u>	<u>1,662,983</u>	<u>1,654,978</u>	<u>(8,005)</u>
<i>Net Change in Fund Balance</i>	(567,000)	(1,254,254)	(862,435)	391,819
<i>Fund Balance Beginning of Year</i>	2,175,711	2,175,711	2,175,711	0
Prior Year Encumbrances Appropriated	9,007	9,007	9,007	0
<i>Fund Balance End of Year</i>	<u>\$1,617,718</u>	<u>\$930,464</u>	<u>\$1,322,283</u>	<u>\$391,819</u>

City of Avon, Ohio
*General Fund Revenues by Source
and Expenditures by Function (1)*
Last Ten Years

	2001	2000	1999	1998
Revenues				
All Taxes	3,241,210	2,829,291	2,401,565	2,205,083
Charges for Services	267,863	203,744	182,203	154,338
Fines, Licenses and Permits	1,352,063	1,028,583	1,123,669	694,285
Intergovernmental	262,827	511,399	496,647	482,559
Interest	291,239	357,770	167,297	141,319
Other	69,380	77,701	67,635	57,080
Total	\$5,484,582	\$5,008,488	\$4,439,016	\$3,734,664
Expenditures				
<i>Current:</i>				
General Government	\$1,185,387	\$1,052,166	\$1,066,008	\$985,250
Security of Persons and Property	442,000	383,731	312,173	291,773
Community Environment	733,565	636,554	488,899	407,599
Debt Service	0	0	0	0
Total	\$2,360,952	\$2,072,451	\$1,867,080	\$1,684,622

Source: City financial records

(1) Information is based on modified accrual. Information for full accrual for governmental activities will be presented when there are enough years of information to make comparisons.

<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
1,775,306	1,561,562	1,288,926	1,266,238	892,217	901,666
121,279	99,100	85,983	85,516	68,622	66,471
598,810	579,284	523,587	467,090	389,490	300,004
424,946	367,621	323,696	291,041	269,605	222,238
112,457	123,590	92,514	28,681	22,838	28,442
55,846	0	13,589	449	8,931	7,691
<u>\$3,088,644</u>	<u>\$2,731,157</u>	<u>\$2,328,295</u>	<u>\$2,139,015</u>	<u>\$1,651,703</u>	<u>\$1,526,512</u>
\$823,987	\$790,707	\$778,945	\$620,857	\$603,836	\$635,830
263,151	233,002	226,615	158,532	166,814	147,202
306,507	266,449	207,806	152,933	125,292	125,679
0	4,342	0	0	0	0
<u>\$1,393,645</u>	<u>\$1,294,500</u>	<u>\$1,213,366</u>	<u>\$932,322</u>	<u>\$895,942</u>	<u>\$908,711</u>

City of Avon, Ohio
Property Tax Levies and Collections
Last Ten Years

Collection Year	Current Tax Levy (1)	Current Tax Collections (1)	Percent Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Collections to Current Tax Levy	Outstanding Delinquent Taxes	Percent of Outstanding Delinquent Taxes to Current Tax Levy
2001	\$2,015,612	\$1,954,837	97.0%	\$54,316	\$2,009,153	99.7%	\$74,869	3.7%
2000	1,785,912	1,742,455	97.6	52,846	1,795,301	100.5	60,392	3.4
1999	1,679,130	1,618,904	96.4	38,080	1,656,984	98.7	69,858	4.2
1998	1,299,724	1,259,756	96.9	23,636	1,283,392	98.7	45,374	3.5
1997	1,162,180	1,124,799	96.8	17,473	1,142,272	98.3	39,913	3.4
1996	1,033,712	1,016,174	98.3	15,559	1,031,733	99.8	18,818	1.8
1995	1,073,543	1,057,489	98.5	28,081	1,085,570	101.1	19,258	1.8
1994	873,109	856,352	98.1	19,631	875,983	100.3	29,526	3.4
1993	727,753	707,435	97.2	14,936	722,371	99.3	29,134	4.0
1992	645,789	631,864	97.8	10,400	642,264	99.5	20,406	3.2

Source: County Auditor, Lorain County, Ohio

(1) State reimbursement for rollback and homestead exemptions are included

City of Avon, Ohio
Assessed Valuation and Estimated Actual Value of Taxable Property
Last Ten Years

