

City of



# Comprehensive Annual Financial Report

For the fiscal year ended December 31, 2013, for the City of Avon, Ohio





# Dave Yost • Auditor of State

City Council  
City of Avon  
36080 Chester Road  
Avon, Ohio 44011

We have reviewed the *Independent Auditor's Report* of the City of Avon, Lorain County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2013 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Avon is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

July 16, 2014

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Bryan K. Jensen  
MAYOR



Council



Lee Belardo  
Council at Large



Mary Berges  
Ward 3



Bob Butkowski  
Ward 1



Craig Witherspoon  
Council President



Dennis McBride  
Ward 2



Tammy Holtzmeier  
Council at Large



Daniel Urban  
Ward 4

Finance Dept.



Front Row, L- R: Diane Szlempa, Lisa Nose, Bill Logan, Tami Reynolds  
Back Row, L- R: Beth Raicevich, Eric Clanin, Fran Sikora, Randi Simkovich, Tania Gray,  
Not pictured; Loretta Stockard, Jean Payne



**City of Avon, Ohio**

*Comprehensive Annual Financial Report*

For The Year Ended December 31, 2013

Prepared by:

Office of the Director of Finance

William D. Logan  
Director of Finance

**City of Avon, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2013*  
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# CITY OF AVON

36080 CHESTER ROAD • AVON, OHIO 44011-1099 • (440) 937-7800 • FAX (440) 937-7824 • [www.cityofavon.com](http://www.cityofavon.com)

Date of Opinion,

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2013.

This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38, which requires the cities reporting on a GAAP basis to file unaudited basic financial statements with the Auditor of State within 150 days of the fiscal year end. This report is submitted to satisfy that requirement for the year ended December 31, 2013.

Management assumes full responsibility for both the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Under Ohio law, regular audits are required to be performed on all financial related operations of the City. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting firm. For the year 2013, the City of Avon was audited by Ciuni & Panichi, Inc.

Management's discussion and analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **Profile of the Government**

The City of Avon was founded in 1814, incorporated as a village in 1917, and achieved city status in 1961. The City of Avon is located in Lorain County in northeast Ohio, 22 miles west of downtown Cleveland. The City is bounded 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 2010 U.S. Census Bureau reports the City's population at 21,193, up 87 percent from 11,353 in 2000.

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. All of the Council members choose an at large member to serve as Council President. Council enacts ordinances and resolutions relating to tax levies, appropriates, and borrows money, and accepts bids for materials and services and other municipal purposes. During the 2012 General Election, City of Avon voters changed the terms of Council from two years to four years. To enact this change, the four Ward representatives will be elected to serve four year terms in 2013, effective in 2014 and going forward. The three At-Large representatives will be elected to serve four year terms in 2015, effective in 2016 and going forward.

The City's Service Department responds to the needs of our residents, providing street maintenance, snow removal and maintenance of City facilities, ditch and creek clean-up, leaf pick-up in the fall, and other services.

Security is foremost on the minds of our full-time Police and Fire Departments. Avon takes pride in its low crime rate and rapid response by both police and fire units.

The City provides a full range of other municipal services, including a Mayor's Court, parks and recreation, facility rentals, water and sewer utility, planning, zoning, and building departments, a Senior Center and general administrative services.

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

Shopping centers in the City of Avon include Avon Commons, Avon Crossings, Chester Road Square, French Creek Square, 2100 Place, City Centre and Market Place at Avon. Several large shopping centers are located within close proximity of the City including the Promenade and Crocker Park in Westlake, Great Northern Mall in North Olmsted, Midway Mall in Elyria and South Park Mall in Strongsville. Both the City of Avon and the nearby shopping centers have many fine restaurants. Banks with branches in the City include First Merit Bank, Fifth Third Bank, The First Federal Savings and Loan of Lorain, Parkview Federal Savings Bank, PNC Bank, Dollar Bank, Lorain National Bank, Key Bank, Third Federal Savings and Loan, Huntington National Bank and First Federal of Lakewood.

The Board of Education of the Avon Local School District is a separate political subdivision of the State, although its territorial boundaries are coterminous with those of the City. The Board of Education provides public education for kindergarten through 12th grade. Within commuting distance are several public and private two-year and four-year colleges and universities providing a wide range of educational facilities and opportunities. These include Baldwin-Wallace College, Case Western Reserve University, Cleveland State University, Cuyahoga Community College, John Carroll University, Lakeland Community College, Lorain County Community College, Kent State University, Notre Dame College, Oberlin College, Southeastern Business College, Ursuline College, the Cleveland Institute of Music and the Cleveland Institute of Art.

## **Economic Conditions and Outlook**

### *Residential*

The City of Avon continues to be an attractive location for residential development as single family home construction remains stable despite weakness in the overall state and national economy. Avon is appealing to new residents because of their excellent schools and City services. The median family income in Avon is 163 percent of the state average and 155 percent of the national average. The average length of time a home in Avon is for sale is 91 days. The number of new single-family home permits issued for the year 2013 was 122 with an approximate valuation of \$45,661,698 compared to 96 single-family home permits issued the previous year with a valuation of \$29,589,466.

New and existing residential developments continue and expand in various stages including but not limited to: Amberwood, Arlington Place, Augusta Woods, Arbor Acres, Avenbury Lakes, Bentley Park, Camelot West, Concord Village, Cottage Gate, Creekside, Centennial Village, Greenview Estates, Halsted Village, Hawkesbury Lane, Highland Park, Kenwyn Village, Napa Estates, Orchard Trail, Palmer Village, Red Tail, Stonebridge, Stonebridge Estates, Stonewheel Estates, Village at Creekside, Vineyard Estates and Willow Creek.

### *Commercial & Industrial*

Commercial permits issued in 2013 had an approximate valuation of \$37,428,054, compared to \$34,922,637 in 2012. New construction in 2013 includes a Cambria Suites Hotel (presently under construction), Mitchell's Ice Cream, The Woods of Avon Nursing Home (presently under construction) and various expansions of existing businesses, including Jenne Distributors, L & W Engineering and Custom Culinary. Presently, there is approximately 2,300 acres of land available for commercial and industrial development in the City.

So far in 2014 plans for new commercial development include a Residence Inn along with an attached 11,000 square foot convention center, Advanced Auto Parts, Discount Tire, Bar 145, Winking Lizard and various other facilities.

The assessed valuation for tax year 2013 for the City of Avon is \$742,746,620, per the Lorain County Auditor's Office. Property taxes will be collected on this valuation in 2014. This is \$11,949,520 more than tax year 2012 valuation. The City's assessed value equates to a little more than \$2.1 billion at market, or appraised value. See the history of assessed valuations in the Statistical Section of this report.

This assessed valuation does not include the Cleveland Clinic which adds about \$35,000,000 to the total. This value is exempt from property tax however, as the Cleveland Clinic is a non-profit organization. Because the City has thirteen Tax Increment Financing (TIF) agreements in place for much of the commercial property north of I-90, these values are considered exempt and therefore not included in the County Auditor's total taxable assessed valuations. The City and the Avon School District both collect Tax Increment Financing revenues as if they were property taxes. Presently, the City is collecting TIF revenues on an estimated commercial assessed valuation of about \$42,668,000.

### **Relevant Financial Policies**

The budget must be structurally balanced so that revenues support expenditures. Budgetary appropriations may not exceed estimated resources, with a balanced budget maintained in each fund.

The budget is controlled at the object level within each fund. Council action is not necessary for the transfers of appropriations within an object. The budget may be amended or supplemented at any time during the year upon formal action of Council. Transfers of cash between funds also require City Council authorization.

### **Avon Recreation Complex**

In November 2007, the voters of the City passed a 0.25 percent income tax for the purpose of building a recreation complex on the western side of the City at the intersection of I-90, State Route 611 and Miller Road. The first phase of the complex was completed in 2010 and consists of a recreation center, French Creek Family YMCA, and a baseball stadium, All-Pro Freight Stadium. In addition to the recreation center and baseball stadium, plans call for the complex to eventually include ice hockey and skating rinks, an indoor soccer facility, tennis courts, youth football and soccer fields. All-Pro Freight Stadium opened in the spring of 2009, and is the home of an expansion team in the Frontier League, the Lake Erie Crushers. The Frontier League is a professional baseball league made up of 12 teams in Ohio and neighboring states. The stadium has 3,500 traditional seats and 1,500 lawn seats, along with loges, concessions and playground areas for children. The stadium also has plenty of standing room on the concourse. In addition to the 48 Frontier League home games, the stadium has hosted concerts and other events each year since it has opened. The stadium is used by the Avon High School Varsity Baseball Team along with certain other schools and colleges who play many games here. The stadium has hosted the Mid-American Conference Tournament the last two years and will do so again in

2014. The stadium is owned by the City of Avon. However, the Frontier League team entered into a 15 year lease with the City for the use of the ball park and is responsible for the maintenance of the stadium. The 15 year lease has provisions for extension beyond its original term.

The French Creek Family YMCA was built by the City in conjunction with the Greater Cleveland YMCA (the "YMCA"), but is owned solely by the City. The YMCA contributed approximately \$5,600,000 towards constructions costs. The YMCA pays all operating costs and manages all programming offered to the public at this facility. The amenities of the YMCA include a competitive swimming pool, basketball courts, workout areas for cardio and strength training, childcare services for members and other programming typically provided by the YMCA. A few high schools make the YMCA their home for varsity swimming meets, including Avon and Avon Lake High Schools. Membership to the YMCA is open to all residents of the entire region. Residents of the City benefit from a discounted membership fee. Currently, the YMCA has 18,936 members, of which 6,662 are Avon residents.

### **Avon Healthcare Facilities**

The Cleveland Clinic Richard E. Jacobs Health Center opened their Avon facility in December, 2011. In September 2012, the Clinic opened a 24 hour Emergency Room at this location. The Cleveland Clinic is ranked as one of the nation's top four hospitals by U.S. News and World Report. The Cleveland Clinic Richard E. Jacobs Health Center offers primary care services and more than 30 specialty services. The Avon facility includes a large physical therapy area with two pools for aquatic therapy, an ambulatory surgery center and a helipad.

The Cleveland Clinic has announced plans to construct a 108 bed hospital on land adjacent to the existing medical center. It is anticipated this facility will be complete and ready for use by 2017.

Also located in Avon is the 91,000 square-foot Elyria Memorial Hospital Campus. This facility was built in 1999 and includes a 24 hour emergency room, outpatient testing services, medical offices and a health-fitness center. This is one of northeast Ohio's premier medically-based fitness centers. Elyria Memorial Hospital recently merged with University Hospitals (UH) of Cleveland.

The City is home to various other medical offices including but not limited to Avon Health and Wellness, Dermatology Partners, Kaiser-Permanente, Westshore Primary Care, North Ohio Heart Center, Tri-Tech Medical and Orthopedic Associates.

### **City Services**

The City's fire department is full-time with 32 firefighter paramedics that offer much more than fire protection and emergency medical services. The fire department is very service oriented, offering many specialties such as CPR training, a senior's lock box program, child safety seat inspections and installation, fire safety inspections for either homes or businesses, the File of Life program, and our newest service, fire extinguisher training with a propane powered simulator. This training is offered to businesses as well as residents of Avon.

The Avon Fire Department responded to 2,360 calls in 2013. 1,737 were emergency medical calls and 623 were fire related calls which included service and specialty rescue calls. Specialty rescues include water and ice rescue, confined space rescue, rope rescue, and structural collapse rescue.

The Avon Fire Department purchased a rescue squad and rescue engine in 2012. These items allow the department to better serve the citizens and businesses of Avon. The rescue engine also helps maintain our Insurance Services Offices (ISO) rating that we improved in 2010. The businesses and homeowners in Avon continue to benefit from this rating.

In 2013, the Avon Police Department handled 17,478 calls for service which resulted in 1,103 incident reports being taken and 598 traffic crashes being handled. The police department made 466 criminal arrests along with 1,770 traffic charges being filed. The police department also physically checked 385 homes for residents who were away on vacation and an additional 2,846 physical premise checks were completed on residential and commercial properties.

During this past 2013-2014 school year, the department worked very closely with the Avon Local School System to start up its very first School Resource Officer (SRO) program. The police department and the school system were able to receive a grant from the State of Ohio Department of Drug and Alcohol that partially helps fund two (2) part-time SRO's. The City of Avon and Avon Local Schools share the remainder of the program's cost equally. The SRO's are currently based out of the Avon High School and Avon Middle School. Their duties include, but are not limited to providing crime prevention, safety and security, education and counseling within the school environment.

The SRO's biggest function is to maintain a close partnership with the school administrators and to help provide for a safe learning environment for Avon students, faculty and staff. The SRO's also teach classes on law related topics, drug abuse awareness and they also work with parents by training them how to create and make a good neighborhood watch program successful.

As the City continues to grow, the police department is working harder than ever to integrate itself more with the community it serves. They are doing this by going out and speaking at certain events and meeting with people to give them ideas on how to make their properties and businesses more safe and secure. They are trying to make themselves more available and open to our residents and businesses.

The Avon Senior Center provides programs and activities for anyone 55 and over. The Center provides numerous services serving the approximately 5,000 senior adults in Avon.

The Senior Center has social events, movies, cards, health and educational seminars, bus trips, lunches, durable medical equipment, exercise classes, and an adult health clinic just to name a few. The craft room allows seniors to participate in classes such as painting, knitting and crocheting. Additionally, the Center has a computer lab where seniors can check email, surf the net, print articles and learn through occasional classes offered.

In addition, the Senior Center's transportation program allows seniors and persons with disabilities to maintain their independence by providing rides to medical appointments, shopping and other necessary transports.

The City of Avon has seven parks totaling over 315 acres. The Parks and Recreation Department offers various adult and youth programs, in addition to working with organizations such as Avon Little League, the Avon Soccer League Association and the Avon Schools. In 2013, the City purchased 19-acres adjacent to Veterans Memorial Park. The ultimate use for this property is still under consideration. The City is continually looking for new park land that may be used for various recreational activities.

In 2011, the City renovated the Avon Isle, a City owned historic dance hall and community center. A large portion of the cost of the renovation was funded through an energy grant from the Northeast Ohio Public Energy Council. In 2013 the City paved the parking lot here. The Avon Isle is now available for residents to rent for parties, weddings and other events. This year the City was awarded a Capital Budget matching grant not to exceed \$75,000 to renovate and improve the basement floor of the Avon Isle.

### **Long-Term Financial Planning**

In 2013 the City issued \$11,820,000 of bonds for construction of the Nagel Road Interchange. Of this bond issue, \$3,084,972 is a voluntary assessment for a property owner the City has partnered with on the Interchange.

In 2012 the City issued \$17,380,000 of 2012A and 2012B bonds for the land acquisition and gas pipeline relocation portion of the Nagel Road Interchange Project (\$9,539,138), the Nagel District Water & Sewer projects near the new interchange (\$4,605,862), and various other construction and land acquisition projects in the City (\$3,235,000). Of this bond issue, \$4,349,761 is a voluntary assessment for a property owner the City has partnered with on the Interchange and related projects.

In December of 2012, the I-90/Nagel Road Interchange opened. This project was in the works for over 10 years and construction began in August, 2011. The interchange opened six months sooner than originally planned, thanks to efficient construction management, value engineering and favorable weather. In addition, the project finished about \$1,200,000 lower than planned. The project was funded by the Jacobs Group and the City of Avon. The project was managed by the Ohio Department of Transportation and the General Contractor was Mosser Construction, Inc. The Jacobs Group and the City of Avon also funded \$4.6 million of infrastructure improvements in the area surrounding the new interchange. Upon a final cost audit being conducted by ODOT, the City will dedicate the asset to the State of Ohio, who will maintain the interchange. As a result, the City's financial statements reflect expenses and liabilities associated with the construction of the interchange, but no corresponding asset.

The City recently awarded a contract for the construction of a 3,000,000 gallon water tower on the south side of town. This water tower will complement the existing 750,000 gallon tank in the center of town and provide needed capacity for new development. Additionally, it will provide water surplus in the event of an emergency. The estimated cost of this project is \$7,400,000.

The City is in the design stages of an outdoor swimming pool/aquatic center in the center of town. The City owns the property where this project is planned. The estimated cost of this project is \$4,500,000.

As part of the City's long-term planning, thirteen Tax Increment Financing (TIF) Agreements have been implemented for much of the remaining undeveloped commercial and industrial property. The expected future payments in lieu of taxes will contribute to infrastructure improvements such as the interchange and to debt service on existing bonds that were used to finance qualified infrastructure related projects.

The City's financial operations will remain strong due to its historically steady rate of income tax growth, expected future expansion of commercial and industrial employers, a healthy Aa1 Credit Rating (Moody's) and a demonstrated track record of sound budgeting and financial management.

### **Awards and Acknowledgments**

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 has received the Certificate of Achievement for its Comprehensive Annual Financial Report each year dating back a number of years. A Certificate of Achievement is valid for a period of one year.

The City of Avon believes the current report continues to conform to the requirements and standards of the Certificate of Achievement Program and has submitted it to the GFOA to determine its eligibility for another Certificate of Achievement.

For fiscal year 2009, the City received the Auditor of State's "Making Your Tax Dollars Count" Award, and for fiscal years 2010 and 2011, the City was presented with the "Auditor of State Award with Distinction".

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 the other City 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 Section of the Office of the Auditor of State for their continued guidance in the preparation of this report.

Finally, we would like to acknowledge former Mayor James A. Smith for his 20 + years of dedicated service to the City of Avon. Without his leadership and vision the accomplishments of this City would be greatly reduced.



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,

Bryan K. Jensen  
Mayor

William D. Logan  
Director of Finance

**City of Avon, Ohio**  
*Principal Officials*  
*December 31, 2013*

***Elected Officials:***

\* Mayor..... James A. Smith  
President of Council ..... Dan Zegarac  
Councilman at Large..... Craig Witherspoon  
Councilman at Large..... Mary Berges  
Councilman – Ward I..... Bryan Jensen  
Councilman – Ward II ..... Dennis McBride  
Councilman – Ward III..... Kevin Ward  
Councilman – Ward IV..... Daniel Urban

***Directors:***

Director of Law..... John A. Gasior  
Director of Finance ..... William D. Logan  
Director of Public Service ..... Gerald W. Plas  
Director of Parks and Recreation..... Diane Corrao

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

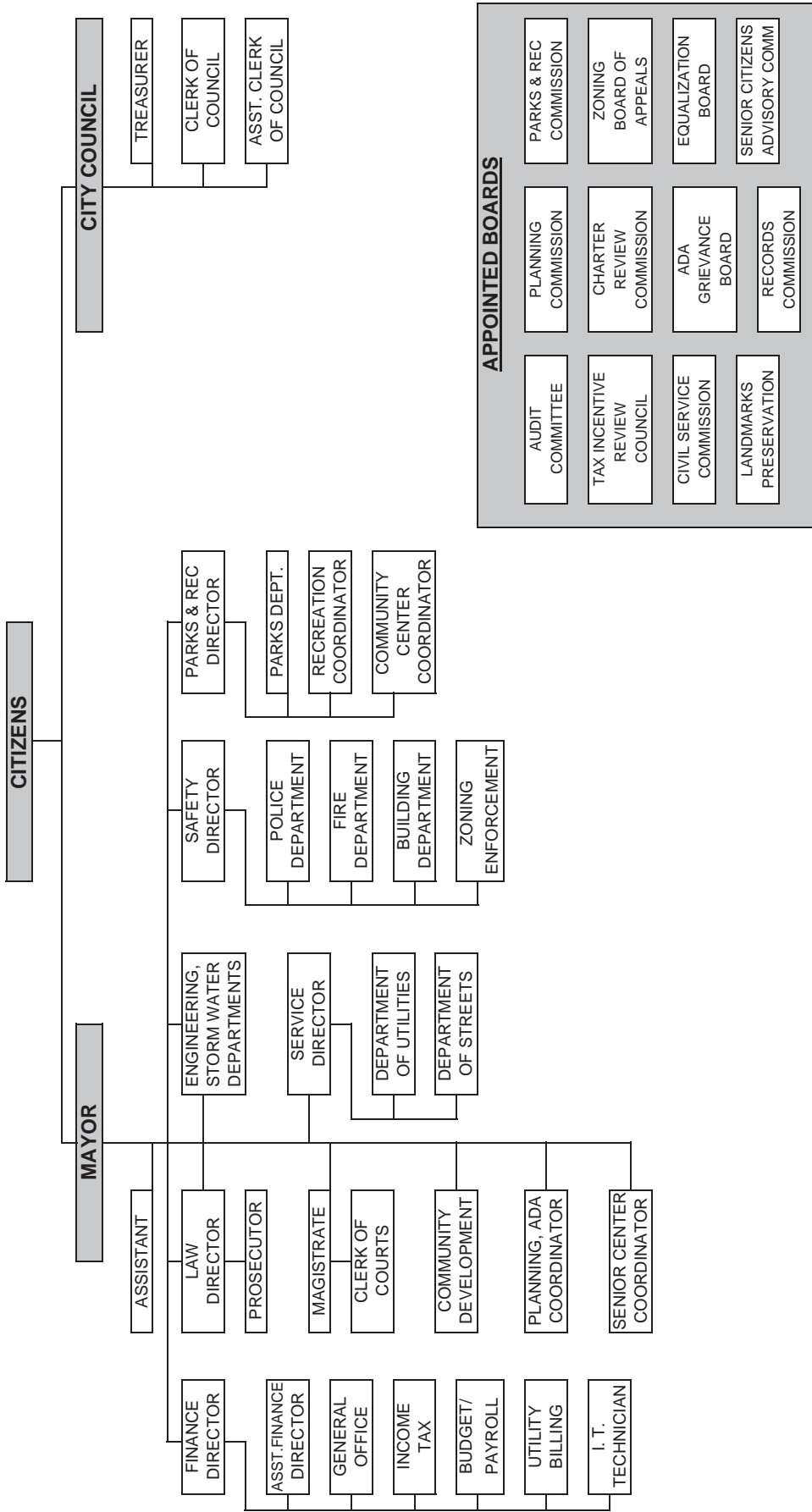
Board of Zoning and Building Appeals..... Randy Fratianne  
Planning Commission..... Carolyn Witherspoon  
Civil Service Commission ..... Tony Sarraino  
Park and Recreation Commission..... Thomas Mitchell

***Other Staff Members:***

Treasurer..... Lisa T. Nose  
City Engineer ..... Robert Knopf  
Superintendent of Utilities..... David A. Conrad  
Secretary to the Mayor..... Sandra K. Martin  
Clerk of Council ..... Ellen R. Young  
Clerk of Court..... Sharon S. Maloney  
Assistant Director of Finance ..... Beth A. Raicevich  
Clerk Secretary of Planning Commission and Zoning Board of Appeals ..... Jill K. Clements  
Zoning Enforcement Officer..... Richard A. Schneider  
Prosecutor ..... Richard Kray  
City Magistrate ..... Daniel P. Stringer  
Chief of Police ..... Richard A. Bosley  
Police Captain..... Lawrence M. Fischbach III  
Chief of Fire..... Frank Root, III  
Assistant Chief of Fire ..... Timothy L. Golay  
Chief Building Inspector..... Robert A. Schumacher

\* Bryan K. Jensen took office as Mayor on January 2, 2014.

**CITY OF AVON ORGANIZATIONAL CHART**





Government Finance Officers Association

**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, 2012**

Executive Director/CEO

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FINANCIAL

BICENTENNIAL 2014

*Then & Now*



## Independent Auditor's Report

Members of the City Council  
City of Avon, Ohio

### Report on the Financial Statements

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, Ohio (the "City"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Members of the City Council  
Avon, Ohio

### ***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, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Fire Department, Street Construction, Maintenance and Repair, and Police Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 to 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



Members of the City Council  
Avon, Ohio

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Cini & Paricki, Inc.*

Cleveland, Ohio  
June 24, 2014

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**City of Avon, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2013*  
*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, 2013. The intent of this discussion and analysis 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 2013 are:

- In 2013 the City issued \$11,820,000 in General Obligation and Special Assessment Bonds replacing short-term notes, for the Nagel Road I-90 Interchange. The City will issue the final set of bonds in 2014, upon maturing of the remaining notes. The final costs of the project were \$1,200,000 less than projected.
- Income tax collections increased on a cash basis by 12.3 percent over 2012. This is a result of increased employment and commercial/industrial development in the City.
- Tax increment financing revenues increased 10.4 percent, on a cash basis, over 2012.

### **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 Position* 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. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

### **Reporting the City of Avon as a Whole**

#### **Statement of Net Position 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 2013?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and deferred outflows and liabilities and deferred inflows using the accrual basis of accounting similar to the accounting method used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

**City of Avon, Ohio**  
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The *Statement of Net Position* and the *Statement of Activities* are divided into the following categories:

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources
- Net Position (Assets and Deferred Outflows of Resources minus Liabilities and Deferred Inflows of Resources)
- Program Revenue and Expenses
- General Revenues
- Net Position 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 funds begins on page 10. Fund financial statements 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, street construction, maintenance and repair, police, general obligation bond retirement, special assessment bond retirement, I-90 interchange, 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. Governmental 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 Position* 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**  
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**The City of Avon as a Whole**

The *Statement of Net Position* looks at the City as a whole. Table 1 provides a summary of the City's net position for 2013 compared to 2012.

**Table 1**  
**Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Assets</b>						
Current and Other Assets	\$33,369,309	\$33,225,504	\$5,948,557	\$6,034,373	\$39,317,866	\$39,259,877
Capital Assets, Net	102,472,978	103,239,855	30,916,421	31,470,104	133,389,399	134,709,959
<i>Total Assets</i>	<u>135,842,287</u>	<u>136,465,359</u>	<u>36,864,978</u>	<u>37,504,477</u>	<u>172,707,265</u>	<u>173,969,836</u>
<b>Deferred Outflows of Resources</b>	286,810	322,573	0	0	286,810	322,573
<b>Liabilities</b>						
Current and Other Liabilities	10,232,869	22,132,066	446,996	405,026	10,679,865	22,537,092
Long-Term Liabilities:						
Due Within One Year	2,732,702	2,552,777	215,586	228,921	2,948,288	2,781,698
Due In More Than One Year	71,020,436	61,254,263	5,314,898	5,517,259	76,335,334	66,771,522
<i>Total Liabilities</i>	<u>83,986,007</u>	<u>85,939,106</u>	<u>5,977,480</u>	<u>6,151,206</u>	<u>89,963,487</u>	<u>92,090,312</u>
<b>Deferred Inflows of Resources</b>	5,078,087	5,035,211	0	0	5,078,087	5,035,211
<b>Net Position</b>						
Net Investment in Capital Assets	35,478,485	42,052,213	25,528,673	25,871,513	61,007,158	67,923,726
Restricted:						
Capital Projects	0	2,865,172	0	0	0	2,865,172
Debt Service	7,431,775	5,139,122	0	0	7,431,775	5,139,122
Other Purposes	3,259,941	3,172,973	0	0	3,259,941	3,172,973
Unrestricted (Deficit)	894,802	(7,415,865)	5,358,825	5,481,758	6,253,627	(1,934,107)
<i>Total Net Position</i>	<u>\$47,065,003</u>	<u>\$45,813,615</u>	<u>\$30,887,498</u>	<u>\$31,353,271</u>	<u>\$77,952,501</u>	<u>\$77,166,886</u>

Total assets decreased during 2013 by \$1.3 million. The decrease was due to a decrease in capital assets, primarily a result of depreciation outpacing additions.

Total liabilities decreased by \$2.1 million during 2013, primarily as a result of lower outstanding contracts payable and accrued interest payable as well as the City paying down its debt obligations.

