



**CITY OF AVON  
LORAIN COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2003**



**Auditor of State  
Betty Montgomery**



CITY OF AVON  
LORAIN COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' 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 financial statements of the City of Avon, Lorain County, Ohio, (the City) as of and for the year ended December 31, 2003, and have issued our report thereon dated June 24, 2004, wherein we noted that the City changed its accounting for capital assets, corrected the values of certain business-type activity capital assets, and reclassified certain funds from governmental activities to business-type activities. 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2003-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated June 24, 2004.

**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 June 24, 2004.

City of Avon  
Lorain County  
Independent Accountants' Report on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of management 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 24, 2004

CITY OF AVON  
LORAIN COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2003

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

<b>FINDING NUMBER</b>	<b>2003-001</b>
-----------------------	-----------------

**Appropriations Exceeding Estimated Resources**

Ohio Rev. Code Section 5705.39 requires that total appropriations from each fund not exceed the total estimated fund resources for each fund. While corrected by year-end, the following fund was found to have original appropriations in excess of the original certificate of estimated resources plus beginning cash balances:

<u>Fund</u>	<u>Original Certificate plus Beginning Balances</u>	<u>Original Appropriations</u>	<u>Variance</u>
Fire Facility Construction Fund	\$3,597,598	\$3,982,445	\$(384,847)

We recommend the City review and monitor its appropriations to ensure that the estimated resources are not exceeded.





**City of Avon, Ohio**

*Comprehensive Annual Financial Report*

For The Year Ended December 31, 2003

Prepared by:

Office of the Director of Finance

Robert F. Hamilton  
Director of Finance



**City of Avon, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2003*  
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# CITY OF AVON

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June 24, 2004

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

We are pleased to submit the thirteenth 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. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included. This is the City's third year of reporting under the GASB 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 contains the Independent Accountants' Report, 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 the 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 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), jointly governmental organizations. These are presented in Note 16.

## **The City of Avon**

The City of Avon is located in Lorain County in northwestern 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 officially made a city in 1961. Avon has carefully maintained its attractive rural features while allowing for controlled growth. The Old Town Hall was constructed in 1871 and served as the official gathering place where village business was conducted.

The second 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 large shopping center, Avon Commons, located in the center of town. In addition, several other 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, The First Federal Savings of Lorain, Parkview Federal Savings Bank, National City Bank, Dollar Bank and Lorain National Bank.

St. John Westshore Hospital, Westlake and Community Health Partners Hospital, Lorain, are located within six miles of the City while Elyria Memorial Hospital (EMH) is within ten miles of the City. The Cleveland Clinic is approximately twenty-five miles from the City. In 1999, Elyria Memorial Hospital constructed a community health facility. The new EMH Center for Health and Fitness stands as the premier medically based facility in Northeast Ohio. It encompasses special programming and services including cardiac rehab program, Enlighten, Integrated Weight Management and Bariatric services, Sports Therapy, and Outpatient testing services.

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, upon confirmation by Council; as the chief conservator of the peace, he oversees the enforcement of all laws and ordinances. 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, appropriations and borrowing of 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 147 employees; 87 are full-time, and 60 are part-time. 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, 2006	23
Fraternal Order of Police, Patrolmen, Dispatchers and Sergeants	December 31, 2005	27
Teamsters Local #52	November 30, 2006	6

## Economic Conditions and Outlook

During 2003, the City experienced a period of amazing growth in the construction of residential, commercial and industrial development. The economic outlook appears to be very aggressive. Below are highlights regarding residential and commercial/industrial growth within the City of Avon.

*Residential* - The number of new single-family home permits for the year 2003 was 383 with a valuation of \$93,017,246 compared to 365 single-family home permits issued the previous year with a valuation of \$90,987,353. Duplex construction consisted of 14 structures with 28 units and a value of approximately \$4,278,500.

New and existing residential projects continue and expand in various stages including but not limited to: Amberwood, Augusta Woods, Arbor Acres, Avenbury Lakes, Bentley Park, Briar Lakes, Camelot, Cottage Gate, Creekside, Centennial Village, Greenview Estates, Hawkesbury Lane, Highland Park,, North Star Lane, Pin Oak Preserve, Red Tail Golf Community, Stonebridge, Saddlecreek, The Village at Creekside, Vineyard Estates, West Park and Willow Creek subdivisions.

*Commercial/Industrial* - Commercial permits were issued with a valuation of \$19,349,784. Contributing to the growth of commercial permits with continuing development of the Avon Commons was the opening of Red Robin, Hot Dog Heaven, Dollar Bank and National City Bank. Another factor was the completion and opening of Wal-Mart on the corner of Chester and Center Road, completion of the Providence Church and the starting of French Creek Square at the corner of Detroit and State Route 83.

*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 \$366,211,330 in 2002 to \$417,641,340 in 2003, primarily due to the expansion of industry and an increase in residential construction.

## Major Initiatives

In 2003, the City of Avon addressed several major initiatives and planned for many others in 2004 and beyond. All departments met important goals in 2003. The following summarizes the departments' accomplishments.

The Director of Public Safety is responsible for overseeing the police, fire and building departments. With the continuing growth of the City, there will be a need to increase personnel in all departments.

The City's newly adopted full-time fire department is averaging over 100 calls per month (both fire and squad).

Many safety concerns are being addressed through the widening of streets, the addition of new turn lanes at major intersections and new street lights where needed. The City continues to address all safety concerns in 2003 and for the future.

*Police Department* - During 2003, the Police Department continued its steps to upgrade equipment and provide its personnel with training to better serve the community. One full time dispatcher was hired to replace an employee that was transferred to another City department. There were no other changes in manpower for this year.

The department purchased new sub-machine guns (SMGs) to be placed in each of the marked cruisers. These guns will be used to help officers to be better prepared to respond to high-risk incidents. Officers will also be able to use these weapons in conjunction with the training received along with other Lorain County agencies regarding "active shooter" situations (i.e. Columbine) to better serve our citizens.

Six more mobile data terminals (MDTs) were purchased and outfitted into our fleet. These MDTs provide officers an alternative to using dispatch via the radio, which we share with Avon Lake and Sheffield Lake Police Departments, to run information through State and National Law Enforcement Databases. This helps provide officer safety by allowing officers to know about warrants and other issues before they proceed with stops on vehicles. The remainder of the fleet is scheduled to be equipped with MDTs in 2004.

Two first line supervisors were sent to a comprehensive 10 week command school put on by Northwestern University. The training received helps provide these officers with the tools necessary to better serve the department, its employees and the citizens of Avon. These officers are also better equipped to step into leadership roles with the department should the need arise.

Other officers also received training in various areas that help our department better perform the necessary tasks of the job and serve the community. Training programs will continue in 2004.

The department ordered three new cruisers to replace aging vehicles and prepare for the proposed addition of officers in 2004. There will be a change in paint to black and white in order to make our vehicles more readily identifiable to the citizens as police cruisers.

Training and equipment improvements contemplated for 2004 include the implementation of Computer Aided Dispatch (CAD), improvements to the current facility to comply with jail requirements and the issuance of less lethal weapons to officers. We also plan to add three sworn officers and an additional non-sworn employee.

*Fire and Emergency Rescue Departments* - January 1, 2003 the Fire Department established minimum manning consisting of three firefighters on duty from 7 AM to 7 PM and 2 firefighters from 7 PM to 7 AM, seven days a week. On April 1, 2003 construction was completed and a new era for the City of Avon and the Avon Fire Department became a reality. On the evening of April 3, 2003 the move was complete and in-house residence was established. The Avon Fire Department became fully manned 24 hours a day with the following full-time positions; Fire Chief, Assistant Fire Chief, Captain, Dispatcher, 2 Lieutenants and 11 Firefighters on July 20, 2003. An open house was held on August 3, 2003 with food and refreshments provided by local merchants with Mayor James Smith officiating over the swearing-in ceremony for the newly hired full-time staff.

In 2003 the Fire Department answered 308 fire runs and the Emergency Rescue Department responded to 1,022 ambulance runs.

All fire hydrants were flushed, checked and serviced. No major problems were found.

All self-contained breathing apparatus was checked and serviced by Pro Am Safety. All breathing apparatus was found to be fully operational. The breathing air compressor was serviced and checked by Breathing Air Systems. Air samples are taken four times a year to assure that the breathing air meets all standards for the self-contained breathing apparatus and air tanks for divers.

American Test Center tested all ladders in the Fire Department with all ladders passing the test.

The 1972 FMC Pumper had its yearly pump test at Fire Truck Specialites. The 1990 FMC Pumper and the 1999 U. S. Tanker Pumper had yearly pump tests by Williams Detroit Diesel. All pumpers pumped to rated capacities. Fire Truck Specialites did yearly maintenance on the 1972 FMC Pumper, the 1990 FMC Pumper and the 1999 U. S. Tanker Pumper. Mike Bass Ford did the yearly maintenance and completed the Federal Department of Transportation inspections on the following vehicles: 1972 FMC Pumper, 1990 FMC Pumper, 1999 U. S. Tanker Pumper, 1990 International Heavy Rescue, 1992 Ford Squad and the 2000 Ford Squad. All units passed and the reports are on file at the Avon Fire Department.

All businesses and industries yearly inspections were completed. The Fire Prevention Bureau with a staff of two is actively involved in the residential, commercial and industrial expansion within the City. The annual report indicated a total of 437 inspections performed throughout the City for the year 2003.

The following public and private schools were inspected: Avon Village, Avon East, Avon Heritage, Avon Middle, Avon High School, St. Mary's and Holy Trinity. During Fire Prevention Week, all members of the department participated with the Fire Safety House and Fire Hazard House at the various schools.

The Avon Fire Department has established non-emergency services for our citizens. The Department is involved in the Vials of Life Program. Smoke detectors can be obtained for free at the department and a new Lockbox Program has been established with the help of the Avon Senior Citizens Association. Members of the department provided training in CPR, the proper use of fire extinguishers and now a car seat safety program has been added to the list of services.

The Fire Department is affiliated with the Lorain County Dive Team, Lorain County Haz-Mat Team and members are additionally trained in Confined Space and Rope Rescue.

The Fire Department conducted several live house fires in cooperation with Cuyahoga Community College Fire School. 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 our firefighters.

*Building Department* - The Building Department issued permits for 383 single-family dwellings and 14 duplexes consisting of 28 units with a valuation of \$97,295,746 not including infrastructure. The Commercial/Industrial permits issued were 248 with an approximate value of \$19,349,784. A total of 2,477 permits were issued for the year 2003 which includes residential (new and remodeling), commercial, miscellaneous and new zoning permits at an estimate construction cost of \$123,628,234.

Avon Commons has added Heinen's Fine Foods, Dollar Bank, National City Bank, Red Robin Gourmet Burgers, Hog Dog Heaven and Chinese Mandarin Carry-out. Other major projects include 2100 Center Road and French Creek Square with tenants consisting of Lorain National Bank, Cici's Pizza, Dry Clean USA, Great Clips, Quizno's, Bob Evans and Zepppe's Pizza. Also completed was the Providence Christian Church on Detroit Road.

The Building Department conducted thousands of inspections for the year 2003 with a staff consisting of a Chief Building Official, five Field Inspectors and one full-time Residential Plan Examiner/Inspector.

The Building Department office staff also includes one full-time clerk, two part-time clerks and a full-time Zoning Enforcement Officer.

*Engineering* - The City's Consulting Engineer, Bramhall Engineering and Surveying Company, Inc. provided engineering design services for the City of Avon infrastructure projects including major drainage, water supply, sanitary sewer collection and pavement reconstruction projects. Projects include the State Route 83 Ditch Enclosure (State Issue II Grant), obtaining a grant for the French Creek Restoration Project (Ohio Public Works Grant), design of the State Route 254/Nagel Intersection Improvements and obtaining the Northern Ohio Areawide Coordinating Agency (NOACA) Grant for Detroit Road Third Lane Addition. Also, planning commission engineering reviews and construction inspections were provided for commercial, industrial and residential developments. The Department conducted 594 topographic line site plan reviews and 880 foundation and final grade inspections.

Infrastructure asset inventory, as established by the conversion to GASB 34 in previous years, was updated with 2003 additions.

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

*ADA* - The Americans with Disabilities Department (ADA) of the City of Avon reviews all projects coming from the Planning Commission and the Building Department for ADA compliance. The department also mediates complaints referred by residents of the City.

At the beginning of 2002, a Board was formed by the Mayor and the ADA Coordinator called the Grant Assistance Board. Its main function is to review qualified resident applications for ramps. In 2003 the Grant Assistance Board funded the qualifying family's construction materials for two separate residential ramps.

The City's ADA Coordinator attended Ohio State University's "Multiple Perspectives on Access, Inclusion and Disability Seminar" April 15-16, 2003 in Columbus, Ohio. Sponsors for the program were Ohio State University and ADA Ohio.

To continue her education and training, the ADA Coordinator attended an ADA Symposium in Kansas City, Missouri from June 3 through 5, 2003. The three-day training session featured keynote speaker, John Wodatch, Chief of the Disability Rights Section of the U.S. Department of Justice. Other speakers in attendance were from the Equal Employment Opportunity Commission (EEOC), the Access Board and the Department of Education.

The ADA Coordinator was responsible for arranging five training teleconferences hosted by the City of Avon. These are part of 50 shared nationwide training conferences sponsored by The Department of Justice and presented by The Great Lakes Disability ADA IT Center.

The Coordinator furnishes quarterly reports to City Officials and Directors explaining the ADA Department activities throughout the year.

As ADA Coordinator and Chairperson of the Lorain County ADA Coordinators Network, reports were given monthly to groups throughout Lorain County. With assistance from other ADA Coordinators, an ADA Fall Conference was held on September 17, 2003, at Oberlin Inn, Oberlin, Ohio. This was the fifth consecutive year that workshops were offered and educationally geared to enable our Building Inspectors to receive continuing education credits towards their certification.

*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 City has approximately 88 miles of water mains and 63 miles of sanitary sewer mains.

The City project was the installation of the new sixteen inch main water supply on State Route 83; the total reconditioning of the existing Ground Storage Tank; and the installation of the new Pump Station. This project has been in the works for five years. The completion of the project has increased the City's capacity to pump water from 1.7 million gallons per day to over 5 million gallons per day. This installation and other water sources has raised the City's total water availability to over 11 million gallons per day and should meet the City's need for the next 15 to 20 years.

The Utilities Department also installed six new fire hydrants to better serve a particular subdivision for which the existing hydrants were installed in the 1950's.

Last year the Utilities Department was directly or indirectly involved in sixteen major projects: ten residential developments and six major commercial/industrial projects.

With the construction of the new subdivisions, both residential and commercial, the City of Avon's customer base has grown from 6,119 to 6,656. In addition to the above mentioned major projects, the Utilities Department has performed many routine daily jobs such as inspections for all building site work; meter installations; fire hydrant repairs; billing; customer service; repairs to water breaks; installation of water services and maintenance of all Utility Department facilities.

The French Creek Water Pollution Control Center, which is owned by the City of North Ridgeville, handles 75 percent 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 is constantly expanding and upgrading our sanitary system that discharges to those treatment facilities. These expansions have made key areas more accessible to commercial, industrial and residential growth.

The Utilities Department also maintains the City's wastewater collection system. In 2003, the Utilities Department performed the annual jetting and cleaning of 66 miles of sanitary sewer. During the annual maintenance of the system the Department repairs, raises and inspects all manholes and service laterals in an effort to provide uninterrupted service.

The Utilities Department is presently staffed with eleven employees; seven "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.

### *Street Department*

The Street Department employs nine full-time employees, who are at the direction of the Street Department Superintendent. The department is responsible for maintenance and signage of all City streets and maintaining free flowing ditches throughout the City.

The Street Department is also responsible for the grounds maintenance for City Hall, the Police Station and one City owned cemetery.

The 2003 resurfacing program consisted of State Route 83 and 254 in their entirety. This project was primarily administered through the Ohio Department of Transportation and the City of Avon.

An ever-increasing obligation of the Street Department in 2003 was ditch cleaning and enclosures of the open ditches in the City right-of-way. The primary area of enclosures was on State Route 83 and French Creek Bridge to Kinzel Road. Over 2,000 feet of open ditches were enclosed with catch basins and area drains in conjunction with the State Route resurfacing project. In accordance with City ordinance, the individual property owners paid for all materials and the City did all the improvements. The primary benefit is a safer and more stabilized roadside and optimum storm water collection and distribution.

The Ohio Public Works Commission project for 2003 was the continuation of the enclosure of the large State Route 83 ditch with a box culvert. Grant money is used to allow the City to enclose the whole ditch. This is an ongoing project that addresses the public safety as well as storm water management.

Another substantial project in 2003 was the extension of the retaining wall along French Creek on Jaycox Road, north of the Riegelsberger Bridge. Roadside stabilization and public safety were our primary concerns with the project. Six hundred feet of new guardrail was also installed along the improved area.

*Parks and Recreation* - In 2003, the Parks and Recreation Department became a full-time department. The Parks Department is working very hard to keep the City parks a place of beauty and recreation for the citizens of Avon.

Avon's Veteran's Memorial Park is now open. The park has 2 soccer fields, 2 softball fields, 3 Little League fields and 1 Thurman Munson baseball field. It also provides a year round playground. An ice skating rink is available for family fun in the winter.

It is planned for the new Safety Town to open in 2004. It will be located behind Avon Village Elementary School. Citizens should stop by to see what a fun and exciting facility is being created for the Safety Town Program.

Anyone can check out the new City of Avon website at [www.cityofavon.com](http://www.cityofavon.com). Information about Avon Parks and Recreation programs are on the website.

The Recreation Department has many excellent activities for the citizens of Avon to participate in:

- |                 |   |
|-----------------|---|
| Adult Programs: | Co-Ed Volleyball - fall and winter<br>30 and over men's basketball - fall and winter<br>25 and over women's basketball - fall and winter<br>Co-ed Softball - summer<br>Body Sculpting - year round<br>Health Screenings - in conjunction with St. John's Westshore Outreach - year round  |
| Youth Programs: | Gymnastics, Cheerleading and Dance (ages 3 and up) - year round<br>Baton and Pom Pom (ages 4 and up) year round<br>Pony and Horseback Riding Lessons (ages 2 to 12) - year round<br>Little Scientists (ages 3 to 6) - year round<br>Flag Football (ages 8 to 6th grade) - fall<br>Little Eagles Basketball (ages 8 to 6th grade) – winter |

Youth Programs (continued):

Indoor baseball skills clinic (rookie, minor and major) - spring  
Indoor softball skills clinic (ponytail, minor and major) - spring  
Swimming lessons - summer  
Supervised playground activities and crafts - summer  
Safety Town - incoming kindergarteners - summer

## ACCOUNTING SYSTEM 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 November 2003 the City prepared the annual appropriation ordinance for year 2004. The ordinance was submitted to Council's Finance Committee and was subsequently passed by Council on December 22, 2003. With this action, the City has chosen to by-pass the temporary appropriation ordinance.

For all operating funds, the Finance department maintains the appropriations at the object level within a department and fund for the daily accounting of City activity. However, the legal level of budgetary control, as established by Council, is at the fund level for all funds.

***Financial Condition*** This is the third 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. Non-major 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 mode, management is responsible for preparing a Management Discussion and Analysis of the City. This discussion follows the independent accountants' report, providing an assessment of the City finances for 2003.

## **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 market 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 liability insurance coverage through the Custis Insurance Co. In 2003 the City expended \$94,828 for general liability insurance coverage, an \$8,193 increase in premium compared to \$86,635 for 2002.

The City carries a \$2,000,000 General Liability policy with a \$3,500 deductible, a law enforcement liability policy of \$1,000,000 with a \$5,000 deductible, a public officials liability policy of \$1,000,000 with a \$7,500 deductible, an employment practices liability policy of \$1,000,000 with a \$7,500 deductible, an automobile liability policy of \$1,000,000 with no deductible, and a \$13,375,437 blanket building and contents policy with a \$1,000 deductible. An additional \$9,000,000 umbrella policy 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. The City of Avon received this honor for its Comprehensive Annual financial report for the year ended December 31, 2002. A Certificate of Achievement is valid for a period of one year only. We believe our report continues to conform to the requirements and standards of the Certificate of Achievement Program, we are submitting the 2003 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 report, and its award represents a significant accomplishment by a government and its management.

## **Independent Audit**

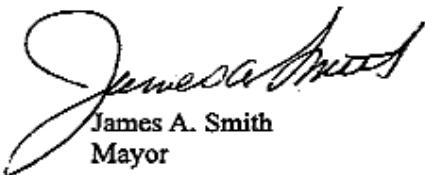
Independent auditor Betty Montgomery, Auditor of State, was selected to render an opinion on the City's financial statements as of December 31, 2003. The Independent Accountants' Report on the basic financial statements is included in the financial section of this report.

## **Acknowledgments**

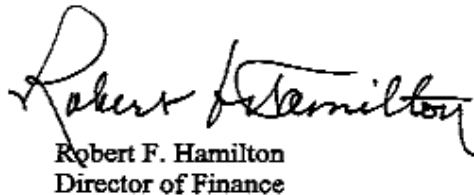
The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department and the supervisors of other various departments. The preparation of the Comprehensive Annual Financial Report requires a major effort, and we would 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, 2003*

***Elected Officials:***

Mayor.....	James A. Smith
President of Council .....	Thomas L. Wearsch
Councilman at Large.....	Jo Anne Easterday
Councilman at Large.....	John P. Kilroy
Councilman – Ward I.....	Mark D. Julius
Councilman – Ward II .....	Carol A. Hartwig
Councilman – Ward III.....	Timothy E. Nickum
Councilman – Ward IV.....	Gerald T. Gentz

***Directors:***

Law Director.....	John A. Gasior
Finance Director .....	Robert F. Hamilton
Safety Director.....	Robert E. Allen
Service Director .....	Gerald W. Plas
Parks and Recreation Director .....	Gerald Galant

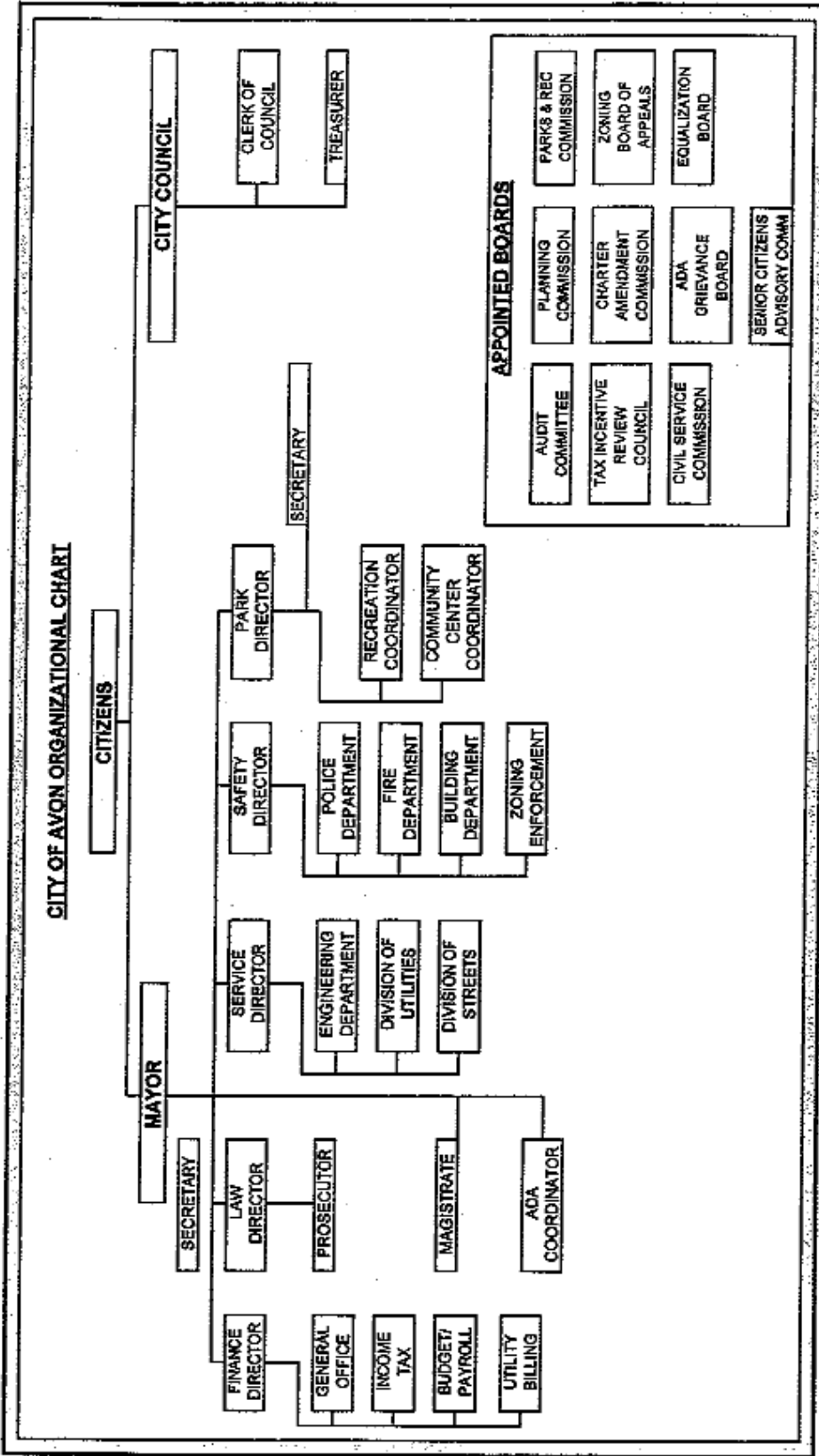
***Chairmen, Boards and Commissions:***

Board of Zoning and Building Appeals .....	Cy Bliss
Planning Commission.....	James C. Piazza
Civil Service Commission .....	Jimmy Marsiglia
Park and Recreation Commission.....	Jo Anne Easterday

***Other Staff Members:***

Treasurer.....	Barbara A. Kraus
City Consulting Engineer .....	Michael C. Bramhall
Superintendent of Utilities.....	David A. Conrad
Superintendent of Streets.....	William M. Biro
Secretary to the Mayor.....	Sandra K. Martin
Clerk of Council .....	Ellen R. Young
Clerk of Court.....	Jill K. Clements
Assistant Finance Director.....	June F. Mitchell
Clerk Secretary of Planning Commission and Zoning Board of Appeals .....	Dorothy A. Bommer
Zoning Enforcement Officer.....	Timothy Y. Krugman
Prosecutor .....	Anthony L. Manning
City Magistrate .....	Daniel P. Stringer
Police Chief .....	John R. Vilagi
Police Lieutenant .....	Paul T. Romond
Fire Chief.....	Frank Root, Jr.
Assistant Fire Chief .....	John R. Votava
Building Inspector .....	James P. Smith

**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, 2002

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.