Collection Year	Real Property		Public Utility Property		Tangible Personal Property		Total		Ratio of Assessed Value to Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2001	\$297,017,550	\$848,621,571	\$15,157,750	\$17,224,716	\$16,337,140	\$65,348,560	\$328,512,440	\$931,194,847	35%
2000	243,429,610	695,513,171	18,578,450	21,111,875	14,965,300	59,861,200	276,973,360	776,486,246	36
1999	218,823,620	625,210,343	19,035,790	21,631,580	14,944,821	59,779,284	252,804,231	706,621,207	36
1998	198,825,660	568,073,314	18,971,270	21,558,261	15,240,470	60,961,880	233,037,400	650,593,455	36
1997	145,084,780	414,527,943	18,608,300	21,145,795	10,155,660	40,622,640	173,848,740	476,296,378	37
1996	126,386,940	361,105,543	17,609,820	20,011,159	9,182,579	36,730,316	153,179,339	417,847,018	37
1995	116,044,800	331,556,571	18,932,760	21,514,500	8,930,603	35,722,412	143,908,163	388,793,483	37
1994	96,780,230	276,514,943	14,031,140	15,944,477	8,990,600	35,962,400	119,801,970	328,421,820	36
1993	93,754,190	267,869,114	12,556,370	14,268,602	7,721,281	30,885,124	114,031,841	313,022,840	36
1992	90,145,370	257,558,200	12,624,390	14,345,898	7,458,408	28,686,185	110,228,168	300,590,283	37

Source: County Auditor, Lorain County, Ohio

Estimated actual value is calculated by dividing the assessed value by assessment percentage. The percentages for 2001 were 35% for real property, 35% for public utility real, 88% for public utility tangible and 25% for tangible personal.

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

Collection Year	City of Avon							Lorain County Vocational School	Lorain County	Total Direct and Overlapping Governments
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total City	Avon City School District	Lorain County			
2001	\$2.02	\$8.13	\$0.30	\$0.00	\$10.45	\$48.58	\$10.79	\$2.45	\$72.27	
2000	2.02	8.13	0.30	0.00	10.45	49.24	10.79	2.45	72.93	
1999	2.02	6.63	0.35	1.50	10.50	50.27	10.79	2.45	74.01	
1998	2.02	7.28	0.37	0.50	10.17	50.60	10.79	2.45	74.01	
1997	2.02	7.28	0.72	0.50	10.52	52.23	12.69	2.45	77.89	
1996	2.02	7.08	0.72	0.50	10.32	52.95	12.69	2.45	78.41	
1995	2.02	7.08	0.72	0.50	10.32	47.05	11.49	2.45	71.31	
1994	2.02	7.08	0.00	0.50	9.60	47.35	11.49	2.45	70.89	
1993	2.02	7.08	0.00	0.50	9.60	47.80	11.39	2.45	71.24	
1992	2.02	7.08	0.00	0.00	9.10	48.15	11.74	2.45	71.44	

Source: County Auditor, Lorain County, Ohio

City of Avon, Ohio
Special Assessments
Billings and Collections
Last Ten Years (1)

<u>Collection Year</u>	<u>Amount Billed</u>	<u>Amount Collected (2)</u>	<u>Percent Collected</u>
2001	\$657,864	\$124,577	18.9%
2000	567,063	367,080	64.7
1999	387,653	228,653	58.9
1998	281,902	201,333	71.4
1997	73,765	70,222	95.2
1996	160,377	149,649	93.3
1995	66,719	64,993	97.4
1994	71,857	62,127	86.5
1993	67,067	56,960	84.9
1992	68,057	59,684	87.7

Source: County Auditor, Lorain County, Ohio

- (1) Special assessments prepaid by residents and not billed by the County or which were recorded in the proprietary funds are not included.
- (2) Prior to 2001, special assessments includes both principal and interest, in 2001 the amount is principal only.