Total net position increased during 2013 by \$0.8 million. The increase in governmental activities net position was due to revenues outpacing expenses mainly due to higher capital grants and contributions and municipal income tax revenues and lower expenses related to the I-90 Interchange Project. The decrease in business-type activities net position was primarily due to lower charges for services revenue and higher expenses related to sewer operations.

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Table 2 shows the changes in net position for the year ended December 31, 2013.

**Table 2**  
**Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$9,093,643	\$8,489,901	\$4,350,010	\$5,909,124	\$13,443,653	\$14,399,025
Operating Grants and Contributions	1,343,700	1,285,416	0	0	1,343,700	1,285,416
Capital Grants and Contributions	1,101,928	184,896	549,235	273,526	1,651,163	458,422
Total Program Revenues	11,539,271	9,960,213	4,899,245	6,182,650	16,438,516	16,142,863
General Revenues:						
Property Taxes	4,046,198	4,469,130	0	0	4,046,198	4,469,130
Municipal Income Taxes	14,151,916	12,354,791	0	0	14,151,916	12,354,791
Grants and Entitlements	983,110	1,537,673	0	0	983,110	1,537,673
Investment Earnings	(17,879)	154,534	0	1,714	(17,879)	156,248
Payment in Lieu of Taxes	2,373,141	2,150,075	0	0	2,373,141	2,150,075
Miscellaneous	258,370	302,223	34,879	123,264	293,249	425,487
Total General Revenues	21,794,856	20,968,426	34,879	124,978	21,829,735	21,093,404
Total Revenues	33,334,127	30,928,639	4,934,124	6,307,628	38,268,251	37,236,267
<b>Program Expenses</b>						
General Government	6,098,761	5,244,263	0	0	6,098,761	5,244,263
Security of Persons and Property	10,444,993	9,315,052	0	0	10,444,993	9,315,052
Transportation	6,538,774	6,284,978	0	0	6,538,774	6,284,978
Community Environment	1,544,542	1,521,616	0	0	1,544,542	1,521,616
Basic Utility Services	996,170	618,381	0	0	996,170	618,381
Leisure Time Activities	1,888,391	1,432,240	0	0	1,888,391	1,432,240
Interest and Fiscal Charges	2,822,762	2,688,373	0	0	2,822,762	2,688,373
Water	0	0	3,063,812	3,239,898	3,063,812	3,239,898
Sewer	0	0	2,311,111	1,142,172	2,311,111	1,142,172
Total Expenses	30,334,393	27,104,903	5,374,923	4,382,070	35,709,316	31,486,973
Increase (Decrease) in Net Position						
Before Transfers and Special Item	2,999,734	3,823,736	(440,799)	1,925,558	2,558,935	5,749,294
Transfers	24,974	26,011	(24,974)	(26,011)	0	0
Special Item - I-90 Interchange Project	(1,773,320)	(4,295,642)	0	0	(1,773,320)	(4,295,642)
Changes in Net Position	1,251,388	(445,895)	(465,773)	1,899,547	785,615	1,453,652
Net Position, January 1	45,813,615	46,259,510	31,353,271	29,453,724	77,166,886	75,713,234
Net Position, December 31	\$47,065,003	\$45,813,615	\$30,887,498	\$31,353,271	\$77,952,501	\$77,166,886

**City of Avon, Ohio**  
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Program revenues increased primarily from increased capital grants and contributions from developer donations related to the interchange project for streets and storm sewers. While program revenues provide considerable assistance in the provision of governmental services, the burden of governmental support is met by general revenues such as property taxes, municipal income taxes, and unrestricted grants and entitlements. General revenues increased from the prior year due to increased income taxes and tax increment financing payments in lieu of taxes.

The two largest governmental activities expenses are related to security of persons and property and transportation. Transportation expenses increased due to increased personnel and materials and supplies expenses in 2013.

Program revenues make up a significant portion of the total revenues for business-type activities. Charges for services decreased by \$1.6 million from the prior year due to a decrease in special assessment revenue. Capital grants and contributions increased significantly from the prior year due to donated assets from developers.

**GOVERNMENTAL ACTIVITIES**

Several revenue sources fund the City's governmental activities with City income tax being the largest contribution. The general 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, 2002 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 November 2007, the electors approved an increase in the income tax rate to 1-3/4 percent and a change in the tax credit. In 2013, the revenue from income taxes increased significantly.

The City of Avon is very aggressive in collecting delinquent income tax. The City utilizes the Regional Income Tax Agency for income tax collections. Their collection efforts including subpoena programs and small claims court are very effective and cost justified. The City's strong and diversified commercial and industrial tax base provide the City with a predictable revenue stream. There are approximately 14,000 people working in Avon.

Charges for services represents receipts from the Mayor's Court, cable television, building permits, park development fees, recreation program fees, emergency rescue fees, contractor registration, community center rental fees, and storm water detention fees.

Within the category of security of persons and property expense are the Police Department and the Fire Department.

The Police Department is very efficient and continues to operate within its budget each year. The Police Department is partially funded by a continuous 2 mill levy, a portion of the .50 income tax revenue and through general fund transfers of revenues. The department has a 5 year, .50 mill equipment levy that is utilized for capital asset purchases, including vehicles.

The Fire Department is also very efficient and operates well within its annual budget. The department is fully funded through a .50 percent income tax that was passed by Avon voters in 2002, along with emergency rescue services revenue. Like the Police Department, the Fire Department also has a 5 year, .50 mill equipment levy that is utilized for capital asset purchases, including vehicles and equipment for both the Fire Department and rescue squad. The department continues to upgrade emergency fire and rescue equipment to better serve the community.

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Table 3 indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services shown below identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

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

	Total Cost of Services		Net Cost of Services	
	2013	2012	2013	2012
General Government	\$6,098,761	\$5,244,263	\$325,151	\$1,605,230
Security of Persons and Property	10,444,993	9,315,052	(9,915,093)	(8,751,333)
Transportation	6,538,774	6,284,978	(3,479,502)	(4,902,362)
Community Environment	1,544,542	1,521,616	(400,592)	(635,625)
Basic Utility Services	996,170	618,381	(961,379)	(599,470)
Leisure Time Activities	1,888,391	1,432,240	(1,540,945)	(1,172,757)
Interest and Fiscal Charges	2,822,762	2,688,373	(2,822,762)	(2,688,373)
Total Cost of Services	<u>\$30,334,393</u>	<u>\$27,104,903</u>	<u>(\$18,795,122)</u>	<u>(\$17,144,690)</u>

***BUSINESS-TYPE ACTIVITIES***

The increase in charges for services in the water fund is due to the opening of the Cleveland Clinic facility and increased volume from new homes along with a water rate increase.

**The City's Funds**

Information about the City's governmental funds begins on page 20. These funds are accounted for by using the modified accrual basis of accounting. All governmental funds had total revenues of \$28,800,064 and expenditures of \$30,956,958. The most significant fund is the general fund with a year-end fund balance of \$6,079,407, which included an unassigned fund balance of \$4,569,321, compared to annual expenditures of \$4,611,468. While revenues exceeded expenditures by \$6,090,615, the remainder of revenues and part of fund balance was transferred to other City funds. These transferred funds enabled the City to fund street improvements, police operations, service long-term and short-term debt and fund capital improvements. The net change decreased by \$2,891,707.

The Fire Department has completed nine years as a full-time department in its building that was constructed in 2003. Revenues in the fire department fund of \$4,567,023 exceeded expenditures of \$4,346,967 by \$220,056. The fire department fund balance increased due to increased income taxes. The street construction maintenance and repair fund had revenues of \$2,153,592, which fell short of expenditures of \$2,333,687 by \$180,095. This decrease was due to a decrease in property tax revenue and an increase in transportation expenditures. The street department constructs, maintains and repairs the various streets of the City. The police fund balance decreased by \$123,400 due to an increase in personal services expenditures. The general obligation bond retirement fund balance decreased by \$38,557 due to higher debt service requirements. The special assessment bond retirement fund balance increased by \$87,507. The I-90 Interchange fund balance increased by \$10,994,785 as a result of replacing short-term notes with long-term bonds.



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**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. 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 they are sent to Council work session for presentation before going to the formal Council meeting for ordinance enactment on the change. Budgets for projects are set based on public bidding and engineers' estimates. The City strives to hold down project costs and control contractor expenditures. The result is that most contract/project work is completed under budget. The City takes great pride in project management successes. The legal level of budgetary control has been established by Council at the fund department, object level for all funds.

The general fund supports many major activities such as the Building and Planning Departments as well as the legislative and most executive activities. Some 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.

The most significant budgeted fund is the general fund. During the course of 2013, the City amended its general fund budget for a total increase in certified revenues in the amount of \$2,644,548. For the general fund, the original budgeted revenues were \$8,716,044, and the final budgeted amount was \$11,360,592. Of this \$2,644,548 difference, most was due to increased income and property taxes and intergovernmental revenues. The actual revenues of \$11,416,108 received by the City were \$55,516 more than the final budgeted amount.

Original appropriations of \$2,641,777 were increased during the year by \$2,832,406 to establish final appropriations of \$5,474,183 for the year. These increases were due primarily to conservative budgeting at the beginning of the year. The actual expenditures of \$4,729,307 were \$744,876 less than the final budgeted amount. Final expenditures often are less than budget.

The City continued to maintain a respectable level of liquidity in the general fund by maintaining a cash fund balance at year-end of 35 percent of total actual revenues received during the year.

**Capital Assets and Debt Administration**

***Capital Assets***

Total capital assets (net of depreciation) for the governmental activities are \$102,472,978, which is a decrease from the prior year. The decrease is primarily due to depreciation outpacing capital outlay. Total capital assets (net of depreciation) for the business activities decreased due to the same reason as governmental.

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$5,926,955	\$5,554,206	\$7,580	\$7,580	\$5,934,535	\$5,561,786
Land Improvements	450,801	195,095	0	0	450,801	195,095
Buildings and Improvements	39,805,654	40,740,535	945,413	981,182	40,751,067	41,721,717
Machinery and Equipment	1,647,299	1,367,925	125,673	123,419	1,772,972	1,491,344
Vehicles	2,231,489	2,412,887	127,331	62,407	2,358,820	2,475,294
Waterline Rights	0	0	1,332,620	1,373,636	1,332,620	1,373,636
Infrastructure:						
Park Improvements	737,220	775,843	0	0	737,220	775,843
Streets	27,370,852	27,923,431	0	0	27,370,852	27,923,431
Bridges and Culverts	1,593,144	1,654,391	0	0	1,593,144	1,654,391
Traffic Signals	2,690,871	2,892,769	0	0	2,690,871	2,892,769
Storm Sewer	18,443,493	18,095,907	0	0	18,443,493	18,095,907
Water Lines	1,575,200	1,626,866	11,208,865	11,308,327	12,784,065	12,935,193
Sewer Lines	0	0	17,168,939	17,613,553	17,168,939	17,613,553
<b>Total Capital Assets</b>	<b>\$102,472,978</b>	<b>\$103,239,855</b>	<b>\$30,916,421</b>	<b>\$31,470,104</b>	<b>\$133,389,399</b>	<b>\$134,709,959</b>

See Note 10 of the Notes to the Basic Financial Statements for additional information on the City's capital assets.

**Debt**

On December 31, 2013, the City of Avon had governmental debt of \$71,647,162 in bonds and loans outstanding, with \$2,601,416 due within one year. Table 5 summarizes bonds, loans and contractual commitments outstanding.

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds	\$62,382,911	\$55,348,374	\$3,676,764	\$3,701,211	\$66,059,675	\$59,049,585
Special Assessment Bonds	8,989,810	6,125,921	1,171,813	1,174,762	10,161,623	7,300,683
OPWC Loans	274,441	263,028	0	0	274,441	263,028
OWDA Loan	0	0	0	38,610	0	38,610
Intergovernmental Payable	0	0	539,171	684,008	539,171	684,008
<b>Total</b>	<b>\$71,647,162</b>	<b>\$61,737,323</b>	<b>\$5,387,748</b>	<b>\$5,598,591</b>	<b>\$77,034,910</b>	<b>\$67,335,914</b>

General obligation bonds for governmental activities include Schneider Court Improvements, Veteran's Park, Service Garage, All Pro Freight Stadium, YMCA/Recreation Center and related recreation complex infrastructure improvements, and various refunding bonds. Governmental activities also include refunding bonds for the 1996 Detroit Road Park, the Library Improvement, Northgate Sewer Improvement and the 1997 New City Hall. These bond obligations are paid from monies transferred from the general fund into the

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debt service funds. The service garage is currently paid from special revenue funds collected from a property tax levy and gasoline taxes. The business-type activities general obligation bonds are in refunding bonds, payable from the water and sewer funds' charges for services.

The special assessment bonds consist of the voluntary assessment a developer has agreed to for their portion of the interchange and related infrastructure improvements, Route 83 Sewer Improvements, Schneider Court Improvements, a various purpose sanitary sewer project and refunding bonds. 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 the Center Road Extension, Jaycox Road/Chester Improvements, and the Detroit Road Improvement, Phase I. These OPWC loans are paid from the bond retirement fund.

The Ohio Water Development loans represent loans obtained to finance sanitary sewer construction. These loans are paid from the customers charges in the sewer enterprise fund.

During 1994 and again in 2009, the City of Avon entered into contractual agreements with the City of Avon Lake for the construction and future maintenance of two water trunk lines that service the City of Avon. The projects were financed mainly by general obligation bonds which were issued 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 lines will be a capital asset of the City of Avon Lake. The total amount owed to the City of Avon Lake as of December 31, 2013 is \$539,171. This amount has been recorded on Avon's financial statements as a long-term liability in the water enterprise fund.

The City's overall legal ten and one-half percent debt margin (voted and unvoted) on December 31, 2013 was \$66,264,651. The aggregate outstanding debt subject to the five and one-half percent debt margin is \$29,724,796. The difference of \$36,539,855 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 12 and 13 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, currently has four tax abatement agreements in effect with local companies. Each of these four companies has expanded in Avon from their original facility and employment base. Although property taxes have been partially deferred as a result of these abatements, the deferral has been more than offset by the significant increase in income tax collections as a result of the employment in these companies.

The City has aggressively pursued the use of Tax Increment Financing (TIF) as an economic development tool. The City currently has 13 areas designated as TIF districts. The revenues derived from these districts are used for infrastructure related projects and the associated debt service.

**City of Avon, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2013*  
*Unaudited*

The City is ideally situated on Interstate 90, approximately twenty minutes from Cleveland, Ohio and Cleveland Hopkins International Airport. Interstate 90 divides the City providing an ideal separation for commercial and industrial development north of Interstate 90 and commercial and residential development south of Interstate 90. With development of the industrial sites on the north side, the City's financial condition has been significantly strengthened. Moody's Investor Services has assigned an Aa1 bond rating to the City of Avon, the highest rating a city of this size can have.

The City applies for various grants wherever possible. In 2012, the City was awarded \$3,511,920 of Ohio Department of Transportation Safety Funding for the re-location of Chester Road. The City was also awarded \$1,181,200 of Transportation Enhancement Program grants for the rehabilitation of the State Route 611 bridge. The Chester Road re-location project will begin in summer, 2014. Preparations for the State Route 611 bridge project began in late 2013.

The City was awarded an Ohio Public Works Commission grant/zero interest loan in 2013 in the amount of \$350,000 toward the construction of a new bridge at Reigelsberger Road and Jaycox Road. Debt will be recorded for this loan once the project has begun and loan proceeds are received.

In 2013, the City issued bonds for the construction of the Nagel Road Interchange. The City will issue a final set of bonds in 2014 when the current notes come due in June. While the Ohio Department of Transportation has not issued a final completion report as of the end of 2013, there are minimal costs remaining. The project will finish approximately \$1,200,000 less than budgeted.

Shown here is a recap of costs incurred through December 2013 for the interchange project.

I-90 Nagel Road Interchange	
Land Acquisition	\$6,863,070
Payments to Ohio Department of Transportation	16,027,878
Engineering - design and other pre-construction costs	2,605,266
Gas Pipeline Relocation	3,044,081
Studies, financing, legal and other professional fees	1,638,641
Total Cost	\$30,178,936

The Finance Director, Mayor and City Council work extremely hard at managing debt. Finances are planned so that we can pay cash for many of the municipal projects, facility improvements and acquisitions, and continue to pay cash for all equipment and other major purchases necessary to maintain decent level of services. Over the past five years the City has paid cash in excess of \$10,000,000 toward capital projects and land acquisitions. The annual budget is monitored efficiently and consistently throughout the year. Department Heads review their budgets monthly and spend only for necessary expenses. Over the last ten years the City has expanded their services but has strived to keep the size of its work force at practical levels.

The City of Avon has committed itself to financial excellence. The City has received the Government Finance Officers Award Certificate of Achievement for Excellence every year since 1991, the year of our first Comprehensive Annual Financial Report. The City of Avon was one of the first in Ohio to report using the Government Accounting Standards Board (GASB) 34 requirements and early implemented GASB Statement 54 in the 2010 CAFR. The City of Avon received the Auditor of State "Making Your Tax Dollars Count" award for the 2009 audit and the "Auditor of State Award with Distinction" for the 2010 and 2011 audits. Our commitment to the residents of Avon has been one of full disclosure of the financial position of the City, and will continue to be.

***City of Avon, Ohio***  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2013*  
*Unaudited*

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**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 additional information, contact the Finance Department, 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).

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## Basic Financial Statements

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**City of Avon, Ohio**  
*Statement of Net Position*  
*December 31, 2013*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$13,217,816	\$3,630,041	\$16,847,857
Accrued Interest Receivable	682	77,783	78,465
Materials and Supplies Inventory	197,402	627,001	824,403
Accounts Receivable	0	563,639	563,639
Internal Balances	169,000	(169,000)	0
Intergovernmental Receivable	855,759	0	855,759
Prepaid Items	74,699	6,500	81,199
Municipal Income Taxes Receivable	4,653,605	0	4,653,605
Property Taxes Receivable	4,306,534	0	4,306,534
Payments in Lieu of Taxes Receivable	923,332	0	923,332
Special Assessments Receivable	8,970,480	1,212,593	10,183,073
Capital Assets, Non-Depreciable	5,926,955	7,580	5,934,535
Capital Assets, Depreciable, Net	96,546,023	30,908,841	127,454,864
<i>Total Assets</i>	<u>135,842,287</u>	<u>36,864,978</u>	<u>172,707,265</u>
<b>Deferred Outflows of Resources</b>			
Deferred Charge on Refunding	286,810	0	286,810
<b>Liabilities</b>			
Accounts Payable	262,437	75,950	338,387
Contracts Payable	395,852	34,428	430,280
Accrued Wages and Benefits	259,707	22,041	281,748
Intergovernmental Payable	509,172	222,695	731,867
Retainage Payable	98,629	0	98,629
Accrued Interest Payable	468,904	91,882	560,786
Matured Compensated Absences Payable	58,168	0	58,168
Notes Payable	8,180,000	0	8,180,000
Long-Term Liabilities:			
Due Within One Year	2,732,702	215,586	2,948,288
Due In More Than One Year	71,020,436	5,314,898	76,335,334
<i>Total Liabilities</i>	<u>83,986,007</u>	<u>5,977,480</u>	<u>89,963,487</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	4,154,755	0	4,154,755
Payment in Lieu of Taxes	923,332	0	923,332
<i>Total Deferred Inflows of Resources</i>	<u>5,078,087</u>	<u>0</u>	<u>5,078,087</u>
<b>Net Position</b>			
Net Investment in Capital Assets	35,478,485	25,528,673	61,007,158
Restricted for:			
Debt Service	7,431,775	0	7,431,775
Fire Department	1,487,099	0	1,487,099
Street Construction, Maintenance and Repair	1,294,404	0	1,294,404
Other Purposes	478,438	0	478,438
Unrestricted	894,802	5,358,825	6,253,627
<i>Total Net Position</i>	<u>\$47,065,003</u>	<u>\$30,887,498</u>	<u>\$77,952,501</u>

See accompanying notes to the basic financial statements

**City of Avon, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2013

	Expenses	Program Revenues		
		Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government	\$6,098,761	\$6,309,922	\$5,168	\$108,822
Security of Persons and Property	10,444,993	440,527	89,373	0
Transportation	6,538,774	1,251,613	1,178,946	628,713
Community Environment	1,544,542	779,557	0	364,393
Basic Utility Services	996,170	34,791	0	0
Leisure Time Activities	1,888,391	277,233	70,213	0
Interest and Fiscal Charges	2,822,762	0	0	0
<i>Total Governmental Activities</i>	<u>30,334,393</u>	<u>9,093,643</u>	<u>1,343,700</u>	<u>1,101,928</u>
<b>Business-Type Activities</b>				
Water	3,063,812	2,561,315	0	318,715
Sewer	2,311,111	1,788,695	0	230,520
<i>Total Business-Type Activities</i>	<u>5,374,923</u>	<u>4,350,010</u>	<u>0</u>	<u>549,235</u>
<i>Total</i>	<u>\$35,709,316</u>	<u>\$13,443,653</u>	<u>\$1,343,700</u>	<u>\$1,651,163</u>

**General Revenues**

Property Taxes Levied for:

General Purposes  
Streets  
Police  
Park Operating  
Library Bond Retirement  
Equipment

Municipal Income Taxes Levied for

General Purposes  
Police  
Fire Department  
Recreation Complex  
Grants and Entitlements not Restricted to Specific Programs

Unrestricted Contributions

Investment Earnings  
Payment in Lieu of Taxes  
Miscellaneous

*Total General Revenues*

Transfers

Special Item - I-90 Interchange Project

*Total General Revenues, Transfers and Special Item*

Change in Net Position

*Net Position Beginning of Year*

*Net Position End of Year*

See accompanying notes to the basic financial statements



Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$325,151	\$0	\$325,151
(9,915,093)	0	(9,915,093)
(3,479,502)	0	(3,479,502)
(400,592)	0	(400,592)
(961,379)	0	(961,379)
(1,540,945)	0	(1,540,945)
(2,822,762)	0	(2,822,762)
(18,795,122)	0	(18,795,122)
0	(183,782)	(183,782)
0	(291,896)	(291,896)
0	(475,678)	(475,678)
(18,795,122)	(475,678)	(19,270,800)
1,455,757	0	1,455,757
1,136,911	0	1,136,911
593,648	0	593,648
269,269	0	269,269
50,171	0	50,171
540,442	0	540,442
7,177,133	0	7,177,133
660,266	0	660,266
4,406,655	0	4,406,655
1,907,862	0	1,907,862
983,110	0	983,110
40	0	40
(17,879)	0	(17,879)
2,373,141	0	2,373,141
258,330	34,879	293,209
21,794,856	34,879	21,829,735
24,974	(24,974)	0
(1,773,320)	0	(1,773,320)
20,046,510	9,905	20,056,415
1,251,388	(465,773)	785,615
45,813,615	31,353,271	77,166,886
\$47,065,003	\$30,887,498	\$77,952,501

**City of Avon, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2013*

	General	Fire Department	Street Construction, Maintenance and Repair	Police
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,957,889	\$847,803	\$898,565	\$390,904
Materials and Supplies Inventory	0	5,736	171,773	17,426
Interfund Receivable	1,297,100	0	0	0
Intergovernmental Receivable	196,427	0	481,635	30,826
Accrued Interest Receivable	682	0	0	0
Prepaid Items	29,360	15,000	6,089	18,750
Municipal Income Taxes Receivable	2,466,411	1,349,546	0	209,412
Property Taxes Receivable	1,552,764	0	1,209,028	627,152
Payments in Lieu of Taxes Receivable	0	0	0	0
Special Assessments Receivable	0	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	970,061	0	0	0
<b>Total Assets</b>	<b>\$9,470,694</b>	<b>\$2,218,085</b>	<b>\$2,767,090</b>	<b>\$1,294,470</b>
<b>Liabilities</b>				
Accounts Payable	\$109,003	\$17,780	\$51,931	\$26,460
Contracts Payable	16,148	0	0	0
Accrued Wages and Benefits	49,993	75,331	32,428	90,883
Interfund Payable	0	0	0	0
Intergovernmental Payable	101,944	163,443	42,932	178,151
Retainage Payable	0	0	0	0
Accrued Interest Payable	0	0	0	0
Matured Compensated Absences Payable	58,168	0	0	0
Notes Payable	0	0	0	0
<b>Total Liabilities</b>	<b>335,256</b>	<b>256,554</b>	<b>127,291</b>	<b>295,494</b>
<b>Deferred Inflows of Resources</b>				
Property Taxes	1,498,290	0	1,166,205	608,778
Payments in Lieu of Taxes	0	0	0	0
Unavailable Revenue	1,557,741	749,598	388,317	165,609
<b>Total Deferred Inflows of Resources</b>	<b>3,056,031</b>	<b>749,598</b>	<b>1,554,522</b>	<b>774,387</b>
<b>Fund Balances</b>				
Nonspendable	1,168,421	20,736	177,862	36,176
Restricted	0	1,191,197	858,029	188,413
Committed	0	0	0	0
Assigned	341,665	0	49,386	0
Unassigned (Deficit)	4,569,321	0	0	0
<b>Total Fund Balances (Deficit)</b>	<b>6,079,407</b>	<b>1,211,933</b>	<b>1,085,277</b>	<b>224,589</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$9,470,694</b>	<b>\$2,218,085</b>	<b>\$2,767,090</b>	<b>\$1,294,470</b>

See accompanying notes to the basic financial statements

General Obligation Bond Retirement	Special Assessment Bond Retirement	I-90 Interchange	Other Governmental Funds	Total Governmental Funds
\$63,560	\$264,730	\$3,331,419	\$3,492,885	\$12,247,755
0	0	0	2,467	197,402
0	0	0	0	1,297,100
0	0	0	146,871	855,759
0	0	0	0	682
0	0	0	5,500	74,699
0	0	0	628,236	4,653,605
0	0	0	917,590	4,306,534
0	0	0	923,332	923,332
0	8,970,480	0	0	8,970,480
0	0	0	0	970,061
<u>\$63,560</u>	<u>\$9,235,210</u>	<u>\$3,331,419</u>	<u>\$6,116,881</u>	<u>\$34,497,409</u>
\$0	\$0	\$1,757	\$55,506	\$262,437
0	0	0	379,704	395,852
0	0	0	11,072	259,707
0	0	50,000	1,078,100	1,128,100
0	3,032	134	19,536	509,172
0	0	0	98,629	98,629
0	0	18,295	928	19,223
0	0	0	0	58,168
0	0	7,785,000	395,000	8,180,000
0	3,032	7,855,186	2,038,475	10,911,288
0	0	0	881,482	4,154,755
0	0	0	923,332	923,332
0	8,878,606	0	497,647	12,237,518
0	8,878,606	0	2,302,461	17,315,605
0	0	0	7,967	1,411,162
63,560	353,572	0	3,400,934	6,055,705
0	0	0	417,020	417,020
0	0	0	258,355	649,406
0	0	(4,523,767)	(2,308,331)	(2,262,777)
<u>63,560</u>	<u>353,572</u>	<u>(4,523,767)</u>	<u>1,775,945</u>	<u>6,270,516</u>
<u>\$63,560</u>	<u>\$9,235,210</u>	<u>\$3,331,419</u>	<u>\$6,116,881</u>	<u>\$34,497,409</u>

**City of Avon, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 December 31, 2013*

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**Total Governmental Fund Balances** \$6,270,516

*Amounts reported for governmental activities in  
 the statement of net position are different because:*

Capital assets used in governmental activities are not financial resources  
 and therefore are not reported in the funds. 102,472,978

Other long-term assets are not available to pay for current-period  
 expenditures and therefore are reported as unavailable in the funds:

Delinquent Property Taxes	\$151,779
Municipal Income Taxes	2,556,834
Intergovernmental	650,299
Special Assessments	<u>8,878,606</u>

Total 12,237,518

In the statement of activities, interest is accrued on outstanding bonds,  
 whereas in governmental funds, an interest expenditure is reported when due. (449,681)

Long-term liabilities are not due and payable in the current period and  
 therefore are not reported in the funds.