*Edward Haney*

President

*Jeffrey R. Enow*

Executive Director

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Avon, Lorain County, Ohio, (the City) as of and for the fiscal year ended December 31, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Avon, Lorain County, Ohio, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General, Fire Department, Police, and Street Construction, Maintenance and Repair Funds, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2003, the City changed its accounting for capital assets, corrected the values of certain business-type activity capital assets, and reclassified certain funds from governmental activities to business-type activities.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2004, 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 have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 24, 2004



**City of Avon, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2003*  
*Unaudited*

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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, 2003. 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 fiscal year 2003 are:

- City income taxes totaled \$6,181,819 in governmental funds, an increase of \$1,033,771 or 20.09 percent over 2002. 2003 was the second year of collection of the new income tax for the Fire Department and accounted for the largest portion in increased revenues. 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 \$14,399,583, a 17.95 percent increase over 2002.
- Total net assets increased \$11,967,846 or a 19.52 percent increase over 2002.
- Total capital assets increased \$8,928,843 or a 15.32 percent increase over 2002.
- Total outstanding long term liabilities increased \$3,336,993 over 2002, an increase of 26.61 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 an entire operating entity. The statements here proceed to provide an increasingly detailed look at our specific financial conditions.

The *Statement of Net Assets* and *Statement of Activities* provide 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. Mayor 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 2003?" 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. This basis of 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, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2003*  
*Unaudited*

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These two statements report the City's net assets and the changes in those assets. The changes in 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 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's 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, fire department, police, street construction, maintenance and repair, special assessment, water and sewer.

### ***Governmental Funds***

Most of the City's activities are reported in the governmental funds that 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 the statements for the City as a whole.

**City of Avon, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2003*  
*Unaudited*

**The City of Avon as a Whole**

The *Statement of Net Assets* looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2003 compared to 2002.

**Table 1**  
**Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Current and Other Assets	\$21,211,988	\$16,268,469	\$6,206,742	\$5,679,521	\$27,418,730	\$21,947,990
Capital Assets, Net	44,580,262	37,515,747	22,616,659	20,752,331	67,196,921	58,268,078
<i>Total Assets</i>	<u>65,792,250</u>	<u>53,784,216</u>	<u>28,823,401</u>	<u>26,431,852</u>	<u>94,615,651</u>	<u>80,216,068</u>
Current and Other Liabilities	3,922,219	4,387,297	1,531,022	1,971,200	5,453,241	6,358,497
Long-Term Liabilities:						
Due Within One Year	461,371	388,712	213,876	209,632	675,247	598,344
Due In More Than One Year	12,648,904	9,171,500	2,553,112	2,770,426	15,202,016	11,941,926
<i>Total Liabilities</i>	<u>17,032,494</u>	<u>13,947,509</u>	<u>4,298,010</u>	<u>4,951,258</u>	<u>21,330,504</u>	<u>18,898,767</u>
Invested in Capital Assets, Net of Related Debt	36,408,687	30,075,143	17,442,509	16,625,219	53,851,196	46,700,362
Restricted:						
Capital Projects	2,124,737	1,659,080	0	0	2,124,737	1,659,080
Debt Service	2,156,992	2,461,360	0	0	2,156,992	2,461,360
Other Purposes	4,080,830	3,169,282	0	0	4,080,830	3,169,282
Unrestricted	3,988,510	2,471,842	7,082,882	4,855,375	11,071,392	7,327,217
<i>Total Net Assets</i>	<u>\$48,759,756</u>	<u>\$39,836,707</u>	<u>\$24,525,391</u>	<u>\$21,480,594</u>	<u>\$73,285,147</u>	<u>\$61,317,301</u>

Total assets increased by \$14,399,583 from 2002 to 2003. The increase was due to additions to capital assets, such as work in progress involving Veteran's park, new fire station, various road, water and sewer line improvements and more cash available at the end of the year.

Total liabilities increased by \$2,431,737. The City retired \$1,830,000 in governmental fund notes for park development and fire facility construction and \$1,600,000 in business-type fund notes for water and sewer improvements. \$3,870,000 in governmental fund notes were issued during 2003 for fire station improvement, Schneider Court development, French Creek restoration and other municipal purposes and \$1,400,000 in business-type fund notes were issued for water and sewer improvements. General obligation bonds of \$1,590,000 were issued for Veteran's Park improvements and \$45,000 in Ohio Public Works Commission loans for the Route 83 Channel enclosure in 2003.

Total net assets increased \$11,967,846 with governmental net assets comprising \$8,923,049 and business-type activities comprising \$3,044,797 of that amount. Net assets increased mainly due to additions to capital assets

**City of Avon, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2003*  
*Unaudited*

for the construction of a new Fire Department building, land purchases for future development, and street and drainage improvements.

Table 2 shows the changes in net assets for the year ended December 31, 2003. Total revenues increased \$9,644,901 or 56.6 percent. Total expenses increased \$2,375,724 or 19.2 percent.

**Table 2**  
**Changes in Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$2,082,779	\$2,280,932	\$2,732,047	\$2,058,078	\$4,814,826	\$4,339,010
Operating Grants and Contributions	695,341	692,119	0	0	695,341	692,119
Capital Grants and Contributions	7,058,526	1,693,842	3,325,429	2,305,389	10,383,955	3,999,231
General Revenues:						
Property Taxes	2,664,197	2,161,293	0	0	2,664,197	2,161,293
Municipal Income Taxes	6,746,942	4,918,171	0	0	6,746,942	4,918,171
Grants and Entitlements	275,722	237,174	0	0	275,722	237,174
Investments	291,920	533,541	27,272	25,825	319,192	559,366
Gain on the Sale of Capital Assets	647,650	0	0	0	647,650	0
Miscellaneous	96,670	125,650	44,801	12,381	141,471	138,031
<b>Total Revenues</b>	<b>20,559,747</b>	<b>12,642,722</b>	<b>6,129,549</b>	<b>4,401,673</b>	<b>26,689,296</b>	<b>17,044,395</b>
<b>Program Expenses</b>						
General Government	1,695,377	1,476,901	0	0	1,695,377	1,476,901
Security of Persons and Property	3,932,378	2,667,990	0	0	3,932,378	2,667,990
Transportation	3,288,035	2,551,456	0	0	3,288,035	2,551,456
Community Development	1,091,550	939,638	0	0	1,091,550	939,638
Basic Utility Services	22,007	974,144	0	0	22,007	974,144
Leisure Time Activities	1,131,505	566,339	0	0	1,131,505	566,339
Interest and Fiscal Charges	479,473	550,325	0	0	479,473	550,325
Water	0	0	1,700,280	1,604,866	1,700,280	1,604,866
Sewer	0	0	1,204,443	1,014,067	1,204,443	1,014,067
Basic Utility Services	0	0	176,402	0	176,402	0
<b>Total Expenses</b>	<b>11,640,325</b>	<b>9,726,793</b>	<b>3,081,125</b>	<b>2,618,933</b>	<b>14,721,450</b>	<b>12,345,726</b>
Increase in Net Assets Before Transfers	8,919,422	2,915,929	3,048,424	1,782,740	11,967,846	4,698,669
Transfers	3,627	490,629	(3,627)	(490,629)	0	0
Increase in Net Assets	8,923,049	3,406,558	3,044,797	1,292,111	11,967,846	4,698,669
Net Assets, January 1, 2003	39,836,707	36,430,149	21,480,594	20,188,483	61,317,301	56,618,632
<b>Net Assets, December 31, 2003</b>	<b>\$48,759,756</b>	<b>\$39,836,707</b>	<b>\$24,525,391</b>	<b>\$21,480,594</b>	<b>\$73,285,147</b>	<b>\$61,317,301</b>

**City of Avon, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2003*  
*Unaudited*

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The overall financial strength of the City improved in 2003. The City experienced growth in revenues, in capital grants and contributions due to developer contributions of new streets, storm sewers and water and sewer lines. Income tax revenues were up significantly primarily due to the second year, but the first full year, of collection of the new income tax for the fire department. Interest revenue declined in 2003 due to reductions in overall interest rates set by the Federal Reserve Bank. With a recovering national economy in 2003, the growth of the City continued on an upward path.

General government and security of persons and property expenses increased primarily due to contractual wage agreements. Leisure time activity expenses increased because of contractual services and expansion and improvements of the park system that were not capitalized.

**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. In 2003, the revenue from income taxes increased over the 2002 amount by \$1,828,771, from \$4,918,171 to \$6,746,942, an increase of 37.28 percent. 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 ten 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 \$6,746,942 were designated for the City's general fund and fire department. In November 2001, the electors approved a one half percent increase in the income tax rate with the proceeds to be used to build and operate a new fire station. The present fire department has converted from part-time to full-time staffing.

Total revenues for 2003 were \$20,559,747. Capital grants accounted for 34.33 percent of total revenues for governmental activities for the City. Income tax made up 32.82 percent, property taxes accounted for 12.96 percent, charges for services accounted for 10.13 percent, operating grants accounted for 3.38 percent; and the remaining 6.38 percent consists of grants and entitlements, investments, gain on sale of capital assets and miscellaneous revenues. Charges for services represents receipts from the Mayor's Court, cable television, building permits, park development and fees, recreation fees, emergency rescue fees, county health fees, contractor registration, New Community Baptist Church rental fees, community center fees, retention fees and rental fees.

Total governmental program expenses for 2003 were \$11,640,325. Security of persons and property accounted for program expenses of \$3,932,378 which is 33.78 percent of the total governmental activity expenses for the City. Transportation represents 28.25 percent, followed by general government expenses at 14.56 percent.

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Transportation expenses were for the depreciation, 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 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. 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 was completed with financial assistance from the State of Ohio. The total cost to partially enclose the Channel was \$347,302. The State of Ohio provided Issue II grant monies in the amount of \$180,700.

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 five-year operating levy generated \$410,614 for the Police Department. Complimenting the Police operating levy was a five-year one-half mill equipment levy, reported as a capital projects fund, which provided revenues of \$178,457.

In 2003, the Fire Department changed from a part-time to a full-time Fire Department. The department is funded with income tax revenues. The Fire Department has an equipment levy, reported as a capital projects fund, that is used to purchase vehicles for both the Fire Department and the rescue squad. The department received \$178,457 from an 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 and to operate the Department. During 2002, the department received \$1,751,746 and in 2003 the department received 2,727,351 in income tax revenues towards these items.

Table 3 presents a summary for governmental activities, the total cost of services and the net cost of providing these services.

**Table 3**  
**Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2003	2002	2003	2002
General Government	\$1,695,377	\$1,476,901	\$626,645	\$623,144
Security of Persons and Property	3,932,378	2,667,990	3,818,016	2,241,386
Transportation	3,288,035	2,551,456	(3,982,901)	700,565
Community Environment	1,091,550	939,638	419,585	345,627
Basic Utility Services	22,007	974,144	(240,063)	450,320
Leisure Time Activities	1,131,505	566,339	682,924	148,533
Interest and Fiscal Charges	479,473	550,325	479,473	550,325
<b>Total Cost of Services</b>	<b>\$11,640,325</b>	<b>\$9,726,793</b>	<b>\$1,803,679</b>	<b>\$5,059,900</b>

**City of Avon, Ohio**  
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Utility services for water and sewer saw an increase in charges for services along with a slight increase in expenses in 2003. These changes were primarily the result of the City's growth in both commercial and residential. Approximately three hundred and eighty new homes were built and sold in 2003. Commercial development continued to expand in several of the City's industrial parks. Because of the growth, water and sewer improvements were accepted by the City adding to the capital assets of the City. The City closely monitors the growth in services and adjusted the water tap-in fee structure in 2002 to pay for future development and related costs.

### **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 basis of accounting. All governmental funds had total revenues of \$12,858,683 and expenditures of \$14,356,257. The most significant fund is the general fund with a year-end fund balance of \$4,650,045, which included an unreserved fund balance of \$4,618,368 compared to annual expenditures of \$2,384,081. While revenues exceeded expenditures by \$4,239,354, 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.

### ***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 2003 the City amended its General Fund budget seven times for a total increase in estimated revenues of \$2,836,191. 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, 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 \$3,608,143, and the final budgeted amount was \$6,444,334. Of this \$2,836,191 difference, most was due to an anticipated increase in income tax revenues received and also to increases in all other revenues received by the City. 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 54.6 percent of those revenues.

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**Capital Assets and Debt Administration**

*Capital Assets*

**Table 4**  
**Capital Assets**  
**(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Land	\$1,878,092	\$1,287,216	\$7,580	\$7,580	\$1,885,672	\$1,294,796
Construction in Progress	1,765,063	2,728,483	143,700	1,129,300	1,908,763	3,857,783
Land Improvements	139,388	157,764	0	0	139,388	157,764
Buildings and Improvements	4,787,991	2,236,070	1,270,195	1,304,067	6,058,186	3,540,137
Machinery and Equipment	1,508,041	1,298,050	93,544	104,595	1,601,585	1,402,645
Infrastructure						
Park Improvements	241,507	238,421	0	0	241,507	238,421
Streets	23,176,684	18,175,015	0	0	23,176,684	18,175,015
Bridges and Culverts	428,908	445,896	0	0	428,908	445,896
Traffic Signals	661,960	707,120	0	0	661,960	707,120
Storm Sewer	9,992,628	10,241,712	0	0	9,992,628	10,241,712
Water Lines	0	0	9,331,315	8,196,421	9,331,315	8,196,421
Sewer Lines	0	0	11,770,325	10,010,368	11,770,325	10,010,368
<i>Total Capital Assets</i>	<u>\$44,580,262</u>	<u>\$37,515,747</u>	<u>\$22,616,659</u>	<u>\$20,752,331</u>	<u>\$67,196,921</u>	<u>\$58,268,078</u>

Total capital assets for the City of Avon as of December 31, 2003 were \$67,196,921. The most significant additions in capital assets came in the area of infrastructure acceptance from developers of industrial and residential developments: \$6,613,360 for streets, \$293,546 for waterlines and \$2,248,540 for sewer lines. Building and improvements increased \$2,518,049 primarily from the construction and completion of a new fire station. The City purchased two parcels of land for \$1,040,876 to be used for the service department and the recreation department and sold a parcel of land no longer of use to the City.

In 2003, City streets were improved by developers of the new residential and industrial developments connecting to those roadways at a cost of \$6,613,360. This is the tenth consecutive year the City has improved City streets either through City projects or by contributions from developers. All streets in the City are in excellent condition as a result of the City's program to dedicate money each year for this purpose. The improvements were paid with revenues received from income taxes. 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.



**City of Avon, Ohio**  
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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 sanitary sewer capital enterprise fund for the purpose of maintaining the sanitary sewer system which is funded by intergovernmental transfers. This fund has been combined with the sewer enterprise fund for reporting purposes.

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 Veteran's Memorial Park. After two years of work it was completed in 2003. 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 2003, the City applied to the Ohio Department of Development for a grant totaling \$180,700 for a major ditch enclosure along State Route 83 at Mills Road. This activity is reported in the storm water detention capital projects fund.

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. The construction of a new Fire Department building was completed April 2003.

See Note 9 of the Notes to the Basic Financial Statements for additional information on the City's capital assets.

***Debt***

On December 31, 2003, the City of Avon had \$16,096,417 in bonds, loans, notes and intergovernmental payables outstanding, with \$2,021,715 due within one year. Table 5 summarizes bonds, loans, intergovernmental payables and notes outstanding.

**Table 5**  
**Outstanding Debt at Year End**

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
General Obligation Bonds	\$4,283,189	\$2,842,209	\$504,000	\$541,800	\$4,787,189	\$3,384,009
Special Assessment Bonds	3,777,810	3,955,990	0	0	3,777,810	3,955,990
OPWC Loans	90,580	79,713	0	0	90,580	79,713
OWDA Loans	0	0	1,071,526	1,165,371	1,071,526	1,165,371
Intergovernmental Payable	0	0	1,099,312	1,169,941	1,099,312	1,169,941
Notes Payable	3,870,000	5,300,000	1,400,000	0	5,270,000	5,300,000
<b>Total</b>	<b>\$12,021,579</b>	<b>\$12,177,912</b>	<b>\$4,074,838</b>	<b>\$2,877,112</b>	<b>\$16,096,417</b>	<b>\$15,055,024</b>

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The general obligation bonds include a Library improvement bond - a \$700,000 voted issue by the voters on May 3, 1996; payments are made from property taxes collected by the Lorain County Auditor. Other general obligation bonds include: Sanitary Water Construction \$96,000, Moore Road/Formanek improvements \$4,898, Detroit Road Park \$180,000, Northgate Sanitary Sewer \$305,000, purchase of Avon City Hall \$718,204, Just Imagine Drive Paving \$520,000, North Branch Sewer Avins Ditch \$72,925, Moore Road Improvement \$96,162, and Veteran's Park \$1,590,000. The latter bond obligations are paid from monies transferred from the general fund into the debt service funds.

The special assessment bond retirement funds consist of Moore/Formanek improvements, Route 83 Sewer Improvement, Chester Road Sanitary Sewer, Moore/Chester Road Waterline, Chester Road Waterline East, Avon Road Waterline, Eaton Subdivisions, North Branch Sewer Avins Ditch, Moore Road Improvements, Mills Road/Jaycox Road/Sandy Lane Improvements and a various purposes improvement bond. 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 Sewer Rehabilitation and the State Route 83 sewer improvement. The third interest free loan was for the reconstruction of the Nagel Road Bridge. And a new loan for the Route 83 Channel Enclosure project was obtained during the year. The State Route 83 sanitary sewer line 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 and the ditch enclosure loans are paid from monies transferred into the debt service funds from the proprietary funds and from the general fund.

The notes payable represents bond anticipation notes for the following improvement projects: (1) Fire Station Improvement, \$1,870,000 - the note will be paid with proceeds from the collection of the new one quarter percent income tax passed by the voters in November 2001; (2) Schneider Court Development, \$1,000,000 - the note will be paid from the sale of bonds upon completion of the project; (3) French Creek Restoration, \$600,000 - the note will be paid from the sale of bonds upon completion of the project; (4) Municipal Purposes, \$400,000 - the note will be paid from the sale of bonds upon completion of the project; (5) the Municipal Waterworks System note of \$350,000 for the North Branch Sanitary Sewer will be paid by bonds and special assessments on completion of the project, and (6) the Municipal Waterworks System for the construction of a municipal water works improvement including construction of a 16" waterline and pump station on Center Road \$1,050,000 will be paid from charges for tap-in fees from the water fund.

The City's overall legal ten and one-half percent debt limitation (voted and unvoted) on December 31, 2003 was \$43,852,341. The aggregate outstanding debt after issuance of bonds subject to the ten and one-half percent limitation is \$8,243,769. The difference of \$35,608,572 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.

See Notes 10 and 11 of the Notes to the Basic Financial Statements for additional information on the City's outstanding debt obligations.

### ***Current Financial Related Activities***

Over the past ten 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 nine 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

**City of Avon, Ohio**  
*Management's Discussion and Analysis*  
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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 AA2.

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 was 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 2003, the City completed 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 in 2001 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.

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 fiscal year 2003. The City makes application for and has been receiving recycling grants on an annual basis. In 2003, the City received one grant from the Lorain County Solid Waste Management District. The grant of \$111,500 was for solid waste recycling. Under the Ohio Department of Development program, the City received State Issue II grant proceeds in the amount of \$180,700 for the third 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. In 2003 the City applied for and received a grant of \$60,000 to use towards the conversion of the former fire station into a senior citizens center. Conversion of the building is expected to be completed in 2004. The Administration and Council work very hard to obtain grants for the benefit of Avon residents while keeping taxes at a minimum.

In 2003, City Council approved the study for a new I-90 interchange. The cost of the study is \$149,000 and will be paid from pledges from local industry totaling \$111,200 and \$37,800 from the City. A new I-90 interchange will open up new industrial and commercial development in the City.

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. During the period of 1996 through 2002, health care insurance costs continued to escalate everywhere while the Lorain County's insurance costs remained at reasonable levels while providing the best possible insurance coverage for City employees. In late 2002, the County announced significant cost increases to the program. The City negotiated an 80/20 sharing of cost with all the bargaining units in the City.

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The Finance Director, Mayor and City Council work extremely hard at keeping our debt low. We plan our 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 was 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.

**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, or at the website at [www.cityofavon.com](http://www.cityofavon.com).