City of Avon, Ohio
Computation of Legal Debt Margin
December 31, 2001

Assessed Value		\$328,512,440
Legal Debt Margin:		
Debt Limitation - 10.5 percent of Assessed Value		34,493,806
Debt Applicable to Limitation:		
General Obligation Bonds	\$3,564,071	
Special Assessment Bonds	4,130,929	
Notes	2,301,000	
OWDA Loans	1,255,837	
OPWC Loans	113,940	
Contractual Debt Obligations	1,236,731	
Gross Indebtedness (Total Voted and Unvoted Debt)	12,602,508	
Less: Debt Outside Limitations		
Special Assessment Bonds	4,130,929	
OPWC Loans	113,940	
Contractual Debt Obligation	1,236,731	
Total Debt Outside Limitations	5,481,600	
Total Debt Applicable to Limitation - Within 10.5% Limitations	7,120,908	
Less: Amount Available in Debt Service Fund to pay debt applicable to limitation	(22,379)	
Net Debt Within 10.5% Limitation		7,098,529
Overall Debt Margin Within 10.5% Limitation		\$27,395,277

Unvoted Debt Limitation - 5.5% of Assessed Valuation		\$18,068,184
Gross Indebtedness Authorized by Council	12,602,508	
Less: Debt Outside Limitations:		
Total Debt Outside Limitations	5,481,600	
Debt Within 5.5% Limitation	7,120,908	
Less Amount Available in Debt Service Fund	(22,379)	
Net Debt Within 5.5% Limitation		7,098,529
Unvoted Debt Margin Within 5.5% Limitation		\$10,969,655

Source: City Financial Records

City of Avon, Ohio
*Ratio of Net General Bonded Debt to Assessed
Value and Net Bonded Debt Per Capita
Last Ten Years*

<u>Year</u>	<u>Population (1)</u>	<u>Assessed Value (2)</u>	<u>Gross General Bonded Debt</u>	<u>Debt Service Monies Available</u>	<u>Net General Bonded Debt</u>	<u>Ratio of Net General Bonded Debt to Assessed Value</u>	<u>Net General Bonded Debt Per Capita</u>
2001	11,353	\$328,512,440	\$2,984,471	\$22,379	\$2,962,092	0.90%	\$260.91
2000	11,353	276,973,360	3,123,320	17,855	3,105,465	1.12	273.54
1999	7,337	252,804,231	3,251,539	35,467	3,216,072	1.27	438.34
1998	7,337	233,037,400	3,177,290	168,479	3,008,811	1.29	410.09
1997	7,337	173,848,740	3,292,426	39,366	3,253,060	1.87	443.38
1996	7,337	153,179,339	1,805,387	12,024	1,793,363	1.17	244.43
1995	7,337	143,908,163	168,348	127,023	41,325	0.03	5.63
1994	7,337	119,801,970	176,309	0	176,309	0.15	24.03
1993	7,337	114,031,841	229,270	36,045	193,225	0.17	26.34
1992	7,337	110,228,168	281,943	83,527	198,416	0.18	27.04

(1) Source: U.S. Bureau of Census

(2) Source: County Auditor, Lorain, Ohio

City of Avon, Ohio
*Ratio of Annual Debt Service Expenditures for
 General Bonded Debt to Total General Fund Expenditures
 Last Ten Years*

<u>Year</u>	<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service to Total General Fund Expenditures</u>
2001	\$138,849	\$158,829	\$297,678	\$2,360,952	12.61%
2000	128,219	172,953	301,172	2,072,451	14.53
1999	125,089	174,955	300,044	1,867,080	16.07
1998	115,136	173,393	288,529	1,684,622	17.13
1997	63,761	117,731	181,492	1,393,645	13.02
1996	72,961	20,480	93,441	1,294,500	7.22
1995	72,961	11,637	84,598	1,213,366	6.97
1994	52,961	15,441	68,402	932,322	7.34
1993	52,673	20,091	72,764	895,942	8.12
1992	42,873	18,855	61,728	908,711	6.79

Source: City Financial Records

City of Avon, Ohio
Computation of Direct and Overlapping Debt
December 31, 2001

	<u>General Tax Supported Debt Outstanding</u>	<u>Overlapping Percentage Applicable to City of Avon (1)</u>	<u>Amount Applicable to City of Avon</u>
<i>Direct:</i>			
City of Avon	<u>\$2,984,471</u>	100.00%	<u>\$2,984,471</u>
<i>Overlapping:</i>			
Lorain County	<u>6,950,000</u>	5.80	<u>403,100</u>
Total	<u><u>\$9,934,471</u></u>		<u><u>\$3,387,571</u></u>

Source: County Auditor, Lorain County, Ohio

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the total assessed valuation of the subdivision.