General Obligation Bonds	(62,382,911)
Special Assessment Bonds	(8,989,810)
OPWC Loans	(274,441)
Deferred Charge on Refunding	286,810
Compensated Absences	<u>(2,105,976)</u>

Total (73,466,328)

*Net Position of Governmental Activities* \$47,065,003

See accompanying notes to the basic financial statements

**City of Avon, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2013*

	General	Fire Department	Street Construction, Maintenance and Repair	Police	General Obligation Bond Retirement
<b>Revenues</b>					
Property Taxes	\$1,454,841	\$0	\$1,136,595	\$596,209	\$0
Payment in Lieu of Taxes	0	0	0	0	0
Municipal Income Taxes	6,698,115	4,127,756	0	616,865	0
Charges for Services	102,817	434,612	0	0	1,892,222
Licenses and Permits	937,663	0	0	575	0
Fines and Forfeitures	177,758	0	0	5,340	0
Intergovernmental	1,133,187	2,710	999,705	89,816	0
Special Assessments	0	0	0	0	0
Interest	(21,983)	0	3,129	0	0
Contributions and Donations	40	0	0	1,163	0
Rentals	8,063	0	0	0	0
Miscellaneous	211,582	1,945	14,163	4,090	0
<i>Total Revenues</i>	<u>10,702,083</u>	<u>4,567,023</u>	<u>2,153,592</u>	<u>1,314,058</u>	<u>1,892,222</u>
<b>Expenditures</b>					
Current:					
General Government	3,202,450	0	0	0	500
Security of Persons and Property	0	4,346,967	0	5,109,046	0
Transportation	0	0	2,151,787	0	0
Community Environment	1,387,706	0	0	0	0
Leisure Time Activities	19,439	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	130,000	0	1,781,145
Interest and Fiscal Charges	1,873	0	51,900	0	2,193,826
Bond Issuance Costs	0	0	0	0	0
<i>Total Expenditures</i>	<u>4,611,468</u>	<u>4,346,967</u>	<u>2,333,687</u>	<u>5,109,046</u>	<u>3,975,471</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>6,090,615</u>	<u>220,056</u>	<u>(180,095)</u>	<u>(3,794,988)</u>	<u>(2,083,249)</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	3,608	0	9,945	11,588	0
General Obligation Bonds Issued	0	0	0	0	0
Premium on General Obligation Bonds Issued	0	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0	0
Premium on Special Assessment Bonds Issued	0	0	0	0	0
OPWC Loans Issued	0	0	0	0	0
Transfers In	421,317	0	0	3,660,000	2,106,121
Transfers Out	(9,407,247)	0	0	0	(61,429)
<i>Total Other Financing Sources (Uses)</i>	<u>(8,982,322)</u>	<u>0</u>	<u>9,945</u>	<u>3,671,588</u>	<u>2,044,692</u>
<b>Special Item</b>					
I-90 Interchange Project	0	0	0	0	0
<i>Net Change in Fund Balances</i>	<u>(2,891,707)</u>	<u>220,056</u>	<u>(170,150)</u>	<u>(123,400)</u>	<u>(38,557)</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>8,971,114</u>	<u>991,877</u>	<u>1,255,427</u>	<u>347,989</u>	<u>102,117</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$6,079,407</u>	<u>\$1,211,933</u>	<u>\$1,085,277</u>	<u>\$224,589</u>	<u>\$63,560</u>

(continued)

**City of Avon, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds (continued)*  
*For the Year Ended December 31, 2013*

	Special Assessment Bond Retirement	I-90 Interchange	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$0	\$0	\$855,651	\$4,043,296
Payment in Lieu of Taxes	0	0	2,373,141	2,373,141
Municipal Income Taxes	0	0	1,784,892	13,227,628
Charges for Services	0	0	134,219	2,563,870
Licenses and Permits	0	0	172,527	1,110,765
Fines and Forfeitures	0	0	5,396	188,494
Intergovernmental	0	0	386,852	2,612,270
Special Assessments	774,916	1,251,597	0	2,026,513
Interest	0	273	702	(17,879)
Contributions and Donations	0	0	600	1,803
Rentals	0	0	403,770	411,833
Miscellaneous	0	364	26,186	258,330
<i>Total Revenues</i>	<u>774,916</u>	<u>1,252,234</u>	<u>6,143,936</u>	<u>28,800,064</u>
<b>Expenditures</b>				
Current:				
General Government	28,205	0	1,564,426	4,795,581
Security of Persons and Property	0	0	1,203	9,457,216
Transportation	0	0	230,810	2,382,597
Community Environment	0	0	122,699	1,510,405
Leisure Time Activities	0	0	1,595,143	1,614,582
Capital Outlay	0	532,894	5,303,526	5,836,420
Debt Service:				
Principal Retirement	361,469	0	171,000	2,443,614
Interest and Fiscal Charges	297,735	151,235	43,943	2,740,512
Bond Issuance Costs	0	176,031	0	176,031
<i>Total Expenditures</i>	<u>687,409</u>	<u>860,160</u>	<u>9,032,750</u>	<u>30,956,958</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>87,507</u>	<u>392,074</u>	<u>(2,888,814)</u>	<u>(2,156,894)</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	0	25,141
General Obligation Bonds Issued	0	8,735,028	0	8,735,028
Premium on General Obligation Bonds Issued	0	410,907	0	410,907
Special Assessment Bonds Issued	0	3,084,972	0	3,084,972
Premium on Special Assessment Bonds Issued	0	145,124	0	145,124
OPWC Loans Issued	0	0	32,423	32,423
Transfers In	0	0	5,685,555	11,872,993
Transfers Out	0	0	(2,379,343)	(11,848,019)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>12,376,031</u>	<u>3,338,635</u>	<u>12,458,569</u>
<b>Special Item</b>				
I-90 Interchange Project	0	(1,773,320)	0	(1,773,320)
<i>Net Change in Fund Balances</i>	87,507	10,994,785	449,821	8,528,355
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>266,065</u>	<u>(15,518,552)</u>	<u>1,326,124</u>	<u>(2,257,839)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$353,572</u>	<u>(\$4,523,767)</u>	<u>\$1,775,945</u>	<u>\$6,270,516</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, 2013*

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**Net Change in Fund Balances - Total Governmental Funds** \$8,528,355

*Amounts reported for governmental activities in the statements of activities  
are different because:*

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:

Capital Asset Additions:	
Capital Outlays	\$3,175,303
Capital Contributions	960,804
Current Year Depreciation	<u>(4,817,826)</u>
Total	(681,719)

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. (85,158)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Delinquent Property Taxes	2,902
Municipal Income Taxes	924,288
Intergovernmental	(146,099)
Special Assessments	<u>2,792,168</u>
Total	3,573,259

Other financing sources in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues in the statement of activities:

Bonds Issued	(11,820,000)
Premium on Bonds Issued	(556,031)
OPWC Loans Issued	<u>(32,423)</u>
Total	(12,408,454)

Repayment of bond, note and loan principal are expenditures in the governmental funds, but the repayments reduce the long-term liabilities in the statement of net position. 2,443,614

In the statement of activities, interest is accrued on outstanding bonds and bond premiums are amortized over the term of the bonds, whereas in governmental funds, an expenditure is reported when bonds are issued:

Accrued Interest	(101,488)
Amortization of Loss on Refunding	(35,763)
Amortization of Bond Premium	<u>55,001</u>
Total	(82,250)

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, such as compensated absences. (36,259)

*Change in Net Position of Governmental Activities* \$1,251,388

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*  
*General Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property Taxes	\$1,115,931	\$1,454,841	\$1,454,841	\$0
Municipal Income Taxes	5,065,906	6,604,432	6,604,432	0
Charges for Services	380,373	380,373	386,751	6,378
Licenses and Permits	591,768	887,009	935,423	48,414
Fines and Forfeitures	136,349	177,758	177,758	0
Intergovernmental	1,204,321	1,570,076	1,570,076	0
Interest	51,501	67,142	67,142	0
Contributions and Donations	31	40	40	0
Rentals	6,076	7,933	8,063	130
Miscellaneous	163,788	210,988	211,582	594
<i>Total Revenues</i>	8,716,044	11,360,592	11,416,108	55,516
<b>Expenditures</b>				
Current:				
General Government	1,730,312	3,848,603	3,306,446	542,157
Community Environment	884,944	1,598,804	1,404,116	194,688
Leisure Time Activities	26,521	26,776	18,745	8,031
<i>Total Expenditures</i>	2,641,777	5,474,183	4,729,307	744,876
<i>Excess of Revenues Over Expenditures</i>	6,074,267	5,886,409	6,686,801	800,392
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	3,608	3,608	3,608	0
Advances In	1,548,788	1,548,788	1,548,788	0
Advances Out	(143,600)	(143,600)	(143,600)	0
Transfers In	421,317	421,317	421,317	0
Transfers Out	(9,407,247)	(9,407,247)	(9,407,247)	0
<i>Total Other Financing Sources (Uses)</i>	(7,577,134)	(7,577,134)	(7,577,134)	0
<i>Net Change in Fund Balance</i>	(1,502,867)	(1,690,725)	(890,333)	800,392
<i>Fund Balance Beginning of Year</i>	4,639,187	4,639,187	4,639,187	0
Prior Year Encumbrances Appropriated	240,411	240,411	240,411	0
<i>Fund Balance End of Year</i>	\$3,376,731	\$3,188,873	\$3,989,265	\$800,392

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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Municipal Income Taxes	\$3,758,987	\$4,093,289	\$4,093,289	\$0
Charges for Services	384,242	418,414	418,414	0
Intergovernmental	2,489	2,710	2,710	0
Miscellaneous	1,784	1,943	1,945	2
<i>Total Revenues</i>	4,147,502	4,516,356	4,516,358	2
<b>Expenditures</b>				
Current:				
Security of Persons and Property	4,391,095	4,518,095	4,406,631	111,464
<i>Net Change in Fund Balance</i>	(243,593)	(1,739)	109,727	111,466
<i>Fund Balance Beginning of Year</i>	658,370	658,370	658,370	0
Prior Year Encumbrances Appropriated	4,975	4,975	4,975	0
<i>Fund Balance End of Year</i>	<u>\$419,752</u>	<u>\$661,606</u>	<u>\$773,072</u>	<u>\$111,466</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, 2013*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Property Taxes	\$1,094,216	\$1,136,595	\$1,136,595	\$0
Intergovernmental	957,406	994,486	994,486	0
Interest	3,039	3,157	3,157	0
Miscellaneous	12,332	14,163	14,163	0
<i>Total Revenues</i>	<u>2,066,993</u>	<u>2,148,401</u>	<u>2,148,401</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Transportation	2,551,726	2,560,135	2,404,140	155,995
Debt Service:				
Principal Retirement	129,577	130,000	130,000	0
Interest and Fiscal Charges	51,731	51,900	51,900	0
<i>Total Expenditures</i>	<u>2,733,034</u>	<u>2,742,035</u>	<u>2,586,040</u>	<u>155,995</u>
<i>Excess of Revenues Under Expenditures</i>	(666,041)	(593,634)	(437,639)	155,995
<b>Other Financing Sources</b>				
Sale of Capital Assets	9,945	9,945	9,945	0
<i>Net Change in Fund Balance</i>	(656,096)	(583,689)	(427,694)	155,995
<i>Fund Balance Beginning of Year</i>	1,077,826	1,077,826	1,077,826	0
Prior Year Encumbrances Appropriated	36,630	36,630	36,630	0
<i>Fund Balance End of Year</i>	<u>\$458,360</u>	<u>\$530,767</u>	<u>\$686,762</u>	<u>\$155,995</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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property Taxes	\$730,238	\$596,209	\$596,209	\$0
Municipal Income Taxes	749,139	611,641	611,641	0
Licenses and Permits	704	575	575	0
Fines and Forfeitures	6,540	5,340	5,340	0
Intergovernmental	110,007	89,816	89,816	0
Contributions and Donations	1,424	1,163	1,163	0
Miscellaneous	7,614	4,090	4,090	0
<i>Total Revenues</i>	1,605,666	1,308,834	1,308,834	0
<b>Expenditures</b>				
Current:				
Security of Persons and Property	5,277,545	5,429,046	5,199,416	229,630
<i>Excess of Revenues Under Expenditures</i>	(3,671,879)	(4,120,212)	(3,890,582)	229,630
<b>Other Financing Sources</b>				
Sale of Capital Assets	11,588	11,588	11,588	0
Transfers In	3,660,000	3,660,000	3,660,000	0
<i>Total Other Financing Sources</i>	3,671,588	3,671,588	3,671,588	0
<i>Net Change in Fund Balance</i>	(291)	(448,624)	(218,994)	229,630
<i>Fund Balance Beginning of Year</i>	499,979	499,979	499,979	0
Prior Year Encumbrances Appropriated	45,734	45,734	45,734	0
<i>Fund Balance End of Year</i>	\$545,422	\$97,089	\$326,719	\$229,630

See accompanying notes to the basic financial statements

**City of Avon, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Funds*  
*December 31, 2013*

	Business-Type Activities		
	Water	Sewer	Total
<b>Assets</b>			
<i>Current Assets</i>			
Equity in Pooled Cash and Cash Equivalents	\$2,597,742	\$1,032,299	\$3,630,041
Accrued Interest Receivable	0	77,783	77,783
Materials and Supplies Inventory	578,995	48,006	627,001
Accounts Receivable	293,009	270,630	563,639
Prepaid Items	3,250	3,250	6,500
Special Assessments Receivable	337,180	875,413	1,212,593
<i>Total Current Assets</i>	<u>3,810,176</u>	<u>2,307,381</u>	<u>6,117,557</u>
<i>Noncurrent Assets</i>			
Non-Depreciable Capital Assets	0	7,580	7,580
Depreciable Capital Assets, Net	12,269,673	18,639,168	30,908,841
<i>Total Noncurrent Assets</i>	<u>12,269,673</u>	<u>18,646,748</u>	<u>30,916,421</u>
<i>Total Assets</i>	<u>16,079,849</u>	<u>20,954,129</u>	<u>37,033,978</u>
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Accounts Payable	69,146	6,804	75,950
Contracts Payable	30,089	4,339	34,428
Accrued Wages and Benefits	11,366	10,675	22,041
Intergovernmental Payable	105,133	117,562	222,695
Interfund Payable	169,000	0	169,000
Compensated Absences Payable	8,959	8,959	17,918
Accrued Interest Payable	4,921	86,961	91,882
Avon Lake Intergovernmental Payable	153,722	0	153,722
Bonds Payable	11,711	32,235	43,946
<i>Total Current Liabilities</i>	<u>564,047</u>	<u>267,535</u>	<u>831,582</u>
<i>Long-Term Liabilities (net of current portion)</i>			
Compensated Absences Payable	62,409	62,409	124,818
Avon Lake Intergovernmental Payable	385,449	0	385,449
Bonds Payable	1,569,137	3,235,494	4,804,631
<i>Total Long-Term Liabilities</i>	<u>2,016,995</u>	<u>3,297,903</u>	<u>5,314,898</u>
<i>Total Liabilities</i>	<u>2,581,042</u>	<u>3,565,438</u>	<u>6,146,480</u>
<b>Net Position</b>			
Net Investment in Capital Assets	10,149,654	15,379,019	25,528,673
Unrestricted	3,349,153	2,009,672	5,358,825
<i>Total Net Position</i>	<u>\$13,498,807</u>	<u>\$17,388,691</u>	<u>\$30,887,498</u>

See accompanying notes to the basic financial statements

**City of Avon, Ohio**  
*Statement of Revenues, Expenses  
and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2013*

	Business-Type Activities		
	Water	Sewer	Total
<b>Operating Revenues</b>			
Charges for Services	\$2,561,315	\$1,788,695	\$4,350,010
Other	28,607	6,272	34,879
<i>Total Operating Revenues</i>	<u>2,589,922</u>	<u>1,794,967</u>	<u>4,384,889</u>
<b>Operating Expenses</b>			
Personal Services	589,222	578,876	1,168,098
Materials and Supplies	1,392,749	475,836	1,868,585
Contractual Services	493,597	168,921	662,518
Other	4,608	302,423	307,031
Depreciation and Amortization	491,945	710,676	1,202,621
<i>Total Operating Expenses</i>	<u>2,972,121</u>	<u>2,236,732</u>	<u>5,208,853</u>
<i>Operating Loss</i>	(382,199)	(441,765)	(823,964)
<b>Non-Operating Expenses</b>			
Interest and Fiscal Charges	(91,691)	(74,379)	(166,070)
<i>Loss Before Contributions and Transfers</i>	(473,890)	(516,144)	(990,034)
Capital Contributions	318,715	230,520	549,235
Transfers In	0	88,179	88,179
Transfers Out	(74,252)	(38,901)	(113,153)
<i>Change in Net Position</i>	(229,427)	(236,346)	(465,773)
<i>Net Position Beginning of Year</i>	<u>13,728,234</u>	<u>17,625,037</u>	<u>31,353,271</u>
<i>Net Postion End of Year</i>	<u>\$13,498,807</u>	<u>\$17,388,691</u>	<u>\$30,887,498</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, 2013*

	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	\$2,528,534	\$1,806,261	\$4,334,795
Cash Payments to Suppliers for Materials and Supplies	(1,356,071)	(468,413)	(1,824,484)
Cash Payments for Employee Services and Benefits	(575,015)	(568,568)	(1,143,583)
Cash Payments for Contractual Services	(522,555)	(150,402)	(672,957)
Other Operating Revenues	28,607	6,272	34,879
Other Operating Expenses	(4,608)	(302,423)	(307,031)
<i>Net Cash Provided by Operating Activities</i>	<u>98,892</u>	<u>322,727</u>	<u>421,619</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers In	0	88,179	88,179
Advances Out	0	(26,750)	(26,750)
Transfers Out	(74,252)	(38,901)	(113,153)
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>(74,252)</u>	<u>22,528</u>	<u>(51,724)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition of Capital Assets	(12,925)	(55,062)	(67,987)
Principal Paid on General Obligation Bonds	(5,471)	(18,976)	(24,447)
Interest Paid on General Obligation Bonds	(56,957)	(71,975)	(128,932)
Principal Paid on Special Assessment Bonds	(526)	(2,423)	(2,949)
Interest Paid on Special Assessment Bonds	(13,860)	(40,761)	(54,621)
Principal Paid on OWDA Loan	0	(38,610)	(38,610)
Interest Paid on OWDA Loan	0	(752)	(752)
Payments to City of Avon Lake	(113,353)	0	(113,353)
Interest Paid to City of Avon Lake	(39,643)	0	(39,643)
Interfund Activity - Bonds	(7,000)	0	(7,000)
Special Assessments	23,101	2,423	25,524
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(226,634)</u>	<u>(226,136)</u>	<u>(452,770)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(201,994)	119,119	(82,875)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,799,736</u>	<u>913,180</u>	<u>3,712,916</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$2,597,742</u></u>	<u><u>\$1,032,299</u></u>	<u><u>\$3,630,041</u></u>

(continued)

**City of Avon, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
For the Year Ended December 31, 2013

	Business-Type Activities		
	Water	Sewer	Totals
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities</b>			
Operating Loss	(\$382,199)	(\$441,765)	(\$823,964)
<i>Adjustments:</i>			
Depreciation and Amortization	491,945	710,676	1,202,621
(Increase) Decrease in Assets:			
Materials and Supplies Inventory	(4,300)	(5,752)	(10,052)
Accounts Receivable	(32,781)	18,504	(14,277)
Special Assessments Receivable	0	(938)	(938)
Increase (Decrease) in Liabilities:			
Accounts Payable	26,527	(21,830)	4,697
Retainage Payable	(10,000)	0	(10,000)
Accrued Wages	1,968	(534)	1,434
Intergovernmental Payable	10,158	66,793	76,951
Compensated Absences Payable	(2,426)	(2,427)	(4,853)
<i>Total Adjustments</i>	481,091	764,492	1,245,583
<i>Net Cash Provided by Operating Activities</i>	\$98,892	\$322,727	\$421,619

**Noncash Capital Financing Activities**

During 2013, the water and sewer enterprise funds received water and sewer lines from developers valued at \$318,715 and \$230,520, respectively.

At December 31, 2013, the City had special assessments receivable related to the payments to the City of Avon Lake in the amount of \$31,484 in the water fund.

At December 31, 2013, the City had contracts payable related to the acquisition of capital assets of \$27,377 in the water fund and \$4,339 in the sewer fund.

See accompanying notes to the basic financial statements

**City of Avon, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2013*

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<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,800,717</u>
<b>Liabilities</b>	
Deposits Held and Due to Others	\$1,726,203
Intergovernmental Payable	<u>74,514</u>
<i>Total Liabilities</i>	<u>\$1,800,717</u>

See accompanying notes to the basic financial statements



**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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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/she oversees the enforcement of all laws and ordinances and presides over the Mayor's Court. He/She 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 four ward council members select an at-large council member to serve as Council President. Council enacts ordinances and resolutions relating to tax levies, appropriates and borrows money, and accepts bids for materials and services and other municipal purposes. During the 2012 General Election, City of Avon voters changed the terms of Council from two years to four years. To enact this change, the four Ward representatives were elected to serve four year terms in 2013, effective in 2014 and going forward. The three At-Large representatives will be elected to serve four year terms in 2015, effective in 2016 and going forward.

***Reporting Entity***

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading.

The primary government of the 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, 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, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The City has no component units.

The City is associated with the Lorain County General Health District and the Northeast Ohio Public Energy Council, both jointly governed organizations, as presented in Note 17 and the Lorain County Healthcare Program, a shared risk pool presented in Note 18.

**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 more significant of the City's accounting policies are described as follows.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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***Basis of Presentation***

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

***Government-wide Financial Statements*** The statement of net position and the statement of activities display information about the 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 position 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 business-type activities 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.

***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.

***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 deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. 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 and report all financial resources except those required to be accounted for and reported 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 charter of the City of Avon and/or the general laws of Ohio.

***Fire Department Special Revenue Fund*** This fund is used to account for and report income taxes restricted for the cost of operating the City's fire department and Emergency Medical Services revenue.

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

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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**Police Fund** This fund is used to account for and report restricted income taxes and property taxes levied to pay for the cost of operating the City's police department.

**General Obligation Bond Retirement Fund** - This fund accounts for and reports transfers in and debt proceeds that are restricted for the repayment of general obligation debt.

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

**I-90 Interchange Fund** - This fund accounts for and reports debt proceeds and other revenues restricted for costs associated with construction of the I-90 interchange.

**Proprietary Funds** Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The City has no internal service funds.

**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 position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. 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, taxes distributed to the Lorain Public Library, the collection and distribution of sewer charges for North Ridgeville, subdivision deposits, Avon Lake sanitary sewer trunk fees, monies due to other organizations/entities and Mayor's Court.

**Measurement Focus**

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

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

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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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 fund net position. The statement of revenues, expenses and changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

***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, in the recordings of deferred inflows/outflows of resources 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 8). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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, interest, grants, fees and rentals.

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2013, but which were levied to finance year 2014 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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the available period. For the City unavailable revenue includes delinquent property taxes, income taxes, special assessments, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

***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.

***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, department, object level for all funds.

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 and final budgeted amounts on the budgetary statements reflect the amounts on the original and final amended certificate of estimated resources in effect when final appropriations were passed by Council.

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.

***Cash and Cash Equivalents***

To improve cash management, cash received by the City is pooled. Monies for all 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."

During 2013, investments were made in federal home loan mortgage corporation notes, federal home loan bank notes, federal farm credit bonds, federal national mortgage association notes, municipal notes, and government national mortgage association notes. Investments are reported at fair value which is based on quoted market prices.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share, which is the price the investment could be sold for on December 31, 2013.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue, including a decrease in the fair market value of investments, credited to the general fund during fiscal year 2013 amount to (\$21,983), which includes (\$18,217) assigned from other City funds.

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

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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***Inventory***

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

***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2013 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.

***Restricted Assets***

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent money set aside for unclaimed monies.

***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 position 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 position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

All capital assets are depreciated or amortized except for land. 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 and amortization 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
Vehicles	5 - 15 years
Infrastructure	10 - 50 years
Waterline Rights	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 and sewer lines and includes infrastructure acquired prior to December 31, 1980.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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***Interfund Balances***

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “interfund receivables/payables.” Interfund balance amounts are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

***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.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “matured compensated absences payable” in the fund(s) from which the employees who have resigned or retired will be paid.

***Accrued Liabilities and Long-Term Obligations***

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

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

***Fund Balance***

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

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
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Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party—such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

**Committed** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by the highest level formal action (ordinance or resolution, as both are equally legally binding) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance or by State statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

City Council assigned fund balance to cover a gap between estimated revenue and appropriations in the 2014 appropriated budget. City Council also assigned fund balance for Avon Seniors, the community center, and the cemetery.

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

***Net Position***

Net position represents the difference between all the elements in a statement of net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include recycling, highway maintenance, law enforcement, parks, recreation and community activities.

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



**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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***Contributions of Capital***

Contributions of capital in the governmental activities and proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

***Internal Activity***

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

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.

***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.

***Deferred Charge on Refunding***

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on the refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

***Bond Premium***

On the government-wide financial statements, bond premiums are deferred and amortized for the term of the bonds using the straight-line method. Bond premiums are presented as an increase of the face amount of the bonds payable. On governmental fund statements, bond premiums are receipted in the year the bonds are issued.

***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. During 2013, the City expensed \$1,773,320 for the I-90 interchange project recorded as a special item.

***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.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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**Note 3 – Change in Accounting Principle**

For 2013, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 61, “The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34.” GASB Statement No. 61 modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity, the display of component units’ presentation, and certain disclosure requirements. The implementation of this statement did not result in any change in the City’s financial statements.

**Note 4 – Accountability and Compliance**

*Accountability*

At December 31, 2013, the I-90 interchange, park development, road and bridges, and storm sewers funds had deficits of \$4,523,767, \$494,191, \$82,095 and \$269,632, respectively. The deficit in the park development fund is due to an interfund payable and the road and bridges deficit is due to contracts payable for various projects and an interfund payable. The general fund is liable for any deficits in these funds and provides transfers when cash is required, rather than when accruals occur. The remaining funds are due to the issuance of short-term Bond Anticipation Notes which are used to finance the projects until Bonds are issued. Once the Notes are retired or Bonds are issued, the deficit will be eliminated.

*Compliance*

Contrary to Ohio Revised Code Section 5705.39, the park operating and road and bridges special revenue funds had final appropriations in excess of certified available resources of \$4,085 and \$22,803, respectively.

Contrary to Ohio Revised Code Section 5705.41(B), the general obligation debt service fund had transfers out expenditures plus encumbrances in excess of final appropriations in the amount of \$21,429.

Although the budgetary violations were not corrected by year end, management has indicated that these 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 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 and the major special revenue 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 restricted, committed or assigned fund balance (GAAP basis).

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
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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.
5. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
6. Investments are reported at cost (budget) rather than fair value (GAAP).