**City of Avon, Ohio**  
*Statement of Net Assets*  
*December 31, 2003*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$11,093,699	\$4,275,087	\$15,368,786
Materials and Supplies Inventory	59,440	302,329	361,769
Accounts Receivable	126,461	210,779	337,240
Intergovernmental Receivable	702,852	0	702,852
Prepaid Items	42,317	5,000	47,317
Municipal Income Taxes Receivable	2,083,054	0	2,083,054
Property Taxes Receivable	3,264,205	0	3,264,205
Special Assessments Receivable	3,777,810	314,235	4,092,045
Deferred Charges	62,150	1,099,312	1,161,462
Capital Assets, Non-Depreciable	3,643,155	151,280	3,794,435
Capital Assets, Depreciable, Net	40,937,107	22,465,379	63,402,486
<i>Total Assets</i>	<u>65,792,250</u>	<u>28,823,401</u>	<u>94,615,651</u>
<b>Liabilities</b>			
Accounts Payable	177,853	30,402	208,255
Contracts Payable	253,150	3,624	256,774
Accrued Wages and Benefits	130,710	14,018	144,728
Intergovernmental Payable	219,216	53,452	272,668
Deferred Revenue	3,038,468	0	3,038,468
Retainage Payable	19,459	0	19,459
Accrued Interest Payable	83,363	29,526	112,889
Notes Payable	0	1,400,000	1,400,000
Long-Term Liabilities:			
Due Within One Year	461,371	213,876	675,247
Due In More Than One Year	12,648,904	2,553,112	15,202,016
<i>Total Liabilities</i>	<u>17,032,494</u>	<u>4,298,010</u>	<u>21,330,504</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	36,408,687	17,442,509	53,851,196
Restricted for:			
Capital Projects	2,124,737	0	2,124,737
Debt Service	2,156,992	0	2,156,992
Fire Department	2,275,314	0	2,275,314
Street Construction, Maintenance and Repair	1,051,272	0	1,051,272
Park Development, Operations	630,113	0	630,113
Other Purposes	124,131	0	124,131
Unrestricted	3,988,510	7,082,882	11,071,392
<i>Total Net Assets</i>	<u>\$48,759,756</u>	<u>\$24,525,391</u>	<u>\$73,285,147</u>

See accompanying notes to the basic financial statements

**City of Avon, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2003

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government	\$1,695,377	\$1,068,732	\$0	\$0
Security of Persons and Property	3,932,378	37,214	17,148	60,000
Transportation	3,288,035	20	561,904	6,709,012
Community Environment	1,091,550	558,460	113,505	0
Basic Utility Services	22,007	52,556	0	209,514
Leisure Time Activities	1,131,505	365,797	2,784	80,000
Interest and Fiscal Charges	479,473	0	0	0
<i>Total Governmental Activities</i>	<u>11,640,325</u>	<u>2,082,779</u>	<u>695,341</u>	<u>7,058,526</u>
<b>Business-Type Activities</b>				
Water	1,852,642	1,962,762	0	612,910
Sewer	1,228,483	769,285	0	2,712,519
<i>Total Business-Type Activities</i>	<u>3,081,125</u>	<u>2,732,047</u>	<u>0</u>	<u>3,325,429</u>
<i>Total</i>	<u>\$14,721,450</u>	<u>\$4,814,826</u>	<u>\$695,341</u>	<u>\$10,383,955</u>

**General Revenues**

Property Taxes Levied for:

- General Purposes
- Street Construction, Maintenance and Repair
- Park Operating
- Other Purposes
- Debt Service
- Capital Projects
- Municipal Income Taxes Levied for
  - General Purposes
  - Fire Department
- Grants and Entitlements not Restricted to Specific Programs
- Investment Earnings
- Gain on the Sale of Capital Assets
- Miscellaneous

*Total General Revenues*

Transfers

*Total General Revenues and Transfers*

Change in Net Assets

*Net Assets Beginning of Year - Restated (Note 3)*

*Net Assets End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activity	Total
(\$626,645)	\$0	(\$626,645)
(3,818,016)	0	(3,818,016)
3,982,901	0	3,982,901
(419,585)	0	(419,585)
240,063	0	240,063
(682,924)	0	(682,924)
(479,473)	0	(479,473)
(1,803,679)	0	(1,803,679)
0	723,030	723,030
0	2,253,321	2,253,321
0	2,976,351	2,976,351
(1,803,679)	2,976,351	1,172,672
870,500	0	870,500
693,349	0	693,349
121,332	0	121,332
538,811	0	538,811
83,291	0	83,291
356,914	0	356,914
4,019,591	0	4,019,591
2,727,351	0	2,727,351
275,722	0	275,722
291,920	27,272	319,192
647,650	0	647,650
96,670	44,801	141,471
10,723,101	72,073	10,795,174
3,627	(3,627)	0
10,726,728	68,446	10,795,174
8,923,049	3,044,797	11,967,846
39,836,707	21,480,594	61,317,301
\$48,759,756	\$24,525,391	\$73,285,147

**City of Avon, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2003*

	General	Fire Department	Police	Street Construction, Maintenance and Repair	Special Assessment Bond Retirement
<b>Assets</b>					
Equity in Pooled Cash and					
Cash Equivalents	\$3,604,846	\$1,613,227	\$15,488	\$770,328	\$242,031
Materials and Supplies Inventory	3,951	3,594	6,402	45,000	0
Accounts Receivable	126,182	0	279	0	0
Interfund Receivable	265,000	0	0	0	0
Intergovernmental Receivable	331,393	2,934	30,638	217,075	0
Prepaid Items	18,403	5,000	16,000	2,914	0
Municipal Income Taxes Receivable	1,166,510	916,544	0	0	0
Property Taxes Receivable	1,199,933	0	436,932	756,143	0
Special Assessments Receivable	0	0	0	0	3,777,810
<i>Total Assets</i>	<u>\$6,716,218</u>	<u>\$2,541,299</u>	<u>\$505,739</u>	<u>\$1,791,460</u>	<u>\$4,019,841</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$44,860	\$20,025	\$12,849	\$58,178	\$0
Contracts Payable	21,238	0	0	0	0
Accrued Wages and Benefits	30,460	33,075	48,283	14,102	0
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	24,582	2,690	20,140	9,642	3,067
Retainage Payable	0	0	0	0	0
Deferred Revenue	1,945,033	555,454	443,947	870,696	3,777,810
<i>Total Liabilities</i>	<u>2,066,173</u>	<u>611,244</u>	<u>525,219</u>	<u>952,618</u>	<u>3,780,877</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	31,677	17,136	9,086	80,393	0
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	4,618,368	0	0	0	0
Special Revenue Funds	0	1,912,919	(28,566)	758,449	0
Debt Service Funds	0	0	0	0	238,964
Capital Projects Funds	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>4,650,045</u>	<u>1,930,055</u>	<u>(19,480)</u>	<u>838,842</u>	<u>238,964</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$6,716,218</u>	<u>\$2,541,299</u>	<u>\$505,739</u>	<u>\$1,791,460</u>	<u>\$4,019,841</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, 2003*

Fire Facility Construction	Other Governmental Funds	Total Governmental Funds
\$162,931	\$4,684,848	\$11,093,699
0	493	59,440
0	0	126,461
0	0	265,000
0	120,812	702,852
0	0	42,317
0	0	2,083,054
0	871,197	3,264,205
0	0	3,777,810
<u>\$162,931</u>	<u>\$5,677,350</u>	<u>\$21,414,838</u>
\$0	\$41,941	\$177,853
0	231,912	253,150
0	4,790	130,710
0	265,000	265,000
0	2,874	62,995
0	19,459	19,459
0	905,667	8,498,607
<u>0</u>	<u>1,471,643</u>	<u>9,407,774</u>
151,379	2,463,881	2,753,552
0	0	4,618,368
0	772,503	3,415,305
0	66,028	304,992
11,552	903,295	914,847
<u>162,931</u>	<u>4,205,707</u>	<u>12,007,064</u>
<u>\$162,931</u>	<u>\$5,677,350</u>	<u>\$21,414,838</u>

<b>Total Governmental Fund Balances</b>	\$12,007,064
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	44,580,262
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Special Assessments	3,777,810
Delinquent Property Taxes	59,532
Intergovernmental	474,406
Municipal Income Taxes	<u>1,148,391</u>
Total	5,460,139
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental fund, an interest expenditure is reported when due	(83,363)
Bond Issuance costs are considered deferred charges and will be amortized over the life of the bonds on the statement of net assets.	62,150
Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore are not reported in the funds.	(156,221)
Long-term liabilities, including bonds and compensated absences, are not due and payable in the current period therefore are not reported in the funds:	
General Obligation Bonds	(4,283,189)
Special Assessment Bonds	(3,777,810)
OPWC Loans	(90,580)
Notes Payable	(3,870,000)
Compensated Absences	<u>(1,088,696)</u>
Total	<u>(13,110,275)</u>
<i>Net Assets of Governmental Activities</i>	<u>\$48,759,756</u>

**City of Avon, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2003*

	General	Fire Department	Police	Street Construction, Maintenance and Repair	Special Assessment Bond Retirement	Fire Facility Construction
<b>Revenues</b>						
Property and Other Taxes	\$873,036	\$0	\$411,752	\$695,574	\$0	\$0
Municipal Income Taxes	3,753,285	2,428,534	0	0	0	0
Charges for Services	382,141	0	0	0	0	0
Licenses and Permits	998,097	0	0	0	0	0
Fines and Forfeitures	270,258	0	0	0	0	0
Intergovernmental	194,015	0	17,757	453,084	0	0
Special Assessments	0	0	0	0	184,848	0
Interest	116,232	0	0	6,195	161,785	0
Contributions and Donations	0	0	0	0	0	0
Miscellaneous	36,371	3,075	5,844	29,908	0	0
<i>Total Revenues</i>	<u>6,623,435</u>	<u>2,431,609</u>	<u>435,353</u>	<u>1,184,761</u>	<u>346,633</u>	<u>0</u>
<b>Expenditures</b>						
Current:						
General Government	1,534,116	0	0	0	43,064	0
Security of Persons and Property	45,652	1,188,431	2,067,173	0	0	0
Transportation	0	0	0	969,560	0	0
Community Environment	804,313	0	0	0	0	0
Basic Utility Services	0	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	1,417,135
Debt Service:						
Principal Retirement	0	0	0	0	184,848	1,870,000
Interest and Fiscal Charges	0	0	0	0	199,926	54,847
Bond Issuance Costs	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>2,384,081</u>	<u>1,188,431</u>	<u>2,067,173</u>	<u>969,560</u>	<u>427,838</u>	<u>3,341,982</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>4,239,354</u>	<u>1,243,178</u>	<u>(1,631,820)</u>	<u>215,201</u>	<u>(81,205)</u>	<u>(3,341,982)</u>
<b>Other Financing Sources (Uses)</b>						
Bonds Issued	0	0	0	0	0	0
Notes Issued	0	0	0	0	0	1,870,000
Loans Received	0	0	0	0	0	0
Proceeds from the Sale of Capital Assets	1,097,650	0	0	0	0	0
Transfers In	274,870	0	1,630,514	0	23,960	384,847
Transfers Out	(4,153,136)	(440,000)	0	(50,000)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,780,616)</u>	<u>(440,000)</u>	<u>1,630,514</u>	<u>(50,000)</u>	<u>23,960</u>	<u>2,254,847</u>
<i>Net Change in Fund Balances</i>	1,458,738	803,178	(1,306)	165,201	(57,245)	(1,087,135)
<i>Fund Balances (Deficit)</i>						
<i>Beginning of Year - Restated (Note 3)</i>	<u>3,191,307</u>	<u>1,126,877</u>	<u>(18,174)</u>	<u>673,641</u>	<u>296,209</u>	<u>1,250,066</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$4,650,045</u>	<u>\$1,930,055</u>	<u>(\$19,480)</u>	<u>\$838,842</u>	<u>\$238,964</u>	<u>\$162,931</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, 2003*

Other Governmental Funds	Total Governmental Funds		
		<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$5,108,703</b>
		<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
\$690,733	\$2,671,095	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:	
0	6,181,819	Capital Asset Additions	9,837,028
134,161	516,302	Current Year Depreciation	<u>(2,322,513)</u>
284,591	1,282,688	Total	7,514,515
6,863	277,121	Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal:	
605,589	1,270,445	Proceeds from the sale of capital assets	(1,097,650)
0	184,848	Gain on the disposal of capital assets	<u>647,650</u>
7,708	291,920	Total	(450,000)
85,775	85,775	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
21,472	96,670	Delinquent Property Taxes	(6,898)
		Intergovernmental	60,009
1,836,892	12,858,683	Special Assessments	(178,180)
		Municipal Income Taxes	<u>565,123</u>
		Total	440,054
7,512	1,584,692	Other financing sources in the governmental funds that increase long-term liabilities in the statement of net assets are not reported as revenues in the statement of activities:	
167,038	3,468,294	Bonds Issued	(1,590,000)
131,603	1,101,163	Notes Issued	(3,870,000)
115,948	920,261	Loans Issued	<u>(45,000)</u>
22,007	22,007	Total	(5,505,000)
705,439	705,439	Repayment of bond, note and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:	
2,410,399	3,827,534	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due:	
		Accrued Interest	(46,089)
176,485	2,231,333	Bond Issuance Costs	<u>(1,052)</u>
177,559	432,332	Total	(47,141)
63,202	63,202	Bond issuance costs are recognized as deferred charges and will be amortized over the life of the bonds on the statement of activities.	63,202
3,977,192	14,356,257	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
(2,140,300)	(1,497,574)	Compensated Absences	(276,396)
		Pension Obligation	<u>(156,221)</u>
		Total	(432,617)
1,590,000	1,590,000	<i>Change in Net Assets of Governmental Activities</i>	<u>\$8,923,049</u>
2,000,000	3,870,000		
45,000	45,000		
0	1,097,650		
3,290,645	5,604,836		
(958,073)	(5,601,209)		
5,967,572	6,606,277		
3,827,272	5,108,703		
378,435	6,898,361		
<u>\$4,205,707</u>	<u>\$12,007,064</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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property and Other Taxes	\$461,786	\$827,332	\$830,734	\$3,402
Municipal Income Taxes	2,040,013	3,654,872	3,672,418	17,546
Charges for Services	191,892	343,792	371,355	27,563
Licenses and Permits	522,359	935,854	998,097	62,243
Fines and Forfeitures	170,728	285,888	270,258	(15,630)
Intergovernmental	134,411	240,810	233,155	(7,655)
Interest	66,980	120,000	114,249	(5,751)
Miscellaneous	19,974	35,786	36,371	585
<i>Total Revenues</i>	<u>3,608,143</u>	<u>6,444,334</u>	<u>6,526,637</u>	<u>82,303</u>
<b>Expenditures</b>				
Current:				
General Government	925,519	1,787,180	1,581,960	205,220
Security of Persons and Property	15,432	29,798	21,385	8,413
Community Environment	481,469	929,718	844,320	85,398
<i>Total Expenditures</i>	<u>1,422,420</u>	<u>2,746,696</u>	<u>2,447,665</u>	<u>299,031</u>
<i>Excess of Revenues Over Expenditures</i>	<u>2,185,723</u>	<u>3,697,638</u>	<u>4,078,972</u>	<u>381,334</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	612,700	1,097,650	1,097,650	0
Advances In	205,000	205,000	205,000	0
Advances Out	(573,252)	(265,000)	(265,000)	0
Transfers In	888,642	2,674,006	274,870	(2,399,136)
Transfers Out	(3,072,779)	(7,981,845)	(4,135,136)	3,846,709
<i>Total Other Financing Sources (Uses)</i>	<u>(1,939,689)</u>	<u>(4,270,189)</u>	<u>(2,822,616)</u>	<u>1,447,573</u>
<i>Net Change in Fund Balance</i>	246,034	(572,551)	1,256,356	1,828,907
<i>Fund Balance Beginning of Year</i>	2,179,988	2,179,988	2,179,988	0
Prior Year Encumbrances Appropriated	85,443	85,443	85,443	0
<i>Fund Balance End of Year</i>	<u>\$2,511,465</u>	<u>\$1,692,880</u>	<u>\$3,521,787</u>	<u>\$1,828,907</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  
Fire Department Fund  
For the Year Ended December 31, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Municipal Income Taxes	\$1,717,233	\$2,454,571	\$2,454,571	\$0
Miscellaneous	500	500	141	(359)
<i>Total Revenues</i>	1,717,733	2,455,071	2,454,712	(359)
<b>Expenditures</b>				
Current:				
Security of Persons and Property	1,758,000	1,837,600	1,201,734	635,866
<i>Excess of Revenues Over (Under) Expenditures</i>	(40,267)	617,471	1,252,978	635,507
<b>Other Financing Uses</b>				
Transfers Out	(440,000)	(440,000)	(440,000)	0
<i>Net Change in Fund Balance</i>	(480,267)	177,471	812,978	635,507
<i>Fund Balance Beginning of Year</i>	767,233	767,233	767,233	0
<i>Fund Balance End of Year</i>	<u>\$286,966</u>	<u>\$944,704</u>	<u>\$1,580,211</u>	<u>\$635,507</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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Property and Other Taxes	\$382,285	\$396,497	\$396,779	\$282
Intergovernmental	17,121	17,757	17,757	0
Miscellaneous	5,137	5,328	5,565	237
<i>Total Revenues</i>	404,543	419,582	420,101	519
<b>Expenditures</b>				
Current:				
Security of Persons and Property	2,154,790	2,175,802	2,081,755	94,047
<i>Excess of Revenues Under Expenditures</i>	(1,750,247)	(1,756,220)	(1,661,654)	94,566
<b>Other Financing Sources</b>				
Transfers In	1,768,485	1,834,230	1,630,514	(203,716)
<i>Net Change in Fund Balance</i>	18,238	78,010	(31,140)	(109,150)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	31,140	31,140	31,140	0
<i>Fund Balance End of Year</i>	<u>\$49,378</u>	<u>\$109,150</u>	<u>\$0</u>	<u>(\$109,150)</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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property and Other Taxes	\$701,632	\$665,085	\$668,454	\$3,369
Intergovernmental	419,159	397,326	444,466	47,140
Interest	6,124	5,804	6,328	524
Miscellaneous	31,551	29,908	29,908	0
<i>Total Revenues</i>	1,158,466	1,098,123	1,149,156	51,033
<b>Expenditures</b>				
Current:				
Transportation:	1,024,520	1,165,726	1,094,633	71,093
<i>Excess of Revenues Over (Under) Expenditures</i>	133,946	(67,603)	54,523	122,126
<b>Other Financing Uses</b>				
Transfers Out	(50,000)	(50,000)	(50,000)	0
<i>Net Change in Fund Balance</i>	83,946	(117,603)	4,523	122,126
<i>Fund Balance Beginning of Year</i>	563,324	563,324	563,324	0
Prior Year Encumbrances Appropriated	66,670	66,670	66,670	0
<i>Fund Balance End of Year</i>	<u>\$713,940</u>	<u>\$512,391</u>	<u>\$634,517</u>	<u>\$122,126</u>

**City of Avon, Ohio**  
*Statement of Fund Net Assets*  
*Proprietary Funds*  
*December 31, 2003*

	Business-Type Activities		
	Water	Sewer	Total
<b>Assets</b>			
<i>Current Assets</i>			
Equity in Pooled Cash and Cash Equivalents	\$1,832,330	\$2,442,757	\$4,275,087
Materials and Supplies Inventory	287,879	14,450	302,329
Accounts Receivable	98,890	111,889	210,779
Prepaid Items	2,500	2,500	5,000
Special Assessments Receivable	314,235	0	314,235
Deferred Charges	1,099,312	0	1,099,312
<i>Total Current Assets</i>	<u>3,635,146</u>	<u>2,571,596</u>	<u>6,206,742</u>
<i>Noncurrent Assets</i>			
Non-Depreciable Assets	0	151,280	151,280
Depreciable Assets, Net	10,698,071	11,767,308	22,465,379
<i>Total Noncurrent Assets</i>	<u>10,698,071</u>	<u>11,918,588</u>	<u>22,616,659</u>
<i>Total Assets</i>	<u>14,333,217</u>	<u>14,490,184</u>	<u>28,823,401</u>
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Accounts Payable	21,541	8,861	30,402
Contracts Payable	1,213	2,411	3,624
Accrued Wages and Benefits	7,024	6,994	14,018
Intergovernmental Payable	118,474	9,445	127,919
Accrued Interest Payable	13,113	16,413	29,526
Notes Payable	1,050,000	350,000	1,400,000
OWDA Loans - Current	0	97,409	97,409
Bonds Payable - Current	21,000	21,000	42,000
<i>Total Current Liabilities</i>	<u>1,232,365</u>	<u>512,533</u>	<u>1,744,898</u>
<i>Long-Term Liabilities</i>			
Compensated Absences Payable	46,075	46,075	92,150
Intergovernmental Payable	1,024,845	0	1,024,845
OWDA Loans	0	974,117	974,117
Bonds Payable	231,000	231,000	462,000
<i>Total Long-Term Liabilities</i>	<u>1,301,920</u>	<u>1,251,192</u>	<u>2,553,112</u>
<i>Total Liabilities</i>	<u>2,534,285</u>	<u>1,763,725</u>	<u>4,298,010</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	7,197,447	10,245,062	17,442,509
Unrestricted	4,601,485	2,481,397	7,082,882
<i>Total Net Assets</i>	<u>\$11,798,932</u>	<u>\$12,726,459</u>	<u>\$24,525,391</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, 2003*

	Business-Type Activities		
	Water	Sewer	Total
<b>Operating Revenues</b>			
Charges for Services	\$1,962,762	\$769,285	\$2,732,047
Other	42,943	1,858	44,801
<i>Total Operating Revenues</i>	<u>2,005,705</u>	<u>771,143</u>	<u>2,776,848</u>
<b>Operating Expenses</b>			
Personal Services	309,148	466,342	775,490
Materials and Supplies	904,574	121,198	1,025,772
Contractual Services	186,459	77,768	264,227
Other Operating Expenses	13,660	131,789	145,449
Depreciation	332,875	344,883	677,758
<i>Total Operating Expenses</i>	<u>1,746,716</u>	<u>1,141,980</u>	<u>2,888,696</u>
<i>Operating Income (Loss)</i>	<u>258,989</u>	<u>(370,837)</u>	<u>(111,848)</u>
<b>Non Operating Revenues (Expenses)</b>			
Interest	9,459	17,813	27,272
Interest and Fiscal Charges	(105,926)	(86,503)	(192,429)
<i>Total Non Operating Revenues (Expenses)</i>	<u>(96,467)</u>	<u>(68,690)</u>	<u>(165,157)</u>
<i>Income (Loss) Before Contributions and Transfers</i>	162,522	(439,527)	(277,005)
Capital Contributions	612,910	2,712,519	3,325,429
Transfers In	0	20,333	20,333
Transfers Out	(23,960)	0	(23,960)
<i>Change in Net Assets</i>	751,472	2,293,325	3,044,797
<i>Net Assets Beginning of Year - Restated - (Note 3)</i>	<u>11,047,460</u>	<u>10,433,134</u>	<u>21,480,594</u>
<i>Net Assets End of Year</i>	<u><u>\$11,798,932</u></u>	<u><u>\$12,726,459</u></u>	<u><u>\$24,525,391</u></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, 2003*

	Business-Type Activities		
	Water	Sewer	Totals
<b>Increase (Decrease) in Cash and Cash Equivalents</b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$1,961,740	\$747,412	\$2,709,152
Cash Payments to Suppliers for Materials and Supplies	(1,012,633)	(155,007)	(1,167,640)
Cash Payments for Employee Services and Benefits	(317,082)	(473,405)	(790,487)
Cash Payments for Contractual Services	(154,302)	(83,126)	(237,428)
Other Operating Revenues	42,943	1,858	44,801
Other Operating Expenses	(11,020)	(130,199)	(141,219)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>509,646</u>	<u>(92,467)</u>	<u>417,179</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers In	0	20,333	20,333
Transfers Out	(23,960)	0	(23,960)
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>(23,960)</u>	<u>20,333</u>	<u>(3,627)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Proceeds of Notes	1,050,000	350,000	1,400,000
Special Assessments	33,795	0	33,795
Tap-In Fees	337,166	463,979	801,145
Principal Paid on Revenue Bonds	(18,900)	(18,900)	(37,800)
Interest Paid on Revenue Bonds	(18,015)	(18,015)	(36,030)
Principal Paid on OWDA Loans	0	(93,845)	(93,845)
Interest Paid on OWDA Loans	0	(45,977)	(45,977)
Principal Paid on Notes	(1,250,000)	(350,000)	(1,600,000)
Interest Paid on Notes	(33,901)	(13,905)	(47,806)
Interest Paid to City of Avon Lake	(49,747)	0	(49,747)
Payments to City of Avon Lake	(52,827)	0	(52,827)
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(2,429)</u>	<u>273,337</u>	<u>270,908</u>
<b>Cash Flows from Investing Activities</b>			
Interest on Investments	9,459	17,813	27,272
<b>Net Increase in Cash and Cash Equivalents</b>	<u>492,716</u>	<u>219,016</u>	<u>711,732</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>1,339,614</u>	<u>2,223,741</u>	<u>3,563,355</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$1,832,330</u></u>	<u><u>\$2,442,757</u></u>	<u><u>\$4,275,087</u></u>

(continued)

**City of Avon, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
*For the Year Ended December 31, 2003*

	Business-Type Activities		
	Water	Sewer	Totals
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities</b>			
Operating Income (Loss)	\$258,989	(\$370,837)	(\$111,848)
<i>Adjustments:</i>			
Depreciation	332,875	344,883	677,758
(Increase) Decrease in Assets:			
Accounts Receivable	(1,022)	(21,873)	(22,895)
Materials and Supplies Inventory	(85,125)	(950)	(86,075)
Prepaid Items	300	(250)	50
Increase (Decrease) in Liabilities:			
Accounts Payable	(555)	(23,135)	(23,690)
Contracts Payable	(25,257)	(12,712)	(37,969)
Accrued Wages	901	1,321	2,222
Compensated Absences Payable	(5,398)	(5,398)	(10,796)
Intergovernmental Payable	33,938	(3,516)	30,422
<i>Total Adjustments</i>	250,657	278,370	529,027
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$509,646</u>	<u>(\$92,467)</u>	<u>\$417,179</u>

**Noncash Capital Financing Activities**

During 2003, the water and sewer enterprise funds received water and sewer lines from developers valued at \$293,546 and \$2,248,540 respectively.

See accompanying notes to the basic financial statements

**City of Avon, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2003*

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**Assets**

Equity in Pooled Cash and Cash Equivalents	<u>\$4,214,651</u>
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**Liabilities**

Deposits Held and Due to Others	\$4,109,306
Intergovernmental Payable	<u>105,345</u>

<i>Total Liabilities</i>	<u>\$4,214,651</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, 2003*

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**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 is associated with the Lorain County General Health District and the Northeast Ohio Public Energy Council (NOPEC), both jointly governed organizations, as presented in Note 16.