City of Avon, Ohio
Demographic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Lorain County (3)</u>
2001	11,353	1,910	5.8%
2000	11,353	1,747	5.4
1999	7,337	1,600	5.0
1998	7,337	1,519	3.6
1997	7,337	1,382	6.1
1996	7,337	1,322	7.8
1995	7,337	1,229	5.1
1994	7,337	1,145	4.4
1993	7,337	1,135	5.9
1992	7,337	1,075	9.7

Sources: (1) U.S. Bureau of the Census
(2) Avon Board of Education
(3) Ohio Department of Unemployment, Labor Market Information Department

City of Avon, Ohio
Property Values, Construction and Bank Deposits
Last Ten Years

Year	Number of Building Permits	Dollar Value of Building Permits Issued (1)	Estimated Actual Property Values (2)	Bank Deposits (3, 4)
2001	607	\$172,726,004	\$931,194,847	\$555,591,000
2000	606	111,482,170	776,486,246	513,102,000
1999	612	119,544,836	706,621,207	463,993,000
1998	454	85,451,965	650,593,455	444,974,000
1997	365	67,079,328	476,296,378	1,381,977,000
1996	341	55,698,940	417,847,018	1,329,795,000
1995	177	44,123,801	388,793,483	1,237,991,000
1994	159	26,888,041	328,421,820	1,254,166,000
1993	148	16,168,271	313,022,840	1,170,581,000
1992	65	8,342,766	300,590,283	1,126,173,000

Source: (1) Avon Building Department
(2) Lorain County Auditor's Office
(3) Federal Reserve Bank of Cleveland
(4) The decrease at 1998 resulted when out-of-county banks acquired local bank branches.
The deposits were moved out of Lorain County

City of Avon, Ohio
Ten Largest Real Property Taxpayers
December 31, 2001

Taxpayer	Real Property Assessed Valuation	Percentage of Total Real Property Assessed Valuation
Cleveland Electric Illuminating Company	\$7,468,560	2.51%
AERC Avon	4,001,240	1.35
Columbia Gas of Ohio	3,518,620	1.18
Comprehensive Health	3,048,340	1.03
Century Telephone	3,031,240	1.02
First Interstate Avon, LTD.	2,494,310	0.84
First Interstate	2,304,870	0.78
Manco Incorporated	2,092,900	0.70
JS Avon North	1,913,390	0.64
David Kirschenbaum (Good Samaritan)	<u>1,690,600</u>	<u>0.57</u>
Total of Above	<u><u>\$31,564,070</u></u>	<u><u>10.62%</u></u>
Total City Valuation	<u><u>\$297,017,550</u></u>	

Source: County Auditor, Lorain County, Ohio

City of Avon, Ohio
Miscellaneous Statistics
December 31, 2001

GOVERNMENT:		
Date of Incorporation as a Village		1917
Date of Incorporation as a City		1961
Form of Government		Mayor/Council
AREA:		20.5 square miles
STREETS:		120 miles of streets
NUMBER OF STREET LIGHTS (PER LIGHT BILL)		390
EDUCATION:		
Attendance Centers		4
Teachers		126
Students		1,910
WATER:		
Miles of Water Mains		88
SEWERS:		
Miles of Sanitary Sewers		63
BUILDING PERMITS ISSUED:		
Residential (Single-family and Multi-family)		322
Commercial/Industrial (New and Expansion)		285
RECREATION AND CULTURE:		
Number of Parks		4
Number of Libraries		1
Number of Baseball Diamonds		7
POLICE:		
Stations		1
Policemen and Officers: Full-Time		20
FIRE:		
Stations		2
Firefighters and Rescue Workers: Part-Time		24
TOTAL EMPLOYEES:		
Full-Time		63
Part-Time		64



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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CITY OF AVON

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
AUGUST 20, 2002**