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

Net Change in Fund Balance

	General	Fire Department	Street Construction, Maintenance and Repair	Police
GAAP Basis	(\$2,891,707)	\$220,056	(\$170,150)	(\$123,400)
Net Adjustment for Revenue Accruals	627,881	(34,467)	(5,219)	(5,224)
Advances In	1,548,788	0	0	0
Unrecorded Cash Beginning of Year	1,775	28,434	92	0
Unrecorded Cash End of Year	(8,838)	(44,632)	(64)	0
Beginning Fair Value Adjustment for Investments	3,770	0	0	0
Ending Fair Value Adjustment for Investments	89,437	0	0	0
Net Adjustment for Expenditure Accruals	70,445	(29,565)	(40,614)	(26,185)
Advances Out	(143,600)	0	0	0
Encumbrances	(188,284)	(30,099)	(211,739)	(64,185)
Budget Basis	<u>(\$890,333)</u>	<u>\$109,727</u>	<u>(\$427,694)</u>	<u>(\$218,994)</u>

**Note 6 – Fund Balances**

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

**City of Avon, Ohio**  
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Fund Balances	General	Fire Department	Street Construction, Maintenance and Repair	Police
<u>Nonspendable:</u>				
Inventory	\$0	\$5,736	\$171,773	\$17,426
Prepays	29,360	15,000	6,089	18,750
Interfund Loans	169,000	0	0	0
Unclaimed Funds	970,061	0	0	0
<i>Total Nonspendable</i>	<u>1,168,421</u>	<u>20,736</u>	<u>177,862</u>	<u>36,176</u>
<u>Restricted for:</u>				
Fire Department	0	1,191,197	0	0
Street Maintenance	0	0	858,029	0
Police	0	0	0	188,413
Debt Retirement	0	0	0	0
Recycling	0	0	0	0
Mayor's Court	0	0	0	0
Park Operating	0	0	0	0
Equipment	0	0	0	0
Land Purchases	0	0	0	0
Municipal Buildings	0	0	0	0
Municipal Swimming Pool	0	0	0	0
<i>Total Restricted</i>	<u>0</u>	<u>1,191,197</u>	<u>858,029</u>	<u>188,413</u>
<u>Committed to:</u>				
Recreation	0	0	0	0
Stadium Marquee	0	0	0	0
Other Purposes	0	0	0	0
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Assigned to:</u>				
Purchases on Order	161,614	0	0	0
2014 Appropriations	85,298	0	0	0
Avon Seniors	73,561	0	0	0
Community Center	19,184	0	0	0
Cemetery	2,008	0	0	0
Street Maintenance	0	0	49,386	0
Storm Water Detention	0	0	0	0
French Creek Restoration	0	0	0	0
Sidewalk and Roads Programs	0	0	0	0
City Improvements	0	0	0	0
<i>Total Assigned</i>	<u>341,665</u>	<u>0</u>	<u>49,386</u>	<u>0</u>
Unassigned (Deficit)	<u>4,569,321</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Fund Balances (Deficit)</b>	<u><u>\$6,079,407</u></u>	<u><u>\$1,211,933</u></u>	<u><u>\$1,085,277</u></u>	<u><u>\$224,589</u></u>

**City of Avon, Ohio**  
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For the Year Ended December 31, 2013

Fund Balances	General Obligation Bond Retirement	Special Assessments Bond Retirement	I-90 Interchange	Other Governmental	Total
<u>Nonspendable:</u>					
Inventory	\$0	\$0	\$0	\$2,467	\$197,402
Prepays	0	0	0	5,500	74,699
Interfund Loans	0	0	0	0	169,000
Unclaimed Funds	0	0	0	0	970,061
<i>Total Nonspendable</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,967</u>	<u>1,411,162</u>
<u>Restricted for:</u>					
Fire Department	0	0	0	0	1,191,197
Street Maintenance	0	0	0	340,752	1,198,781
Police	0	0	0	0	188,413
Debt Retirement	63,560	353,572	0	21,354	438,486
Recycling	0	0	0	6,604	6,604
Mayor's Court	0	0	0	78,652	78,652
Park Operating	0	0	0	47,115	47,115
Equipment	0	0	0	1,335,605	1,335,605
Land Purchases	0	0	0	1,467,608	1,467,608
Municipal Buildings	0	0	0	65,559	65,559
Municipal Swimming Pool	0	0	0	37,685	37,685
<i>Total Restricted</i>	<u>63,560</u>	<u>353,572</u>	<u>0</u>	<u>3,400,934</u>	<u>6,055,705</u>
<u>Committed to:</u>					
Recreation	0	0	0	405,416	405,416
Stadium Marquee	0	0	0	5,606	5,606
Other Purposes	0	0	0	5,998	5,998
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>417,020</u>	<u>417,020</u>
<u>Assigned to:</u>					
Purchases on Order	0	0	0	0	161,614
2014 Appropriations	0	0	0	0	85,298
Avon Seniors	0	0	0	0	73,561
Community Center	0	0	0	0	19,184
Cemetery	0	0	0	0	2,008
Street Maintenance	0	0	0	0	49,386
Storm Water Detention	0	0	0	54,250	54,250
French Creek Restoration	0	0	0	4,120	4,120
Sidewalk and Roads Programs	0	0	0	4,299	4,299
City Improvements	0	0	0	195,686	195,686
<i>Total Assigned</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>258,355</u>	<u>649,406</u>
Unassigned (Deficit)	<u>0</u>	<u>0</u>	<u>(4,523,767)</u>	<u>(2,308,331)</u>	<u>(2,262,777)</u>
<b>Total Fund Balances (Deficit)</b>	<u><u>\$63,560</u></u>	<u><u>\$353,572</u></u>	<u><u>(\$4,523,767)</u></u>	<u><u>\$1,775,945</u></u>	<u><u>\$6,270,516</u></u>

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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**Note 7 – Deposits and Investments**

The City is a charter City and has adopted an investment policy through City Ordinance. The City has elected to follow the provisions of State statute. 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.

Interim monies held by the City can be deposited or invested in the following securities:

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided 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 the term of the agreement must not exceed thirty days.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
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Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the 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 City has passed an ordinance allowing the City to invest 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.

**Deposits**

**Custodial credit risk** is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of City funds shall be required to pledge security for repayment of all public monies. The City has no investment policy dealing with deposit custodial risk beyond the requirement in State statute that requires securities purchased pursuant to this division shall be delivered into the custody of the Finance Director or an agent designated by the Finance Director.

At year-end, the carrying amount of the City's deposits was \$10,198,422 and the bank balance was \$10,642,439. Of the uninsured bank balance of \$9,135,330, all was collateralized with securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**Investments**

Investments are reported at fair value. As of December 31, 2013, the City had the following investments:

	Fair Value	Investment Maturities (in Years)	
		Less than 1	3-5
Federal Home Loan Mortgage Corporation Notes	\$2,985,658	\$1,986,158	\$999,500
Federal Home Loan Bank Notes	1,000,000	0	1,000,000
Federal Farm Credit Bonds	1,000,000	0	1,000,000
Federal National Mortgage Association Notes	1,015,077	0	1,015,077
Municipal Notes	503,585	503,585	0
Government National Mortgage Association Notes	1,945,832	1,945,832	0
<b>Total</b>	<b>\$8,450,152</b>	<b>\$4,435,575</b>	<b>\$4,014,577</b>

**City of Avon, Ohio**  
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**Interest Rate Risk** As a means of limiting its exposure to fair value losses caused by rising interest rates, the City’s investment policy requires that operating funds be invested primarily in short-term investments maturing within one year from the date of purchase and that the City’s investment portfolio be structured so that the securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

**Credit Risk** Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Note, Federal Farm Credit Bonds, Federal National Mortgage Association Notes and Government National Mortgage Association Notes all carry a rating of AA+ by Standard and Poor’s. The Municipal Bonds are unrated. The City has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk** The City places no limit on the amount it may invest in any one issuer. The following is the City’s allocation as of December 31, 2013:

Investment	Percentage of Investments
Federal Home Loan Mortgage Corporation Notes	35.34 %
Federal Home Loan Bank Notes	11.83
Federal Farm Credit Bonds	11.83
Federal National Mortgage Association Notes	12.01
Municipal Bonds	5.96
Government National Mortgage Association Notes	23.03
	100.00 %

**Note 8 – Receivables**

Receivables at December 31, 2013, consisted primarily of municipal income taxes, property taxes, payment in lieu of 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. All receivables except for special assessments and delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$8,469,373 in the special assessment bond retirement fund. The amount of delinquent special assessments outstanding at year-end is \$91,874.

**Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2013 for real and public utility property taxes represents collections of 2012 taxes.

2013 real property taxes were levied after October 1, 2013, on the assessed value as of January 1, 2013, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2013 real property taxes are collected in and intended to finance 2014.



**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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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.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2013 public utility property taxes which became a lien December 31, 2012, are levied after October 1, 2013, and are collected in 2014 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2013 was \$9.24 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2013 property tax receipts were based are as follows:

Real Property	
Residential/Agricultural	\$550,176,210
Commercial Industrial/Public Utility	169,038,370
Public Utility Property	<u>11,582,520</u>
Total Valuation	<u><u>\$730,797,100</u></u>

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 public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2013, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2013 operations is offset to deferred inflows of resources-property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources -unavailable revenue.

***Income Tax***

The City levies a municipal income tax of one-and-three-quarters percent on all salaries, wages, commissions and other compensation, and net profits earned within the City as well as on incomes of residents earned outside of the City. In the latter case, the City allows a credit of one-and-one-half percent of the taxable income earned in or attributable to the municipality of employment or business activity. One percent is levied for general purposes, one half percent is restricted for safety forces operations, and one-quarter percent is used for parks and recreation, including the construction of a recreational complex in 2009 and 2010.

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.

The Regional Income Tax Agency administers and collects income taxes for the City. Payments are remitted monthly net of collection fees of approximately 2.7 percent. Income tax proceeds are received by the general fund, fire department special revenue fund, police department special revenue fund, and the recreation income tax capital projects fund.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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***Payments in Lieu of Taxes Receivables***

According to State law, the City has established several tax incremental financing districts within the City under which the City has granted property tax exemptions and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to the City to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if the property had not been declared exempt. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvements have been paid or the agreement expires, whichever occurs first. Future development by these owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners.

***Intergovernmental Receivables***

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

	Amount
Homestead and Rollback	\$252,076
Gasoline Excise Tax	241,772
Gasoline Tax	122,064
Local Government	101,454
Motor Vehicle Registration	77,706
Permissive Tax	54,338
Miscellaneous	6,349
Total	\$855,759

**Note 9 – 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. All employees other than police and fire department employees may carry over 80 hours into the following year. Police employees may carry over 80 hours and fire department employees may carry over 120 hours or five tours. In addition, police employees may carry over a maximum of 90 hours of compensatory time, fire department employees may accumulate and/or use a maximum of 120 hours of compensatory time per year and unused time can be carried over or paid up to 50 hours per year in June or December. 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. Sick leave accumulation is unlimited. Full-time fire employees earn 13 hours of sick leave per month. Sick leave accumulation for fire employees is 2,400 hours maximum. Upon retirement, payment is made for one-half of total sick leave accumulation up to a maximum of 960 hours for all full-time employees, excluding full-time fire employees, who have a cap of 1,200 hours. To be eligible for retirement, the employee shall have worked full-time for the City at least ten years and shall have attained normal retirement age under the pension system.

For all employees, excluding full-time fire 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. Full-time fire employees who have accumulated more than 2,400 hours may convert up to 104 hours of sick leave to cash at the rate of two hours sick leave to one hour of pay to a maximum of 52 hours of pay per calendar year.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
For the Year Ended December 31, 2013

**Note 10 – Capital Assets**

Capital asset activity for the year ended December 31, 2013, was as follows:

	<u>Balance 12/31/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/13</u>
<b>Governmental Activities:</b>				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$5,554,206	\$372,749	\$0	\$5,926,955
<i>Capital Assets, Being Depreciated:</i>				
Land Improvements	743,460	329,253	0	1,072,713
Buildings and Improvements	44,976,670	19,825	0	44,996,495
Machinery and Equipment	2,511,652	513,620	(84,594)	2,940,678
Vehicles	4,781,143	311,510	(392,598)	4,700,055
Infrastructure:				
Park Improvements	1,158,693	0	0	1,158,693
Streets	58,132,957	1,638,100	0	59,771,057
Bridges and Culverts	2,143,634	0	0	2,143,634
Traffic Signals	3,917,086	10,590	0	3,927,676
Storm Sewer	23,506,770	940,460	0	24,447,230
Water Lines	2,066,621	0	0	2,066,621
<i>Total Capital Assets, Being Depreciated</i>	<u>143,938,686</u>	<u>3,763,358</u>	<u>(477,192)</u>	<u>147,224,852</u>
Less Accumulated Depreciation:				
Land Improvements	(548,365)	(73,547)	0	(621,912)
Buildings and Improvements	(4,236,135)	(954,706)	0	(5,190,841)
Machinery and Equipment	(1,143,727)	(234,246)	84,594	(1,293,379)
Vehicles	(2,368,256)	(407,750)	307,440	(2,468,566)
Infrastructure:				
Park Improvements	(382,850)	(38,623)	0	(421,473)
Streets	(30,209,526)	(2,190,679)	0	(32,400,205)
Bridges and Culverts	(489,243)	(61,247)	0	(550,490)
Traffic Signals	(1,024,317)	(212,488)	0	(1,236,805)
Storm Sewer	(5,410,863)	(592,874)	0	(6,003,737)
Water Lines	(439,755)	(51,666)	0	(491,421)
<i>Total Accumulated Depreciation</i>	<u>(46,253,037)</u>	<u>(4,817,826) *</u>	<u>392,034</u>	<u>(50,678,829)</u>
Total Capital Assets, Being Depreciated, Net	<u>97,685,649</u>	<u>(1,054,468)</u>	<u>(85,158)</u>	<u>96,546,023</u>
Governmental Activities Capital Assets, Net	<u>\$103,239,855</u>	<u>(\$681,719)</u>	<u>(\$85,158)</u>	<u>\$102,472,978</u>

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

General Government	\$740,222
Security of Persons and Property	553,350
Transportation	2,691,622
Community Environment	14,571
Basic Utility Services	644,540
Leisure Time Activities	173,521
Total Depreciation Expense	<u>\$4,817,826</u>

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
For the Year Ended December 31, 2013

	Balance 12/31/12	Additions	Deletions	Balance 12/31/13
<b>Business-Type Activities:</b>				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$7,580	\$0	\$0	\$7,580
<i>Capital Assets, Being Depreciated:</i>				
Land Improvements	93,196	0	0	93,196
Buildings and Improvements	1,712,566	0	0	1,712,566
Machinery and Equipment	256,049	19,099	0	275,148
Vehicles	145,671	80,604	0	226,275
Waterline Rights	2,024,462	0	0	2,024,462
Infrastructure:				
Water Lines	18,759,361	318,715	0	19,078,076
Sewer Lines	24,549,443	230,520	0	24,779,963
<i>Total Capital Assets, Being Depreciated</i>	<u>47,540,748</u>	<u>648,938</u>	<u>0</u>	<u>48,189,686</u>
Less Accumulated Depreciation:				
Land Improvements	(93,196)	0	0	(93,196)
Buildings and Improvements	(731,384)	(35,769)	0	(767,153)
Machinery and Equipment	(132,630)	(16,845)	0	(149,475)
Vehicles	(83,264)	(15,680)	0	(98,944)
Waterline Rights	(650,826)	(41,016)	0	(691,842)
Infrastructure:				
Water Lines	(7,451,034)	(418,177)	0	(7,869,211)
Sewer Lines	(6,935,890)	(675,134)	0	(7,611,024)
<i>Total Accumulated Depreciation</i>	<u>(16,078,224)</u>	<u>(1,202,621)</u>	<u>0</u>	<u>(17,280,845)</u>
Total Capital Assets, Being Depreciated, Net	<u>31,462,524</u>	<u>(553,683)</u>	<u>0</u>	<u>30,908,841</u>
Business-Type Activities Capital Assets, Net	<u>\$31,470,104</u>	<u>(\$553,683)</u>	<u>\$0</u>	<u>\$30,916,421</u>

During 2013, the City received street improvements from developers valued at \$596,411, and storm sewer improvements from developers valued at \$364,393 in governmental funds. The water and sewer enterprise funds received water and sewer lines from developers valued at \$318,715 and \$230,520, respectively.

During 1994, the City acquired an intangible asset due to the agreement with the City of Avon Lake. Per this agreement, the City had the right to use the Avon Lake Waterline #1, which was jointly constructed, but is owned by the City of Avon Lake. The construction of the waterline was completed in 1996. The entire asset value was capitalized as of December 31, 1996.

During 2009, the City acquired an intangible asset due to the agreement with the City of Avon Lake. Per this agreement, the City had the right to use the Avon Lake Waterline #2, which was jointly constructed, but is owned by the City of Avon Lake. The construction of the waterline was completed in 2002. The entire asset value was capitalized as of December 31, 2002.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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**Note 11 – Contingencies**

***Grants***

The City received financial assistance from the Ohio Department of Transportation and Ohio Public Works Commission 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.

***Litigation***

The City is a party to various legal proceedings, some of which could result in liability for money damages. Specifically, the City is involved in appropriation proceedings that could result in the expenditure of funds for the acquisition of property for road improvements. That aside, 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 the City has adequate revenues and liability insurance coverage to protect itself against material loss.

**Note 12 – Note Debt**

A summary of note transactions for the year ended December 31, 2013 follows:

	Balance 12/31/12	Additions	Deletions	Balance 12/31/13
<b>Governmental Activities:</b>				
Storm Sewers Fund	\$795,000	\$395,000	\$795,000	\$395,000
I-90 Interchange Fund	18,695,000	7,785,000	18,695,000	7,785,000
<i>Total Governmental Funds</i>	<u>\$19,490,000</u>	<u>\$8,180,000</u>	<u>\$19,490,000</u>	<u>\$8,180,000</u>

In 2013, the City issued \$395,000 and \$7,785,000 in bond anticipation notes to help finance the storm sewers and I-90 interchange funds, respectively. These notes mature on June 25, 2014, and have an interest rate of 0.45 percent. The I-90 Interchange note proceeds are being spent to construct a new interchange on interstate 90. This interchange will be owned by the State of Ohio, and therefore is not a capital asset of the City.

All notes are backed by the full faith and credit of the City and mature within one year. The note liability is reflected in the fund which received the proceeds and will repay the debt. The notes are generally issued in anticipation of long-term bond financing and refinanced until such bonds are issued.

**City of Avon, Ohio**  
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For the Year Ended December 31, 2013

**Note 13 – 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
<b>Governmental Activities:</b>			
<i>General Obligation Bonds:</i>			
Veteran's Park - 2003	1.50-4.70 %	\$1,590,000	December 1, 2023
Service Garage Term - 2004	2.00-5.00	2,500,000	December 1, 2024
Detroit Road Park Refunding - 2006	3.45-4.25	163,000	December 1, 2016
Library Improvement Refunding - 2006	3.45-4.25	600,000	December 1, 2014
Northgate Sewer Improvement Refunding - 2006	3.45-4.25	271,000	December 1, 2016
New City Hall Refunding - 2006	3.45-4.25	626,000	December 1, 2017
Schneider Court Improvements Serial - 2006	3.45-4.25	111,132	December 1, 2026
Various Purpose Bonds - 2008	3.00-5.25	6,910,000	December 1, 2027
Various Purpose Bonds - 2009A	4.573-5.784	4,190,000	December 1, 2023
Various Purpose Bonds - 2009B	2.00-5.00	28,700,000	December 1, 2038
YMCA Bonds - 2011	2.00-4.50	5,760,000	December 1, 2031
Refunding Bonds - 2011	1.50-4.00	604,477	December 1, 2021
Various Purpose Bonds - 2012A	1.00-3.625	2,448,725	December 1, 2037
Various Purpose Bonds - 2012B	1.00-3.50	6,591,667	December 1, 2037
Refunding Bonds - 2012C	2.00-4.00	2,535,000	December 1, 2024
Various Purpose Bonds - 2013	3.00-5.25	8,735,028	December 1, 2038
<i>Special Assessment Bonds:</i>			
Route 83 Sewer Improvements - 1995	4.20-6.50	520,000	December 1, 2015
Schneider Court Improvements	3.45-4.25	903,868	December 1, 2026
Refunding Bonds 2011	1.50-4.00	2,015,523	December 1, 2021
Various Purpose Bonds - 2012A	1.00-3.625	1,606,275	December 1, 2037
Various Purpose Bonds - 2012B	1.00-3.50	2,128,333	December 1, 2037
Various Purpose Bonds - 2013	3.00-5.25	3,084,972	December 1, 2038
<i>Ohio Public Works Commission Loans:</i>			
Center Road Extension - 2007	0.00	92,152	December 1, 2017
Jaycox Road/Center Improvements	0.00	145,194	December 1, 2027
Detroit Road Improvement - Phase I	0.00	97,167	December 1, 2037
Detroit Road Improvement - Phase II	0.00	32,423	December 1, 2037
<b>Business-Type Activities:</b>			
<i>General Obligation Bonds:</i>			
Various Purpose Bonds - 2012A - Water	1.00-3.625	863,981	December 1, 2037
Various Purpose Bonds - 2012B - Water	1.00-3.50	425,000	December 1, 2037
Various Purpose Bonds - 2008 - Sewer	3.00-5.25	330,000	December 1, 2027
Various Purpose Bonds - 2012A - Sewer	1.00-3.625	2,141,257	December 1, 2037
<i>Special Assessment Bonds:</i>			
Various Purpose Bonds - 2012A - Water	1.00-3.625	297,864	December 1, 2037
Various Purpose Bonds - 2012A - Sewer	1.00-3.625	876,898	December 1, 2037
<i>Ohio Water Development Loan:</i>			
Sanitary Sewer Addition - 1989	7.65	687,406	January 1, 2013

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
For the Year Ended December 31, 2013

Changes in bonds and other long-term obligations of the City during 2013 were as follows:

	Principal Outstanding 12/31/12	Additions	Deletions	Principal Outstanding 12/31/13	Due Within One Year
<b>Governmental Activities:</b>					
<i>General Obligation Bonds:</i>					
Veteran's Park - 2003	\$75,000	\$0	\$75,000	\$0	\$0
Service Garage - 2004 - Term	235,000	0	115,000	120,000	120,000
Unamortized Premium	1,039	0	520	519	0
Detroit Road Park Refunding - 2006	75,000	0	16,000	59,000	20,000
Unamortized Premium	106	0	27	79	0
Library Improvement Refunding - 2006	140,000	0	70,000	70,000	70,000
Unamortized Premium	6,094	0	3,047	3,047	0
Northgate Sewer Improvement Refunding - 2006	115,000	0	26,000	89,000	30,000
Unamortized Premium	173	0	43	130	0
New City Hall Refunding - 2006	330,000	0	63,000	267,000	65,000
Schneider Court Improvements - 2006 - Serial	87,043	0	4,927	82,116	4,927
Unamortized Premium	340	0	24	316	0
Various Purpose Bonds - 2008	5,674,027	0	281,554	5,392,473	291,098
Various Purpose Bonds - 2009A	3,455,000	0	245,000	3,210,000	260,000
Various Purpose Bonds - 2009B	26,650,000	0	780,000	25,870,000	850,000
Unamortized Premium	326,454	0	12,556	313,898	0
YMCA Bonds Series - 2011 - Serial	3,130,000	0	215,000	2,915,000	220,000
YMCA Bonds Series - 2011 - Term	2,420,000	0	0	2,420,000	0
Unamortized Premium	67,874	0	3,572	64,302	0
Refunding Bonds - 2011	456,127	0	76,169	379,958	78,532
Unamortized Premium	11,842	0	1,421	10,421	0
Various Purpose Bonds - 2012A	2,448,725	0	7,217	2,441,508	14,869
Unamortized Premium	208,357	0	8,334	200,023	0
Various Purpose Bonds - 2012B	6,591,667	0	61,268	6,530,399	72,079
Unamortized Premium	153,623	0	6,145	147,478	0
Refunding Bonds - 2012C	2,515,000	0	25,000	2,490,000	105,000
Unamortized Premium	174,883	0	14,574	160,309	0
Various Purpose Bonds - 2013 - Serial	0	1,367,150	0	1,367,150	3,695
Various Purpose Bonds - 2013 - Term	0	7,367,878	0	7,367,878	0
Unamortized Premium	0	410,907	0	410,907	0
<i>Total General Obligation Bonds</i>	<u>55,348,374</u>	<u>9,145,935</u>	<u>2,111,398</u>	<u>62,382,911</u>	<u>2,205,200</u>
<i>Special Assessment Bonds:</i>					
Route 83 Sewer Improvements - 1995	125,000	0	40,000	85,000	40,000
Schneider Court Improvements	707,957	0	40,073	667,884	40,073
Refunding Bonds - 2011	1,518,873	0	253,831	1,265,042	261,468
Unamortized Premium	39,483	0	4,738	34,745	0
Various Purpose Bonds - 2012A	1,606,275	0	7,783	1,598,492	9,735
Various Purpose Bonds - 2012B	2,128,333	0	19,782	2,108,551	23,273
Various Purpose Bonds - 2013 - Serial	0	482,850	0	482,850	1,305
Various Purpose Bonds - 2013 - Term	0	2,602,122	0	2,602,122	0
Unamortized Premium	0	145,124	0	145,124	0
<i>Total Special Assessment Bonds</i>	<u>\$6,125,921</u>	<u>\$3,230,096</u>	<u>\$366,207</u>	<u>\$8,989,810</u>	<u>\$375,854</u>

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
For the Year Ended December 31, 2013

	Principal Outstanding 12/31/12	Additions	Deletions	Principal Outstanding 12/31/13	Due Within One Year
<b>Governmental Activities (cont.):</b>					
<i>OPWC Loans:</i>					
Center Road Extension - 2007	\$46,077	\$0	\$9,216	\$36,861	\$9,216
Jaycox Road/Chester Improvements	119,784	0	7,259	112,525	7,260
Detroit Road Improvement - Phase I	97,167	0	3,887	93,280	3,886
Detroit Road Improvement - Phase II	0	32,423	648	31,775	0
<i>Total OPWC Loans</i>	<u>263,028</u>	<u>32,423</u>	<u>21,010</u>	<u>274,441</u>	<u>20,362</u>
<i>Other Long-Term Obligation:</i>					
Compensated Absences	2,069,717	146,071	109,812	2,105,976	131,286
<i>Total Governmental Activities</i>	<u>\$63,807,040</u>	<u>\$12,554,525</u>	<u>\$2,608,427</u>	<u>\$73,753,138</u>	<u>\$2,732,702</u>
<b>Business-Type Activities:</b>					
<i>General Obligation Bonds:</i>					
Various Purpose Bonds - 2012A - Water	\$863,981	\$0	\$1,521	\$862,460	\$5,252
Various Purpose Bonds - 2012B - Water	425,000	0	3,950	421,050	4,647
Various Purpose Bonds - 2008 - Sewer	270,973	0	13,446	257,527	13,903
Various Purpose Bonds - 2012A - Sewer	2,141,257	0	5,530	2,135,727	13,007
<i>Total General Obligation Bonds</i>	<u>3,701,211</u>	<u>0</u>	<u>24,447</u>	<u>3,676,764</u>	<u>36,809</u>
<i>Special Assessment Bonds:</i>					
Water Various Purpose Bonds - 2012A - Water	297,864	0	526	297,338	1,811
Sewer Various Purpose Bonds - 2012A - Sewer	876,898	0	2,423	874,475	5,326
<i>Total Special Assessment Bonds</i>	<u>1,174,762</u>	<u>0</u>	<u>2,949</u>	<u>1,171,813</u>	<u>7,137</u>
<i>Ohio Water Development Loan:</i>					
Sanitary Sewer Addition	38,610	0	38,610	0	0
<i>Intergovernmental Payable:</i>					
Avon Lake Waterline - 1994	255,602	0	123,600	132,002	131,280
Avon Lake Waterline - 2009	428,406	0	21,237	407,169	22,442
<i>Total Intergovernmental Payable</i>	<u>684,008</u>	<u>0</u>	<u>144,837</u>	<u>539,171</u>	<u>153,722</u>
<i>Other Long-Term Obligation:</i>					
Compensated Absences	147,589	13,225	18,078	142,736	17,918
<i>Total Business-Type Activities</i>	<u>\$5,746,180</u>	<u>\$13,225</u>	<u>\$228,921</u>	<u>\$5,530,484</u>	<u>\$215,586</u>

General obligation bonds, except as listed below, will be paid from the general obligation bond retirement debt service fund. The Veteran's Park general obligation bonds, as well as a portion of the Detroit Road Park and the 2012C refunding bonds, 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 Ohio Public Works Commission Loans will be paid from the special assessment bond retirement fund and the general obligation debt service fund. General Obligation Bonds and the OWDA loan reported in the enterprise funds will be paid from charges for services revenue in the enterprise funds.