*City of Avon, Ohio*  
*Notes to The Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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**Note 2 - Summary of Significant Accounting Policies**

The financial statements of the City of Avon 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 City has elected not to apply FASB pronouncements and interpretations issued after November 30, 1989, to its business-type activities and enterprise funds. 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 service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business activity 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, 2003*

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**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.

**Fire Department Special Revenue Fund** This fund is used to account for income taxes collected to pay for the cost of operating the City's fire department.

**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.

**Street Construction, Maintenance and Repair Special Revenue Fund** This fund is used to account for property tax revenue and 92.5 percent of the State gasoline tax and motor vehicle registration fees designated for street construction, maintenance and repair of dedicated streets within the City.

**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.

**Fire Facility Construction Capital Projects Fund** This fund is used to account for interest, transfers from the fire department special revenue fund and building expenditures to pay for the construction of the new fire department.

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.

**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 and for the maintenance and construction of water lines.

**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 and for the maintenance and construction of sewer lines.

**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

**City of Avon, Ohio**  
*Notes to The Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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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.

**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. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total 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 funds 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 total net assets. The statement of cash flows 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



**City of Avon, Ohio**  
*Notes to The Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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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.

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 vehicle 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, 2003, but which were levied to finance year 2004 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. 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 plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the fund level for all funds. The Finance Director, with approval from the Mayor, has been authorized to allocate appropriations to the function and object level within each fund.

The certificate of estimated resources may be amended during the 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 in effect when final appropriations were passed by Council.

**City of Avon, Ohio**  
*Notes to The Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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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.

***F. 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 2003, 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, 2003.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2003 amounted to \$116,232, which includes \$51,946 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.

***G. Inventory***

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies.

***H. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2003 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.

***I. 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.

**City of Avon, Ohio**  
*Notes to The Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City increased their capitalization threshold from five hundred dollars to five thousand dollars during 2003. 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. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	10 years
Building and Improvements	50 years
Machinery and Equipment	3 - 20 years
Infrastructure	10 - 50 years

The City's infrastructure consists of park improvements (roads, paths, bridges, culverts, water and sewer lines within the park system), streets, bridges and culverts, traffic signals, storm sewers and water lines.

***J. 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.

***K. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the 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.

***L. 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.

**City of Avon, Ohio**  
*Notes to The Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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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.

***M. 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 are recorded as a reservation of fund balance.

***N. 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.

Net assets restricted for other purposes include the activities for the operations of the law enforcement, Mayor's court computer and police pension funds and programs.

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

***O. Contributions of Capital***

Contributions of capital in governmental and proprietary fund financial statements arise from outside contributions of capital 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.

***P. 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.

**City of Avon, Ohio**  
*Notes to The Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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**Q. 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 are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

**R. 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.

**S. Estimates**

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

**Note 3 – Restatement of Prior Year Fund Equity/Net Assets**

Upon review of the fund classification as reported in previous years, it was determined that the water capital and sewer capital projects funds should be reported as enterprise funds so that all activity for water and sewer projects are reported with the water and sewer funds. The fund balances and net assets for governmental activities and business-type activities were restated due to these reclassifications.

	Governmental		Total
	Major	Nonmajor	
Fund Equity, December 31, 2002	\$5,114,840	\$3,383,391	\$8,498,231
Fund Reclassification	0	(1,599,870)	(1,599,870)
Restated Fund Equity, December 31, 2002	\$5,114,840	\$1,783,521	\$6,898,361

The change in fund balance for the governmental funds as of December 31, 2002 decreased by \$1,599,870 from \$3,613,468 to \$2,013,598.

The City reviewed its capital assets policy and decided to increase the capital asset threshold from \$500 to \$5,000 for 2003 and forward. There was also a correction to capital assets previously reported that increased the value of capital assets for the water and sewer funds. This change affected the net assets and the capital asset balances of both governmental activities and business-type activities.

**City of Avon, Ohio**  
*Notes to The Basic Financial Statements*  
*For the Year Ended December 31, 2003*

	Governmental	Business- Type
Net Assets, December 31, 2002	\$42,039,055	\$19,868,946
Fund Reclassification	(1,599,870)	1,599,870
Capital Asset Restatement	(602,478)	11,778
Restated Net Assets, December 31, 2002	\$39,836,707	\$21,480,594

The change in net assets as of December 31, 2002 for the governmental funds decreased by \$2,202,348 from \$4,454,402 to \$2,252,054 and for the business-type funds increased by \$1,611,648 from \$1,373,567 to \$2,985,215.

**Note 4 – Fund Deficits and Legal Compliance**

***A. Fund Deficits***

Fund balances at December 31, 2003 included the following individual fund balance deficits:

	Deficits
<b>Major Fund:</b>	
Special Revenue Fund:	
Police	\$19,480
<b>Nonmajor Fund:</b>	
Capital Projects Fund:	
Storm Water Detention	64,892

Fund deficits in the police and storm water detention funds are due to adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, rather than when accruals occur.

***B. Legal Compliance***

Contrary to ORC section 5709.39, the following funds had original appropriations in excess of original certifications plus beginning balances.

**City of Avon, Ohio**  
*Notes to The Basic Financial Statements*  
*For the Year Ended December 31, 2003*

	Original Certifications Plus <u>Beginning Balances</u>	Original <u>Appropriations</u>	<u>Excess</u>
<b>Major Fund:</b>			
Fire Facility Construction	\$3,597,598	\$3,982,445	(\$384,847)
<b>Nonmajor Fund:</b>			
Drainage	19,763	25,779	(6,016)

Although these budgetary violations were corrected by year-end, management has indicated that appropriations will be closely monitored to ensure no future violations.

**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 Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general, fire department, 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 basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
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.

**City of Avon, Ohio**  
*Notes to The Basic Financial Statements*  
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Net Change in Fund Balance

	General	Fire Department	Police	Street Construction, Maintenance and Repair
GAAP Basis	\$1,458,738	\$803,178	(\$1,306)	\$165,201
Advances In	205,000	0	0	0
Net Adjustment for Revenue Accruals	(101,598)	23,103	(15,252)	(35,605)
Unrecorded Cash	4,800	0	0	0
Net Adjustment for Expenditure Accruals	32,675	19,713	906	10,226
Advances Out	(265,000)	0	0	0
Encumbrances	(78,259)	(33,016)	(15,488)	(135,299)
Budget Basis	<u>\$1,256,356</u>	<u>\$812,978</u>	<u>(\$31,140)</u>	<u>\$4,523</u>

**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 five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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;



**City of Avon, Ohio**  
*Notes to The Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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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).

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 \$3,677,147 and the bank balance was \$3,730,143. Of the bank balance:

1. \$264,466 was covered by federal depository insurance.
2. \$3,465,677 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

**City of Avon, Ohio**  
*Notes to The Basic Financial Statements*  
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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 and Fair Value
Repurchase Agreements	\$9,639,899	\$9,639,899
STAROhio		6,266,391
Total Investments		\$15,906,290

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 Cash Equivalents/ Deposits	Investments
GASB Statement No. 9	\$19,583,437	\$0
Investments:		
Repurchase Agreements	(9,639,899)	9,639,899
STAROhio	(6,266,391)	6,266,391
GASB Statement No. 3	\$3,677,147	\$15,906,290

**Note 7 - Receivables**

Receivables at December 31, 2003, 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 \$3,596,389 in the special assessment bond retirement fund. The amount of delinquent special assessments outstanding at year-end is \$60,329.

**City of Avon, Ohio**  
*Notes to The Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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**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 2003 for real and public utility property taxes represents collections of 2002 taxes. Property tax payments received during 2003 for tangible personal property (other than public utility property) are for 2003 taxes.

2003 real property taxes are levied after October 1, 2003 on the assessed value as of January 1, 2003, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2003 real property taxes are collected in and intended to finance 2004.

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. 2003 public utility property taxes which become a lien December 31, 2002, are levied after October 1, 2003, and are collected in 2004 with real property taxes.

2003 tangible personal property taxes are levied after October 1, 2002, on the value as of December 31, 2002. Collections are made in 2003. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent for inventory.

The full tax rate for all City operations for the year ended December 31, 2003 was \$10.48 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2003 property tax receipts were based are as follows:

Real Property	\$381,149,640
Public Utility Property	10,647,860
Tangible Personal Property	<u>25,843,840</u>
Total Valuation	<u><u>\$417,641,340</u></u>

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, 2003 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 2003 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 a receivable and revenue while on a modified accrual basis the revenue is deferred.

**City of Avon, Ohio**  
*Notes to The Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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**B. Income Tax**

The City levies a municipal income tax of one and one half 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 one and one quarter percent of the taxable income earned in or attributable to the municipality of employment or business activity. One percent is levied for general purposes and one half percent is designated for fire station construction.

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 and fire department special revenue fund.

**C. Intergovernmental Receivables**

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

	<u>Amount</u>
Local Government	\$197,679
Gasoline Tax	156,021
Homestead and Rollback	138,423
Estate Tax	58,358
Electric Deregulation	50,352
Fines, Licenses and Fees	37,856
Permissive Tax	32,679
Motor Vehicle Tax	28,550
Grants	<u>2,934</u>
Total	<u><u>\$702,852</u></u>

**Note 8 - 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, including the Law Director, 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 and that the City has adequate liability insurance coverage to protect itself against any material loss.

**City of Avon, Ohio**  
*Notes to The Basic Financial Statements*  
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**Note 9 – Capital Assets**

Capital asset activity for the year ended December 31, 2003, was as follows:

	Balance 12/31/02	Additions	Deletions	Balance 12/31/03
<b>Governmental Activities</b>				
<b>Capital Assets, Not Being Depreciated:</b>				
Land	\$1,287,216	\$1,040,876	(\$450,000)	\$1,878,092
Construction in Progress	2,728,483	1,765,063	(2,728,483)	1,765,063
<i>Total Capital Assets, Not Being Depreciated</i>	<u>4,015,699</u>	<u>2,805,939</u>	<u>(3,178,483)</u>	<u>3,643,155</u>
<b>Capital Assets, Being Depreciated:</b>				
Land Improvements	259,744	0	0	259,744
Buildings and Improvements	2,610,988	2,628,321	0	5,239,309
Machinery and Equipment	3,098,401	421,822	0	3,520,223
Infrastructure:				
Park Improvements	280,187	12,636	0	292,823
Streets	28,949,496	6,696,793	0	35,646,289
Bridges and Culverts	605,631	0	0	605,631
Traffic Signals	867,101	0	0	867,101
Storm Sewer	11,468,462	0	0	11,468,462
Water Lines	37,300	0	0	37,300
<i>Total Capital Assets, Being Depreciated</i>	<u>48,177,310</u>	<u>9,759,572</u>	<u>0</u>	<u>57,936,882</u>
Less Accumulated Depreciation:				
Land Improvements	(101,980)	(18,376)	0	(120,356)
Buildings and Improvements	(374,918)	(76,400)	0	(451,318)
Machinery and Equipment	(1,800,351)	(211,831)	0	(2,012,182)
Infrastructure:				
Park Improvements	(41,766)	(9,550)	0	(51,316)
Streets	(10,774,481)	(1,695,124)	0	(12,469,605)
Bridges and Culverts	(159,735)	(16,988)	0	(176,723)
Traffic Signals	(159,981)	(45,160)	0	(205,141)
Storm Sewer	(1,226,750)	(249,084)	0	(1,475,834)
Water Lines	(37,300)	0	0	(37,300)
<i>Total Accumulated Depreciation</i>	<u>(14,677,262)</u>	<u>(2,322,513) *</u>	<u>0</u>	<u>(16,999,775)</u>
Total Capital Assets, Being Depreciated, Net	<u>33,500,048</u>	<u>7,437,059</u>	<u>0</u>	<u>40,937,107</u>
Governmental Activities Capital Assets, Net	<u>\$37,515,747</u>	<u>\$10,242,998</u>	<u>(\$3,178,483)</u>	<u>\$44,580,262</u>

During 2003, the City received street improvements from developers valued at \$6,613,360.

**City of Avon, Ohio**  
*Notes to The Basic Financial Statements*  
*For the Year Ended December 31, 2003*

	Balance 12/31/02	Additions	Deletions	Balance 12/31/03
<b>Business-Type Activities</b>				
<b><i>Capital Assets, Not Being Depreciated:</i></b>				
Land	\$7,580	\$0	\$0	\$7,580
Construction in Progress	1,129,300	143,700	(1,129,300)	143,700
<i>Total Capital Assets Not Being Depreciated</i>	<u>1,136,880</u>	<u>143,700</u>	<u>(1,129,300)</u>	<u>151,280</u>
<b><i>Capital Assets, Being Depreciated:</i></b>				
Land Improvements	93,196	0	0	93,196
Buildings and Improvements	1,693,594	0	0	1,693,594
Machinery and Equipment	174,367	0	0	174,367
Infrastructure:				
Water Lines	11,263,033	1,422,846	0	12,685,879
Sewer Lines	12,135,124	2,104,840	0	14,239,964
<i>Total Capital Assets, Being Depreciated</i>	<u>25,359,314</u>	<u>3,527,686</u>	<u>0</u>	<u>28,887,000</u>
Less Accumulated Depreciation:				
Land Improvements	(93,196)	0	0	(93,196)
Buildings and Improvements	(389,527)	(33,872)	0	(423,399)
Machinery and Equipment	(69,772)	(11,051)	0	(80,823)
Infrastructure:				
Water Lines	(3,066,612)	(287,952)	0	(3,354,564)
Sewer Lines	(2,124,756)	(344,883)	0	(2,469,639)
<i>Total Accumulated Depreciation</i>	<u>(5,743,863)</u>	<u>(677,758)</u>	<u>0</u>	<u>(6,421,621)</u>
Total Capital Assets, Being Depreciated, Net	<u>19,615,451</u>	<u>2,849,928</u>	<u>0</u>	<u>22,465,379</u>
Business-Type Activities Capital Assets, Net	<u>\$20,752,331</u>	<u>\$2,993,628</u>	<u>(\$1,129,300)</u>	<u>\$22,616,659</u>

\* Depreciation expense was charged to governmental functions as follows:

General Government	\$41,263
Security of Persons and Property	105,222
Transportation	2,124,895
Community Environment	2,176
Leisure Time Activities	48,957
Total Depreciation Expense	<u>\$2,322,513</u>

**City of Avon, Ohio**  
*Notes to The Basic Financial Statements*  
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**Note 10 – Note Debt**

A summary of note transactions for the year ended December 31, 2003 follows:

<b>GOVERNMENTAL FUNDS</b>	Balance 12/31/02	Additions	Deletions	Balance 12/31/03
<b>Park Development Fund</b>				
2002, 1.75% Recreation Facility	\$1,500,000	\$0	\$1,500,000	\$0
<b>Fire Facility Construction</b>				
2002, 2.50% Fire Station Improvement	330,000	0	330,000	0
<b>Total Governmental Funds</b>	<u>1,830,000</u>	<u>0</u>	<u>1,830,000</u>	<u>0</u>
<b>BUSINESS-TYPE FUNDS</b>				
<b>Sewer Capital Fund</b>				
2002, 2.20% Municipal Waterworks System	350,000	0	350,000	0
2003, 1.30% Municipal Waterworks System	0	350,000	0	350,000
<b>Total Sewer Capital Fund</b>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>
<b>Water Fund</b>				
2002, 2.20% Municipal Waterworks System	1,250,000	0	1,250,000	0
2003, 1.30% Municipal Waterworks System	0	1,050,000	0	1,050,000
<b>Total Water Fund</b>	<u>1,250,000</u>	<u>1,050,000</u>	<u>1,250,000</u>	<u>1,050,000</u>
<b>Total Business-type Funds</b>	<u>1,600,000</u>	<u>1,400,000</u>	<u>1,600,000</u>	<u>1,400,000</u>
<b>Total All Funds</b>	<u><u>\$3,430,000</u></u>	<u><u>\$1,400,000</u></u>	<u><u>\$3,430,000</u></u>	<u><u>\$1,400,000</u></u>

All the notes are backed by the full faith and credit of the City of Avon and mature within one year. The maturity date for all outstanding notes is April 14, 2004. The note liability is reflected in the funds which received the proceeds. All note proceeds have been fully expended. The sewer capital note will be paid primarily from transfers from the general fund and sewer enterprise fund as they are reissued and then from bonds and special assessments upon the completion of the projects. The water fund note will be paid by charges for services from the water fund.

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*  
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**Note 11 – Long-Term Obligations**

The original issue date, interest rate, original issue amount and date of maturity of each of the City’s bonds, notes 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	23,904	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
Veteran's Park - 2003	1.50-4.70	1,590,000	December 1, 2023
<i>Special Assessment Bonds:</i>			
Moore Road/Formanek - 1989	7.13	391,096	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	3.90-4.85	39,000	December 1, 2007
North Branch Sewer Avins Ditch - 1998	4.60-5.20	281,533	December 1, 2018
Moore Road Improvement - 1999	4.40-5.40	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>			
Nagel Road Bridge - 1996	0.00	100,787	December 1, 2005
Route 83 Sanitary Sewer - 1996	0.00	149,627	December 1, 2005
Route 83 Channel Enclosure - 2003	0.00	45,000	December 1, 2013
<i>Long-term Notes</i>			
Fire Facility Construction - 2002	2.50	1,870,000	April 14, 2004
Schneider Court Development - 2003	1.50	1,000,000	April 14, 2004
French Creek Restoration - 2003	1.50	600,000	April 14, 2004
Municipal Purposes - 2003	1.50	400,000	April 14, 2004
<i>Ohio Water Development Loans:</i>			
Sanitary Sewer Addition - 1989	7.65	687,406	January 1, 2013
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, 2003*

Changes in bonds and other long-term obligations of the City during 2003 were as follows:

	Principal Outstanding 12/31/02	Additions	Deletions	Principal Outstanding 12/31/03	Due Within One Year
<b>Governmental Activities</b>					
<i>General Obligation Bonds:</i>					
Sanitary Water Construction	\$103,200	\$0	\$7,200	\$96,000	\$8,000
Moore Road/Formanek	5,762	0	864	4,898	864
Detroit Road Park	190,000	0	10,000	180,000	10,000
Library Improvement	750,000	0	50,000	700,000	50,000
Northgate Sewer Improvement	320,000	0	15,000	305,000	15,000
New City Hall	751,613	0	33,409	718,204	35,167
Just Imagine Drive	545,000	0	25,000	520,000	25,000
North Branch Sewer Avins Ditch	76,512	0	3,587	72,925	3,587
Moore Road Improvement	100,122	0	3,960	96,162	3,960
Veteran's Park	0	1,590,000	0	1,590,000	45,000
<i>Total General Obligation Bonds</i>	<u>2,842,209</u>	<u>1,590,000</u>	<u>149,020</u>	<u>4,283,189</u>	<u>196,578</u>
<i>Special Assessment Bonds:</i>					
Moore Road/Formanek	94,238	0	14,136	80,102	14,136
Route 83 Sewer Improvement	400,000	0	20,000	380,000	20,000
Chester Road Sanitary Sewer	817,729	0	36,348	781,381	38,261
Moore/Chester Road Waterline	79,039	0	3,513	75,526	3,698
Chester Road Waterline East	127,702	0	5,676	122,026	5,975
Avon Road Waterline	272,017	0	12,091	259,926	12,727
Eaton Subdivisions	21,899	0	3,963	17,936	4,171
North Branch Sewer Avins Ditch	243,488	0	11,413	232,075	11,413
Moore Road Improvement	784,878	0	31,040	753,838	31,040
Mills, Jaycox, Sandy Lane	545,000	0	20,000	525,000	20,000
Various Purpose	570,000	0	20,000	550,000	20,000
<i>Total Special Assessment Bonds</i>	<u>3,955,990</u>	<u>0</u>	<u>178,180</u>	<u>3,777,810</u>	<u>181,421</u>
<i>Ohio Public Works Commission Loans:</i>					
Sanitary Sewer Rehabilitation	4,592	0	4,592	0	0
Nagel Road Bridge	30,234	0	10,078	20,156	10,078
Route 83 Sanitary Sewer Project	44,887	0	14,963	29,924	14,962
Route 83 Channel Enclosure	0	45,000	4,500	40,500	9,000
<i>Total Ohio Public Works Commission Loans</i>	<u>\$79,713</u>	<u>\$45,000</u>	<u>\$34,133</u>	<u>\$90,580</u>	<u>\$34,040</u>

**City of Avon, Ohio**  
*Notes to The Basic Financial Statements*  
*For the Year Ended December 31, 2003*

	Principal Outstanding 12/31/02	Additions	Deletions	Principal Outstanding 12/31/03	Due Within One Year
<b>Governmental Activities (cont.)</b>					
<i>Long-term Notes Payable:</i>					
Fire Facility Construction	\$1,870,000	\$1,870,000	\$1,870,000	\$1,870,000	\$0
Schneider Court Development	0	1,000,000	0	1,000,000	0
French Creek Restoration	0	600,000	0	600,000	0
Municipal Purposes	0	400,000	0	400,000	0
<i>Total Long-term Notes Payable</i>	<u>1,870,000</u>	<u>3,870,000</u>	<u>1,870,000</u>	<u>3,870,000</u>	<u>0</u>
Compensated Absences	812,300	376,527	100,131	1,088,696	49,332
<i>Total Governmental Activities</i>	<u>\$9,560,212</u>	<u>\$5,881,527</u>	<u>\$2,331,464</u>	<u>\$13,110,275</u>	<u>\$461,371</u>
<b>Business-Type Activities</b>					
<i>Ohio Water Development Loans:</i>					
Sanitary Sewer Addition	\$355,364	\$0	\$63,949	\$291,415	\$65,227
Sanitary Sewer Construction	810,007	0	29,896	780,111	32,182
<i>Total Ohio Water Development Loans</i>	<u>1,165,371</u>	<u>0</u>	<u>93,845</u>	<u>1,071,526</u>	<u>97,409</u>
<i>General Obligation Revenue Bonds:</i>					
Water Construction	270,900	0	18,900	252,000	21,000
Sewer Construction	270,900	0	18,900	252,000	21,000
<i>Total General Obligation Revenue Bonds</i>	<u>541,800</u>	<u>0</u>	<u>37,800</u>	<u>504,000</u>	<u>42,000</u>
Intergovernmental Payable	1,169,941	0	70,629	1,099,312	74,467
Compensated Absences	102,946	28,763	39,559	92,150	0
<i>Total Business-Type Activities</i>	<u>\$2,980,058</u>	<u>\$28,763</u>	<u>\$241,833</u>	<u>\$2,766,988</u>	<u>\$213,876</u>

General obligation bonds, except the Detroit Road Park bond, the Library Improvement bond, and the Sanitary Sewer Rehabilitation, the Nagel Road Bridge and the Route 83 Ditch Enclosure 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. The Library Improvement general obligation bond will be paid from the library bond retirement debt service fund.

The special assessment bonds and the Route 83 Sanitary Sewer Project Ohio Public Works Commission loan will be paid from the proceeds of special assessments levied against benefited property owners. The general obligation bond retirement fund also contributes a small portion towards the Mills, Jaycox, Sandy Lane special assessment bond payment. In the event that a property owner would fail to pay the assessment, payment would be made by the City.

Special assessment debt and Ohio Public Works Commission loans used to construct business-type capital assets and paid out of governmental activities have been reflected in the "net assets restricted for debt service" section of the statement of net assets.

**City of Avon, Ohio**  
*Notes to The Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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Bond anticipation notes that were rolled over prior to the issuance of the financial statements and that have a new maturity beyond the end of the year in which the report is issued have been reported as long-term obligations in the government wide statements. The notes are backed by the full faith of the City of Avon. All of the long-term notes will be paid by transfers from the general fund.

Compensated absences will be paid from the general fund, the street construction, maintenance and repair special revenue fund and the police special revenue fund and the water and sewer enterprise funds.

***Enterprise General Obligation Bonds***

In 1992, the City issued \$420,000 in water construction and \$420,000 in sewer construction general obligation bonds with interest rates 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, \$35,700 in the sewer fund and \$49,300 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 and 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 and maintenance. The line will be a capital 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, 2003 is \$1,099,312. 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 2003, a payment was made to the City of Avon Lake in the amount of \$70,629; \$17,802 from the special assessment debt service fund and \$52,827 from the enterprise water fund. The current year capital contribution related to this debt is \$17,802.

Of the amount owed to Avon Lake, \$314,235 will be repaid from special assessments levied against property owners. The remainder of the amount owed to the City of Avon Lake will be repaid with water fund revenues.