**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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Special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City.

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 position restricted for debt service” section of the statement of net position.

On September 15, 2004, the City issued \$570,000 in general obligation refunding bonds and \$2,500,000 in service garage construction term bonds at interest rates varying from 2 percent to 5 percent. Proceeds were used to refund \$600,000 of the outstanding 1992 water and sewer construction bonds. As a result, \$600,000 of these bonds were considered defeased and the liability for the refunded bonds has been removed from the basic financial statements.

Optional Redemption The 2004 service garage term bonds maturing on December 1, 2014 are subject to prior redemption, by and at the sole option of the City, either in whole on any date or in part (in any order of maturity) on any interest payment date on December 1, 2014, in integral multiples of \$5,000, at the redemption price of 100 percent of the principal amount redeemed plus, in each case, accrued interest to the redemption date.

Mandatory Sinking Fund Redemption The 2004 service garage term bonds maturing on December 1, 2014 are subject to mandatory redemption, pursuant to mandatory sinking fund requirements at a redemption price of 100 percent of the principal amount redeemed plus interest accrued to the redemption date.

Selection of Bonds to be Redeemed If fewer than all of the outstanding bonds are called for redemption at one time, they may be called in any order of their maturities, and, if fewer than all of the bonds of a single maturity are to be redeemed, the selection of such bonds to be redeemed, or portions thereof in the amounts of \$5,000 or any integral multiple thereof, will be made by the bond registrar by lot in such manner as the bond registrar may determine.

On April 12, 2006, the City issued \$1,660,000 in General Obligation Refunding Bonds and \$1,015,000 in Schneider Court Improvement serial bonds at interest rates varying from 3.4 percent to 4 percent. Proceeds were used to refund \$1,565,000 of the outstanding 1996 bonds and 1997 New City Hall Bonds. As a result, \$1,565,000 of these bonds were considered defeased and the liability for the refunded bonds had been removed from the basic financial statements. The amount still outstanding at December 31, 2013 is \$489,226.

The serial bonds for the general obligation refunding bonds were issued for a 20 year period with a final maturity at December 1, 2024. The bonds are being retired from the general obligation bond retirement fund.

On March 3, 2008, the City issued \$6,910,000 in governmental general obligation bonds and \$330,000 in business-type general obligation bonds with a maturity date of December 1, 2027 and a variable interest rate of 3 to 5.25 percent and retired \$7,240,000 in general obligation notes. The notes retired were the \$4,500,000 police station, the \$1,100,000 State Route 83 extension note, the \$410,000 real estate acquisition note, the \$900,000 french creek bridge and the \$330,000 north branch interceptor sanitary sewer note.

On April 23, 2009, the City issued \$4,190,000 and \$28,700,000 in governmental general obligation bonds with maturity dates of December 1, 2023 and December 1, 2038, respectively, and interests rates of 4.573 to 5.784 percent and 2 to 5 percent, respectively, and retired \$39,120,000 in general obligation notes. The notes were the \$1,250,000 Detroit Road widening, \$14,000,000 YMCA construction, \$13,150,000 stadium project, \$9,000,000 recreation complex infrastructure, and \$1,720,000 post office project.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

On May 10, 2011, the City issued \$5,760,000 in governmental general obligation bonds with a maturity date of December 1, 2031 and an interest rate of 1.5 percent. The bonds were for the YMCA construction project.

Optional Redemption The YMCA bonds maturing on or after December 1, 2021 are subject to prior redemption, by and at the sole option of the City, either in whole on any date or in part (in any order of maturity) on any interest payment date on or after December 1, 2020, in integral multiples of \$5,000, at the redemption price of 100 percent of the principal amount redeemed plus, in each case, accrued interest to the redemption date.

Mandatory Sinking Fund Redemption The YMCA term bonds maturing on or after December 1, 2026, 2028 and 2030, respectively, are subject to mandatory redemption, pursuant to mandatory sinking fund requirements at a redemption price of 100 percent of the principal amount redeemed plus interest accrued to the redemption date, on December 1 in each of the years and in the principal amounts set forth as follows:

Year	Issue		
	\$955,000	\$705,000	\$760,000
2024	\$305,000	\$0	\$0
2025	320,000	0	0
2027	0	345,000	0
2029	0	0	370,000
	\$625,000	\$345,000	\$370,000
<i>Stated Maturity</i>	<i>12/1/2026</i>	<i>12/1/2028</i>	<i>12/1/2030</i>

The remaining principal amount of the term bonds (\$330,000, \$360,000 and \$390,000) will mature at the stated maturity.

In 2011, the City issued general obligation bonds, in the amount of \$2,620,000, to refund bonds previously issued for various purposes. The bonds were issued with interest rates varying from 1.5 to 4 percent. The bonds were issued for a 10 year period with a final maturity on December 1, 2021. The bonds will be retired through the bond retirement debt service fund.

Optional Redemption The Refunding Bonds maturing on or after December 1, 2021 are subject to prior redemption, by and at the sole option of the City, either in whole on any date or in part (in any order of maturity) on any interest payment date on or after December 1, 2020, in integral multiples of \$5,000, at the redemption price of 100 percent of the principal amount redeemed plus, in each case, accrued interest to the redemption date.

On June 28, 2012, the City issued general obligation bonds, in the amount of \$2,535,000, to refund a portion of the veteran's park and service garage term bonds. The bonds were issued with interest rates varying from 2 to 4 percent. The bonds were issued for a 12 year period with a final maturity on December 1, 2024. The bonds will be retired through the street, construction, maintenance and repair and park development special revenue funds. The bonds were sold at a premium of \$174,883. Proceeds of \$2,656,706 were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the veteran's park and service garage term bonds. As a result, \$2,435,000 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements.

On June 28, 2012, the City issued \$8,235,000 in governmental general obligation bonds with a maturity date of December 1, 2037, and interest rates varying from 1 to 3.625 percent. The bonds were issued for various projects in the City. As of December 31, 2013, the City had \$3,320,245 in unspent proceeds.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

Optional Redemption The bonds maturing on or after December 1, 2022 are subject to prior redemption, by and at the sole option of the City, either in whole on any date or in part (in any order of maturity) on any interest payment date on or after December 1, 2021, in integral multiples of \$5,000, at the redemption price of 100 percent of the principal amount redeemed plus, in each case, accrued interest to the redemption date.

Selection of Bonds to be Redeemed If fewer than all of the outstanding bonds are called for redemption at one time, they may be called in any order of their maturities, and, if fewer than all of the bonds of a single maturity are to be redeemed, the selection of such bonds to be redeemed, or portions thereof in the amounts of \$5,000 or any integral multiple thereof, will be made by the bond registrar by lot in such manner as the bond registrar may determine.

Notice of Call for Redemption The bond registrar shall cause notice of the call for redemption, identifying the bonds or portion thereof to be redeemed, to be sent by first-class mail, postage prepaid, at least 30 days prior to the date set for redemption, to the holders thereof at the address shown on the registration books 15 days prior to the mailing. Any defect in the notice or any failure to receive notice by mailing will not affect the validity of any proceedings for the redemption of any bonds. On the date designated for redemption, any bond so called for redemption shall become due and payable and, if on the redemption date the moneys for the redemption thereof are held by the bond registrar, thereafter those bonds or portions thereof to be redeemed shall cease to bear interest, and shall cease to be secured by, and shall not be deemed to be outstanding under the bond legislation.

On July 18, 2012, the City issued \$9,145,000 in governmental general obligation bonds with a maturity date of December 1, 2037 and interest rates varying from 1 to 3.5 percent. The bonds were issued for various projects in the City.

Optional Redemption The bonds maturing on or after December 1, 2022 are subject to prior redemption, by and at the sole option of the City, either in whole on any date or in part (in any order of maturity) on any interest payment date on or after December 1, 2021, in integral multiples of \$5,000, at the redemption price of 100 percent of the principal amount redeemed plus, in each case, accrued interest to the redemption date.

Mandatory Sinking Fund Redemption The 2012 various purpose term bonds maturing on or after December 1, 2021 and 2023, respectively, are subject to mandatory redemption, pursuant to mandatory sinking fund requirements at a redemption price of 100 percent of the principal amount redeemed plus interest accrued to the redemption date, on December 1 in each of the years and in the principal amounts set forth as follows:

Year	Issue	
	\$290,000	\$320,000
2020	\$140,000	\$0
2022	0	155,000
	\$140,000	\$155,000
<i>Stated Maturity</i>	<i>12/1/2021</i>	<i>12/1/2023</i>

The remaining principal amount of the term bonds (\$150,000 and \$165,000) will mature at the stated maturity.

Selection of Bonds to be Redeemed If fewer than all of the outstanding bonds are called for redemption at one time, they may be called in any order of their maturities, and, if fewer than all of the bonds of a single maturity are to be redeemed, the selection of such bonds to be redeemed, or portions thereof in the amounts of \$5,000 or any integral multiple thereof, will be made by the bond registrar by lot in such manner as the bond registrar may determine.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

Notice of Call for Redemption The bond registrar shall cause notice of the call for redemption, identifying the bonds or portion thereof to be redeemed, to be sent by first-class mail, postage prepaid, at least 30 days prior to the date set for redemption, to the holders thereof at the address shown on the registration books 15 days prior to the mailing. Any defect in the notice or any failure to receive notice by mailing will not affect the validity of any proceedings for the redemption of any bonds. On the date designated for redemption, any bond so called for redemption shall become due and payable and, if on the redemption date the moneys for the redemption thereof are held by the bond registrar, thereafter those bonds or portions thereof to be redeemed shall cease to bear interest, and shall cease to be secured by, and shall not be deemed to be outstanding under the bond legislation.

On June 26, 2013, the City issued \$11,820,000 in governmental various purpose general obligation and special assessment bonds with a maturity date of December 1, 2038, and interest rates varying from 3 to 5.25 percent. The bonds were issued for construction relating to an interchange at Nagel Road and I-90.

Optional Redemption The bonds maturing on or after December 1, 2022 are subject to prior redemption, by and at the sole option of the City, either in whole on any date or in part (in any order of maturity) on any interest payment date on or after December 1, 2021, in integral multiples of \$5,000, at the redemption price of 100 percent of the principal amount redeemed plus, in each case, accrued interest to the redemption date.

Mandatory Sinking Fund Redemption The 2013 various purpose term bonds maturing on or after December 1, 2028, 2031, 2033, 2035, and 2038, respectively, are subject to mandatory redemption, pursuant to mandatory sinking fund requirements at a redemption price of 100 percent of the principal amount redeemed plus interest accrued to the redemption date, on December 1 in each of the years and in the principal amounts set forth as follows:

Year	Issue				
	\$1,785,000	\$2,085,000	\$1,560,000	\$1,695,000	\$2,845,000
2026	\$565,000	\$0	\$0	\$0	\$0
2027	595,000	0	0	0	0
2029	0	660,000	0	0	0
2030	0	695,000	0	0	0
2032	0	0	765,000	0	0
2034	0	0	0	825,000	0
2036	0	0	0	0	910,000
2037	0	0	0	0	950,000
	<u>\$1,160,000</u>	<u>\$1,355,000</u>	<u>\$765,000</u>	<u>\$825,000</u>	<u>\$1,860,000</u>
<i>Stated Maturity</i>	<i>12/1/2028</i>	<i>12/1/2031</i>	<i>12/1/2033</i>	<i>12/1/2035</i>	<i>12/1/2038</i>

The remaining principal amount of the term bonds (\$625,000, \$730,000, \$795,000, \$870,000 and \$985,000) will mature at the stated maturity.

Selection of Bonds to be Redeemed If fewer than all of the outstanding bonds are called for redemption at one time, they may be called in any order of their maturities, and, if fewer than all of the bonds of a single maturity are to be redeemed, the selection of such bonds to be redeemed, or portions thereof in the amounts of \$5,000 or any integral multiple thereof, will be made by the bond registrar by lot in such manner as the bond registrar may determine.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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Notice of Call for Redemption The bond registrar shall cause notice of the call for redemption, identifying the bonds or portion thereof to be redeemed, to be sent by first-class mail, postage prepaid, at least 30 days prior to the date set for redemption, to the holders thereof at the address shown on the registration books 15 days prior to the mailing. Any defect in the notice or any failure to receive notice by mailing will not affect the validity of any proceedings for the redemption of any bonds. On the date designated for redemption, any bond so called for redemption shall become due and payable and, if on the redemption date the moneys for the redemption thereof are held by the bond registrar, thereafter those bonds or portions thereof to be redeemed shall cease to bear interest, and shall cease to be secured by, and shall not be deemed to be outstanding under the bond legislation.

The City has entered into contractual agreements for construction loans from the Ohio Public Works Commission (OPWC) and the Ohio Water Development Authority (OWDA). Under the terms of these agreements, the OPWC and OWDA will reimburse, advance or directly pay the construction costs of approved projects. The OPWC loans are interest free. The OWDA will capitalize administrative costs and construction interest and then add them to the total amount of the final loan.

Lines of credit have been established with the OPWC in the amount of \$100,000 for the second phase of Detroit Road improvements. Since the loan repayment schedule has not yet been finalized, a repayment schedule is not included in the schedule of debt service requirements. Until a final repayment schedule is available, the City is paying based on estimates. The balance of the loan at December 31, 2013 is \$31,775.

The City has pledged future revenues to repay the OWDA Loan. The loan is payable solely from revenues generated by the ownership and operation of the sewer utility system and are payable through 2013. Revenues include all revenues received by the sewer utility less all operating expenses other than depreciation expense. Annual principal and interest payments of the loan required less than 15 percent of net available revenue. Principal and interest paid for the current year totaled \$39,362. This loan has been retired in 2013.

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. Avon purchased waterline rights allowing residents to tap into the line. 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 is a capital asset of the City of Avon Lake. The total amount owed to the City of Avon Lake as of December 31, 2013 is \$132,002. 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 was recorded as an intangible asset in the water enterprise fund. This amount will be amortized over the life of the waterline. In 2013, a payment was made to the City of Avon Lake in the amount of \$123,600; \$31,484 from the special assessment debt service fund and \$92,116 from the enterprise water fund. The current year capital payment related to this debt is \$31,484.

Of the amount owed to Avon Lake, \$34,058 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.

During 2009, the City of Avon entered into another contractual agreement with the City of Avon Lake for the construction and future maintenance of a water trunk line that runs through Avon. Avon purchased waterline rights allowing residents to tap into the line. 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. In 2013, \$21,237 was paid from the water enterprise fund. The total amount owed to the City of Avon Lake as of December 31, 2013 is \$407,169. 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 is 5.672 percent. A corresponding amount was recorded as an intangible asset in the water enterprise fund. This amount will be amortized over the life of the waterline.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
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Compensated absences will be paid from the general fund, the fire department special revenue fund, the street construction, maintenance and repair special revenue fund, the police special revenue fund, the park operating special revenue fund, and the water and sewer enterprise funds.

The City's overall legal debt margin was \$66,264,651 and an unvoted debt margin of \$29,724,796 at December 31, 2013. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2013 are as follows:

***Governmental Activities:***

Years	General Obligation Bonds		Special Assessment Bonds		OPWC	Total	
	Principal	Interest	Principal	Interest	Loans	Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2014	\$2,205,200	\$1,631,799	\$375,854	\$591,564	\$20,362	\$2,601,416	\$2,223,363
2015	2,187,880	1,423,159	387,026	522,588	20,362	2,595,268	1,945,747
2016	2,249,661	1,382,500	359,785	510,612	20,363	2,629,809	1,893,112
2017	2,256,620	1,339,573	284,673	499,578	20,362	2,561,655	1,839,151
2018	2,253,001	1,295,457	242,375	489,670	11,146	2,506,522	1,785,127
2019-2023	12,946,639	5,612,576	872,278	2,315,917	55,730	13,874,647	7,928,493
2024-2028	15,210,773	3,802,970	2,001,400	1,920,673	59,362	17,271,535	5,723,643
2029-2033	10,941,277	2,051,852	2,158,333	1,161,952	19,433	13,119,043	3,213,804
2034-2038	10,820,431	693,981	2,128,217	386,282	15,546	12,964,194	1,080,263
Total	<u>\$61,071,482</u>	<u>\$19,233,867</u>	<u>\$8,809,941</u>	<u>\$8,398,836</u>	<u>\$242,666</u>	<u>\$70,124,089</u>	<u>\$27,632,703</u>

***Business-Type Activities:***

Years	General Obligation Bonds		Special Assessment Bonds		Avon Lake		Total Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$36,809	\$388,654	\$7,137	\$38,295	\$153,722	\$31,018	\$197,668	\$457,967
2015	37,957	386,657	7,136	38,187	24,437	21,873	69,530	446,717
2016	38,417	384,500	7,136	38,081	25,060	20,528	70,613	443,109
2017	48,003	381,976	10,705	37,973	26,481	19,106	85,189	439,055
2018	48,919	379,096	10,705	37,799	27,983	17,604	87,607	434,499
2019-2023	370,454	1,826,730	95,629	183,831	165,602	62,335	631,685	2,072,896
2024-2028	1,058,121	1,504,943	329,706	152,634	115,886	23,769	1,503,713	1,681,346
2029-2033	1,117,160	879,054	383,230	91,774	0	0	1,500,390	970,828
2034-2037	920,924	263,568	320,429	28,534	0	0	1,241,353	292,102
Total	<u>\$3,676,764</u>	<u>\$6,395,178</u>	<u>\$1,171,813</u>	<u>\$647,108</u>	<u>\$539,171</u>	<u>\$196,233</u>	<u>\$5,387,748</u>	<u>\$7,238,519</u>

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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**Note 14 – Risk Management**

***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 2013, the City negotiated with Custis Insurance Company for commercial insurance coverage relating to general liability, police professional, public officials, employment practices liability, property, fire, auto and employee bonds and public official bonds.

This coverage includes a \$1,000,000/\$2,000,000 general liability insurance policy, a \$1,000,000 police professional liability policy with a \$10,000 deductible, a \$1,000,000 public officials policy with a \$7,500 deductible, a \$1,000,000 employment practice liability policy with a \$7,500 deductible, a \$62,692,233 blanket building and contents policy, an inland marine coverage of \$4,574,421, a crime coverage blanket bond of \$100,000 all with \$1,000 deductibles, an automobile insurance policy of \$1,000,000 and a \$9,000,000 excess umbrella 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.

***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.

***Employee Insurance Benefits***

The City participates in the Lorain County Healthcare Program (the Program), a shared risk pool (Note 18) to provide insurance benefits for the employees of the City. The Program uses the SuperMed Classic Healthcare Plan with Medical Mutual of Ohio as the administrator to provide insurance coverage which includes health (hospitalization and surgical), prescription drug, dental and vision benefits.

The City pays monthly contributions to the Program, which is used to cover claims and administrative costs and to purchase excess loss insurance for the plan. The Program has entered into an agreement for individual and aggregate excess loss coverage with a commercial insurance carrier. The individual excess loss coverage has been structured to indemnify the program for medical claims paid for an individual in excess of \$10,000 per year, with no individual lifetime maximum. The aggregate excess loss coverage has been structured to indemnify the program for aggregate claims paid in excess of 115 percent of projected claims. In the event that the losses of the Program in any year exceeds amounts paid to the Program, together with all stop-loss, reinsurance and other coverage then in effect, then the payment of all uncovered losses shall revert to and be the sole obligation of the political subdivision against which the claim was made.

**Note 15 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Plan Description – The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension 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

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension 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. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**Funding Policy** – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions. For the year ended December 31, 2013, members in state and local divisions contributed 10 percent of covered payroll. For 2013, member and employer contribution rates were consistent across all three plans.

The City's 2013 contribution rate was 14 percent covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. For 2013, the portion of employer contributions allocated to health care was 1 percent for members in the Traditional Plan and the Combined Plan. Effective January 1, 2014, the portion of employer contributions allocated to health care increased to 2 percent. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012, and 2011 were \$595,586, \$432,481, and \$406,542, respectively. For 2013, 89.77 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011. Contributions to the Member-Directed Plan for 2013 were \$14,770 made by the City and \$10,550 made by plan members.

***Ohio Police and Fire Pension Fund***

**Plan Description** – 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. 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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

**Funding Policy** – Employer and employee contribution rates are set by the Ohio Revised Code. From January 1, 2013, through July 1, 2013, plan members were required to contribute 10 percent of their annual covered salary. From July 2, 2013, through December 31, 2013, plan members were required to contribute 10.75 percent of their annual covered salary. Throughout 2013, employers were required to contribute 19.5 percent for police officers and 24 percent for firefighters.

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. For January 1, 2013, through May 31, 2013, the portion of employer contributions used to fund pension benefits was 14.81 percent of covered payroll for police officers and 19.31 percent of covered payroll for firefighters. For June 1, 2013, through December 31, 2013, the portion of employer contributions used to fund pension benefits was 16.65 percent of covered payroll for police officers and 21.15 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters pension were \$428,863 and \$515,963



**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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for the year ended December 31, 2013, \$315,161 and \$405,854 for the year ended December 31, 2012, and \$311,805 and \$389,915 for the year ended December 31, 2011, respectively. For 2013, 87.75 percent for police and 86.76 percent for firefighters has been contributed with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

**Note 16 – Postemployment Benefits**

***Ohio Public Employees Retirement System***

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, state and local employers contributed at a rate of 14 percent of covered payroll. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. For 2013, the portion of employer contributions allocated to health care for members in the Traditional Plan was 1 percent. Effective January 1, 2014, the portion of employer contributions allocated to health care was raised to 2 percent for both plans, as recommended by the OPERS Actuary.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012, and 2011 were \$45,814, \$172,992, and \$162,617, respectively. For 2013, 89.77 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

***Ohio Police and Fire Pension Fund***

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined post-employment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for 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. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available of OP&F's website at [www.op-f.org](http://www.op-f.org).

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required by Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24 percent of covered payroll for police and fire employers, respectively. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For January 1, 2013, through May 31, 2013, the employer contribution allocated to the health care plan was 4.69 percent of covered payroll. For June 1, 2013, through December 31, 2013, the employer contribution allocated to the health care plan was 2.85 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$97,763 and \$91,648 for the year ended December 31, 2013, \$166,850 and \$158,812 for the year ended December 31, 2012, and \$165,073 and \$152,576 for the year ended December 31, 2011. For 2013, 87.75 percent has been contributed for police and 86.76 percent has been contributed for firefighters with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

**Note 17 – Jointly Governed Organizations**

***Lorain County General Health District***

The City participates in the Lorain County General Health District (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 Health District's Board exercises total control over the operations of the organization including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Board. 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 \$109,262 during 2013 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.

***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's Board exercises total control over the operations of the organization including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Board. NOPEC is currently comprised of over 134 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Avon did not contribute to NOPEC during 2013. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, 31320 Solon Road, Suite 20 Solon, Ohio 44139 or at the website [www.nopecinfo.org](http://www.nopecinfo.org).

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

**Note 18 – Shared Risk Pool**

The City participates in the Lorain County Healthcare Program, a shared risk pool under the direction of the Lorain County Commissioners, which provides the insurance coverage for all full-time employees who wish to participate in the plan. The Commissioners entered into an agreement with Medical Mutual of Ohio for stop-loss coverage. The pool consists of 19 political subdivisions that pool risk for health (hospitalization and surgical), prescription drug, dental and vision coverage. Financial information can be obtained by contacting the Lorain County Commissioners, 226 Middle Avenue, Elyria, Ohio 44035.

**Note 19 – Interfund Transfers and Balances**

***Interfund 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. The general fund transferred funds to help finance the various programs accounted for in other special revenue funds and to provide start-up funds for new capital projects funds established by Council.

Transfers are also made to cover the various debt obligations of the City from the general fund and other governmental funds to the debt service funds.

During the year, various projects were completed and the balance remaining in the respective funds was transferred to the general fund.

Transfers made during the year ended December 31, 2013, were as follows:

<b>Transfers To</b>	<b>Transfers From</b>					
	<i>Governmental Activities</i>			<i>Business-Type Activities</i>		
	General	General Obligation Bond Retirement	Other Governmental Funds	Water	Sewer	Total
General	\$0	\$0	\$420,822	\$495	\$0	\$421,317
Police	3,660,000	0	0	0	0	3,660,000
General Obligation Bond Retirement	1,055,628	0	937,835	73,757	38,901	2,106,121
Other Governmental Funds	4,664,869	0	1,020,686	0	0	5,685,555
Sewer	26,750	61,429	0	0	0	88,179
<b>Total</b>	<b>\$9,407,247</b>	<b>\$61,429</b>	<b>\$2,379,343</b>	<b>\$74,252</b>	<b>\$38,901</b>	<b>\$11,961,172</b>

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

***Interfund Balances***

On the fund financial statements interfund balances at December 31, 2013, were:

	<u>Receivables</u>		<u>Payable</u>	
	<u>Manuscript Bonds</u>	<u>Advances To Other Funds</u>	<u>Manuscript Bonds</u>	<u>Advances From Other Funds</u>
General	\$169,000	\$1,128,100	\$0	\$0
I-90 Interchange	0	0	0	50,000
Other Governmental Funds	0	0	0	1,078,100
Water	0	0	169,000	0
Total	<u>\$169,000</u>	<u>\$1,128,100</u>	<u>\$169,000</u>	<u>\$1,128,100</u>

The general fund had \$1,128,100 interfund receivable due to the timing of the receipt of grant monies. Once the grant monies are received, the interfund balances are anticipated to be repaid within one year.

The Jaycox Road Watermain Improvement interfund balance of \$169,000 represents a manuscript bond that was issued on September 2, 2008 at 5.10 percent. This bond is due on December 1, 2028 and was used for the purpose of the cost of construction of a watermain extension on Jaycox Road.

The manuscript bond was issued by the City and purchased by the general fund. The City intends to repay this from the proceeds of special assessments levied against benefited property owners.

During 2007, the City issued manuscript bonds in the amount of \$2,044,674. The sewer replacement and depreciation enterprise fund purchased the bonds as an investment. The North Branch sanitary sewer enterprise fund received the debt proceeds which will be used to pay for improvements to the Jaycox Road sewerline. For GAAP reporting purposes these two funds are combined and reported as part of the sewer enterprise fund. The manuscript bonds will be repaid from the collection of future tap-in fees over the next twenty years.

On March 1, 2008 the City refunded \$2,044,674 of manuscript bonds and issued \$1,987,552 in manuscript bonds with a maturity date of December 1, 2027 and at the interest rate of 4.5 percent. Due to the uncertainty of the collection of tap-in fees the annual revenue is not known.

During 2013, the City has pledged tap-in-fees in the amount of \$33,867 to repay the Jaycox Road Sewer Line Improvement manuscript bonds. The bonds are payable solely from and to the extent tap-in-fees are received by the City in connection with the improvement for which the bonds were issued and are payable through 2027. Currently; the City is unable to determine the amount of revenue to be collected from tap-in fees because a large portion of the land is undeveloped and it is not known who will purchase the land and when it will be connected to the sewer. Accordingly, because of such unknowns, an accurate debt repayment schedule has not been established.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

**Note 20 – Significant Commitments**

***Contractual Commitments***

At December 31, 2013, the various projects within the City had contractual commitments consisting of the following:

Project	Contract Amount	Amount Paid	Remaining on Contract
2013 Road Program	\$568,683	\$448,547	\$120,136
Mills Road Water Main Transmission	93,000	71,056	21,944
Elizabeth, Puth, Joseph Sewer	75,000	74,795	205
Riegelsberger/Jaycox Bridge	49,869	49,182	687
Mills Road Water Tower	250,400	95,875	154,525
Nagel Interchange	17,720,891	16,027,878	1,693,013
Nagel South Water Main Extension	13,360	7,388	5,972
Schwartz-Nagel Intersection	1,297,002	830,202	466,800
Detroit Road Improvements	23,440	15,684	7,756
Chester Road Relocation	98,440	37,313	61,127
<b>Total</b>	<b>\$20,190,085</b>	<b>\$17,657,920</b>	<b>\$2,532,165</b>

The amounts remaining on these contracts were encumbered at year end.

***Encumbrances***

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

General	\$188,284
Fire Department	30,099
Street Construction, Maintenance and Repair	211,739
Police	64,185
I-90 Interchange	1,709,839
Other Governmental Funds	771,410
Water	290,353
Sewer	17,487
<b>Total</b>	<b>\$3,283,396</b>

**Note 21 – Operating Leases**

During 2008, the City entered into an operating lease with the United States Postal Service, for the period of February 1, 2008 to January 31, 2023, for the rental of the space located at 36225 Detroit Road. The terms of the lease require payment in monthly installments in the amount of \$10,833. The cost of the building was \$1,607,697. As of December 31, 2013, the accumulated depreciation is \$136,654, leaving a carrying amount of \$1,471,043.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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During 2009, the City entered into an operating lease with Avon Baseball, LLC, for the period of 15 years, to be primarily used for professional baseball events located at the baseball stadium at the corner of Interstate 90 and State Route 611. Avon Baseball, LLC is responsible for all operating costs and the City will be responsible for capital item replacements. The terms of the lease require payment in annual installments in the amount of \$250,000. The cost of the building was \$13,773,746. As of December 31, 2013, the accumulated depreciation is \$1,170,768, leaving a carrying amount of \$12,602,978.

**Note 22 – Subsequent Event**

On February 6, 2014, the City issued \$9,800,000 in Municipal Income Tax and Revenue Notes for the purpose of constructing a 3,000,000 gallon elevated water storage tank and a 16” water transmission line.

## Combining and Individual Fund Statements and Schedules

### Fund Descriptions – Nonmajor Funds

#### *Nonmajor Special Revenue Funds*

To account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

***Recycling Fund*** – This fund accounts for and reports grant proceeds and miscellaneous revenues restricted for costs related to the development of the City recycling program.

***ADA Parking Violations Fund*** – This fund accounts for and reports committed fines collected for unauthorized parking in handicapped spaces to be used for the maintenance of City parks.

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

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

***Mayor’s Court Computer Fund*** – This fund accounts for and reports restricted fines collected to be used to maintain court computer systems.

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

***Park Operating Fund*** – This fund accounts for and reports restricted property taxes to pay for the costs associated with the operations and upkeep of the City parks.

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

***Donations Fund*** – This fund accounts for and reports committed donations received for the purchase of K-9 dog and training and the establishment of a living tree memorial.

#### *Nonmajor Debt Service Funds*

Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

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

***Tax Increment Financing Fund*** – This fund accounts for and reports all payments received in lieu of taxes related to the City TIF agreements. The restricted revenue will be used for City infrastructure debt service or improvements.

(continued)



## **Fund Descriptions – Nonmajor Funds (continued)**

### ***Nonmajor Capital Projects Funds***

Capital projects funds are used to account and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds or for assets that will be held in trust.

***Equipment Fund*** – This fund accounts for and reports restricted property taxes used for the purchase of equipment for the Police and Fire Departments.

***Storm Water Detention Fund*** – This fund accounts for and reports monies derived from fees generated by new developments assigned to the maintenance of a water detention system.

***Road and Bridges Fund*** – This fund accounts for and reports assigned monies received from transfers in for the road and bridge improvements made during the year that include activities such as resurfacing and blacktop upgrades. The other governmental funds of the City account for grants and other resources whose use is restricted, committed or assigned to a particular purpose.

***Land Purchases Fund*** – This fund accounts for and reports restricted monies from note proceeds for the costs associated with the purchase and development of land.

***French Creek Restoration Fund*** – This fund accounts for and reports assigned monies from transfers in for the costs associated with the improvements at this site.

***Sidewalk Programs Fund*** – This fund accounts for and reports assigned monies from transfers in for costs associated with the construction and improvement of City sidewalks.

***Storm Sewers Fund*** – This fund accounts for and reports assigned monies from transfers in for the cost of storm sewer improvements.

***Municipal Buildings Fund*** – This fund accounts for and reports restricted monies from bond and note proceeds for the costs associated with the various City building projects.

***Municipal Swimming Pool Fund*** – This fund accounts for and reports restricted monies transfers and note proceeds for the design and architectural services for the construction of a municipal swimming pool.

***Recreation Complex Fund*** – This fund accounts for and reports restricted bond proceeds that will be used for the cost of constructing a recreation facility in conjunction with the Greater Cleveland YMCA.

***Stadium Marquee Fund*** – This fund accounts for and reports committed advertising revenue from the highway marquee next to the baseball stadium. The revenue will only be used for capital replacement or improvements to the baseball stadium.

***Capital Improvements Fund*** – This fund accounts for and reports assigned monies from transfers in for the costs related to various capital infrastructure improvements within the City.

***Detroit Road Landscaping Fund*** – This fund accounts for and reports assigned monies from transfers in for costs associated with the purchase and installation of new landscaping along Detroit Road in the center of Avon.

**City of Avon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2013*

	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	\$671,027	\$21,354	\$2,800,504	\$3,492,885
Materials and Supplies Inventory	2,467	0	0	2,467
Intergovernmental Receivable	104,793	3,083	38,995	146,871
Prepaid Items	5,500	0	0	5,500
Municipal Income Taxes Receivable	0	0	628,236	628,236
Property Taxes Receivable	286,348	54,009	577,233	917,590
Payments in Lieu of Taxes Receivable	0	923,332	0	923,332
<i>Total Assets</i>	<u>\$1,070,135</u>	<u>\$1,001,778</u>	<u>\$4,044,968</u>	<u>\$6,116,881</u>
<b>Liabilities</b>				
Accounts Payable	\$30,069	\$0	\$25,437	\$55,506
Contracts Payable	2,527	0	377,177	379,704
Accrued Wages and Benefits	11,072	0	0	11,072
Interfund Payable	622,500	0	455,600	1,078,100
Intergovernmental Payable	19,536	0	0	19,536
Retainage Payable	0	0	98,629	98,629
Accrued Interest Payable	0	0	928	928
Notes Payable	0	0	395,000	395,000
<i>Total Liabilities</i>	<u>685,704</u>	<u>0</u>	<u>1,352,771</u>	<u>2,038,475</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	276,206	52,114	553,162	881,482
Payments in Lieu of Taxes	0	923,332	0	923,332
Unavailable Revenue	85,783	4,978	406,886	497,647
<i>Total Deferred Inflows of Resources</i>	<u>361,989</u>	<u>980,424</u>	<u>960,048</u>	<u>2,302,461</u>
<b>Fund Balances</b>				
Nonspendable	7,967	0	0	7,967
Restricted	473,123	21,354	2,906,457	3,400,934
Committed	38,010	0	379,010	417,020
Assigned	0	0	258,355	258,355
Unassigned (Deficit)	(496,658)	0	(1,811,673)	(2,308,331)
<i>Total Fund Balances</i>	<u>22,442</u>	<u>21,354</u>	<u>1,732,149</u>	<u>1,775,945</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,070,135</u>	<u>\$1,001,778</u>	<u>\$4,044,968</u>	<u>\$6,116,881</u>

**City of Avon, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2013*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property Taxes	\$269,194	\$50,605	\$535,852	\$855,651
Payment in Lieu of Taxes	0	2,373,141	0	2,373,141
Municipal Income Taxes	0	0	1,784,892	1,784,892
Charges for Services	99,428	0	34,791	134,219
Licenses and Permits	172,527	0	0	172,527
Fines and Forfeitures	5,396	0	0	5,396
Intergovernmental	242,903	6,164	137,785	386,852
Interest	702	0	0	702
Contributions and Donations	600	0	0	600
Rentals	0	0	403,770	403,770
Miscellaneous	3,162	0	23,024	26,186
<i>Total Revenues</i>	<u>793,912</u>	<u>2,429,910</u>	<u>2,920,114</u>	<u>6,143,936</u>
<b>Expenditures</b>				
Current:				
General Government	0	1,564,426	0	1,564,426
Security of Persons and Property	1,203	0	0	1,203
Transportation	230,810	0	0	230,810
Community Environment	122,699	0	0	122,699
Leisure Time Activities	1,595,143	0	0	1,595,143
Capital Outlay	0	0	5,303,526	5,303,526
Debt Service:				
Principal Retirement	101,000	70,000	0	171,000
Interest and Fiscal Charges	31,692	7,525	4,726	43,943
<i>Total Expenditures</i>	<u>2,082,547</u>	<u>1,641,951</u>	<u>5,308,252</u>	<u>9,032,750</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,288,635)</u>	<u>787,959</u>	<u>(2,388,138)</u>	<u>(2,888,814)</u>
<b>Other Financing Sources (Uses)</b>				
OPWC Loans Issued	0	0	32,423	32,423
Transfers In	1,175,000	0	4,510,555	5,685,555
Transfers Out	0	(815,000)	(1,564,343)	(2,379,343)
<i>Total Other Financing Sources (Uses)</i>	<u>1,175,000</u>	<u>(815,000)</u>	<u>2,978,635</u>	<u>3,338,635</u>
<i>Net Change in Fund Balances</i>	(113,635)	(27,041)	590,497	449,821
<i>Fund Balances Beginning of Year</i>	<u>136,077</u>	<u>48,395</u>	<u>1,141,652</u>	<u>1,326,124</u>
<i>Fund Balances End of Year</i>	<u><u>\$22,442</u></u>	<u><u>\$21,354</u></u>	<u><u>\$1,732,149</u></u>	<u><u>\$1,775,945</u></u>

**City of Avon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2013*

	Recycling	ADA Parking Violations	State Highway	Permissive Tax
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$16,104	\$16	\$246,175	\$84,254
Materials and Supplies Inventory	0	0	0	0
Intergovernmental Receivable	0	0	33,116	54,338
Prepaid Items	0	0	0	0
Property Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$16,104</u>	<u>\$16</u>	<u>\$279,291</u>	<u>\$138,592</u>
<b>Liabilities</b>				
Accounts Payable	\$9,290	\$0	\$7,650	\$11,179
Contracts Payable	0	0	0	0
Accrued Wages and Benefits	179	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	31	0	0	0
<i>Total Liabilities</i>	<u>9,500</u>	<u>0</u>	<u>7,650</u>	<u>11,179</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	0	0	0	0
Unavailable Revenue	0	0	22,077	36,225
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>22,077</u>	<u>36,225</u>
<b>Fund Balances</b>				
Nonspendable	0	0	0	0
Restricted	6,604	0	249,564	91,188
Committed	0	16	0	0
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>6,604</u>	<u>16</u>	<u>249,564</u>	<u>91,188</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$16,104</u>	<u>\$16</u>	<u>\$279,291</u>	<u>\$138,592</u>

Mayor's Court Computer	Recreation	Park Operating	Park Development	Donations	Total Nonmajor Special Revenue Funds
\$79,252	\$33,280	\$77,595	\$128,369	\$5,982	\$671,027
0	0	0	2,467	0	2,467
0	0	17,339	0	0	104,793
0	0	5,500	0	0	5,500
0	0	286,348	0	0	286,348
<u>\$79,252</u>	<u>\$33,280</u>	<u>\$386,782</u>	<u>\$130,836</u>	<u>\$5,982</u>	<u>\$1,070,135</u>
\$600	\$0	\$1,350	\$0	\$0	\$30,069
0	0	0	2,527	0	2,527
0	812	10,081	0	0	11,072
0	0	0	622,500	0	622,500
0	456	19,049	0	0	19,536
<u>600</u>	<u>1,268</u>	<u>30,480</u>	<u>625,027</u>	<u>0</u>	<u>685,704</u>
0	0	276,206	0	0	276,206
0	0	27,481	0	0	85,783
<u>0</u>	<u>0</u>	<u>303,687</u>	<u>0</u>	<u>0</u>	<u>361,989</u>
0	0	5,500	2,467	0	7,967
78,652	0	47,115	0	0	473,123
0	32,012	0	0	5,982	38,010
0	0	0	(496,658)	0	(496,658)
<u>78,652</u>	<u>32,012</u>	<u>52,615</u>	<u>(494,191)</u>	<u>5,982</u>	<u>22,442</u>
<u>\$79,252</u>	<u>\$33,280</u>	<u>\$386,782</u>	<u>\$130,836</u>	<u>\$5,982</u>	<u>\$1,070,135</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, 2013*

	Recycling	ADA Parking Violations	State Highway	Permissive Tax
<b>Revenues</b>				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	16	0	0
Intergovernmental	0	0	67,065	105,271
Interest	0	0	702	0
Contributions and Donations	0	0	0	0
Miscellaneous	100	0	0	1,153
<i>Total Revenues</i>	<u>100</u>	<u>16</u>	<u>67,767</u>	<u>106,424</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	0	0	0	0
Transportation	0	0	50,594	180,216
Community Environment	120,259	0	0	0
Leisure Time Activities	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>120,259</u>	<u>0</u>	<u>50,594</u>	<u>180,216</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(120,159)	16	17,173	(73,792)
<b>Other Financing Sources</b>				
Transfers In	125,000	0	0	100,000
<i>Net Change in Fund Balances</i>	4,841	16	17,173	26,208
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,763</u>	<u>0</u>	<u>232,391</u>	<u>64,980</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$6,604</u></u>	<u><u>\$16</u></u>	<u><u>\$249,564</u></u>	<u><u>\$91,188</u></u>

Mayor's Court Computer	Recreation	Park Operating	Park Development	Donations	Total Nonmajor Special Revenue Funds
\$0	\$0	\$269,194	\$0	\$0	\$269,194
0	99,428	0	0	0	99,428
0	0	2,640	169,887	0	172,527
5,380	0	0	0	0	5,396
0	0	70,567	0	0	242,903
0	0	0	0	0	702
0	0	600	0	0	600
0	0	1,187	0	722	3,162
<u>5,380</u>	<u>99,428</u>	<u>344,188</u>	<u>169,887</u>	<u>722</u>	<u>793,912</u>
0	0	0	0	1,203	1,203
0	0	0	0	0	230,810
2,440	0	0	0	0	122,699
0	129,534	1,074,435	391,174	0	1,595,143
0	0	0	101,000	0	101,000
0	0	0	31,692	0	31,692
<u>2,440</u>	<u>129,534</u>	<u>1,074,435</u>	<u>523,866</u>	<u>1,203</u>	<u>2,082,547</u>
2,940	(30,106)	(730,247)	(353,979)	(481)	(1,288,635)
<u>0</u>	<u>25,000</u>	<u>550,000</u>	<u>375,000</u>	<u>0</u>	<u>1,175,000</u>
2,940	(5,106)	(180,247)	21,021	(481)	(113,635)
<u>75,712</u>	<u>37,118</u>	<u>232,862</u>	<u>(515,212)</u>	<u>6,463</u>	<u>136,077</u>
<u>\$78,652</u>	<u>\$32,012</u>	<u>\$52,615</u>	<u>(\$494,191)</u>	<u>\$5,982</u>	<u>\$22,442</u>

**City of Avon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Debt Service Funds*  
*December 31, 2013*

	Library Bond Retirement	Tax Increment Financing	Total Nonmajor Debt Service Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$7,972	\$13,382	\$21,354
Intergovernmental Receivable	3,083	0	3,083
Property Taxes Receivable	54,009	0	54,009
Payments in Lieu of Taxes Receivable	0	923,332	923,332
<i>Total Assets</i>	<u>\$65,064</u>	<u>\$936,714</u>	<u>\$1,001,778</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	\$52,114	\$0	\$52,114
Payments in Lieu of Taxes	0	923,332	923,332
Unavailable Revenue	4,978	0	4,978
<i>Total Deferred Inflows of Resources</i>	57,092	923,332	980,424
<b>Fund Balances</b>			
Restricted	7,972	13,382	21,354
<i>Total Deferred Inflows of Resources and Fund Balances</i>	<u>\$65,064</u>	<u>\$936,714</u>	<u>\$1,001,778</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, 2013*

	Library Bond Retirement	Tax Increment Financing	Total Nonmajor Debt Service Funds
<b>Revenues</b>			
Property Taxes	\$50,605	\$0	\$50,605
Payment in Lieu of Taxes	0	2,373,141	2,373,141
Intergovernmental	6,164	0	6,164
<i>Total Revenues</i>	<u>56,769</u>	<u>2,373,141</u>	<u>2,429,910</u>
<b>Expenditures</b>			
Current:			
General Government	876	1,563,550	1,564,426
Debt Service:			
Principal Retirement	70,000	0	70,000
Interest and Fiscal Charges	7,525	0	7,525
<i>Total Expenditures</i>	<u>78,401</u>	<u>1,563,550</u>	<u>1,641,951</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(21,632)	809,591	787,959
<b>Other Financing Uses</b>			
Transfers Out	0	(815,000)	(815,000)
<i>Net Change in Fund Balances</i>	(21,632)	(5,409)	(27,041)
<i>Fund Balances Beginning of Year</i>	<u>29,604</u>	<u>18,791</u>	<u>48,395</u>
<i>Fund Balances End of Year</i>	<u><u>\$7,972</u></u>	<u><u>\$13,382</u></u>	<u><u>\$21,354</u></u>

**City of Avon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2013*

	Equipment	Storm Water Detention	Road and Bridges	Land Purchases
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,342,222	\$54,250	\$852,009	\$7,662
Intergovernmental Receivable	38,995	0	0	0
Municipal Income Taxes Receivable	0	0	0	0
Property Taxes Receivable	577,233	0	0	0
<i>Total Assets</i>	<u>\$1,958,450</u>	<u>\$54,250</u>	<u>\$852,009</u>	<u>\$7,662</u>
<b>Liabilities</b>				
Accounts Payable	\$6,617	\$0	\$5,202	\$0
Contracts Payable	0	0	374,673	0
Interfund Payable	0	0	455,600	0
Retainage Payable	0	0	98,629	0
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
<i>Total Liabilities</i>	<u>6,617</u>	<u>0</u>	<u>934,104</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	553,162	0	0	0
Unavailable Revenue	63,066	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>616,228</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Restricted	1,335,605	0	0	1,467,608
Committed	0	0	0	0
Assigned	0	54,250	0	0
Unassigned (Deficit)	0	0	(82,095)	(1,459,946)
<i>Total Fund Balances (Deficit)</i>	<u>1,335,605</u>	<u>54,250</u>	<u>(82,095)</u>	<u>7,662</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,958,450</u>	<u>\$54,250</u>	<u>\$852,009</u>	<u>\$7,662</u>

French Creek Restoration	Sidewalk Programs	Storm Sewers	Municipal Buildings	Municipal Swimming Pool	Recreation Complex
\$4,120	\$4,299	\$128,800	\$66,862	\$50,000	\$88,988
0	0	0	0	0	0
0	0	0	0	0	628,236
0	0	0	0	0	0
<u>\$4,120</u>	<u>\$4,299</u>	<u>\$128,800</u>	<u>\$66,862</u>	<u>\$50,000</u>	<u>\$717,224</u>
\$0	\$0	\$0	\$1,303	\$12,315	\$0
0	0	2,504	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	928	0	0	0
0	0	395,000	0	0	0
<u>0</u>	<u>0</u>	<u>398,432</u>	<u>1,303</u>	<u>12,315</u>	<u>0</u>
0	0	0	0	0	0
0	0	0	0	0	343,820
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>343,820</u>
0	0	0	65,559	37,685	0
0	0	0	0	0	373,404
4,120	4,299	0	0	0	0
0	0	(269,632)	0	0	0
<u>4,120</u>	<u>4,299</u>	<u>(269,632)</u>	<u>65,559</u>	<u>37,685</u>	<u>373,404</u>
<u>\$4,120</u>	<u>\$4,299</u>	<u>\$128,800</u>	<u>\$66,862</u>	<u>\$50,000</u>	<u>\$717,224</u>

(continued)

**City of Avon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds (continued)*  
*December 31, 2013*

	Stadium Marquee	Capital Improvements	Total Nonmajor Capital Projects Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$5,606	\$195,686	\$2,800,504
Intergovernmental Receivable	0	0	38,995
Municipal Income Taxes Receivable	0	0	628,236
Property Taxes Receivable	0	0	577,233
<i>Total Assets</i>	<u>\$5,606</u>	<u>\$195,686</u>	<u>\$4,044,968</u>
<b>Liabilities</b>			
Accounts Payable	\$0	\$0	\$25,437
Contracts Payable	0	0	377,177
Interfund Payable	0	0	455,600
Retainage Payable	0	0	98,629
Accrued Interest Payable	0	0	928
Notes Payable	0	0	395,000
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>1,352,771</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	0	0	553,162
Unavailable Revenue	0	0	406,886
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>960,048</u>
<b>Fund Balances</b>			
Restricted	0	0	2,906,457
Committed	5,606	0	379,010
Assigned	0	195,686	258,355
Unassigned (Deficit)	0	0	(1,811,673)
<i>Total Fund Balances (Deficit)</i>	<u>5,606</u>	<u>195,686</u>	<u>1,732,149</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$5,606</u>	<u>\$195,686</u>	<u>\$4,044,968</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, 2013*

	Equipment	Storm Water Detention	Road and Bridges	Land Purchases
<b>Revenues</b>				
Property Taxes	\$535,852	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0
Charges for Services	0	34,791	0	0
Intergovernmental	105,483	0	32,302	0
Rentals	0	0	0	0
Miscellaneous	21,646	0	880	0
<i>Total Revenues</i>	<u>662,981</u>	<u>34,791</u>	<u>33,182</u>	<u>0</u>
<b>Expenditures</b>				
Capital Outlay	643,396	0	3,052,214	46,984
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>643,396</u>	<u>0</u>	<u>3,052,214</u>	<u>46,984</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>19,585</u>	<u>34,791</u>	<u>(3,019,032)</u>	<u>(46,984)</u>
<b>Other Financing Sources (Uses)</b>				
OPWC Loans Issued	0	0	32,423	0
Transfers In	0	0	3,035,881	14,060
Transfers Out	0	0	(706,262)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>2,362,042</u>	<u>14,060</u>
<i>Net Change in Fund Balances</i>	19,585	34,791	(656,990)	(32,924)
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year</i>	<u>1,316,020</u>	<u>19,459</u>	<u>574,895</u>	<u>40,586</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,335,605</u>	<u>\$54,250</u>	<u>(\$82,095)</u>	<u>\$7,662</u>

(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, 2013*

	French Creek Restoration	Sidewalk Programs	Storm Sewers	Municipal Buildings
<b>Revenues</b>				
Property Taxes	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0
Charges for Services	0	0	0	0
Intergovernmental	0	0	0	0
Rentals	0	0	0	403,770
Miscellaneous	0	498	0	0
<i>Total Revenues</i>	<u>0</u>	<u>498</u>	<u>0</u>	<u>403,770</u>
<b>Expenditures</b>				
Capital Outlay	0	2,142	77,298	399,444
Debt Service:				
Interest and Fiscal Charges	0	0	4,726	0
<i>Total Expenditures</i>	<u>0</u>	<u>2,142</u>	<u>82,024</u>	<u>399,444</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>(1,644)</u>	<u>(82,024)</u>	<u>4,326</u>
<b>Other Financing Sources (Uses)</b>				
OPWC Loans Issued	0	0	0	0
Transfers In	0	0	532,928	639,000
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>532,928</u>	<u>639,000</u>
<i>Net Change in Fund Balances</i>	0	(1,644)	450,904	643,326
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year</i>	<u>4,120</u>	<u>5,943</u>	<u>(720,536)</u>	<u>(577,767)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$4,120</u></u>	<u><u>\$4,299</u></u>	<u><u>(\$269,632)</u></u>	<u><u>\$65,559</u></u>

Municipal Swimming Pool	Recreation Complex	Stadium Marquee	Capital Improvements	Detroit Road Landscaping	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$0	\$535,852
0	1,784,892	0	0	0	1,784,892
0	0	0	0	0	34,791
0	0	0	0	0	137,785
0	0	0	0	0	403,770
0	0	0	0	0	23,024
0	1,784,892	0	0	0	2,920,114
12,315	1,058,986	10,747	0	0	5,303,526
0	0	0	0	0	4,726
12,315	1,058,986	10,747	0	0	5,308,252
(12,315)	725,906	(10,747)	0	0	(2,388,138)
0	0	0	0	0	32,423
50,000	43,000	0	195,686	0	4,510,555
0	(833,081)	0	0	(25,000)	(1,564,343)
50,000	(790,081)	0	195,686	(25,000)	2,978,635
37,685	(64,175)	(10,747)	195,686	(25,000)	590,497
0	437,579	16,353	0	25,000	1,141,652
\$37,685	\$373,404	\$5,606	\$195,686	\$0	\$1,732,149

### ***Fiduciary Funds***

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the 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.

***Avon Lake Sanitary Sewer Trunk Fees Fund*** – This fund accounts for the collection and distribution of tap-in fees for the section of the City that has a contractual agreement with the City of Avon Lake utilities department to discharge sanitary sewer waste.