The City's overall legal debt margin was \$35,608,572 and an unvoted debt margin of \$14,726,505 at December 31, 2003. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2003 are as follows:

**City of Avon, Ohio**  
*Notes to The Basic Financial Statements*  
*For the Year Ended December 31, 2003*

Years	General Obligation Bonds		Special Assessment Bonds		OPWC	Total	
	Principal	Interest	Principal	Interest	Loans	Principal	Interest
2004	\$196,578	\$226,264	\$181,421	\$204,124	\$34,040	\$412,039	\$430,388
2005	224,137	201,225	189,664	195,447	34,040	447,841	396,672
2006	232,260	192,833	197,340	186,096	9,000	438,600	378,929
2007	239,307	182,576	215,293	176,012	9,000	463,600	358,588
2008	249,269	171,205	226,131	164,740	4,500	479,900	335,945
2009-2013	1,431,080	665,171	1,193,519	638,696	0	2,624,599	1,303,867
2014-2018	1,177,074	280,756	1,287,926	276,004	0	2,465,000	558,760
2019-2023	533,484	76,833	286,516	25,267	0	820,000	102,100
Total	<u>\$4,283,189</u>	<u>\$1,996,863</u>	<u>\$3,777,810</u>	<u>\$1,866,386</u>	<u>\$90,580</u>	<u>\$8,151,579</u>	<u>\$3,863,249</u>

Years	OWDA Loans		Revenue Bonds		Avon Lake		Total Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$97,409	\$43,797	\$42,000	\$32,760	\$74,467	\$64,713	\$213,876	\$141,270
2005	101,176	40,033	46,200	30,724	78,312	60,623	225,688	131,380
2006	105,157	36,048	50,400	27,652	82,912	56,232	238,469	119,932
2007	109,368	31,839	50,400	24,298	87,518	51,507	247,286	107,644
2008	113,824	27,383	54,600	20,948	92,124	46,431	260,548	94,762
2009-2013	544,592	60,180	260,400	44,688	551,976	142,562	1,356,968	247,430
2014-2016	0	0	0	0	132,003	7,876	132,003	7,876
Total	<u>\$1,071,526</u>	<u>\$239,280</u>	<u>\$504,000</u>	<u>\$181,070</u>	<u>\$1,099,312</u>	<u>\$429,944</u>	<u>\$2,674,838</u>	<u>\$850,294</u>

**Note 12 – Compensated Absences**

The criteria for determining the 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 and fire department employees may carry over 80 hours into the following year. Police and fire department employees may carry over 40 hours. In addition, police and fire department employees may carry over a maximum of 90 hours of compensatory time and 40 hours of holiday time. Accumulated, unused vacation, compensatory time, and holidays are paid upon termination of employment.

All full-time employees of the City, excluding full-time fire employees, earn sick leave at the rate of 10 hours per month. Full-time fire employees earn 13.25 hours of sick leave 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, 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 accumulation. 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.

*City of Avon, Ohio*  
*Notes to The Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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**Note 13 - Risk Management**

***A. Property and Liability***

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 2003, the City negotiated with Custis 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 \$94,633. 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, a \$1,000,000 public officials liability policy with a \$7,500 deductible, a \$13,375,437 blanket building and contents policy and a \$9,000,000 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.

***B. Workers' Compensation***

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.

***C. Health Insurance Benefits***

The City participates in the Lorain County Healthcare Program, under the direction of the Lorain County Commissioners, to provide the health insurance coverage for the employees of the City, through the SuperMed Classic Healthcare Plan with Medical Mutual of Ohio. The coverages include health, prescription drug, dental and vision benefits. The Program required the City to pay a non-refundable reserve of \$56,400 to Lorain County. The City pays monthly premiums to the County based on monthly participation in the Program. Lorain County assumes the risk for all losses.

**Note 14 - Defined Benefit Pension Plans**

***A. Ohio Public Employee Retirement System***

All full-time City employees, other than non-administrative full-time police officers and firefighters, participate in the Ohio Public Employees Retirement System of Ohio (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

**City of Avon, Ohio**  
*Notes to The Basic Financial Statements*  
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OPERS provides basic retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705.

For the year ended December 31, 2003, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The City's contribution rate for pension benefits for 2003 was 8.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 11.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2003, 2002 and 2001, were \$198,510, \$183,830, and \$189,314 respectively; 79.86 percent has been contributed for 2003 and 100 percent for 2002 and 2001. Contributions to the member-directed plan for 2003 were \$88 made by the City and \$55 made by the plan members.

***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 defined benefit pension plan. 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 are codified in Chapter 742 of the Ohio Revised Code. The OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 11.75 percent for police officers and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to OP&F for police for the years ended December 31, 2003, 2002 and 2001 were \$138,399, \$116,519, and \$111,080, respectively. The City's fire department became a full-time department during 2003, therefore the City's contributions to OP&F for fire for the year ended December 31, 2003 was \$64,110. The full amount for the police department has been contributed for 2002 and 2001. 78.98 percent for the police department and 65.07 percent for the fire department have been contributed for 2003, with the remainder being presented as a liability.

*City of Avon, Ohio*  
*Notes to The Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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***C. Social Security System***

Effective July, 1991, all employees not otherwise covered by the Ohio Public Employees Retirement System or the Police and Fire Pension Fund are covered by Social Security. Since July 1, 1991, the City's part-time firefighters are covered by Social Security. The City's liability is 6.2 percent of wages paid.

**Note 15 - Postemployment Benefits**

***A. Ohio Public Employees Retirement System (OPERS)***

The Ohio Public Employees Retirement System of Ohio (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. 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 the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2003 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 5.0 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 OPERS's latest actuarial review performed as of December 31, 2002, include a rate of return on investments of 8.0 percent, an annual increase in active employee total payroll of 4.0 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.0 percent annually.

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 in the traditional and combined plans were 364,881. Actual employer contributions for 2003 which were used to fund postemployment benefits were \$116,088. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2002, (the latest information available) were \$10.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$18.7 billion and \$8.7 billion, respectively.

In December 2001, the Board adopted the Health Care "Choices" Plan. The Choices Plan will be offered to all persons newly hired in an OPERS covered position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices will incorporate a cafeteria approach, offering a broader range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

*City of Avon, Ohio*  
*Notes to The Basic Financial Statements*  
*For the Year Ended December 31, 2003*

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***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 service, disability or survivor 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 funds of OP&F 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 rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24.0 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2003. 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. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2003 that were used to fund postemployment benefits were \$91,284 for police and \$30,576 for firefighters. The OP&F's total health care expenses for the year ended December 31, 2002, (the latest information available) were \$141,028,006, which was net of member contributions of \$12,623,875. The number of OP&F participants eligible to receive health care benefits as of December 31, 2002, was 13,527 for police and 10,396 for firefighters.

**Note 16 - Jointly Governed Organizations**

***A. Lorain County General Health District***

The City participates in the Lorain County General Health District, a jointly governed organization, which 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 five 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 five members are appointed by the various mayors of villages, chairmen of the township trustees and the County Commissioners. The City contributed \$56,108 during 2003 for the operation of the Health District. Financial information can be obtained by contacting the Lorain County General Health District, 9880 S. Murray Ridge Road, Elyria, Ohio, 44035.

***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 over 100 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.



**City of Avon, Ohio**  
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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 2003. Financial information can be obtained by contacting the Treasurer, 1615 Clark Avenue, Cleveland, Ohio 44109.

**Note 17 - Contractual Commitments**

The City had the following contractual commitments outstanding at December 31, 2003:

<u>Project</u>	<u>Contract Amount</u>
Detroit/Nagel Improvements	\$191,000
Skateboard Park	327,371
254 Road Widening Project	125,000
Schneider Court Development	382,481
French Creek Restoration	413,514
Remodeling of Senior Center	125,000
Route 83 Extension North	178,047
North Branch Sanitary Sewer	143,700
Our Lady of Wayside	22,649
	<u>\$1,908,762</u>

Nothing has been paid on these outstanding contractual commitments in 2003, all projects are scheduled to begin in 2004.

**Note 18 - Interfund Transfers and Balances**

***A. Transfers***

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 fund to cover daily operating expenses and to cover the cost of street improvement projects within the capital improvements fund. Income tax revenues are collected in the fire department fund and then transferred to the fire facility fund to cover the cost relating to the construction of the new fire station. The general fund transferred funds to help finance the various programs accounted for in other funds and to provide operating funds for a new fund established by council.

The park development fund transferred monies to the skateboard park fund to establish a new fund and provide operating funds for the construction of a skateboard park with ramps, rails, etc. and to be able to track all expenses for the project in one fund.

**City of Avon, Ohio**  
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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. The storm water detention fund transferred unspent OPWC grant proceeds to the general fund.

During the year, the capital improvements, Rt. 611/254 intersection, and retaining wall – Jaycox Rd capital projects funds were closed due to completion of the respective projects. The balance remaining in the funds were transferred to the general fund.

Transfers made during the year ended December 31, 2003 were as follows:

<b>Transfer To</b>	<b>Transfer From</b>					
	<i>Governmental Activities</i>				<i>Business-Type Activities</i>	
	General	Fire Department	Street Construction Maintenance and Repair	Nonmajor	Water	Totals
<i>Governmental Activities</i>						
General	\$0	\$0	\$0	\$274,870	\$0	\$274,870
Police	1,630,514	0	0	0	0	1,630,514
Special Assessment						
Bond Retirement	0	0	0	0	23,960	23,960
Fire Facility Construction	0	0	0	384,847	0	384,847
Nonmajor Funds	2,502,289	440,000	50,000	298,356	0	3,290,645
Total Governmental Activities	4,132,803	440,000	50,000	958,073	23,960	5,604,836
<i>Business-Type Activities</i>						
Sewer Fund	20,333	0	0	0	0	20,333
Total	\$4,153,136	\$440,000	\$50,000	\$958,073	\$23,960	\$5,625,169

**B. Balances**

As of December 31, 2003, the general fund had a \$265,000 interfund receivable and the storm water detention and fire station #1 remodeling nonmajor capital projects funds had \$205,000 and \$60,000 interfund payables, respectively. The interfund receivable and payable are due to the timing of the receipt of grant monies by the nonmajor funds.

**City of Avon, Ohio**  
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**Note 19 - Subsequent Event**

On April 14, 2004, the City retired \$5,270,000 in general obligation bond anticipation notes and issued \$4,000,000 in new notes with a maturity date of April 15, 2005 and an interest rate of 1.35 percent. The following table summarizes the activity.

<u>Note Issuance</u>	<u>Retired</u>	<u>Issued</u>
Fire Facility Construction	\$1,870,000	\$600,000
Schneider Court Development	1,000,000	1,000,000
French Creek Development	600,000	600,000
Municipal Purposes	400,000	400,000
Water Capital	350,000	350,000
Sewer Capital	<u>1,050,000</u>	<u>1,050,000</u>
<b><i>Total Notes</i></b>	<b><u><u>\$5,270,000</u></u></b>	<b><u><u>\$4,000,000</u></u></b>

## 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 and miscellaneous revenues used to pay costs related to the development of the City recycling program.

***ADA Parking Violations Fund*** – This fund accounts for fines collected for unauthorized parking in handicapped spaces, 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.

***Avon Seniors Fund*** – This fund accounts for the operations of the Senior Center and the various activities it provides the seniors within the City.

***Park Development Fund*** – This fund accounts for fees assessed to anyone building within the City limits, proceeds from the sale of property or donations used to provided for the maintenance of City parks.

***Community Center Fund*** - This fund accounts for fees or donations received for the maintenance of the “Avon-Lion’s Community Center.”

***Living Tree Memorial Fund*** – This fund accounts for donations received for the establishment of a living tree memorial and the costs associated with purchasing and planting the trees.

***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.

(continued)

## Combining Statements - Nonmajor Governmental Funds (continued)

### *Nonmajor Special Revenue Funds (continued)*

***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.

### *Nonmajor Debt Service Funds*

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term and special assessment 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.

***Fire Station Bond Retirement Fund*** – This fund accounts for the accumulation of resources to pay principal and interest on the fire station 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 of 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.

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

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

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

***Skateboard Park Fund*** - This fund accounts for construction of a skateboard park for the residents of the City.

(continued)

**Combining Statements - Nonmajor Governmental Funds (continued)**

***Nonmajor Capital Projects Funds (continued)***

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

***Road Widening Fund*** - This fund accounts for the costs associated with widening the intersection.

***Schneider Court Site Development Fund*** - This fund accounts for the costs associated with the development of the Schneider Court area.

***French Creek Restoration Fund*** - This fund accounts for the costs associated with restoration of the French Creek business district.

***Land Purchase/Our Lady of Wayside Fund*** – This fund accounts for the costs associated with the purchase and development of the Our Lady of Wayside site.

***Fire Station #1 Remodeling Fund*** – This fund accounts for the costs associated with remodeling the old fire station into the new senior center.

***Route 83 Extension Fund*** – This fund accounts for the costs associated with the extension of Route 83 to the north.

***Retaining Wall/Jaycox Road Fund*** – This fund accounts for the costs associated with construction of a retaining wall along Jaycox Road.

***Route 83 Land Purchase Fund*** – This fund accounts for the costs associated with the purchase of land along Route 83 needed for the various improvement projects.

***Master Road Analysis Fund*** – This fund accounts for the costs associated with the City’s portion of the road studies to analyze the traffic flow and the necessary repairs, extensions and rebuilding of roads within the City limits.

***I-90 Interchange Study Fund*** – This fund accounts for the costs associated with traffic and road condition study of the I-90 interchange.

**City of Avon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2003*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$869,512	\$60,845	\$3,754,491	\$4,684,848
Materials and Supplies Inventory	493	0	0	493
Intergovernmental Receivable	63,899	6,630	50,283	120,812
Property Taxes Receivable	388,644	94,140	388,413	871,197
<i>Total Assets</i>	<u>\$1,322,548</u>	<u>\$161,615</u>	<u>\$4,193,187</u>	<u>\$5,677,350</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$14,031	\$0	\$27,910	\$41,941
Contracts Payable	0	0	231,912	231,912
Accrued Wages and Benefits	4,790	0	0	4,790
Interfund Payable	0	0	265,000	265,000
Intergovernmental Payable	2,874	0	0	2,874
Retainage Payable	0	0	19,459	19,459
Deferred Revenue	421,544	95,587	388,536	905,667
<i>Total Liabilities</i>	<u>443,239</u>	<u>95,587</u>	<u>932,817</u>	<u>1,471,643</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	106,806	0	2,357,075	2,463,881
Unreserved, Undesignated Reported in:				
Special Revenue Funds	772,503	0	0	772,503
Debt Service Funds	0	66,028	0	66,028
Capital Projects Funds	0	0	903,295	903,295
<i>Total Fund Balances</i>	<u>879,309</u>	<u>66,028</u>	<u>3,260,370</u>	<u>4,205,707</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,322,548</u>	<u>\$161,615</u>	<u>\$4,193,187</u>	<u>\$5,677,350</u>

**City of Avon, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2003*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property and Other Taxes	\$250,249	\$84,030	\$356,454	\$690,733
Charges for Services	81,605	0	52,556	134,161
Licenses and Permits	284,591	0	0	284,591
Fines and Forfeitures	6,863	0	0	6,863
Intergovernmental	312,869	4,416	288,304	605,589
Interest	1,349	0	6,359	7,708
Contributions and Donations	2,025	0	83,750	85,775
Miscellaneous	1,665	0	19,807	21,472
<i>Total Revenues</i>	<u>941,216</u>	<u>88,446</u>	<u>807,230</u>	<u>1,836,892</u>
<b>Expenditures</b>				
Current:				
General Government	0	7,512	0	7,512
Security of Persons and Property	167,038	0	0	167,038
Transportation	131,603	0	0	131,603
Community Environment	115,948	0	0	115,948
Basic Utility Services	22,007	0	0	22,007
Leisure Time Activities	705,439	0	0	705,439
Capital Outlay	0	0	2,410,399	2,410,399
Debt Service:				
Principal Retirement	10,000	166,485	0	176,485
Interest and Fiscal Charges	10,492	154,863	12,204	177,559
Bond Issuance Costs	63,202	0	0	63,202
<i>Total Expenditures</i>	<u>1,225,729</u>	<u>328,860</u>	<u>2,422,603</u>	<u>3,977,192</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(284,513)</u>	<u>(240,414)</u>	<u>(1,615,373)</u>	<u>(2,140,300)</u>
<b>Other Financing Sources (Uses)</b>				
Bonds Issued	1,590,000	0	0	1,590,000
Notes Issued	0	0	2,000,000	2,000,000
Loan Issued	0	0	45,000	45,000
Transfers In	431,360	277,181	2,582,104	3,290,645
Transfers Out	(350,000)	0	(608,073)	(958,073)
<i>Total Other Financing Sources (Uses)</i>	<u>1,671,360</u>	<u>277,181</u>	<u>4,019,031</u>	<u>5,967,572</u>
<i>Net Change in Fund Balances</i>	1,386,847	36,767	2,403,658	3,827,272
<i>Fund Balances Beginning of Year</i>	<u>(507,538)</u>	<u>29,261</u>	<u>856,712</u>	<u>378,435</u>
<i>Fund Balances End of Year</i>	<u>\$879,309</u>	<u>\$66,028</u>	<u>\$3,260,370</u>	<u>\$4,205,707</u>



**City of Avon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2003*

	Recycling	ADA Parking Violations	State Highway	Permissive Tax	Enforcement and Education
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$12,724	\$2,167	\$84,149	\$23,239	\$6,880
Materials and Supplies Inventory	0	0	0	0	0
Intergovernmental Receivable	0	0	13,750	32,679	113
Property Taxes Receivable	0	0	0	0	0
<i>Total Assets</i>	<u>\$12,724</u>	<u>\$2,167</u>	<u>\$97,899</u>	<u>\$55,918</u>	<u>\$6,993</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$0	\$0	\$0	\$3,283	\$0
Accrued Wages and Benefits	178	0	0	0	0
Intergovernmental Payable	24	0	0	0	0
Deferred Revenue	0	0	8,810	21,786	0
<i>Total Liabilities</i>	<u>202</u>	<u>0</u>	<u>8,810</u>	<u>25,069</u>	<u>0</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	0	2,167	0	1,579	0
Unreserved, Undesignated (Deficit)	12,522	0	89,089	29,270	6,993
<i>Total Fund Balances</i>	<u>12,522</u>	<u>2,167</u>	<u>89,089</u>	<u>30,849</u>	<u>6,993</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$12,724</u>	<u>\$2,167</u>	<u>\$97,899</u>	<u>\$55,918</u>	<u>\$6,993</u>

(continued)

**City of Avon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2003*

	Law Enforcement	Mayor's Court Computer	Avon Seniors	Park Development	Community Center
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$27,951	\$47,804	\$11,170	\$560,214	\$8,422
Materials and Supplies Inventory	0	0	0	493	0
Intergovernmental Receivable	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0
<i>Total Assets</i>	<u>\$27,951</u>	<u>\$47,804</u>	<u>\$11,170</u>	<u>\$560,707</u>	<u>\$8,422</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$0	\$0	\$0	\$2,432	\$0
Accrued Wages and Benefits	0	0	0	0	162
Intergovernmental Payable	0	0	0	0	111
Deferred Revenue	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,432</u>	<u>273</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	100	0	657	67,523	1,027
Unreserved, Undesignated (Deficit)	27,851	47,804	10,513	490,752	7,122
<i>Total Fund Balances</i>	<u>27,951</u>	<u>47,804</u>	<u>11,170</u>	<u>558,275</u>	<u>8,149</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$27,951</u>	<u>\$47,804</u>	<u>\$11,170</u>	<u>\$560,707</u>	<u>\$8,422</u>

Living Tree Memorial	Drainage	Cemetery	Recreation	Park Operating	Police Pension	Total Nonmajor Special Revenue Funds
\$2,025	\$2,796	\$4,133	\$37,998	\$37,352	\$488	\$869,512
0	0	0	0	0	0	493
0	0	0	0	8,309	9,048	63,899
0	0	0	0	232,131	156,513	388,644
<u>\$2,025</u>	<u>\$2,796</u>	<u>\$4,133</u>	<u>\$37,998</u>	<u>\$277,792</u>	<u>\$166,049</u>	<u>\$1,322,548</u>
\$1,579	\$0	\$0	\$0	\$6,737	\$0	\$14,031
0	0	0	604	3,846	0	4,790
0	0	0	290	2,449	0	2,874
0	0	0	0	233,162	157,786	421,544
<u>1,579</u>	<u>0</u>	<u>0</u>	<u>894</u>	<u>246,194</u>	<u>157,786</u>	<u>443,239</u>
2,025	1,188	0	240	30,300	0	106,806
(1,579)	1,608	4,133	36,864	1,298	8,263	772,503
<u>446</u>	<u>2,796</u>	<u>4,133</u>	<u>37,104</u>	<u>31,598</u>	<u>8,263</u>	<u>879,309</u>
<u>\$2,025</u>	<u>\$2,796</u>	<u>\$4,133</u>	<u>\$37,998</u>	<u>\$277,792</u>	<u>\$166,049</u>	<u>\$1,322,548</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, 2003*

	Recycling	ADA Parking Violations	State Highway	Permissive Tax	Enforcement and Education
<b>Revenues</b>					
Property and Other Taxes	\$0	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Fines and Forfeitures	0	20	0	0	1,453
Intergovernmental	111,480	0	33,915	74,762	0
Interest	0	0	600	163	0
Contributions and Donations	0	0	0	0	0
Miscellaneous	0	0	0	0	1,342
<i>Total Revenues</i>	<u>111,480</u>	<u>20</u>	<u>34,515</u>	<u>74,925</u>	<u>2,795</u>
<b>Expenditures</b>					
Current:					
Security of Persons and Property	0	0	0	0	3,162
Transportation	0	1	21,527	110,075	0
Community Environment	112,839	0	0	0	0
Basic Utility Services	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
Bond Issuance Costs	0	0	0	0	0
<i>Total Expenditures</i>	<u>112,839</u>	<u>1</u>	<u>21,527</u>	<u>110,075</u>	<u>3,162</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,359)</u>	<u>19</u>	<u>12,988</u>	<u>(35,150)</u>	<u>(367)</u>
<b>Other Financing Sources (Uses)</b>					
Bonds Issued	0	0	0	0	0
Transfers In	6,000	0	0	40,000	0
Transfers Out	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>6,000</u>	<u>0</u>	<u>0</u>	<u>40,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	4,641	19	12,988	4,850	(367)
<i>Fund Balances (Deficit)</i>					
<i>Beginning of Year</i>	<u>7,881</u>	<u>2,148</u>	<u>76,101</u>	<u>25,999</u>	<u>7,360</u>
<i>Fund Balances End of Year</i>	<u>\$12,522</u>	<u>\$2,167</u>	<u>\$89,089</u>	<u>\$30,849</u>	<u>\$6,993</u>

<u>Law Enforcement</u>	<u>Mayor's Court Computer</u>	<u>Avon Seniors</u>	<u>Park Development</u>	<u>Community Center</u>	<u>Living Tree Memorial</u>	<u>Drainage</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	2,730	0	0
0	0	0	284,591	0	0	0
396	4,994	0	0	0	0	0
0	0	0	80,000	0	0	0
0	0	0	586	0	0	0
0	0	0	0	0	2,025	0
0	0	0	0	0	0	0
<u>396</u>	<u>4,994</u>	<u>0</u>	<u>365,177</u>	<u>2,730</u>	<u>2,025</u>	<u>0</u>
2,987	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	1,530	0	0	1,579	0
0	0	0	0	0	0	22,007
0	0	0	231,763	13,939	0	0
0	0	0	10,000	0	0	0
0	0	0	10,492	0	0	0
0	0	0	63,202	0	0	0
<u>2,987</u>	<u>0</u>	<u>1,530</u>	<u>315,457</u>	<u>13,939</u>	<u>1,579</u>	<u>22,007</u>
<u>(2,591)</u>	<u>4,994</u>	<u>(1,530)</u>	<u>49,720</u>	<u>(11,209)</u>	<u>446</u>	<u>(22,007)</u>
0	0	0	1,590,000	0	0	0
0	0	12,700	0	6,000	0	25,000
0	0	0	(350,000)	0	0	0
<u>0</u>	<u>0</u>	<u>12,700</u>	<u>1,240,000</u>	<u>6,000</u>	<u>0</u>	<u>25,000</u>
(2,591)	4,994	11,170	1,289,720	(5,209)	446	2,993
<u>30,542</u>	<u>42,810</u>	<u>0</u>	<u>(731,445)</u>	<u>13,358</u>	<u>0</u>	<u>(197)</u>
<u>\$27,951</u>	<u>\$47,804</u>	<u>\$11,170</u>	<u>\$558,275</u>	<u>\$8,149</u>	<u>\$446</u>	<u>\$2,796</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, 2003*