***Clearing Fund*** – This fund accounts for deposits of cash from members in clearing agency.

***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 Changes in Assets and Liabilities*  
*Agency Funds*  
*December 31, 2013*

	Beginning Balance 12/31/12	Additions	Deductions	Ending Balance 12/31/13
<b>Deposits</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$186,612	\$1,020,479	\$798,165	\$408,926
<b>Liabilities</b>				
Deposits Held and Due to Others	\$186,612	\$1,020,479	\$798,165	\$408,926
 <b>Lorain Public Library</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$38	\$421,735	\$421,773	\$0
<b>Liabilities</b>				
Intergovernmental Payable	\$38	\$421,735	\$421,773	\$0
 <b>North Ridgeville Sewer</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$84,878	\$1,669,923	\$1,680,287	\$74,514
<b>Liabilities</b>				
Intergovernmental Payable	\$84,878	\$1,669,923	\$1,680,287	\$74,514
 <b>Avon Lake Sanitary Sewer Trunk Fees</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$40,230	\$44,574	\$56,353	\$28,451
<b>Liabilities</b>				
Deposits Held and Due to Others	\$40,230	\$44,574	\$56,353	\$28,451

(continued)

**City of Avon, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds (continued)*  
*December 31, 2013*

	Beginning Balance 12/31/12	Additions	Deductions	Ending Balance 12/31/13
<b>Clearing Fund</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$243,607	\$243,601	\$6
<b>Liabilities</b>				
Deposits Held and Due to Others	\$0	\$243,607	\$243,601	\$6
<b>Subdivisions</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,190,559	\$462,992	\$364,731	\$1,288,820
<b>Liabilities</b>				
Deposits Held and Due to Others	\$1,190,559	\$462,992	\$364,731	\$1,288,820
<b>Mayor's Court</b>				
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	\$0	\$137,117	\$137,117	\$0
<b>Liabilities</b>				
Deposits Held and Due to Others	\$0	\$137,117	\$137,117	\$0
<b>Total - All Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,502,317	\$3,863,310	\$3,564,910	\$1,800,717
Cash and Cash Equivalents in Segregated Accounts	0	137,117	137,117	0
<b>Total Assets</b>	<b>\$1,502,317</b>	<b>\$4,000,427</b>	<b>\$3,702,027</b>	<b>\$1,800,717</b>
<b>Liabilities</b>				
Deposits Held and Due to Others	\$1,417,401	\$1,908,769	\$1,599,967	\$1,726,203
Intergovernmental Payable	84,916	2,091,658	2,102,060	74,514
<b>Total Liabilities</b>	<b>\$1,502,317</b>	<b>\$4,000,427</b>	<b>\$3,702,027</b>	<b>\$1,800,717</b>

**Individual Fund Schedules of Revenues, Expenditures/Expenses  
And Changes in Fund Balances/Fund Equity –  
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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property Taxes	\$1,115,931	\$1,454,841	\$1,454,841	\$0
Municipal Income Taxes	5,065,906	6,604,432	6,604,432	0
Charges for Services	380,373	380,373	386,751	6,378
Licenses and Permits	591,768	887,009	935,423	48,414
Fines and Forfeitures	136,349	177,758	177,758	0
Intergovernmental	1,204,321	1,570,076	1,570,076	0
Interest	51,501	67,142	67,142	0
Contributions and Donations	31	40	40	0
Rentals	6,076	7,933	8,063	130
Miscellaneous	163,788	210,988	211,582	594
<b>Total Revenues</b>	8,716,044	11,360,592	11,416,108	55,516
<b>Expenditures</b>				
Current:				
General Government:				
Mayor:				
Personal Services	120,817	268,724	258,896	9,828
Materials and Supplies	3,484	7,750	7,706	44
Contractual Services	37,004	82,305	69,673	12,632
<b>Total Mayor</b>	161,305	358,779	336,275	22,504
Finance:				
Personal Services	248,656	553,068	523,872	29,196
Materials and Supplies	4,721	10,500	8,408	2,092
Contractual Services	29,186	64,917	60,409	4,508
Capital Outlay	11,240	25,000	24,600	400
<b>Total Finance</b>	293,803	653,485	617,289	36,196
Treasurer:				
Personal Services	8,790	19,550	18,403	1,147
Materials and Supplies	589	1,309	1,298	11
Contractual Services	674	1,500	221	1,279
<b>Total Treasurer</b>	10,053	22,359	19,922	2,437
Law Director:				
Personal Services	77,842	173,138	170,692	2,446
Materials and Supplies	1,440	3,203	1,913	1,290
Contractual Services	124,731	277,429	236,395	41,034
<b>Total Law Director</b>	\$204,013	\$453,770	\$409,000	\$44,770

(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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Council:</b>				
Personal Services	\$92,882	\$206,590	\$188,248	\$18,342
Materials and Supplies	6,512	14,485	8,515	5,970
Contractual Services	13,360	29,716	20,307	9,409
<b>Total Council</b>	<b>112,754</b>	<b>250,791</b>	<b>217,070</b>	<b>33,721</b>
<b>City Hall:</b>				
Personal Services	18,568	41,300	28,322	12,978
Materials and Supplies	31,750	70,620	67,230	3,390
Contractual Services	80,593	179,257	156,992	22,265
Capital Outlay	8,992	20,000	19,409	591
Other	8,542	19,000	2,385	16,615
<b>Total City Hall</b>	<b>148,445</b>	<b>330,177</b>	<b>274,338</b>	<b>55,839</b>
<b>Civil Service:</b>				
Personal Services	2,907	6,465	4,202	2,263
Materials and Supplies	45	100	0	100
Contractual Services	12,863	28,611	2,450	26,161
Other	45	100	0	100
<b>Total Civil Service</b>	<b>15,860</b>	<b>35,276</b>	<b>6,652</b>	<b>28,624</b>
<b>Records:</b>				
Personal Services	4,620	10,275	8,138	2,137
Materials and Supplies	225	500	0	500
Contractual Services	450	1,000	7	993
<b>Total Records</b>	<b>5,295</b>	<b>11,775</b>	<b>8,145</b>	<b>3,630</b>
<b>Statutory Accounts:</b>				
Personal Services	97,832	217,600	187,825	29,775
Material and Supplies	132,181	294,000	278,778	15,222
<b>Total Statutory Accounts</b>	<b>230,013</b>	<b>511,600</b>	<b>466,603</b>	<b>44,997</b>
<b>Legal:</b>				
Personal Services	1,571	3,495	3,377	118
Materials and Supplies	225	500	500	0
Contractual Services	225	500	467	33
<b>Total Legal</b>	<b>\$2,021</b>	<b>\$4,495</b>	<b>\$4,344</b>	<b>\$151</b>

(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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Engineer:				
Personal Services	\$51,759	\$115,123	\$110,796	\$4,327
Materials and Supplies	2,698	6,000	3,505	2,495
Contractual Services	322,635	717,614	489,919	227,695
<b>Total Engineer</b>	<b>377,092</b>	<b>838,737</b>	<b>604,220</b>	<b>234,517</b>
Human Resources:				
Personal Services	8,054	17,915	11,328	6,587
Materials and Supplies	337	750	121	629
Contractual Services	3,485	7,750	2,879	4,871
<b>Total Human Resources</b>	<b>11,876</b>	<b>26,415</b>	<b>14,328</b>	<b>12,087</b>
Grant Coordinator:				
Contractual Services	15,736	35,000	14,542	20,458
Project Coordinator:				
Personal Services	45,418	101,019	101,019	0
Materials and Supplies	1,731	3,850	3,623	227
Contractual Services	932	2,075	1,968	107
<b>Total Project Coordinator</b>	<b>48,081</b>	<b>106,944</b>	<b>106,610</b>	<b>334</b>
Income Tax Department:				
Contractual Services	93,965	209,000	205,353	3,647
Unclaimed Monies:				
Unclaimed Monies	0	0	1,755	(1,755)
<b>Total General Government</b>	<b>1,730,312</b>	<b>3,848,603</b>	<b>3,306,446</b>	<b>542,157</b>
Community Environment:				
Avon Seniors:				
Personal Services	197,351	199,246	192,065	7,181
Materials and Supplies	30,012	30,300	21,354	8,946
Contractual Services	41,097	41,492	28,468	13,024
Capital Outlay	35,658	36,000	32,090	3,910
Other	100	100	0	100
<b>Total Avon Seniors</b>	<b>304,218</b>	<b>307,138</b>	<b>273,977</b>	<b>33,161</b>
Planning Commission:				
Personal Services	101,597	225,975	190,260	35,715
Materials and Supplies	2,053	4,566	3,453	1,113
Contractual Services	16,673	37,085	35,991	1,094
Other	450	1,000	870	130
<b>Total Planning Commission</b>	<b>\$120,773</b>	<b>\$268,626</b>	<b>\$230,574</b>	<b>\$38,052</b>

(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, 2013*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Building Inspector:				
Personal Services	\$292,847	\$651,357	\$634,374	\$16,983
Materials and Supplies	23,102	51,385	25,573	25,812
Contractual Services	66,434	147,764	94,536	53,228
Capital Outlay	39,175	87,134	78,761	8,373
Other	2,068	4,600	4,054	546
<b>Total Building Inspector</b>	<b>423,626</b>	<b>942,240</b>	<b>837,298</b>	<b>104,942</b>
Safety Director/Zoning Officer:				
Personal Services	35,248	78,400	62,017	16,383
Materials and Supplies	67	150	150	0
Contractual Services	1,012	2,250	100	2,150
<b>Total Safety Director/Zoning Officer</b>	<b>36,327</b>	<b>80,800</b>	<b>62,267</b>	<b>18,533</b>
<b>Total Community Environment</b>	<b>884,944</b>	<b>1,598,804</b>	<b>1,404,116</b>	<b>194,688</b>
Leisure Time Activities:				
Community Center:				
Personal Services	18,081	18,255	17,281	974
Materials and Supplies	1,486	1,500	399	1,101
Contractual Services	6,459	6,521	1,005	5,516
Other	495	500	60	440
<b>Total Leisure Time Activities</b>	<b>26,521</b>	<b>26,776</b>	<b>18,745</b>	<b>8,031</b>
<b>Total Expenditures</b>	<b>2,641,777</b>	<b>5,474,183</b>	<b>4,729,307</b>	<b>744,876</b>
<b>Excess of Revenues Over Expenditures</b>	<b>6,074,267</b>	<b>5,886,409</b>	<b>6,686,801</b>	<b>800,392</b>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	3,608	3,608	3,608	0
Advances In	1,548,788	1,548,788	1,548,788	0
Advances Out	(143,600)	(143,600)	(143,600)	0
Transfers In	421,317	421,317	421,317	0
Transfers Out	(9,407,247)	(9,407,247)	(9,407,247)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(7,577,134)</b>	<b>(7,577,134)</b>	<b>(7,577,134)</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(1,502,867)</b>	<b>(1,690,725)</b>	<b>(890,333)</b>	<b>800,392</b>
<b>Fund Balance Beginning of Year</b>	<b>4,639,187</b>	<b>4,639,187</b>	<b>4,639,187</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>240,411</b>	<b>240,411</b>	<b>240,411</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$3,376,731</b>	<b>\$3,188,873</b>	<b>\$3,989,265</b>	<b>\$800,392</b>

**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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Municipal Income Taxes	\$3,758,987	\$4,093,289	\$4,093,289	\$0
Charges for Services	384,242	418,414	418,414	0
Intergovernmental	2,489	2,710	2,710	0
Miscellaneous	1,784	1,943	1,945	2
<i>Total Revenues</i>	<u>4,147,502</u>	<u>4,516,356</u>	<u>4,516,358</u>	<u>2</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire Department:				
Personal Services	3,888,146	4,000,600	3,952,030	48,570
Materials and Supplies	203,891	209,788	186,303	23,485
Contractual Services	299,058	307,707	268,298	39,409
<i>Total Expenditures</i>	<u>4,391,095</u>	<u>4,518,095</u>	<u>4,406,631</u>	<u>111,464</u>
<i>Net Change in Fund Balance</i>	(243,593)	(1,739)	109,727	111,466
<i>Fund Balance Beginning of Year</i>	658,370	658,370	658,370	0
Prior Year Encumbrances Appropriated	4,975	4,975	4,975	0
<i>Fund Balance End of Year</i>	<u>\$419,752</u>	<u>\$661,606</u>	<u>\$773,072</u>	<u>\$111,466</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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property Taxes	\$1,094,216	\$1,136,595	\$1,136,595	\$0
Intergovernmental	957,406	994,486	994,486	0
Interest	3,039	3,157	3,157	0
Miscellaneous	12,332	14,163	14,163	0
<i>Total Revenues</i>	2,066,993	2,148,401	2,148,401	0
<b>Expenditures</b>				
Current:				
Transportation:				
Street Department:				
Personal Services	1,264,628	1,268,755	1,253,785	14,970
Materials and Supplies	817,688	820,438	725,614	94,824
Contractual Services	220,223	220,942	177,461	43,481
Capital Outlay	249,187	250,000	247,280	2,720
<i>Total Transportation</i>	2,551,726	2,560,135	2,404,140	155,995
Debt Service:				
Principal Retirement	129,577	130,000	130,000	0
Interest and Fiscal Charges	51,731	51,900	51,900	0
<i>Total Debt Service</i>	181,308	181,900	181,900	0
<i>Total Expenditures</i>	2,733,034	2,742,035	2,586,040	155,995
<i>Excess of Revenues Under Expenditures</i>	(666,041)	(593,634)	(437,639)	155,995
<b>Other Financing Sources</b>				
Sale of Capital Assets	9,945	9,945	9,945	0
<i>Net Change in Fund Balance</i>	(656,096)	(583,689)	(427,694)	155,995
<i>Fund Balance Beginning of Year</i>	1,077,826	1,077,826	1,077,826	0
Prior Year Encumbrances Appropriated	36,630	36,630	36,630	0
<i>Fund Balance End of Year</i>	\$458,360	\$530,767	\$686,762	\$155,995

**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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property Taxes	\$730,238	\$596,209	\$596,209	\$0
Municipal Income Taxes	749,139	611,641	611,641	0
Licenses and Permits	704	575	575	0
Fines and Forfeitures	6,540	5,340	5,340	0
Intergovernmental	110,007	89,816	89,816	0
Contributions and Donations	1,424	1,163	1,163	0
Miscellaneous	7,614	4,090	4,090	0
<i>Total Revenues</i>	1,605,666	1,308,834	1,308,834	0
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police Department:				
Personal Services	4,621,342	4,754,006	4,588,423	165,583
Materials and Supplies	279,287	287,304	246,921	40,383
Contractual Services	376,843	387,661	363,997	23,664
Other	73	75	75	0
<i>Total Expenditures</i>	5,277,545	5,429,046	5,199,416	229,630
<i>Excess of Revenues Under Expenditures</i>	(3,671,879)	(4,120,212)	(3,890,582)	229,630
<b>Other Financing Sources</b>				
Sale of Capital Assets	11,588	11,588	11,588	0
Transfers In	3,660,000	3,660,000	3,660,000	0
<i>Total Other Financing Sources</i>	3,671,588	3,671,588	3,671,588	0
<i>Net Change in Fund Balance</i>	(291)	(448,624)	(218,994)	229,630
<i>Fund Balance Beginning of Year</i>	499,979	499,979	499,979	0
Prior Year Encumbrances Appropriated	45,734	45,734	45,734	0
<i>Fund Balance End of Year</i>	\$545,422	\$97,089	\$326,719	\$229,630

**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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for Services	\$1,956,438	\$1,865,029	\$1,888,245	\$23,216
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive:				
Contractual Services	5,595	5,852	500	5,352
Debt Service:				
Principal Retirement	1,699,264	1,777,323	1,777,168	155
Interest and Fiscal Charges	2,097,507	2,194,066	2,193,826	240
Total Debt Service	3,796,771	3,971,389	3,970,994	395
<i>Total Expenditures</i>	3,802,366	3,977,241	3,971,494	5,747
<i>Excess of Revenues Under Expenditures</i>	(1,845,928)	(2,112,212)	(2,083,249)	28,963
<b>Other Financing Sources (Uses)</b>				
Transfers In	2,106,121	2,106,121	2,106,121	0
Transfers Out	(40,000)	(40,000)	(61,429)	(21,429)
<i>Total Other Financing Sources (Uses)</i>	2,066,121	2,066,121	2,044,692	(21,429)
<i>Net Change in Fund Balance</i>	220,193	(46,091)	(38,557)	7,534
<i>Fund Balance Beginning of Year</i>	102,117	102,117	102,117	0
<i>Fund Balance End of Year</i>	\$322,310	\$56,026	\$63,560	\$7,534

**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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Special Assessments	\$804,720	\$704,578	\$704,578	\$0
<b>Expenditures</b>				
Current:				
General Government:				
Special Assessment Bond Retirement:				
Contractual Services	38,000	38,000	28,494	9,506
Debt Service:				
Principal Retirement	385,070	385,070	378,055	7,015
Interest and Fiscal Charges	312,925	312,925	302,685	10,240
Total Debt Service	697,995	697,995	680,740	17,255
<i>Total Expenditures</i>	735,995	735,995	709,234	26,761
<i>Net Change in Fund Balance</i>	68,725	(31,417)	(4,656)	26,761
<i>Fund Balance Beginning of Year</i>	269,386	269,386	269,386	0
<i>Fund Balance End of Year</i>	\$338,111	\$237,969	\$264,730	\$26,761

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*I-90 Interchange Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Special Assessments	\$0	\$1,251,597	\$1,251,597	\$0
Interest	0	309	309	0
Miscellaneous	0	364	364	0
<i>Total Revenues</i>	0	1,252,270	1,252,270	0
<b>Expenditures</b>				
Capital Outlay:				
I-90 Interchange:				
Capital Outlay	535,000	535,000	531,003	3,997
Debt Service:				
Principal Retirement	18,695,000	18,695,000	18,695,000	0
Interest and Fiscal Charges	236,450	236,450	230,050	6,400
Bond Issuance Costs	176,031	176,031	176,031	0
<i>Total Debt Service</i>	19,107,481	19,107,481	19,101,081	6,400
<i>Total Expenditures</i>	19,642,481	19,642,481	19,632,084	10,397
<i>Excess of Revenues Under Expenditures</i>	(19,642,481)	(18,390,211)	(18,379,814)	10,397
<b>Other Financing Sources (Uses)</b>				
General Obligation Notes Issued	7,400,000	7,785,000	7,785,000	0
General Obligation Bonds Issued	8,735,028	8,735,028	8,735,028	0
Premium on General Obligation Bonds	410,907	410,907	410,907	0
Special Assessment Bonds Issued	3,084,972	3,084,972	3,084,972	0
Premium on Special Assessment Bonds	145,124	145,124	145,124	0
Advances Out	(725,000)	(725,000)	(725,000)	0
<i>Total Other Financing Sources (Uses)</i>	19,051,031	19,436,031	19,436,031	0
<b>Special Item</b>				
I-90 Interchange Project	(4,437,002)	(4,487,002)	(4,484,875)	2,127
<i>Net Change in Fund Balance</i>	(5,028,452)	(3,441,182)	(3,428,658)	12,524
<i>Fund Balance Beginning of Year</i>	78,220	78,220	78,220	0
Prior Year Encumbrances Appropriated	4,972,002	4,972,002	4,972,002	0
<i>Fund Balance End of Year</i>	\$21,770	\$1,609,040	\$1,621,564	\$12,524

**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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for Services	\$2,815,827	\$2,993,648	\$2,528,534	(\$465,114)
Special Assessments	43,417	43,417	43,417	0
Other Operating Revenues	14,122	15,000	28,607	13,607
<i>Total Revenues</i>	<u>2,873,366</u>	<u>3,052,065</u>	<u>2,600,558</u>	<u>(451,507)</u>
<b>Expenses</b>				
Personal Services	422,471	592,071	575,375	16,696
Materials and Supplies	1,130,859	1,584,841	1,427,140	157,701
Contractual Services	549,861	636,121	535,965	100,156
Other	10,703	15,000	4,608	10,392
Capital Outlay	467,624	789,832	218,439	571,393
Debt Service:				
Principal Retirement	99,576	139,666	139,666	0
Interest and Fiscal Charges	79,257	110,959	110,460	499
<i>Total Expenses</i>	<u>2,760,351</u>	<u>3,868,490</u>	<u>3,011,653</u>	<u>856,837</u>
<i>Excess of Revenues Over (Under) Expenses Before Transfers</i>	113,015	(816,425)	(411,095)	405,330
Transfers Out	(74,252)	(74,252)	(74,252)	0
<i>Net Change in Fund Equity</i>	38,763	(890,677)	(485,347)	405,330
<i>Fund Equity Beginning of Year</i>	2,655,683	2,655,683	2,655,683	0
Prior Year Encumbrances Appropriated	168,053	168,053	168,053	0
<i>Fund Equity End of Year</i>	<u>\$2,862,499</u>	<u>\$1,933,059</u>	<u>\$2,338,389</u>	<u>\$405,330</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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for Services	\$2,397,328	\$2,397,328	\$1,806,261	(\$591,067)
Other Operating Revenues	0	0	6,272	6,272
<i>Total Revenues</i>	<u>2,397,328</u>	<u>2,397,328</u>	<u>1,812,533</u>	<u>(584,795)</u>
<b>Expenses</b>				
Personal Services	583,590	584,806	568,568	16,238
Materials and Supplies	667,445	668,836	471,229	197,607
Contractual Services	184,521	184,797	162,073	22,724
Other	302,994	303,000	302,423	577
Capital Outlay	70,947	71,203	58,062	13,141
Debt Service:				
Principal Retirement	57,520	57,640	57,586	54
Interest and Fiscal Charges	113,334	113,570	113,488	82
<i>Total Expenses</i>	<u>1,980,351</u>	<u>1,983,852</u>	<u>1,733,429</u>	<u>250,423</u>
<i>Excess of Revenues Over</i>				
<i>Expenses Before Advances and Transfers</i>	416,977	413,476	79,104	(334,372)
Advances Out	(26,750)	(26,750)	(26,750)	0
Transfers In	66,750	66,750	88,179	21,429
Transfers Out	(113,901)	(113,901)	(38,901)	75,000
<i>Net Change in Fund Equity</i>	343,076	339,575	101,632	(237,943)
<i>Fund Equity Beginning of Year</i>	2,734,569	2,734,569	2,734,569	0
Prior Year Encumbrances Appropriated	59,846	59,846	59,846	0
<i>Fund Equity End of Year</i>	<u>\$3,137,491</u>	<u>\$3,133,990</u>	<u>\$2,896,047</u>	<u>(\$237,943)</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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Miscellaneous	\$0	\$100	\$100	\$0
<b>Expenditures</b>				
Current:				
Community Environment:				
Recycling:				
Personal Services	6,000	6,000	4,898	1,102
Material and Supplies	4,508	4,508	3,347	1,161
Contractual Services	121,500	121,500	111,900	9,600
<i>Total Expenditures</i>	<u>132,008</u>	<u>132,008</u>	<u>120,145</u>	<u>11,863</u>
<i>Excess of Revenues Under Expenditures</i>	(132,008)	(131,908)	(120,045)	11,863
<b>Other Financing Sources</b>				
Transfers In	130,000	125,000	125,000	0
<i>Net Change in Fund Balance</i>	(2,008)	(6,908)	4,955	11,863
<i>Fund Balance Beginning of Year</i>	11,081	11,081	11,081	0
Prior Year Encumbrances Appropriated	8	8	8	0
<i>Fund Balance End of Year</i>	<u>\$9,081</u>	<u>\$4,181</u>	<u>\$16,044</u>	<u>\$11,863</u>



**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*ADA Parking Violations Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Fines and Forfeitures	\$0	\$16	\$16	\$0
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	16	16	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>\$16</u></u>	<u><u>\$16</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*  
*State Highway Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental	\$60,809	\$66,641	\$66,641	\$0
Interest	641	702	702	0
<i>Total Revenues</i>	<u>61,450</u>	<u>67,343</u>	<u>67,343</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Transportation:				
State Highway:				
Material and Supplies	100,000	100,000	36,800	63,200
Contractual Services	30,000	30,000	6,144	23,856
<i>Total Expenditures</i>	<u>130,000</u>	<u>130,000</u>	<u>42,944</u>	<u>87,056</u>
<i>Net Change in Fund Balance</i>	(68,550)	(62,657)	24,399	87,056
<i>Fund Balance Beginning of Year</i>	<u>221,757</u>	<u>221,757</u>	<u>221,757</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$153,207</u></u>	<u><u>\$159,100</u></u>	<u><u>\$246,156</u></u>	<u><u>\$87,056</u></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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental	\$96,828	\$104,180	\$104,180	\$0
Miscellaneous	1,072	1,153	1,153	0
<i>Total Revenues</i>	97,900	105,333	105,333	0
<b>Expenditures</b>				
Current:				
Transportation:				
Permissive Tax:				
Contractual Services	195,000	195,000	176,167	18,833
<i>Excess of Revenues Under Expenditures</i>	(97,100)	(89,667)	(70,834)	18,833
<b>Other Financing Sources</b>				
Transfers In	100,000	100,000	100,000	0
<i>Net Change in Fund Balance</i>	2,900	10,333	29,166	18,833
<i>Fund Balance Beginning of Year</i>	55,088	55,088	55,088	0
<i>Fund Balance End of Year</i>	\$57,988	\$65,421	\$84,254	\$18,833

**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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Fines and Forfeitures	\$3,000	\$5,380	\$5,380	\$0
<b>Expenditures</b>				
Current:				
Capital Outlay:				
Mayor's Court Computer:				
Capital Outlay	15,000	15,000	2,440	12,560
<i>Net Change in Fund Balance</i>	(12,000)	(9,620)	2,940	12,560
<i>Fund Balance Beginning of Year</i>	75,712	75,712	75,712	0
<i>Fund Balance End of Year</i>	<u>\$63,712</u>	<u>\$66,092</u>	<u>\$78,652</u>	<u>\$12,560</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, 2013*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Charges for Services	\$101,200	\$99,029	\$99,428	\$399
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Recreation Department:				
Personal Services	33,336	33,556	33,024	532
Materials and Supplies	3,229	3,250	2,613	637
Contractual Services	14,887	14,985	13,073	1,912
Other	993	1,000	0	1,000
Total Recreation Department	52,445	52,791	48,710	4,081
Tennis Camp:				
Materials and Supplies	2,012	2,025	2,025	0
Adult Volleyball:				
Materials and Supplies	1,987	2,000	244	1,756
Men's Basketball:				
Materials and Supplies	474	477	0	477
Youth Basketball:				
Materials and Supplies	15,516	15,618	15,618	0
Adult Softball:				
Materials and Supplies	2,980	3,000	2,216	784
T-Ball:				
Materials and Supplies	7,451	7,500	3,405	4,095
Flag Football:				
Materials and Supplies	9,934	10,000	9,580	420
Safety Town:				
Materials and Supplies	6,457	6,500	3,760	2,740
Little Eagles:				
Materials and Supplies	8,941	9,000	8,810	190
Fishing:				
Materials and Supplies	\$1,192	\$1,200	\$1,200	\$0

(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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Theater:				
Materials and Supplies	\$2,980	\$3,000	\$2,340	\$660
Youth Wrestling:				
Materials and Supplies	4,967	5,000	4,935	65
Youth Football:				
Materials and Supplies	14,902	15,000	8,150	6,850
Running Club:				
Materials and Supplies	4,510	4,540	4,532	8
Fitness Camp:				
Materials and Supplies	4,967	5,000	5,000	0
Educational:				
Materials and Supplies	3,974	4,000	2,520	1,480
Youth Baseball:				
Materials and Supplies	5,961	6,000	5,994	6
<i>Total Expenditures</i>	<u>151,650</u>	<u>152,651</u>	<u>129,039</u>	<u>23,612</u>
<i>Excess of Revenues Under Expenditures</i>	(50,450)	(53,622)	(29,611)	24,011
<b>Other Financing Sources</b>				
Transfers In	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(25,450)	(28,622)	(4,611)	24,011
<i>Fund Balance Beginning of Year</i>	37,296	37,296	37,296	0
Prior Year Encumbrances Appropriated	<u>595</u>	<u>595</u>	<u>595</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$12,441</u>	<u>\$9,269</u>	<u>\$33,280</u>	<u>\$24,011</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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property Taxes	\$225,099	\$269,194	\$269,194	\$0
Licenses and Permits	2,187	2,615	2,640	25
Intergovernmental	59,008	70,567	70,567	0
Contributions and Donations	502	600	600	0
Miscellaneous	992	1,186	1,187	1
<i>Total Revenues</i>	<u>287,788</u>	<u>344,162</u>	<u>344,188</u>	<u>26</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Park Operating:				
Personal Services	466,050	577,647	567,550	10,097
Materials and Supplies	71,599	88,744	85,642	3,102
Contractual Services	143,368	177,698	148,549	29,149
Capital Outlay	254,120	314,970	290,237	24,733
Other	202	250	0	250
<i>Total Expenditures</i>	<u>935,339</u>	<u>1,159,309</u>	<u>1,091,978</u>	<u>67,331</u>
<i>Excess of Revenues Under Expenditures</i>	(647,551)	(815,147)	(747,790)	67,357
<b>Other Financing Sources</b>				
Transfers In	550,000	550,000	550,000	0
<i>Net Change in Fund Balance</i>	(97,551)	(265,147)	(197,790)	67,357
<i>Fund Balance Beginning of Year</i>	256,220	256,220	256,220	0
Prior Year Encumbrances Appropriated	4,842	4,842	4,842	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$163,511</u>	<u>(\$4,085)</u>	<u>\$63,272</u>	<u>\$67,357</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Park Development Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Licenses and Permits	\$133,000	\$170,869	\$170,869	\$0
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Park Development:				
Contractual Services	10,298	25,720	25,400	320
Capital Outlay	0	380,298	375,436	4,862
Total Leisure Time Activities	10,298	406,018	400,836	5,182
Debt Service:				
Principal Retirement	101,982	101,982	101,982	0
Interest and Fiscal Charges	31,692	31,692	31,692	0
Total Debt Service	133,674	133,674	133,674	0
<i>Total Expenditures</i>	143,972	539,692	534,510	5,182
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(10,972)	(368,823)	(363,641)	5,182
<b>Other Financing Sources</b>				
Transfers In	0	375,000	375,000	0
<i>Net Change in Fund Balance</i>	(10,972)	6,177	11,359	5,182
<i>Fund Balance Beginning of Year</i>	103,991	103,991	103,991	0
Prior Year Encumbrances Appropriated	5,297	5,297	5,297	0
<i>Fund Balance End of Year</i>	\$98,316	\$115,465	\$120,647	\$5,182