	Cemetery	Recreation	Park Operating	Police Pension	Total Nonmajor Special Revenue Funds
<b>Revenues</b>					
Property and Other Taxes	\$0	\$0	\$121,721	\$128,528	\$250,249
Charges for Services	399	78,230	246	0	81,605
Licenses and Permits	0	0	0	0	284,591
Fines and Forfeitures	0	0	0	0	6,863
Intergovernmental	0	0	6,088	6,624	312,869
Interest	0	0	0	0	1,349
Contributions and Donations	0	0	0	0	2,025
Other	0	122	201	0	1,665
<i>Total Revenues</i>	<u>399</u>	<u>78,352</u>	<u>128,256</u>	<u>135,152</u>	<u>941,216</u>
<b>Expenditures</b>					
Current:					
Security of Persons and Property	0	0	0	160,889	167,038
Transportation	0	0	0	0	131,603
Community Environment	0	0	0	0	115,948
Basic Utility Services	0	0	0	0	22,007
Leisure Time Activities	0	94,959	364,778	0	705,439
Debt Service:					
Principal Retirement	0	0	0	0	10,000
Interest and Fiscal Charges	0	0	0	0	10,492
Bond Issuance Costs	0	0	0	0	63,202
<i>Total Expenditures</i>	<u>0</u>	<u>94,959</u>	<u>364,778</u>	<u>160,889</u>	<u>1,225,729</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>399</u>	<u>(16,607)</u>	<u>(236,522)</u>	<u>(25,737)</u>	<u>(284,513)</u>
<b>Other Financing Sources (Uses)</b>					
Bonds Issued	0	0	0	0	1,590,000
Transfers In	0	32,270	212,675	96,715	431,360
Transfers Out	0	0	0	0	(350,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>32,270</u>	<u>212,675</u>	<u>96,715</u>	<u>1,671,360</u>
<i>Net Change in Fund Balances</i>	399	15,663	(23,847)	70,978	1,386,847
<i>Fund Balances (Deficit)</i>					
<i>Beginning of Year</i>	<u>3,734</u>	<u>21,441</u>	<u>55,445</u>	<u>(62,715)</u>	<u>(507,538)</u>
<i>Fund Balances End of Year</i>	<u>\$4,133</u>	<u>\$37,104</u>	<u>\$31,598</u>	<u>\$8,263</u>	<u>\$879,309</u>

**City of Avon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Debt Service Funds*  
*December 31, 2003*

	Fire Station Bond Retirement	Library Bond Retirement	Total Nonmajor Debt Service Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$48,857	\$11,988	\$60,845
Intergovernmental Receivable	0	6,630	6,630
Property Taxes Receivable	0	94,140	94,140
	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u>\$48,857</u>	<u>\$112,758</u>	<u>\$161,615</u>
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Deferred Revenue	\$0	\$95,587	\$95,587
 <b>Fund Balances</b>			
Unreserved, Undesignated	<u>48,857</u>	<u>17,171</u>	<u>66,028</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$48,857</u>	<u>\$112,758</u>	<u>\$161,615</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, 2003*

	General Obligation Bond Retirement	Fire Station Bond Retirement	Library Bond Retirement	Total Nonmajor Debt Service Funds
<b>Revenues</b>				
Property and Other Taxes	\$0	\$0	\$84,030	\$84,030
Intergovernmental	0	0	4,416	4,416
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>88,446</u>	<u>88,446</u>
<b>Expenditures</b>				
Current:				
General Government	48	6,296	1,168	7,512
Debt Service:				
Principal Retirement	116,485	0	50,000	166,485
Interest and Fiscal Charges	114,038	0	40,825	154,863
<i>Total Expenditures</i>	<u>230,571</u>	<u>6,296</u>	<u>91,993</u>	<u>328,860</u>
<i>Excess of Revenues Under Expenditures</i>	(230,571)	(6,296)	(3,547)	(240,414)
<b>Other Financing Sources</b>				
Transfers In	222,028	55,153	0	277,181
<i>Net Change in Fund Balances</i>	(8,543)	48,857	(3,547)	36,767
<i>Fund Balances Beginning of Year</i>	<u>8,543</u>	<u>0</u>	<u>20,718</u>	<u>29,261</u>
<i>Fund Balances End of Year</i>	<u>\$0</u>	<u>\$48,857</u>	<u>\$17,171</u>	<u>\$66,028</u>



**City of Avon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2003*

	<u>Equipment</u>	<u>Issue II</u>	<u>Storm Water Detention</u>	<u>Capital Improvements</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$570,943	\$130,024	\$115,900	\$759,227
Intergovernmental Receivable	21,469	0	28,814	0
Property Taxes Receivable	388,413	0	0	0
<i>Total Assets</i>	<u>\$980,825</u>	<u>\$130,024</u>	<u>\$144,714</u>	<u>\$759,227</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$27,910	\$0	\$0	\$0
Contracts Payable	0	0	4,606	205,102
Interfund Payable	0	0	205,000	0
Retainage Payable	0	0	0	19,459
Deferred Revenue	388,536	0	0	0
<i>Total Liabilities</i>	<u>416,446</u>	<u>0</u>	<u>209,606</u>	<u>224,561</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	165,703	0	24,731	554,125
Unreserved, Undesignated (Deficit)	398,676	130,024	(89,623)	(19,459)
<i>Total Fund Balances (Deficit)</i>	<u>564,379</u>	<u>130,024</u>	<u>(64,892)</u>	<u>534,666</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$980,825</u>	<u>\$130,024</u>	<u>\$144,714</u>	<u>\$759,227</u>

(continued)

**City of Avon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds (continued)*  
*December 31, 2003*

	<u>Safety Town Construction</u>	<u>Skateboard Park</u>	<u>Road Widening</u>	<u>Schneider Court Site Development</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$9,126	\$328,051	\$144,869	\$390,257
Intergovernmental Receivable	0	0	0	0
Property Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$9,126</u>	<u>\$328,051</u>	<u>\$144,869</u>	<u>\$390,257</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$0	\$0
Contracts Payable	0	2,984	3,082	7,907
Interfund Payable	0	0	0	0
Retainage Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>2,984</u>	<u>3,082</u>	<u>7,907</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	8,576	324,387	141,787	382,087
Unreserved, Undesignated (Deficit)	550	680	0	263
<i>Total Fund Balances (Deficit)</i>	<u>9,126</u>	<u>325,067</u>	<u>141,787</u>	<u>382,350</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$9,126</u>	<u>\$328,051</u>	<u>\$144,869</u>	<u>\$390,257</u>

<u>French Creek Restoration</u>	<u>Land Purchase/ Our Lady of Wayside</u>	<u>Fire Station #1 Remodeling</u>	<u>Route 83 Extension</u>	<u>I-90 Interchange Study</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$809,695	\$22,649	\$185,000	\$178,047	\$110,703	\$3,754,491
0	0	0	0	0	50,283
0	0	0	0	0	388,413
<u>\$809,695</u>	<u>\$22,649</u>	<u>\$185,000</u>	<u>\$178,047</u>	<u>\$110,703</u>	<u>\$4,193,187</u>
\$0	\$0	\$0	\$0	\$0	\$27,910
508	0	0	7,723	0	231,912
0	0	60,000	0	0	265,000
0	0	0	0	0	19,459
0	0	0	0	0	388,536
<u>508</u>	<u>0</u>	<u>60,000</u>	<u>7,723</u>	<u>0</u>	<u>932,817</u>
437,706	22,649	125,000	170,324	0	2,357,075
371,481	0	0	0	110,703	903,295
<u>809,187</u>	<u>22,649</u>	<u>125,000</u>	<u>170,324</u>	<u>110,703</u>	<u>3,260,370</u>
<u>\$809,695</u>	<u>\$22,649</u>	<u>\$185,000</u>	<u>\$178,047</u>	<u>\$110,703</u>	<u>\$4,193,187</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, 2003*

	<u>Equipment</u>	<u>Issue II</u>	<u>Storm Water Detention</u>	<u>Capital Improvements</u>
<b>Revenues</b>				
Property and Other Taxes	\$356,454	\$0	\$0	\$0
Charges for Services	0	0	52,556	0
Intergovernmental	18,790	0	209,514	0
Interest	0	0	0	0
Contribution and Donations	0	0	0	0
Miscellaneous	19,802	0	0	0
<i>Total Revenues</i>	<u>395,046</u>	<u>0</u>	<u>262,070</u>	<u>0</u>
<b>Expenditures</b>				
Capital Outlay	127,229	0	353,629	579,266
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>127,229</u>	<u>0</u>	<u>353,629</u>	<u>579,266</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>267,817</u>	<u>0</u>	<u>(91,559)</u>	<u>(579,266)</u>
<b>Other Financing Sources (Uses)</b>				
Notes Issued	0	0	0	0
Loans Issued	0	0	45,000	0
Transfers In	0	0	180,362	1,114,432
Transfers Out	0	0	(569,760)	(500)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>(344,398)</u>	<u>1,113,932</u>
<i>Net Change in Fund Balances</i>	267,817	0	(435,957)	534,666
<i>Fund Balances Beginning of Year</i>	<u>296,562</u>	<u>130,024</u>	<u>371,065</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$564,379</u>	<u>\$130,024</u>	<u>(\$64,892)</u>	<u>\$534,666</u>

Safety Town Construction	Skateboard Park	Routes 611/254 Intersection Improvement	Road Widening	Schneider Court Site Development
\$0	\$0	\$0	\$0	\$0
0	0	0	0	0
0	0	0	0	0
0	680	0	0	1,851
250	0	0	0	0
0	0	0	0	5
250	680	0	0	1,856
17,045	25,613	0	24,566	613,404
0	0	0	0	6,102
17,045	25,613	0	24,566	619,506
(16,795)	(24,933)	0	(24,566)	(617,650)
0	0	0	0	1,000,000
0	0	0	0	0
0	350,000	0	165,000	0
0	0	(4,584)	0	0
0	350,000	(4,584)	165,000	1,000,000
(16,795)	325,067	(4,584)	140,434	382,350
25,921	0	4,584	1,353	0
\$9,126	\$325,067	\$0	\$141,787	\$382,350

(continued)

**City of Avon, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds (continued)*  
*For the Year Ended December 31, 2003*

	French Creek Restoration	Land Purchase/ Our Lady of Wayside	Fire Station #1 Remodeling	Route 83 Extension
<b>Revenues</b>				
Property and Other Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Intergovernmental	0	0	60,000	0
Interest	3,828	0	0	0
Contribution and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>3,828</u>	<u>0</u>	<u>60,000</u>	<u>0</u>
<b>Expenditures</b>				
Capital Outlay	69,539	377,351	0	9,676
Debt Service:				
Interest and Fiscal Charges	6,102	0	0	0
<i>Total Expenditures</i>	<u>75,641</u>	<u>377,351</u>	<u>0</u>	<u>9,676</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(71,813)</u>	<u>(377,351)</u>	<u>60,000</u>	<u>(9,676)</u>
<b>Other Financing Sources (Uses)</b>				
Notes Issued	600,000	400,000	0	0
Loans Issued	0	0	0	0
Transfers In	281,000	0	65,000	180,000
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>881,000</u>	<u>400,000</u>	<u>65,000</u>	<u>180,000</u>
<i>Net Change in Fund Balances</i>	809,187	22,649	125,000	170,324
<i>Fund Balances Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$809,187</u></u>	<u><u>\$22,649</u></u>	<u><u>\$125,000</u></u>	<u><u>\$170,324</u></u>

Retaining Wall/ Jaycox Road	Route 83 Land Purchase	Master Road Analysis	I-90 Interchange Study	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$356,454
0	0	0	0	52,556
0	0	0	0	288,304
0	0	0	0	6,359
0	0	0	83,500	83,750
0	0	0	0	19,807
0	0	0	83,500	807,230
132,974	80,107	0	0	2,410,399
0	0	0	0	12,204
132,974	80,107	0	0	2,422,603
(132,974)	(80,107)	0	83,500	(1,615,373)
0	0	0	0	2,000,000
0	0	0	0	45,000
139,000	80,107	0	27,203	2,582,104
(6,026)	0	(27,203)	0	(608,073)
132,974	80,107	(27,203)	27,203	4,019,031
0	0	(27,203)	110,703	2,403,658
0	0	27,203	0	856,712
\$0	\$0	\$0	\$110,703	\$3,260,370

## 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 1.2 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, 2003*

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	<u>Deposits</u>	<u>Lorain Public Library</u>	<u>North Ridgeville Sewer</u>	<u>Subdivisions</u>	<u>Total</u>
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	<u>\$1,086,224</u>	<u>\$1,950</u>	<u>\$103,395</u>	<u>\$3,023,082</u>	<u>\$4,214,651</u>
 <b>Liabilities</b>					
Deposits Held and Due to Others	\$1,086,224	\$0	\$0	\$3,023,082	\$4,109,306
Intergovernmental Payable	<u>0</u>	<u>1,950</u>	<u>103,395</u>	<u>0</u>	<u>105,345</u>
<i>Total Liabilities</i>	<u>\$1,086,224</u>	<u>\$1,950</u>	<u>\$103,395</u>	<u>\$3,023,082</u>	<u>\$4,214,651</u>

**City of Avon, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2003*

	Beginning Balance 12/31/02	Additions	Deductions	Ending Balance 12/31/03
<b><i>Deposits</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$922,084	\$793,696	\$629,556	\$1,086,224
<b>Liabilities</b>				
Deposits Held and Due to Others	\$922,084	\$793,696	\$629,556	\$1,086,224
 <b><i>Lorain Public Library</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,186	\$352,432	\$352,668	\$1,950
<b>Liabilities</b>				
Intergovernmental Payable	\$2,186	\$352,432	\$352,668	\$1,950
 <b><i>North Ridgeville Sewer</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$85,437	\$858,925	\$840,967	\$103,395
<b>Liabilities</b>				
Intergovernmental Payable	\$85,437	\$858,925	\$840,967	\$103,395
 <b><i>Subdivisions</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,211,880	\$1,757,000	\$945,798	\$3,023,082
<b>Liabilities</b>				
Deposits Held and Due to Others	\$2,211,880	\$1,757,000	\$945,798	\$3,023,082

(continued)

**City of Avon, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds (continued)*  
For the Year Ended December 31, 2003

	Beginning Balance 12/31/02	Additions	Deductions	Ending Balance 12/31/03
<b>Mayor's Court</b>				
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	\$0	\$115,106	\$115,106	\$0
<b>Liabilities</b>				
Deposits Held and Due to Others	\$0	\$115,106	\$115,106	\$0
<b>Total - All Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$3,221,587	\$3,762,053	\$2,768,989	\$4,214,651
Cash and Cash Equivalents in Segregated Accounts	0	115,106	115,106	0
<i>Total Assets</i>	\$3,221,587	\$3,877,159	\$2,884,095	\$4,214,651
<b>Liabilities</b>				
Deposits Held and Due to Others	\$3,133,964	\$2,665,802	\$1,690,460	\$4,109,306
Intergovernmental Payable	87,623	1,211,357	1,193,635	105,345
<i>Total Liabilities</i>	\$3,221,587	\$3,877,159	\$2,884,095	\$4,214,651

**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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property and Other Taxes	\$461,786	\$827,332	\$830,734	\$3,402
Municipal Income Taxes	2,040,013	3,654,872	3,672,418	17,546
Charges for Services	191,892	343,792	371,355	27,563
Licenses and Permits	522,359	935,854	998,097	62,243
Fines and Forfeitures	170,728	285,888	270,258	(15,630)
Intergovernmental	134,411	240,810	233,155	(7,655)
Interest	66,980	120,000	114,249	(5,751)
Miscellaneous	19,974	35,786	36,371	585
<i>Total Revenues</i>	3,608,143	6,444,334	6,526,637	82,303
<b>Expenditures</b>				
Current:				
General Government:				
Mayor:				
Personal Services	89,039	171,935	165,188	6,747
Materials and Supplies	1,813	3,500	282	3,218
Contractual Services	35,632	68,805	61,156	7,649
Capital Outlay	1,097	2,118	2,118	0
<i>Total Mayor</i>	127,581	246,358	228,744	17,614
Finance:				
Personal Services	90,112	174,005	156,120	17,885
Materials and Supplies	6,067	11,717	11,717	0
Contractual Services	24,793	47,875	47,875	0
Capital Outlay	933	1,802	1,802	0
<i>Total Finance</i>	121,905	235,399	217,514	17,885
Treasurer:				
Personal Services	9,011	17,400	16,269	1,131
Materials and Supplies	1,382	2,668	1,727	941
Contractual Services	91	175	25	150
<i>Total Treasurer</i>	10,484	20,243	18,021	2,222
Law Director:				
Personal Services	58,105	112,200	102,775	9,425
Contractual Services	73,200	141,350	140,103	1,247
<i>Total Law Director</i>	\$131,305	\$253,550	\$242,878	\$10,672

(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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Council:				
Personal Services	\$60,791	\$117,387	\$114,902	\$2,485
Materials and Supplies	4,167	8,047	7,067	980
Contractual Services	18,936	36,567	30,254	6,313
Total Council	83,894	162,001	152,223	9,778
City Hall:				
Personal Services	17,426	33,649	24,530	9,119
Materials and Supplies	8,918	17,221	16,051	1,170
Contractual Services	85,211	164,544	148,204	16,340
Capital Outlay	7,250	14,000	11,871	2,129
Other	311	600	100	500
Total City Hall	119,116	230,014	200,756	29,258
Civil Service:				
Personal Services	1,997	3,856	3,316	540
Materials and Supplies	52	100	0	100
Contractual Services	6,030	11,644	6,352	5,292
Total Civil Service	8,079	15,600	9,668	5,932
Statutory Accounts:				
Personal Services	4,915	9,491	9,010	481
Contractual Services	117,997	227,852	131,579	96,273
Total Statutory Accounts	122,912	237,343	140,589	96,754
Engineer:				
Contractual Services	122,993	237,500	227,472	10,028
Grant Coordinator:				
Contractual Services	10,357	20,000	20,000	0
Income Tax Department:				
Personal Services	8,737	16,872	15,034	1,838
Contractual Services	58,156	112,300	109,061	3,239
Total Income Tax Department	66,893	129,172	124,095	5,077
Total General Government	\$925,519	\$1,787,180	\$1,581,960	\$205,220

(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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Security of Persons and Property:				
Fire Department:				
Personal Services	\$1,388	\$2,681	\$2,389	\$292
Materials and Supplies	6,496	12,543	5,298	7,245
Contractual Services	5,735	11,074	10,198	876
Total Fire Department	13,619	26,298	17,885	8,413
Emergency Rescue:				
Personal Services	1,813	3,500	3,500	0
Total Security of Persons and Property	15,432	29,798	21,385	8,413
Community Environment:				
Planning Commission:				
Personal Services	54,445	105,134	97,722	7,412
Materials and Supplies	3,179	6,138	4,404	1,734
Contractual Services	1,522	2,939	2,457	482
Other	1,295	2,500	1,935	565
Total Planning Commission	60,441	116,711	106,518	10,193
Building Inspector:				
Personal Services	287,929	555,992	543,998	11,994
Materials and Supplies	14,992	28,950	23,496	5,454
Contractual Services	70,782	136,680	82,565	54,115
Capital Outlay	13,568	26,200	25,962	238
Other	518	1,000	879	121
Total Building Inspector	387,789	748,822	676,900	71,922
Safety Director/Zoning Officer:				
Personal Services	25,083	48,435	47,166	1,269
Materials and Supplies	906	1,750	536	1,214
Contractual Services	414	800	0	800
Capital Outlay	6,836	13,200	13,200	0
Total Safety Director/Zoning Officer	33,239	64,185	60,902	3,283
Total Community Environment	481,469	929,718	844,320	85,398
Total Expenditures	\$1,422,420	\$2,746,696	\$2,447,665	\$299,031

(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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<i>Excess of Revenues Over Expenditures</i>	\$2,185,723	\$3,697,638	\$4,078,972	\$381,334
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	612,700	1,097,650	1,097,650	0
Advances In	205,000	205,000	205,000	0
Advances Out	(573,252)	(265,000)	(265,000)	0
Transfers In	888,642	2,674,006	274,870	(2,399,136)
Transfers Out	(3,072,779)	(7,981,845)	(4,135,136)	3,846,709
<i>Total Other Financing Sources (Uses)</i>	(1,939,689)	(4,270,189)	(2,822,616)	1,447,573
<i>Net Change in Fund Balance</i>	246,034	(572,551)	1,256,356	1,828,907
<i>Fund Balance Beginning of Year</i>	2,179,988	2,179,988	2,179,988	0
Prior Year Encumbrances Appropriated	85,443	85,443	85,443	0
<i>Fund Balance End of Year</i>	<u>\$2,511,465</u>	<u>\$1,692,880</u>	<u>\$3,521,787</u>	<u>\$1,828,907</u>



**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Department Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Municipal Income Taxes	\$1,717,233	\$2,454,571	\$2,454,571	\$0
Miscellaneous	500	500	141	(359)
<i>Total Revenues</i>	<u>1,717,733</u>	<u>2,455,071</u>	<u>2,454,712</u>	<u>(359)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire Department:				
Personal Services	1,514,000	1,514,400	949,280	565,120
Materials and Supplies	39,700	57,358	54,526	2,832
Contractual Services	190,000	250,942	183,061	67,881
Capital Outlay	14,000	14,600	14,600	0
Other	300	300	267	33
<i>Total Expenditures</i>	<u>1,758,000</u>	<u>1,837,600</u>	<u>1,201,734</u>	<u>635,866</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(40,267)	617,471	1,252,978	635,507
<b>Other Financing Uses</b>				
Transfers Out	(440,000)	(440,000)	(440,000)	0
<i>Net Change in Fund Balance</i>	(480,267)	177,471	812,978	635,507
<i>Fund Balance Beginning of Year</i>	<u>767,233</u>	<u>767,233</u>	<u>767,233</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$286,966</u>	<u>\$944,704</u>	<u>\$1,580,211</u>	<u>\$635,507</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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Property and Other Taxes	\$382,285	\$396,497	\$396,779	\$282
Intergovernmental	17,121	17,757	17,757	0
Miscellaneous	5,137	5,328	5,565	237
<i>Total Revenues</i>	<u>404,543</u>	<u>419,582</u>	<u>420,101</u>	<u>519</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police Department:				
Personal Services	1,787,728	1,805,160	1,774,153	31,007
Materials and Supplies	110,098	111,172	84,800	26,372
Contractual Services	256,964	259,470	222,802	36,668
<i>Total Expenditures</i>	<u>2,154,790</u>	<u>2,175,802</u>	<u>2,081,755</u>	<u>94,047</u>
<i>Excess of Revenues Under Expenditures</i>	(1,750,247)	(1,756,220)	(1,661,654)	94,566
<b>Other Financing Sources</b>				
Transfers In	1,768,485	1,834,230	1,630,514	(203,716)
<i>Net Change in Fund Balance</i>	18,238	78,010	(31,140)	(109,150)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	31,140	31,140	31,140	0
<i>Fund Balance End of Year</i>	<u>\$49,378</u>	<u>\$109,150</u>	<u>\$0</u>	<u>(\$109,150)</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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property and Other Taxes	\$701,632	\$665,085	\$668,454	\$3,369
Intergovernmental	419,159	397,326	444,466	47,140
Interest	6,124	5,804	6,328	524
Miscellaneous	31,551	29,908	29,908	0
<i>Total Revenues</i>	<u>1,158,466</u>	<u>1,098,123</u>	<u>1,149,156</u>	<u>51,033</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Department:				
Personal Services	530,156	603,226	585,759	17,467
Materials and Supplies	287,031	326,591	304,051	22,540
Contractual Services	130,910	148,953	122,203	26,750
Capital Outlay	75,896	86,356	82,620	3,736
Other	527	600	0	600
<i>Total Expenditures</i>	<u>1,024,520</u>	<u>1,165,726</u>	<u>1,094,633</u>	<u>71,093</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	133,946	(67,603)	54,523	122,126
<b>Other Financing Uses</b>				
Transfers Out	(50,000)	(50,000)	(50,000)	0
<i>Net Change in Fund Balance</i>	83,946	(117,603)	4,523	122,126
<i>Fund Balance Beginning of Year</i>	563,324	563,324	563,324	0
Prior Year Encumbrances Appropriated	66,670	66,670	66,670	0
<i>Fund Balance End of Year</i>	<u><u>\$713,940</u></u>	<u><u>\$512,391</u></u>	<u><u>\$634,517</u></u>	<u><u>\$122,126</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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Special Assessments	\$335,913	\$260,184	\$221,682	(\$38,502)
Charges for Services	5,000	5,000	0	(5,000)
Interest	161,785	161,785	161,785	0
<i>Total Revenues</i>	<u>502,698</u>	<u>426,969</u>	<u>383,467</u>	<u>(43,502)</u>
<b>Expenditures</b>				
Current:				
General Government:				
Special Assessment Bond Retirement:				
Contractual Services	41,011	64,960	39,997	24,963
Debt Service:				
Principal Retirement	202,640	202,650	202,650	0
Interest and Fiscal Charges	219,318	219,319	218,958	361
<i>Total Debt Service</i>	<u>421,958</u>	<u>421,969</u>	<u>421,608</u>	<u>361</u>
<i>Total Expenditures</i>	<u>462,969</u>	<u>486,929</u>	<u>461,605</u>	<u>25,324</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	39,729	(59,960)	(78,138)	(18,178)
<b>Other Financing Sources</b>				
Transfers In	59,960	59,960	23,960	(36,000)
<i>Net Change in Fund Balance</i>	99,689	0	(54,178)	(54,178)
<i>Fund Balance Beginning of Year</i>	<u>296,209</u>	<u>296,209</u>	<u>296,209</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$395,898</u></u>	<u><u>\$296,209</u></u>	<u><u>\$242,031</u></u>	<u><u>(\$54,178)</u></u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Facility Construction Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Capital Outlay:				
Fire Facility Construction				
Capital Outlay	2,112,445	1,727,598	1,716,046	11,552
Debt Service:				
Principal Retirement	1,870,000	1,870,000	1,870,000	0
<i>Total Expenditures</i>	<u>3,982,445</u>	<u>3,597,598</u>	<u>3,586,046</u>	<u>11,552</u>
<i>Excess of Revenues Under Expenditures</i>	(3,982,445)	(3,597,598)	(3,586,046)	11,552
<b>Other Financing Sources</b>				
Notes Issued	1,870,000	1,870,000	1,870,000	0
<i>Net Change in Fund Balance</i>	(2,112,445)	(1,727,598)	(1,716,046)	11,552
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	1,727,598	1,727,598	1,727,598	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$384,847)</u>	<u>\$0</u>	<u>\$11,552</u>	<u>\$11,552</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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for Services	\$2,469,588	\$2,022,339	\$1,995,535	(\$26,804)
Tap-In Fees	333,304	297,348	337,166	39,818
Interest	15,572	14,000	9,692	(4,308)
Miscellaneous	32,270	28,789	42,943	14,154
Notes Issued	1,050,000	1,050,000	1,050,000	0
<i>Total Revenues</i>	<u>3,900,734</u>	<u>3,412,476</u>	<u>3,435,336</u>	<u>22,860</u>
<b>Expenses</b>				
Personal Services	323,842	338,754	318,332	20,422
Materials and Supplies	1,087,339	1,246,338	1,064,239	182,099
Contractual Services	179,046	187,244	168,024	19,220
Other	12,560	13,000	11,020	1,980
Debt Service:				
Principal Retirement	1,621,727	1,621,727	1,321,727	300,000
Interest and Fiscal Charges	151,663	151,663	101,663	50,000
<i>Total Expenses</i>	<u>3,376,177</u>	<u>3,558,726</u>	<u>2,985,005</u>	<u>573,721</u>
<i>Excess of Revenues Over (Under) Expenses</i>	524,557	(146,250)	450,331	596,581
Transfers Out	<u>(23,960)</u>	<u>(23,960)</u>	<u>(23,960)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	500,597	(170,210)	426,371	596,581
<i>Fund Balance Beginning of Year</i>	1,086,852	1,086,852	1,086,852	0
Prior Year Encumbrances Appropriated	<u>251,675</u>	<u>251,675</u>	<u>251,675</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,839,124</u>	<u>\$1,168,317</u>	<u>\$1,764,898</u>	<u>\$596,581</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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for Services	\$990,545	\$687,119	\$747,412	\$60,293
Tap-In Fees	720,796	500,000	463,979	(36,021)
Interest	59,599	28,000	18,237	(9,763)
Miscellaneous	500	350	1,858	1,508
Notes Issued	1,000,000	1,000,000	350,000	(650,000)
<i>Total Revenues</i>	<u>2,771,440</u>	<u>2,215,469</u>	<u>1,581,486</u>	<u>(633,983)</u>
<b>Expenses</b>				
Personal Services	441,527	667,012	474,655	192,357
Materials and Supplies	328,139	342,135	326,063	16,072
Contractual Services	124,569	139,108	112,014	27,094
Other	118,171	131,963	130,199	1,764
Debt Service:				
Principal Retirement	462,745	462,745	462,745	0
Interest and Fiscal Charges	79,875	79,875	77,897	1,978
<i>Total Expenses</i>	<u>1,555,026</u>	<u>1,822,838</u>	<u>1,583,573</u>	<u>239,265</u>
<i>Excess of Revenues Over (Under) Expenses</i>	1,216,414	392,631	(2,087)	(394,718)
Transfers In	<u>20,333</u>	<u>20,333</u>	<u>20,333</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,236,747	412,964	18,246	(394,718)
<i>Fund Balance Beginning of Year</i>	2,136,485	2,136,485	2,136,485	0
Prior Year Encumbrances Appropriated	<u>85,045</u>	<u>85,045</u>	<u>85,045</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,458,277</u></u>	<u><u>\$2,634,494</u></u>	<u><u>\$2,239,776</u></u>	<u><u>(\$394,718)</u></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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental	\$104,813	\$111,500	\$111,480	(\$20)
<b>Expenditures</b>				
Current:				
Community Environment:				
Recycling:				
Personal Services	6,000	6,000	5,851	149
Contractual Services	4,500	4,755	4,755	0
Capital Outlay	111,480	111,480	111,480	0
<i>Total Expenditures</i>	121,980	122,235	122,086	149
<i>Excess of Revenues Under Expenditures</i>	(17,167)	(10,735)	(10,606)	129
<b>Other Financing Sources</b>				
Transfers In	6,000	6,000	6,000	0
<i>Net Change in Fund Balance</i>	(11,167)	(4,735)	(4,606)	129
<i>Fund Balance Beginning of Year</i>	17,330	17,330	17,330	0
<i>Fund Balance End of Year</i>	\$6,163	\$12,595	\$12,724	\$129



**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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Fines and Forfeitures	\$2,000	\$1,500	\$20	(\$1,480)
Miscellaneous	850	500	0	(500)
<i>Total Revenues</i>	2,850	2,000	20	(1,980)
<b>Expenditures</b>				
Current:				
Transportation:				
ADA Parking Violations:				
Contractual Services	685	2,510	2,510	0
<i>Net Change in Fund Balance</i>	2,165	(510)	(2,490)	(1,980)
<i>Fund Balance Beginning of Year</i>	2,490	2,490	2,490	0
<i>Fund Balance End of Year</i>	\$4,655	\$1,980	\$0	(\$1,980)

**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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Intergovernmental	\$53,163	\$29,345	\$33,217	\$3,872
Interest	<u>1,000</u>	<u>650</u>	<u>622</u>	<u>(28)</u>
<i>Total Revenues</i>	54,163	29,995	33,839	3,844
<b>Expenditures</b>				
Current:				
Transportation:				
State Highway:				
Contractual Services	<u>26,877</u>	<u>26,877</u>	<u>21,527</u>	<u>5,350</u>
<i>Net Change in Fund Balance</i>	27,286	3,118	12,312	9,194
<i>Fund Balance Beginning of Year</i>	70,407	70,407	70,407	0
Prior Year Encumbrances Appropriated	<u>1,377</u>	<u>1,377</u>	<u>1,377</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$99,070</u>	<u>\$74,902</u>	<u>\$84,096</u>	<u>\$9,194</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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental	\$63,222	\$69,235	\$74,208	\$4,973
Interest	300	300	180	(120)
<i>Total Revenues</i>	63,522	69,535	74,388	4,853
<b>Expenditures</b>				
Current:				
Transportation:				
Permissive Tax:				
Contractual Services	115,500	115,500	115,500	0
Materials and Supplies	1,944	1,944	1,944	0
<i>Total Expenditures</i>	117,444	117,444	117,444	0
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(53,922)	(47,909)	(43,056)	4,853
<b>Other Financing Sources</b>				
Transfers In	55,000	55,000	40,000	(15,000)
<i>Net Change in Fund Balance</i>	1,078	7,091	(3,056)	(10,147)
<i>Fund Balance Beginning of Year</i>	23,988	23,988	23,988	0
Prior Year Encumbrances Appropriated	444	444	444	0
<i>Fund Balance End of Year</i>	\$25,510	\$31,523	\$21,376	(\$10,147)

**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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Fines and Forfeitures	\$4,000	\$2,500	\$1,340	(\$1,160)
Miscellaneous	1,722	1,342	1,342	0
<i>Total Revenues</i>	5,722	3,842	2,682	(1,160)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Enforcement and Education:				
Contractual Services	3,250	3,250	3,162	88
<i>Net Change in Fund Balance</i>	2,472	592	(480)	(1,072)
<i>Fund Balance Beginning of Year</i>	7,360	7,360	7,360	0
<i>Fund Balance End of Year</i>	<u>\$9,832</u>	<u>\$7,952</u>	<u>\$6,880</u>	<u>(\$1,072)</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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Fines and Forfeitures	\$3,734	\$2,000	\$396	(\$1,604)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Law Enforcement:				
Materials and Supplies	3,150	3,150	3,087	63
Contractual Services	350	350	0	350
<i>Total Expenditures</i>	<u>3,500</u>	<u>3,500</u>	<u>3,087</u>	<u>413</u>
<i>Net Change in Fund Balance</i>	234	(1,500)	(2,691)	(1,191)
<i>Fund Balance Beginning of Year</i>	<u>30,542</u>	<u>30,542</u>	<u>30,542</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$30,776</u></u>	<u><u>\$29,042</u></u>	<u><u>\$27,851</u></u>	<u><u>(\$1,191)</u></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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Fines and Forfeitures	\$46,809	\$4,000	\$4,994	\$994
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	46,809	4,000	4,994	994
<i>Fund Balance Beginning of Year</i>	<u>42,810</u>	<u>42,810</u>	<u>42,810</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$89,619</u></u>	<u><u>\$46,810</u></u>	<u><u>\$47,804</u></u>	<u><u>\$994</u></u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Avon Seniors Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Miscellaneous	\$500	\$500	\$0	(\$500)
<b>Expenditures</b>				
Current:				
Community Environment:				
Community Center:				
Materials and Supplies	5,450	5,450	632	4,818
Contractual Services	7,250	7,250	1,555	5,695
<i>Total Expenditures</i>	12,700	12,700	2,187	10,513
<i>Excess of Revenues Under Expenditures</i>	(12,200)	(12,200)	(2,187)	10,013
<b>Other Financing Sources</b>				
Transfers In	12,700	12,700	12,700	0
<i>Net Change in Fund Balance</i>	500	500	10,513	10,013
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$500	\$500	\$10,513	\$10,013

**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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Licenses and Permits	\$252,481	\$264,765	\$284,591	\$19,826
Intergovernmental	40,000	80,000	80,000	0
Interest	586	586	586	0
<i>Total Revenues</i>	<i>293,067</i>	<i>345,351</i>	<i>365,177</i>	<i>19,826</i>
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Park Development:				
Contractual Services	18,000	17,233	15,725	1,508
Capital Outlay	145,282	303,222	299,134	4,088
Total Leisure Time Activities	163,282	320,455	314,859	5,596
Debt Service:				
Principal Retirement	1,510,000	1,510,000	1,510,000	0
Interest and Fiscal Charges	100,309	100,309	100,309	0
Total Debt Service	1,610,309	1,610,309	1,610,309	0
<i>Total Expenditures</i>	<i>1,773,591</i>	<i>1,930,764</i>	<i>1,925,168</i>	<i>5,596</i>
<i>Excess of Revenues</i> <i>Under Expenditures</i>	<i>(1,480,524)</i>	<i>(1,585,413)</i>	<i>(1,559,991)</i>	<i>25,422</i>
<b>Other Financing Sources</b>				
Bonds Issued	1,590,000	1,590,000	1,590,000	0
Transfers Out	0	(350,000)	(350,000)	0
<i>Total Other Financing Sources</i>	<i>1,590,000</i>	<i>1,240,000</i>	<i>1,240,000</i>	<i>0</i>
<i>Net Change in Fund Balance</i>	<i>109,476</i>	<i>(345,413)</i>	<i>(319,991)</i>	<i>25,422</i>
<i>Fund Balance Beginning of Year</i>	<i>602,766</i>	<i>602,766</i>	<i>602,766</i>	<i>0</i>
Prior Year Encumbrances Appropriated	207,484	207,484	207,484	0
<i>Fund Balance End of Year</i>	<i>\$919,726</i>	<i>\$464,837</i>	<i>\$490,259</i>	<i>\$25,422</i>



**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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for Services	\$2,434	\$2,615	\$2,730	\$115
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Community Center:				
Personal Services	8,600	8,595	8,513	82
Materials and Supplies	300	300	100	200
Contractual Services	500	500	472	28
Capital Outlay	4,500	6,000	5,841	159
Other	125	125	80	45
<i>Total Expenditures</i>	14,025	15,520	15,006	514
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(11,591)	(12,905)	(12,276)	629
<b>Other Financing Sources</b>				
Transfers In	6,000	6,000	6,000	0
<i>Net Change in Fund Balance</i>	(5,591)	(6,905)	(6,276)	629
<i>Fund Balance Beginning of Year</i>	7,671	7,671	7,671	0
Prior Year Encumbrances Appropriated	6,000	6,000	6,000	0
<i>Fund Balance End of Year</i>	\$8,080	\$6,766	\$7,395	\$629

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Living Tree Memorial Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Contributions and Donations	\$2,025	\$2,025	\$2,025	\$0
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Living Tree Memorial:				
Materials and Supplies	630	2,025	2,025	0
<i>Net Change in Fund Balance</i>	1,395	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$1,395	\$0	\$0	\$0

**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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Miscellaneous	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Basic Utility Services:				
Drainage:				
Materials and Supplies	<u>25,779</u>	<u>25,779</u>	<u>25,069</u>	<u>710</u>
<i>Excess of Revenues</i>				
<i>  Under Expenditures</i>	(25,779)	(25,779)	(25,069)	710
<b>Other Financing Sources</b>				
Transfers In	<u>18,086</u>	<u>25,000</u>	<u>25,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(7,693)	(779)	(69)	710
<i>Fund Balance Beginning of Year</i>	899	899	899	0
Prior Year Encumbrances Appropriated	<u>778</u>	<u>778</u>	<u>778</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$6,016)</u>	<u>\$898</u>	<u>\$1,608</u>	<u>\$710</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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Charges for Services	\$499	\$500	\$399	(\$101)
<b>Expenditures</b>				
Current:				
General Government:				
Cemetery:				
Materials and Supplies	150	150	0	150
Contractual Services	350	350	0	350
<i>Total Expenditures</i>	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
<i>Net Change in Fund Balance</i>	(1)	0	399	399
<i>Fund Balance Beginning of Year</i>	<u>3,734</u>	<u>3,734</u>	<u>3,734</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,733</u></u>	<u><u>\$3,734</u></u>	<u><u>\$4,133</u></u>	<u><u>\$399</u></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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for Services	\$72,499	\$78,451	\$78,230	(\$221)
Miscellaneous	122	122	122	0
<i>Total Revenues</i>	<u>72,621</u>	<u>78,573</u>	<u>78,352</u>	<u>(221)</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Recreation Department:				
Personal Services	27,780	27,780	26,640	1,140
Materials and Supplies	2,000	2,750	2,408	342
Contractual Services	2,000	4,050	1,053	2,997
Other	298	300	281	19
Total Recreation Department	32,078	34,880	30,382	4,498
Adult Volleyball:				
Materials and Supplies	2,000	2,700	2,623	77
Men's Basketball:				
Materials and Supplies	1,500	2,150	2,064	86
Physical Fit:				
Materials and Supplies	150	150	0	150
Small Fry Basketball:				
Materials and Supplies	2,500	3,800	3,734	66
Adult Softball:				
Materials and Supplies	3,000	4,035	3,430	605
Gymnastics:				
Materials and Supplies	24,000	34,000	33,011	989
Baton:				
Materials and Supplies	10,000	12,236	12,236	0
Little Scientists				
Materials and Supplies	\$500	\$550	\$315	\$235

(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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Youth Baseball:				
Materials and Supplies	\$1,700	\$2,000	\$1,900	\$100
Flag Football:				
Materials and Supplies	2,600	3,008	2,996	12
Safety Town:				
Materials and Supplies	2,100	3,080	2,105	975
Fishing:				
Materials and Supplies	600	850	850	0
<i>Total Expenditures</i>	<u>82,728</u>	<u>103,439</u>	<u>95,646</u>	<u>7,793</u>
<i>Excess of Revenues Under Expenditures</i>	(10,107)	(24,866)	(17,294)	7,572
<b>Other Financing Sources</b>				
Transfers In	<u>32,270</u>	<u>32,270</u>	<u>32,270</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	22,163	7,404	14,976	7,572
<i>Fund Balance Beginning of Year</i>	22,474	22,474	22,474	0
Prior Year Encumbrances Appropriated	<u>308</u>	<u>308</u>	<u>308</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$44,945</u>	<u>\$30,186</u>	<u>\$37,758</u>	<u>\$7,572</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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property and Other Taxes	\$116,000	\$116,389	\$116,979	\$590
Charges for Services	300	300	246	(54)
Intergovernmental	5,661	13,912	6,088	(7,824)
Miscellaneous	201	201	201	0
<i>Total Revenues</i>	<u>122,162</u>	<u>130,802</u>	<u>123,514</u>	<u>(7,288)</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Park Operating:				
Personal Services	165,000	184,225	177,073	7,152
Materials and Supplies	30,000	40,741	39,889	852
Contractual Services	35,155	70,889	68,150	2,739
Capital Outlay	42,000	110,244	110,204	40
<i>Total Expenditures</i>	<u>272,155</u>	<u>406,099</u>	<u>395,316</u>	<u>10,783</u>
<i>Excess of Revenues</i> <i>Under Expenditures</i>	(149,993)	(275,297)	(271,802)	3,495
<b>Other Financing Sources</b>				
Transfers In	120,000	212,675	212,675	0
<i>Net Change in Fund Balance</i>	(29,993)	(62,622)	(59,127)	3,495
<i>Fund Balance Beginning of Year</i>	14,173	14,173	14,173	0
Prior Year Encumbrances Appropriated	48,680	48,680	48,680	0
<i>Fund Balance End of Year</i>	<u>\$32,860</u>	<u>\$231</u>	<u>\$3,726</u>	<u>\$3,495</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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property and Other Taxes	\$121,309	\$122,870	\$123,376	\$506
Intergovernmental	5,000	6,624	6,624	0
<i>Total Revenues</i>	126,309	129,494	130,000	506
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police Pension:				
Personal Services	231,000	231,000	224,457	6,543
Contractual Services	1,800	1,800	1,770	30
<i>Total Expenditures</i>	232,800	232,800	226,227	6,573
<i>Excess of Revenues</i>				
<i>  Under Expenditures</i>	(106,491)	(103,306)	(96,227)	7,079
<b>Other Financing Sources</b>				
Transfers In	125,000	133,100	96,715	(36,385)
<i>Net Change in Fund Balance</i>	18,509	29,794	488	(29,306)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$18,509	\$29,794	\$488	(\$29,306)



**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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive:				
Purchased Services	2,000	2,000	48	1,952
Debt Service:				
Principal Retirement	116,578	121,078	116,485	4,593
Interest and Fiscal Charges	114,038	114,038	114,038	0
Total Debt Service	230,616	235,116	230,523	4,593
<i>Total Expenditures</i>	232,616	237,116	230,571	6,545
<i>Excess of Revenues Under Expenditures</i>	(232,616)	(237,116)	(230,571)	6,545
<b>Other Financing Sources</b>				
Transfers In	226,607	232,616	222,028	(10,588)
<i>Net Change in Fund Balance</i>	(6,009)	(4,500)	(8,543)	(4,043)
<i>Fund Balance Beginning of Year</i>	8,543	8,543	8,543	0
<i>Fund Balance End of Year</i>	\$2,534	\$4,043	\$0	(\$4,043)

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Station Bond Retirement Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
General Government:				
Purchased Services	6,300	6,300	6,296	4
Debt Service:				
Principal Retirement	330,000	330,000	330,000	0
Interest and Fiscal Charges	103,700	103,700	54,847	48,853
Total Debt Service	433,700	433,700	384,847	48,853
<i>Total Expenditures</i>	440,000	440,000	391,143	48,857
<i>Excess of Revenues Under Expenditures</i>	(440,000)	(440,000)	(391,143)	48,857
<b>Other Financing Sources</b>				
Transfers In	440,000	440,000	440,000	0
<i>Net Change in Fund Balance</i>	0	0	48,857	48,857
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$48,857	\$48,857

**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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property and Other Taxes	\$88,530	\$80,647	\$80,984	\$337
Intergovernmental	4,416	4,416	4,416	0
<i>Total Revenues</i>	<u>92,946</u>	<u>85,063</u>	<u>85,400</u>	<u>337</u>
<b>Expenditures</b>				
Current:				
General Government:				
Purchased Services	2,000	2,000	1,168	832
Debt Service:				
Principal Retirement	50,000	50,000	50,000	0
Interest and Fiscal Charges	40,825	40,825	40,825	0
Total Debt Service	<u>90,825</u>	<u>90,825</u>	<u>90,825</u>	<u>0</u>
<i>Total Expenditures</i>	<u>92,825</u>	<u>92,825</u>	<u>91,993</u>	<u>832</u>
<i>Net Change in Fund Balance</i>	121	(7,762)	(6,593)	1,169
<i>Fund Balance Beginning of Year</i>	<u>18,581</u>	<u>18,581</u>	<u>18,581</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$18,702</u></u>	<u><u>\$10,819</u></u>	<u><u>\$11,988</u></u>	<u><u>\$1,169</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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Property and Other Taxes	\$316,176	\$337,911	\$342,682	\$4,771
Intergovernmental	18,790	18,790	18,790	0
Miscellaneous	19,802	19,802	19,802	0
<i>Total Revenues</i>	<u>354,768</u>	<u>376,503</u>	<u>381,274</u>	<u>4,771</u>
<b>Expenditures</b>				
Capital Outlay:				
Equipment:				
Contractual Services	5,500	5,500	4,924	576
Capital Outlay	256,746	303,932	292,760	11,172
<i>Total Expenditures</i>	<u>262,246</u>	<u>309,432</u>	<u>297,684</u>	<u>11,748</u>
<i>Net Change in Fund Balance</i>	92,522	67,071	83,590	16,519
<i>Fund Balance Beginning of Year</i>	213,594	213,594	213,594	0
Prior Year Encumbrances Appropriated	80,146	80,146	80,146	0
<i>Fund Balance End of Year</i>	<u>\$386,262</u>	<u>\$360,811</u>	<u>\$377,330</u>	<u>\$16,519</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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	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>	\$130,024	\$130,024	\$130,024	\$0

**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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for Services	\$196,616	\$52,556	\$52,556	\$0
Intergovernmental	345,000	385,700	385,700	0
<i>Total Revenues</i>	<u>541,616</u>	<u>438,256</u>	<u>438,256</u>	<u>0</u>
<b>Expenditures</b>				
Capital Outlay:				
Storm Water Detention:				
Contractual Services	44,297	44,297	39,221	5,076
Capital Outlay	140,000	347,302	347,302	0
<i>Total Expenditures</i>	<u>184,297</u>	<u>391,599</u>	<u>386,523</u>	<u>5,076</u>
<i>Excess of Revenues Over Expenditures</i>	<u>357,319</u>	<u>46,657</u>	<u>51,733</u>	<u>5,076</u>
<b>Other Financing Sources (Uses)</b>				
Loan Received	0	45,700	45,000	(700)
Advances In	0	406,400	205,000	(201,400)
Advances Out	(165,153)	(205,000)	(205,000)	0
Transfers In	0	304,300	180,362	(123,938)
Transfers Out	0	(569,760)	(569,760)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(165,153)</u>	<u>(18,360)</u>	<u>(344,398)</u>	<u>(326,038)</u>
<i>Net Change in Fund Balance</i>	192,166	28,297	(292,665)	(320,962)
<i>Fund Balance Beginning of Year</i>	364,931	364,931	364,931	0
Prior Year Encumbrances Appropriated	14,297	14,297	14,297	0
<i>Fund Balance End of Year</i>	<u>\$571,394</u>	<u>\$407,525</u>	<u>\$86,563</u>	<u>(\$320,962)</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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Other	\$30,000	\$32,751	\$0	(\$32,751)
<b>Expenditures</b>				
Capital Outlay:				
Capital Improvements:				
Capital Outlay	15,000	1,186,683	1,113,932	72,751
<i>Excess of Revenues</i>				
<i>  Under Expenditures</i>	15,000	(1,153,932)	(1,113,932)	40,000
<b>Other Financing Sources (Uses)</b>				
Transfers In	599,432	1,154,432	1,114,432	(40,000)
Transfers Out	(15,000)	(500)	(500)	0
<i>Total Other Financing Sources (Uses)</i>	584,432	1,153,932	1,113,932	(40,000)
<i>Net Change in Fund Balance</i>	599,432	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$599,432	\$0	\$0	\$0

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Safety Town Construction Fund*  
*For the Year Ended December 31, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Contributions and Donations	\$7,654	\$5,000	\$250	(\$4,750)
<b>Expenditures</b>				
Capital Outlay:				
Safety Town Building:				
Capital Outlay	<u>25,921</u>	<u>25,921</u>	<u>25,621</u>	<u>300</u>
<i>Net Change in Fund Balance</i>	(18,267)	(20,921)	(25,371)	(4,450)
<i>Fund Balance Beginning of Year</i>	16,140	16,140	16,140	0
Prior Year Encumbrances Appropriated	<u>9,781</u>	<u>9,781</u>	<u>9,781</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,654</u></u>	<u><u>\$5,000</u></u>	<u><u>\$550</u></u>	<u><u>(\$4,450)</u></u>



**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Skateboard Park Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Interest	\$0	\$462	\$680	\$218
<b>Expenditures</b>				
Capital Outlay:				
Skateboard Park:				
Capital Outlay	350,000	350,000	350,000	0
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(350,000)	(349,538)	(349,320)	218
<b>Other Financing Sources</b>				
Transfers In	350,000	350,000	350,000	0
<i>Net Change in Fund Balance</i>	0	462	680	218
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$462	\$680	\$218

**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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Interest	\$4,583	\$0	\$0	\$0
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	4,583	0	0	0
<b>Other Financing Uses</b>				
Transfers Out	<u>(4,584)</u>	<u>(4,584)</u>	<u>(4,584)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1)	(4,584)	(4,584)	0
<i>Fund Balance Beginning of Year</i>	<u>4,584</u>	<u>4,584</u>	<u>4,584</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,583</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*  
*Road Widening Fund*  
*For the Year Ended December 31, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay:				
Detroit Road Culvert:				
Capital Outlay	<u>43,065</u>	<u>168,065</u>	<u>168,065</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(43,065)	(168,065)	(168,065)	0
<b>Other Financing Sources</b>				
Transfers In	<u>40,000</u>	<u>165,000</u>	<u>165,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(3,065)	(3,065)	(3,065)	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>3,065</u>	<u>3,065</u>	<u>3,065</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Schneider Court Site Development Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Interest	\$0	\$1,588	\$1,588	\$0
Miscellaneous	0	5	5	0
<i>Total Revenues</i>	0	1,593	1,593	0
<b>Expenditures</b>				
Capital Outlay:				
Schneider Court:				
Capital Outlay	0	999,848	995,491	4,357
Debt Service:				
Principal Retirement	0	1,000,000	0	1,000,000
Interest and Fiscal Charges	0	19,102	6,102	13,000
Total Debt Service	0	1,019,102	6,102	1,013,000
<i>Total Expenditures</i>	0	2,018,950	1,001,593	1,017,357
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	0	(2,017,357)	(1,000,000)	1,017,357
<b>Other Financing Sources</b>				
Bonds Issued	0	1,100,000	0	(1,100,000)
Notes Issued	0	1,000,000	1,000,000	0
<i>Total Other Financing Sources (Uses)</i>	0	2,100,000	1,000,000	(1,100,000)
<i>Net Change in Fund Balance</i>	0	82,643	0	(82,643)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$82,643	\$0	(\$82,643)

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*French Creek Restoration Fund*  
*For the Year Ended December 31, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Intergovernmental	\$226,347	\$226,347	\$0	(\$226,347)
Interest	0	2,764	3,289	525
<i>Total Revenues</i>	<u>226,347</u>	<u>229,111</u>	<u>3,289</u>	<u>(225,822)</u>
<b>Expenditures</b>				
Capital Outlay:				
French Creek:				
Capital Outlay	507,347	507,245	507,245	0
Debt Service:				
Interest and Fiscal Charges	0	6,102	6,102	0
<i>Total Expenditures</i>	<u>507,347</u>	<u>513,347</u>	<u>513,347</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	<u>(281,000)</u>	<u>(284,236)</u>	<u>(510,058)</u>	<u>(225,822)</u>
<b>Other Financing Sources</b>				
Notes Issued	0	600,000	600,000	0
Transfers In	281,000	281,000	281,000	0
<i>Total Other Financing Sources</i>	<u>281,000</u>	<u>881,000</u>	<u>881,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	596,764	370,942	(225,822)
<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>\$0</u>	<u>\$596,764</u>	<u>\$370,942</u>	<u>(\$225,822)</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Land Purchase/Our Lady of Wayside Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay:				
Land Purchase:				
Capital Outlay	400,000	400,000	400,000	0
Debt Service:				
Principal Retirement	400,000	400,000	0	400,000
<i>Total Expenditures</i>	800,000	800,000	400,000	400,000
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(800,000)	(800,000)	(400,000)	400,000
<b>Other Financing Sources</b>				
Bonds Issued	400,000	400,000	0	(400,000)
Notes Issued	400,000	400,000	400,000	0
<i>Total Other Financing Sources</i>	800,000	800,000	400,000	(400,000)
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Station #1 Remodeling Fund*  
*For the Year Ended December 31, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Intergovernmental	\$60,000	\$60,000	\$60,000	\$0
<b>Expenditures</b>				
Capital Outlay:				
Fire Station:				
Capital Outlay	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>0</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(65,000)</u>	<u>(65,000)</u>	<u>(65,000)</u>	<u>0</u>
<b>Other Financing Sources</b>				
Advances In	0	60,000	60,000	0
Transfers In	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>0</u>
<i>Total Other Financing Sources</i>	<u>65,000</u>	<u>125,000</u>	<u>125,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	60,000	60,000	0
<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><u>\$0</u></u>	<u><u>\$60,000</u></u>	<u><u>\$60,000</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*  
*Route 83 Extension Fund*  
*For the Year Ended December 31, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay:				
Route 83 Extension:				
Capital Outlay	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>	<u>0</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(180,000)	(180,000)	(180,000)	0
<b>Other Financing Sources</b>				
Transfers In	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<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><u>\$0</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*  
*Retaining Wall/Jaycox Road Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay:				
Retaining Wall:				
Capital Outlay	132,974	132,974	132,974	0
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(132,974)	(132,974)	(132,974)	0
<b>Other Financing Sources (Uses)</b>				
Transfers In	139,000	139,000	139,000	0
Transfers Out	(6,026)	(6,026)	(6,026)	0
<i>Total Other Financing Sources (Uses)</i>	132,974	132,974	132,974	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Route 83 Land Purchase Fund*  
*For the Year Ended December 31, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay:				
Route 83 Land:				
Capital Outlay	<u>80,107</u>	<u>80,107</u>	<u>80,107</u>	<u>0</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(80,107)	(80,107)	(80,107)	0
<b>Other Financing Sources</b>				
Transfers In	<u>80,107</u>	<u>80,107</u>	<u>80,107</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<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><u>\$0</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*  
*Master Road Analysis Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0	0
<b>Other Financing Uses</b>				
Transfers Out	(27,203)	(27,203)	(27,203)	0
<i>Net Change in Fund Balance</i>	(27,203)	(27,203)	(27,203)	0
<i>Fund Balance Beginning of Year</i>	27,203	27,203	27,203	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*I-90 Interchange Study Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Contributions and Donations	\$84,000	\$84,000	\$83,500	(\$500)
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	84,000	84,000	83,500	(500)
<b>Other Financing Sources</b>				
Transfers In	<u>65,000</u>	<u>65,000</u>	<u>27,203</u>	<u>(37,797)</u>
<i>Net Change in Fund Balance</i>	149,000	149,000	110,703	(38,297)
<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><u>\$149,000</u></u>	<u><u>\$149,000</u></u>	<u><u>\$110,703</u></u>	<u><u>(\$38,297)</u></u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*I-90 Interchange Study Fund*  
*For the Year Ended December 31, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Contributions and Donations	\$84,000	\$84,000	\$83,500	(\$500)
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	84,000	84,000	83,500	(500)
<b>Other Financing Sources</b>				
Transfers In	<u>65,000</u>	<u>65,000</u>	<u>27,203</u>	<u>(37,797)</u>
<i>Net Change in Fund Balance</i>	149,000	149,000	110,703	(38,297)
<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>\$149,000</u>	<u>\$149,000</u>	<u>\$110,703</u>	<u>(\$38,297)</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Sewer Capital Fund*  
*For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Interest	\$48,062	\$20,000	\$10,051	(\$9,949)
Notes Issued	1,000,000	1,000,000	350,000	(650,000)
<i>Total Revenues</i>	<u>1,048,062</u>	<u>1,020,000</u>	<u>360,051</u>	<u>(659,949)</u>
<b>Expenses</b>				
Materials and Supplies	208,223	208,223	208,223	0
Debt Service:				
Principal Retirement	350,000	350,000	350,000	0
Interest and Fiscal Charges	14,499	14,499	13,905	594
<i>Total Expenses</i>	<u>572,722</u>	<u>572,722</u>	<u>572,128</u>	<u>594</u>
<i>Excess of Revenues Over (Under) Expenses</i>	475,340	447,278	(212,077)	(659,355)
Transfers In	515,700	325,000	312,976	(12,024)
<i>Net Change in Fund Balance</i>	991,040	772,278	100,899	(671,379)
<i>Fund Balance Beginning of Year</i>	1,429,235	1,429,235	1,429,235	0
Prior Year Encumbrances Appropriated	58,222	58,222	58,222	0
<i>Fund Balance End of Year</i>	<u>\$2,478,497</u>	<u>\$2,259,735</u>	<u>\$1,588,356</u>	<u>(\$671,379)</u>

**City of Avon, Ohio**  
*Governmental Activities Revenues by Source and Expenses by Function*  
*Last Three Years*

	2003	2002	2001
<b>Program Revenues</b>			
Charges for Services and Sales	\$2,082,779	\$2,280,932	\$2,208,634
Operating Grants and Contributions	695,341	692,119	993,420
Capital Grants and Contributions	7,058,526	2,996,623	3,216,959
<b>General Revenues</b>			
Property and Other Taxes	2,664,197	2,161,293	1,918,616
Municipal Income Taxes	6,746,942	4,918,171	3,246,032
Grants and Entitlements	275,722	237,174	115,580
Investment Earnings	291,920	533,541	821,670
Gain on the Sale of Capital Assets	647,650	0	0
Miscellaneous	96,670	125,650	88,801
<b>Total</b>	<b>\$20,559,747</b>	<b>\$13,945,503</b>	<b>\$12,609,712</b>
<b>Expenses</b>			
Current:			
General Government	\$1,695,377	\$1,510,968	\$1,218,050
Security of Persons and Property	3,932,378	2,699,899	2,417,554
Transportation	3,288,035	2,931,435	2,994,870
Community Environment	1,091,550	940,434	960,122
Basic Utility Services	22,007	461,515	237,495
Leisure Time Activities	1,131,505	805,698	1,649,925
Interest and Fiscal Charges	479,473	511,821	499,035
<b>Total</b>	<b>\$11,640,325</b>	<b>\$9,861,770</b>	<b>\$9,977,051</b>

Source: City Financial Records

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

	2003	2002	2001	2000
<b>Revenues</b>				
Property and Other Taxes	\$2,671,095	\$2,161,319	\$1,884,810	\$2,321,334
Municipal Income Taxes	6,181,819	5,148,048	2,639,125	1,671,106
Charges for Services	516,302	660,046	440,916	384,792
Licenses and Permits	1,282,688	1,301,949	1,450,399	1,159,788
Fines and Forfeitures	277,121	318,937	317,319	173,153
Intergovernmental	1,270,445	1,130,957	1,396,646	1,317,935
Special Assessment	184,848	174,939	124,577	458,449
Interest	291,920	533,541	821,670	504,273
Contributions and Donations	85,775	131,651	36,000	0
Miscellaneous	96,670	125,650	88,801	117,489
<b>Total</b>	<b>\$12,858,683</b>	<b>\$11,687,037</b>	<b>\$9,200,263</b>	<b>\$8,108,319</b>
<b>Expenditures</b>				
Current:				
General Government	\$1,577,228	\$1,463,958	\$1,260,416	\$1,052,166
Security of Persons and Property	3,474,590	2,661,078	2,267,977	1,939,213
Transportation	1,101,163	947,671	1,032,355	923,213
Community Environment	920,261	910,906	884,742	731,479
Basic Utility Services	22,007	33,541	25,722	54,984
Leisure Time Activities	705,439	775,672	1,631,866	322,900
Capital Outlay	3,828,702	2,659,213	2,942,272	1,978,321
Debt Service	2,726,867	862,199	874,257	863,413
<b>Total</b>	<b>\$14,356,257</b>	<b>\$10,314,238</b>	<b>\$10,919,607</b>	<b>\$7,865,689</b>

Source: City financial records



1999	1998	1997	1996	1995	1994
\$1,931,461	\$1,802,915	\$1,452,289	\$1,281,103	\$1,023,408	\$1,046,187
1,598,049	1,210,030	1,114,457	983,316	934,806	749,112
259,262	243,356	214,312	334,070	264,404	111,677
1,305,564	745,385	592,380	821,153	765,583	788,162
225,127	188,972	186,569	0	0	0
1,174,431	1,264,970	1,180,320	2,248,201	955,777	683,091
179,288	354,190	70,222	149,649	202,677	62,127
241,127	233,579	244,412	226,370	201,321	107,697
0	0	0	0	0	0
134,587	114,000	77,599	18,592	42,351	13,381
<u>\$7,048,896</u>	<u>\$6,157,397</u>	<u>\$5,132,560</u>	<u>\$6,062,454</u>	<u>\$4,390,327</u>	<u>\$3,561,434</u>
\$1,066,278	\$985,736	\$834,400	\$791,157	\$785,662	\$621,926
1,665,211	1,613,884	1,409,250	1,255,728	1,194,686	1,019,014
882,931	718,903	665,352	535,762	634,879	517,227
577,816	477,229	367,821	333,113	270,022	216,957
21,836	20,860	26,372	27,922	23,273	26,165
270,963	414,757	417,208	73,415	261,048	61,897
1,271,920	956,665	1,991,327	2,163,537	2,367,206	1,079,406
654,669	624,251	377,682	766,653	189,304	195,220
<u>\$6,411,624</u>	<u>\$5,812,285</u>	<u>\$6,089,412</u>	<u>\$5,947,287</u>	<u>\$5,726,080</u>	<u>\$3,737,812</u>

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

Collection Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections
2003	\$2,486,377	\$2,488,431	100.0 %	\$56,519	\$2,544,950
2002	2,209,111	2,160,415	97.8	68,527	2,228,942
2001	2,015,612	1,954,837	97.0	54,316	2,009,153
2000	1,785,912	1,742,455	97.6	52,846	1,795,301
1999	1,679,130	1,618,904	96.4	38,080	1,656,984
1998	1,299,724	1,259,756	96.9	23,636	1,283,392
1997	1,162,180	1,124,799	96.8	17,473	1,142,272
1996	1,033,712	1,016,174	98.3	15,559	1,031,733
1995	1,073,543	1,057,489	98.5	28,081	1,085,570
1994	873,109	856,352	98.1	19,631	875,983

Source: County Auditor, Lorain County, Ohio

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

Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
102.3 %	\$66,901	2.7 %
100.9	66,430	3.0
99.7	74,869	3.7
100.5	60,392	3.4
98.7	69,858	4.2
98.7	45,374	3.5
98.3	39,913	3.4
99.8	18,818	1.8
101.1	19,258	1.8
100.3	29,526	3.4

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

Collection Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2003	\$381,149,640	\$1,088,998,971	\$10,647,860	\$12,099,841
2002	333,997,220	954,277,771	11,260,440	12,795,955
2001	297,017,550	848,621,571	15,157,750	17,224,716
2000	243,429,610	695,513,171	18,578,450	21,111,875
1999	218,823,620	625,210,343	19,035,790	21,631,580
1998	198,825,660	568,073,314	18,971,270	21,558,261
1997	145,084,780	414,527,943	18,608,300	21,145,795
1996	126,386,940	361,105,543	17,609,820	20,011,159
1995	116,044,800	331,556,571	18,932,760	21,514,500
1994	96,780,230	276,514,943	14,031,140	15,944,477

Source: County Auditor, Lorain County, Ohio

Estimated actual value is calculated by dividing the assessed value by assessment percentage. The percentages for 2003 were 35% for real property, 35% for public utility real, 88% for public utility tangible and 25% for capital assets and 23 percent for inventory for tangible personal.

Tangible Personal Property		Total		Ratio of Assessed Value to Actual Value
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$25,843,840	\$103,375,360	\$417,641,340	\$1,204,474,172	35%
20,953,670	83,814,680	366,211,330	1,050,888,406	35
16,337,140	65,348,560	328,512,440	931,194,847	35
14,965,300	59,861,200	276,973,360	776,486,246	36
14,944,821	59,779,284	252,804,231	706,621,207	36
15,240,470	60,961,880	233,037,400	650,593,455	36
10,155,660	40,622,640	173,848,740	476,296,378	37
9,182,579	36,730,316	153,179,339	417,847,018	37
8,930,603	35,722,412	143,908,163	388,793,483	37
8,990,600	35,962,400	119,801,970	328,421,820	36

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

Collection Year	City of Avon				Total City
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	
2003	\$2.02	\$8.13	\$0.33	\$0.00	\$10.48
2002	2.02	8.13	0.25	0.00	10.40
2001	2.02	8.13	0.30	0.00	10.45
2000	2.02	8.13	0.30	0.00	10.45
1999	2.02	6.63	0.35	1.50	10.50
1998	2.02	7.28	0.37	0.50	10.17
1997	2.02	7.28	0.72	0.50	10.52
1996	2.02	7.08	0.72	0.50	10.32
1995	2.02	7.08	0.72	0.50	10.32
1994	2.02	7.08	0.00	0.50	9.60

Source: County Auditor, Lorain County, Ohio

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Avon City School District	Lorain County	Lorain County Joint Vocational School	Total Direct and Overlapping Governments
\$46.85	\$12.89	\$2.45	\$72.67
47.46	12.89	2.45	73.20
48.58	10.79	2.45	72.27
49.24	10.79	2.45	72.93
50.27	10.79	2.45	74.01
50.60	10.79	2.45	74.01
52.23	12.69	2.45	77.89
52.95	12.69	2.45	78.41
47.05	11.49	2.45	71.31
47.35	11.49	2.45	70.89

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

Collection Year	Amount Billed	Amount Collected	Percent Collected
2003	\$446,118	\$184,848	41.4 %
2002	444,272	174,939	39.4
2001	657,864	124,577	18.9
2000	567,063	458,449	80.8
1999	387,653	179,288	46.2
1998	281,902	354,190	125.6
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

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.



**City of Avon, Ohio**  
*Computation of Legal Debt Margin*  
*December 31, 2003*

Assessed Value		\$417,641,340
Legal Debt Margin:		
Debt Limitation - 10.5 percent of Assessed Value		43,852,341
Debt Outstanding:		
General Obligation Bonds	\$4,283,189	
General Obligation Bonds - Enterprise	504,000	
Special Assessment Bonds	3,777,810	
Notes	3,870,000	
Notes - Enterprise	1,400,000	
OWDA Loans	1,071,526	
OPWC Loans	90,580	
Contractual Debt Obligation	1,099,312	
Gross Indebtedness (Total Voted and Unvoted Debt)	16,096,417	
Less: Debt Outside Limitations		
General Obligation Bonds - Enterprise	504,000	
Special Assessment Bonds	3,777,810	
Notes - Enterprise	1,400,000	
OWDA Loans	1,071,526	
Contractual Debt Obligation	1,099,312	
Total Debt Outside Limitations	7,852,648	
Total Debt Applicable to Limitation - Within 10.5% Limitations	8,243,769	
Less: Amount Available in Debt Service Fund to pay debt applicable to limitation	0	
Net Debt Within 10.5% Limitation		8,243,769
Overall Debt Margin Within 10.5% Limitation		\$35,608,572
*****		
Unvoted Debt Limitation - 5.5% of Assessed Valuation		\$22,970,274
Gross Indebtedness Authorized by Council	16,096,417	
Less: Debt Outside Limitations:		
Total Debt Outside Limitations	7,852,648	
Debt Within 5.5% Limitation	8,243,769	
Less Amount Available in Debt Service Fund	0	
Net Debt Within 5.5% Limitation		8,243,769
Unvoted Debt Margin Within 5.5% Limitation		\$14,726,505

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>
2003	11,353	\$417,641,340	\$4,283,189	\$0	\$4,283,189	1.03 %	\$377.27
2002	11,353	366,211,330	2,842,209	8,543	2,833,666	0.77	249.60
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

(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 Governmental Expenditures  
 Last Ten Years*

<u>Year</u>	<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total Debt Service</u>	<u>Total Governmental Expenditures</u>	<u>Ratio of Debt Service to Total Governmental Expenditures</u>
2003	\$149,020	\$153,421	\$302,441	\$14,356,257	2.11%
2002	142,262	159,439	301,701	10,314,238	2.93
2001	138,849	158,829	297,678	10,919,607	2.73
2000	128,219	172,953	301,172	7,865,689	3.83
1999	125,089	174,955	300,044	6,411,624	4.68
1998	115,136	173,393	288,529	5,812,285	4.96
1997	63,761	117,731	181,492	6,089,412	2.98
1996	72,961	20,480	93,441	5,947,287	1.57
1995	72,961	11,637	84,598	5,726,080	1.48
1994	52,961	15,441	68,402	3,737,812	1.83

Source: City Financial Records

**City of Avon, Ohio**  
*Computation of Direct and Overlapping Debt*  
*December 31, 2003*

	<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	\$4,283,189	100.00%	\$4,283,189
<i>Overlapping:</i>			
Lorain County	<u>25,320,000</u>	5.80	<u>1,468,560</u>
Total	<u><u>\$29,603,189</u></u>		<u><u>\$5,751,749</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*

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<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Lorain County (3)</u>
2003	11,353	2,474	6.8 %
2002	11,353	2,266	6.4
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

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)
2003	645	\$116,645,530	\$1,204,474,172	\$649,005,000
2002	542	172,727,004	1,050,888,406	614,592,000
2001	607	172,727,004	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

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, 2003*

Taxpayer	Real Property Assessed Valuation	Percentage of Total Real Property Assessed Valuation
First Interstate Avon, LTD.	\$13,207,490	3.47%
AERC Avon	6,919,500	1.82
Timber Lake Apartments	6,820,140	1.79
First Interstate Avon	3,929,600	1.03
Comprehensive Health	3,827,180	1.00
Avon Board of Education	3,073,990	0.81
F I BJS, LTD.	2,351,900	0.62
Manco Incorporated	2,197,590	0.58
JS Avon North	1,999,180	0.52
Wal Mart Real Estate	<u>1,742,480</u>	<u>0.46</u>
Total of Above	<u><u>\$46,069,050</u></u>	<u><u>12.10%</u></u>
Total City Valuation	<u><u>\$381,149,640</u></u>	

Source: County Auditor, Lorain County, Ohio

**City of Avon, Ohio**  
*Miscellaneous Statistics*  
*December 31, 2003*

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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) 430

EDUCATION:

Attendance Centers	5
Teachers	160
Students	2,474

WATER:

Miles of Water Mains 88

SEWERS:

Miles of Sanitary Sewers 63

BUILDING PERMITS ISSUED:

Residential (Single-family and Multi-family)	397
Commercial/Industrial (New and Expansion)	248

RECREATION AND CULTURE:

Number of Parks	5
Number of Libraries	1
Number of Baseball Diamonds	6
Number of Soccer Fields	9

POLICE:

Stations	1
Policemen and Officers: Full-Time	23

FIRE:

Stations	1
Firefighters and Rescue Workers: Full-Time	17
Firefighters and Rescue Workers: Part-Time	6

TOTAL EMPLOYEES:

Full-Time	87
Part-Time	60





**Auditor of State  
Betty Montgomery**

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Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**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 12, 2004**