**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Donations Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Miscellaneous	\$1,000	\$722	\$722	\$0
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Donations:				
Materials and Supplies	1,000	1,000	0	1,000
Contractual Services	2,500	2,500	2,403	97
<i>Total Expenditures</i>	3,500	3,500	2,403	1,097
<i>Net Change in Fund Balance</i>	(2,500)	(2,778)	(1,681)	1,097
<i>Fund Balance Beginning of Year</i>	6,463	6,463	6,463	0
<i>Fund Balance End of Year</i>	\$3,963	\$3,685	\$4,782	\$1,097

**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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property Taxes	\$52,116	\$50,605	\$50,605	\$0
Intergovernmental	6,348	6,164	6,164	0
<i>Total Revenues</i>	58,464	56,769	56,769	0
<b>Expenditures</b>				
Current:				
General Government:				
Contractual Services	750	876	876	0
Debt Service:				
Principal Retirement	70,000	70,000	70,000	0
Interest and Fiscal Charges	7,525	7,525	7,525	0
<i>Total Debt Service</i>	77,525	77,525	77,525	0
<i>Total Expenditures</i>	78,275	78,401	78,401	0
<i>Net Change in Fund Balance</i>	(19,811)	(21,632)	(21,632)	0
<i>Fund Balance Beginning of Year</i>	29,604	29,604	29,604	0
<i>Fund Balance End of Year</i>	\$9,793	\$7,972	\$7,972	\$0

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Tax Increment Financing Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Payment in Lieu of Taxes	\$1,375,000	\$2,373,141	\$2,373,141	\$0
<b>Expenditures</b>				
Current:				
General Government:				
Contractual Services	554,572	1,567,385	1,563,550	3,835
<i>Excess of Revenues Over Expenditures</i>	820,428	805,756	809,591	3,835
<b>Other Financing Uses</b>				
Transfers Out	(815,000)	(815,000)	(815,000)	0
<i>Net Change in Fund Balance</i>	5,428	(9,244)	(5,409)	3,835
<i>Fund Balance Beginning of Year</i>	18,791	18,791	18,791	0
<i>Fund Balance End of Year</i>	\$24,219	\$9,547	\$13,382	\$3,835

**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, 2013*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Property Taxes	\$500,924	\$535,852	\$535,852	\$0
Intergovernmental	98,607	105,483	105,483	0
Miscellaneous	20,235	21,646	21,646	0
<i>Total Revenues</i>	<u>619,766</u>	<u>662,981</u>	<u>662,981</u>	<u>0</u>
<b>Expenditures</b>				
Capital Outlay:				
Equipment:				
Materials and Supplies	4,235	5,141	5,125	16
Contractual Services	3,317	4,026	4,026	0
Capital Outlay	560,196	679,978	664,482	15,496
<i>Total Expenditures</i>	<u>567,748</u>	<u>689,145</u>	<u>673,633</u>	<u>15,512</u>
<i>Net Change in Fund Balance</i>	52,018	(26,164)	(10,652)	15,512
<i>Fund Balance Beginning of Year</i>	1,291,790	1,291,790	1,291,790	0
Prior Year Encumbrances Appropriated	29,748	29,748	29,748	0
<i>Fund Balance End of Year</i>	<u><u>\$1,373,556</u></u>	<u><u>\$1,295,374</u></u>	<u><u>\$1,310,886</u></u>	<u><u>\$15,512</u></u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Storm Water Detention Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for Services	\$10,000	\$34,791	\$34,791	\$0
<b>Expenditures</b>				
Capital Outlay:				
Storm Water Detention:				
Contractual Services	15,000	15,000	0	15,000
<i>Net Change in Fund Balance</i>	(5,000)	19,791	34,791	15,000
<i>Fund Balance Beginning of Year</i>	19,459	19,459	19,459	0
<i>Fund Balance End of Year</i>	\$14,459	\$39,250	\$54,250	\$15,000

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Road and Bridges Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental	\$0	\$32,302	\$32,302	\$0
Miscellaneous	0	880	880	0
<i>Total Revenues</i>	0	33,182	33,182	0
<b>Expenditures</b>				
Capital Outlay:				
Road and Bridge Programs:				
Capital Outlay	2,048,626	3,581,118	3,373,120	207,998
<i>Excess of Revenues Under Expenditures</i>	(2,048,626)	(3,547,936)	(3,339,938)	207,998
<b>Other Financing Sources (Uses)</b>				
OPWC Loans Issued	0	32,423	32,423	0
Advances In	143,600	143,600	143,600	0
Advances Out	(140,038)	(140,038)	(140,038)	0
Transfers In	1,712,799	3,035,881	3,035,881	0
Transfers Out	(706,262)	(706,262)	(706,262)	0
<i>Total Other Financing Sources (Uses)</i>	1,010,099	2,365,604	2,365,604	0
<i>Net Change in Fund Balance</i>	(1,038,527)	(1,182,332)	(974,334)	207,998
<i>Fund Balance Beginning of Year</i>	704,978	704,978	704,978	0
Prior Year Encumbrances Appropriated	454,551	454,551	454,551	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$121,002</u>	<u>(\$22,803)</u>	<u>\$185,195</u>	<u>\$207,998</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Land Purchases Fund*  
*For the Year Ended December 31, 2013*

	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 Purchases:				
Capital Outlay	34,000	53,060	46,984	6,076
<i>Excess of Revenues Under Expenditures</i>	(34,000)	(53,060)	(46,984)	6,076
<b>Other Financing Sources</b>				
Transfers In	0	14,060	14,060	0
<i>Net Change in Fund Balance</i>	(34,000)	(39,000)	(32,924)	6,076
<i>Fund Balance Beginning of Year</i>	40,586	40,586	40,586	0
<i>Fund Balance End of Year</i>	<u>\$6,586</u>	<u>\$1,586</u>	<u>\$7,662</u>	<u>\$6,076</u>

**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, 2013*

	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>	4,120	4,120	4,120	0
<i>Fund Balance End of Year</i>	\$4,120	\$4,120	\$4,120	\$0



**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Sidewalk Programs Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Miscellaneous	\$0	\$498	\$498	\$0
<b>Expenditures</b>				
Capital Outlay:				
Sidewalk Programs:				
Capital Outlay	5,000	5,000	2,142	2,858
<i>Net Change in Fund Balance</i>	(5,000)	(4,502)	(1,644)	2,858
<i>Fund Balance Beginning of Year</i>	5,943	5,943	5,943	0
<i>Fund Balance End of Year</i>	\$943	\$1,441	\$4,299	\$2,858

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Storm Sewers Fund*  
*For the Year Ended December 31, 2013*

	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:				
Storm Sewers:				
Capital Outlay	75,000	100,000	74,999	25,001
Debt Service:				
Principal Retirement	0	795,000	795,000	0
Interest and Fiscal Charges	0	7,928	7,928	0
Total Debt Service	0	802,928	802,928	0
<i>Total Expenditures</i>	75,000	902,928	877,927	25,001
<i>Excess of Revenues Under Expenditures</i>	(75,000)	(902,928)	(877,927)	25,001
<b>Other Financing Sources</b>				
General Obligation Notes Issued	0	395,000	395,000	0
Transfers In	0	532,928	532,928	0
<i>Total Other Financing Sources (Uses)</i>	0	927,928	927,928	0
<i>Net Change in Fund Balance</i>	(75,000)	25,000	50,001	25,001
<i>Fund Balance Beginning of Year</i>	78,594	78,594	78,594	0
<i>Fund Balance End of Year</i>	\$3,594	\$103,594	\$128,595	\$25,001

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**Municipal Buildings Fund**  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Rentals	\$355,000	\$403,050	\$403,770	\$720
<b>Expenditures</b>				
Capital Outlay:				
Municipal Buildings:				
Materials and Supplies	4,000	4,000	4,000	0
Contractual Services	20,450	20,450	13,591	6,859
Capital Outlay	380,000	380,000	380,000	0
Other	550	550	550	0
<i>Total Expenditures</i>	405,000	405,000	398,141	6,859
<i>Excess of Revenues Over (Under) Expenditures</i>	(50,000)	(1,950)	5,629	7,579
<b>Other Financing Sources (Uses)</b>				
Advances Out	(614,000)	(614,000)	(614,000)	0
Transfers In	639,000	639,000	639,000	0
<i>Total Other Financing Sources (Uses)</i>	25,000	25,000	25,000	0
<i>Net Change in Fund Balance</i>	(25,000)	23,050	30,629	7,579
<i>Fund Balance Beginning of Year</i>	36,233	36,233	36,233	0
<i>Fund Balance End of Year</i>	\$11,233	\$59,283	\$66,862	\$7,579

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Municipal Swimming Pool Fund*  
*For the Year Ended December 31, 2013*

	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:				
Municipal Swimming Pool:				
Capital Outlay	50,000	50,000	0	50,000
<i>Excess of Revenues Under Expenditures</i>	(50,000)	(50,000)	0	50,000
<b>Other Financing Sources</b>				
Transfers In	50,000	50,000	50,000	0
<i>Net Change in Fund Balance</i>	0	0	50,000	50,000
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$50,000	\$50,000

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Recreation Complex Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Municipal Income Taxes	\$1,539,263	\$1,761,986	\$1,761,986	\$0
<b>Expenditures</b>				
Capital Outlay:				
Recreation Complex:				
Capital Outlay	1,000,000	1,062,000	1,058,986	3,014
<i>Excess of Revenues Over Expenditures</i>	539,263	699,986	703,000	3,014
<b>Other Financing Sources (Uses)</b>				
Advances Out	(43,000)	(43,000)	(43,000)	0
Transfers In	43,000	43,000	43,000	0
Transfers Out	(567,081)	(833,081)	(833,081)	0
<i>Total Other Financing Sources (Uses)</i>	(567,081)	(833,081)	(833,081)	0
<i>Net Change in Fund Balance</i>	(27,818)	(133,095)	(130,081)	3,014
<i>Fund Balance Beginning of Year</i>	219,069	219,069	219,069	0
<i>Fund Balance End of Year</i>	\$191,251	\$85,974	\$88,988	\$3,014

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Stadium Marquee Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental	\$12,500	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Capital Outlay:				
Stadium Marquee:				
Capital Outlay	7,500	12,500	10,747	1,753
<i>Net Change in Fund Balance</i>	5,000	(12,500)	(10,747)	1,753
<i>Fund Balance Beginning of Year</i>	16,353	16,353	16,353	0
<i>Fund Balance End of Year</i>	<u>\$21,353</u>	<u>\$3,853</u>	<u>\$5,606</u>	<u>\$1,753</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, 2013*

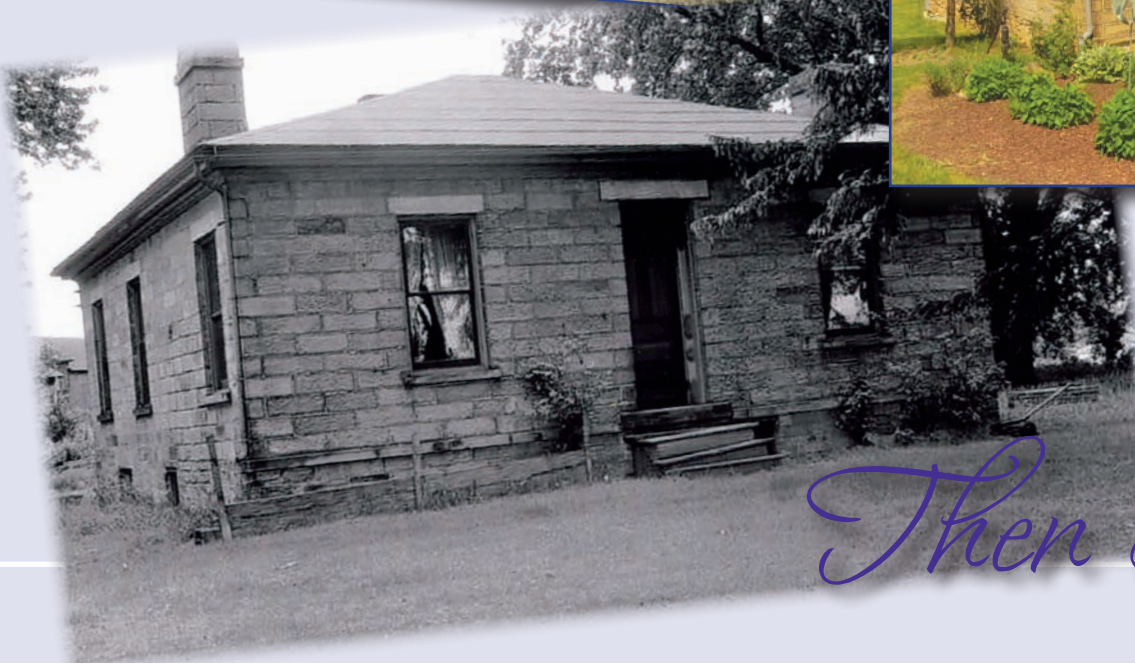
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Capital Outlay:				
Capital Improvements:				
Capital Outlay	53,400	53,400	49,150	4,250
<i>Excess of Revenues Under Expenditures</i>	(53,400)	(53,400)	(49,150)	4,250
<b>Other Financing Sources</b>				
Transfers In	195,686	195,686	195,686	0
<i>Net Change in Fund Balance</i>	142,286	142,286	146,536	4,250
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$142,286</u>	<u>\$142,286</u>	<u>\$146,536</u>	<u>\$4,250</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Detroit Road Landscaping Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<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	(25,000)	(25,000)	(25,000)	0
<i>Net Change in Fund Balance</i>	(25,000)	(25,000)	(25,000)	0
<i>Fund Balance Beginning of Year</i>	25,000	25,000	25,000	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0



STATISTICAL



*Then & Now*

BICENTENNIAL 2014



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# Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>S2-S13</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax and the municipal income tax.	<b>S14-S25</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	<b>S26-S32</b>
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>S33-S37</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	<b>S38-S43</b>

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

**City of Avon, Ohio**  
*Net Position By Component*  
*Last Ten Years*  
*(Accrual Basis of Accounting)*

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$35,478,485	\$42,052,213	\$48,907,059	\$54,276,654
Restricted:				
Capital Projects	0	2,865,172	1,890,372	0
Debt Service	7,431,775	5,139,122	2,015,083	1,347,716
Fire Department	1,487,099	1,035,146	710,228	376,263
Street Construction, Maintenance and Repair	1,294,404	1,471,867	1,440,649	1,760,913
Other Purposes	478,438	665,960	44,024	488,915
Unrestricted (Deficit)	894,802	(7,415,865)	(8,747,905)	(1,799,650)
<i>Total Governmental Activities Net Position</i>	<u>47,065,003</u>	<u>45,813,615</u>	<u>46,259,510</u>	<u>56,450,811</u>
<b>Business Type - Activities:</b>				
Net Investment in Capital Assets	25,528,673	25,871,513	29,636,176	26,368,440
Unrestricted (Deficit)	5,358,825	5,481,758	(182,452)	3,170,654
<i>Total Business-Type Activities Net Position</i>	<u>30,887,498</u>	<u>31,353,271</u>	<u>29,453,724</u>	<u>29,539,094</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	61,007,158	67,923,726	78,543,235	80,645,094
Restricted	10,691,716	11,177,267	6,100,356	3,973,807
Unrestricted (Deficit)	6,253,627	(1,934,107)	(8,930,357)	1,371,004
<i>Total Primary Government Net Position</i>	<u>\$77,952,501</u>	<u>\$77,166,886</u>	<u>\$75,713,234</u>	<u>\$85,989,905</u>

2009	2008	2007	2006	2005	2004
\$46,612,947	\$47,659,906	\$50,184,764	\$50,319,254	\$48,545,323	\$43,240,483
1,129,478	0	2,474,044	2,213,629	3,231,787	5,411,319
1,445,051	1,714,977	2,255,097	1,407,892	1,444,688	2,339,940
1,297,579	1,876,277	3,369,930	2,613,979	1,884,793	815,856
1,368,224	1,072,610	836,575	734,079	752,640	906,927
849,084	936,764	884,183	1,034,770	1,235,143	988,785
6,779,793	5,976,457	2,488,208	2,805,147	771,107	(58,200)
59,482,156	59,236,991	62,492,801	61,128,750	57,865,481	53,645,110
27,616,704	27,306,773	25,494,999	24,570,995	23,504,509	20,753,823
3,559,010	3,980,420	5,272,777	6,414,575	6,767,325	6,200,193
31,175,714	31,287,193	30,767,776	30,985,570	30,271,834	26,954,016
74,229,651	74,966,679	75,679,763	74,890,249	72,049,832	63,994,306
6,089,416	5,600,628	9,819,829	8,004,349	8,549,051	10,462,827
10,338,803	9,956,877	7,760,985	9,219,722	7,538,432	6,141,993
\$90,657,870	\$90,524,184	\$93,260,577	\$92,114,320	\$88,137,315	\$80,599,126

**City of Avon, Ohio**  
*Changes in Net Position*  
*Last Ten Years*  
*(Accrual Basis of Accounting)*

	2013	2012	2011	2010
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services and Operating Assessments:				
General Government	\$6,309,922	\$6,766,870	\$1,628,202	\$1,122,652
Security of Persons and Property	440,527	488,240	1,816	2,340
Transportation	1,251,613	95,000	0	0
Community Environment	779,557	885,991	394,643	457,238
Basic Utility Services	34,791	18,911	0	0
Leisure Time Activities	277,233	234,889	221,838	272,808
Subtotal - Charges for Services	<u>9,093,643</u>	<u>8,489,901</u>	<u>2,246,499</u>	<u>1,855,038</u>
Operating Grants and Contributions:				
General Government	5,168	7,851	9,033	150,827
Security of Persons and Property	89,373	75,479	10,448	230,744
Transportation	1,178,946	1,177,492	1,112,132	1,239,397
Community Environment	0	0	11,955	87,280
Basic Utility Services	0	0	0	0
Leisure Time Activities	70,213	24,594	21,675	65,314
Subtotal - Operating Grants and Contributions	<u>1,343,700</u>	<u>1,285,416</u>	<u>1,165,243</u>	<u>1,773,562</u>
Capital Grants and Contributions:				
General Government	108,822	74,772	325,251	0
Security of Persons and Property	0	0	0	0
Transportation	628,713	110,124	246,075	0
Community Environment	364,393	0	0	0
Basic Utility Services	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>1,101,928</u>	<u>184,896</u>	<u>571,326</u>	<u>0</u>
<i>Total Governmental Activities Program Revenues</i>	<u>11,539,271</u>	<u>9,960,213</u>	<u>3,983,068</u>	<u>3,628,600</u>
Business-Type Activities:				
Charges for Services:				
Water	2,561,315	3,170,442	2,105,969	2,613,627
Sewer	1,788,695	2,738,682	1,644,692	1,356,918
Subtotal - Charges for Services	<u>4,350,010</u>	<u>5,909,124</u>	<u>3,750,661</u>	<u>3,970,545</u>
Capital Grants and Contributions				
Water	318,715	87,805	77,010	0
Sewer	230,520	185,721	63,408	310,925
Subtotal - Capital Grants and Contributions	<u>549,235</u>	<u>273,526</u>	<u>140,418</u>	<u>310,925</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>4,899,245</u>	<u>6,182,650</u>	<u>3,891,079</u>	<u>4,281,470</u>
<i>Total Primary Government Program Revenues</i>	<u>\$16,438,516</u>	<u>\$16,142,863</u>	<u>\$7,874,147</u>	<u>\$7,910,070</u>

2009	2008	2007	2006	2005	2004
\$1,420,788	\$1,109,333	\$2,058,970	\$367,172	\$1,186,202	\$1,343,467
1,771	88,885	11,871	10,213	10,036	9,223
0	0	0	50	750	530
429,764	470,431	555,772	1,272,496	681,953	839,327
20,052	30,219	450	16,828	32,247	34,000
219,656	296,925	333,573	365,727	454,726	461,048
<u>2,092,031</u>	<u>1,995,793</u>	<u>2,960,636</u>	<u>2,032,486</u>	<u>2,365,914</u>	<u>2,687,595</u>
8,810	131,238	51,326	0	0	0
150,203	175,872	101,026	0	32,081	30,565
1,178,652	1,382,026	1,017,795	991,097	860,389	763,940
81,575	163,341	70,429	70,429	68,001	100,527
0	150,000	0	0	0	0
56,530	56,496	20,246	42,815	13,893	17,982
<u>1,475,770</u>	<u>2,058,973</u>	<u>1,260,822</u>	<u>1,104,341</u>	<u>974,364</u>	<u>913,014</u>
105,407	0	0	0	22,480	0
0	0	0	0	0	22,078
1,142,925	0	0	1,816,365	3,988,681	5,163,299
0	0	0	0	217,267	0
0	0	0	0	573,019	0
<u>1,248,332</u>	<u>0</u>	<u>0</u>	<u>1,816,365</u>	<u>4,801,447</u>	<u>5,185,377</u>
4,816,133	4,054,766	4,221,458	4,953,192	8,141,725	8,785,986
2,007,943	2,144,366	2,350,121	2,137,300	2,258,379	2,046,470
1,628,898	1,322,418	1,267,601	1,143,598	1,021,487	826,192
<u>3,636,841</u>	<u>3,466,784</u>	<u>3,617,722</u>	<u>3,280,898</u>	<u>3,279,866</u>	<u>2,872,662</u>
0	507,811	121,800	276,477	1,540,005	1,290,440
453,148	587,409	242,036	406,870	2,012,709	2,243,380
<u>453,148</u>	<u>1,095,220</u>	<u>363,836</u>	<u>683,347</u>	<u>3,552,714</u>	<u>3,533,820</u>
4,089,989	4,562,004	3,981,558	3,964,245	6,832,580	6,406,482
<u>\$8,906,122</u>	<u>\$8,616,770</u>	<u>\$8,203,016</u>	<u>\$8,917,437</u>	<u>\$14,974,305</u>	<u>\$15,192,468</u>

(continued)

**City of Avon, Ohio**  
*Changes in Net Position (continued)*  
*Last Ten Years*  
*(Accrual Basis of Accounting)*

	2013	2012	2011	2010
<b>Expenses</b>				
<i>Governmental Activities:</i>				
General Government	\$6,098,761	\$5,244,263	\$4,525,898	\$4,349,901
Security of Persons and Property	10,444,993	9,315,052	8,769,685	8,611,264
Transportation	6,538,774	6,284,978	4,150,279	6,025,615
Community Environment	1,544,542	1,521,616	1,320,973	1,236,395
Basic Utility Services	996,170	618,381	682,667	862,479
Leisure Time Activities	1,888,391	1,432,240	1,464,779	1,104,319
Interest and Fiscal Charges	2,822,762	2,688,373	2,300,130	2,211,663
<i>Total Governmental Activities Expenses</i>	<u>30,334,393</u>	<u>27,104,903</u>	<u>23,214,411</u>	<u>24,401,636</u>
<i>Business-Type Activities</i>				
Water	3,063,812	3,239,898	2,338,775	3,924,685
Sewer	2,311,111	1,142,172	1,662,416	1,871,978
<i>Total Business-Type Activities Expenses</i>	<u>5,374,923</u>	<u>4,382,070</u>	<u>4,001,191</u>	<u>5,796,663</u>
<i>Total Primary Government Program Expenses</i>	<u>35,709,316</u>	<u>31,486,973</u>	<u>27,215,602</u>	<u>30,198,299</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(18,795,122)	(17,144,690)	(19,231,343)	(20,773,036)
Business-Type Activities	(475,678)	1,800,580	(110,112)	(1,515,193)
<i>Total Primary Government Net Expense</i>	<u>(\$19,270,800)</u>	<u>(\$15,344,110)</u>	<u>(\$19,341,455)</u>	<u>(\$22,288,229)</u>



2009	2008	2007	2006	2005	2004
\$3,042,622	\$2,968,222	\$2,269,262	\$2,739,914	\$1,919,159	\$1,935,275
7,948,875	7,572,725	6,789,884	5,739,141	5,462,030	4,532,738
5,140,893	6,638,018	4,449,451	3,824,122	5,285,670	4,470,599
1,406,060	1,680,851	1,256,537	1,272,107	1,395,945	1,222,720
495,523	848,296	430,858	419,887	379,953	395,185
1,130,300	1,217,094	829,313	1,173,141	811,918	1,052,267
1,669,318	1,761,494	757,830	671,474	619,472	522,343
<u>20,833,591</u>	<u>22,686,700</u>	<u>16,783,135</u>	<u>15,839,786</u>	<u>15,874,147</u>	<u>14,131,127</u>
2,392,503	2,594,517	2,757,452	1,505,362	2,235,003	2,630,729
2,127,598	1,725,241	2,008,071	2,224,019	1,548,860	1,442,009
<u>4,520,101</u>	<u>4,319,758</u>	<u>4,765,523</u>	<u>3,729,381</u>	<u>3,783,863</u>	<u>4,072,738</u>
<u>25,353,692</u>	<u>27,006,458</u>	<u>21,548,658</u>	<u>19,569,167</u>	<u>19,658,010</u>	<u>18,203,865</u>
(16,017,458)	(18,631,934)	(12,561,677)	(10,886,594)	(7,732,422)	(5,345,141)
(430,112)	242,246	(783,965)	234,864	3,048,717	2,333,744
<u>(\$16,447,570)</u>	<u>(\$18,389,688)</u>	<u>(\$13,345,642)</u>	<u>(\$10,651,730)</u>	<u>(\$4,683,705)</u>	<u>(\$3,011,397)</u>

(continued)

**City of Avon, Ohio**  
*Changes in Net Position (continued)*  
*Last Ten Years*  
*(Accrual Basis of Accounting)*

	2013	2012	2011	2010
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$1,455,757	\$1,612,249	\$1,566,237	\$1,496,579
Streets	1,136,911	1,268,453	1,228,341	1,223,635
Police	593,648	637,761	629,793	613,253
Police Pension	0	0	0	0
Park Operating	269,269	300,430	293,924	289,808
Library Bond Retirement	50,171	69,927	74,421	78,640
Equipment	540,442	580,310	568,618	559,583
Other Purposes	0	0	0	0
Debt Service	0	0	0	0
Capital Projects	0	0	0	0
Municipal Income Taxes levied for:				
General Purposes	7,177,133	6,336,213	5,478,107	4,692,358
Police	660,266	564,936	143,118	0
Fire Department	4,406,655	3,839,955	4,164,144	3,386,770
Recreation Complex	1,907,862	1,613,687	1,413,615	1,179,680
Grants and Entitlements not Restricted to				
Specific Programs	983,110	1,537,673	1,223,337	1,837,467
Investment Earnings	(17,879)	154,534	64,712	293,374
Payment in Lieu of Taxes	2,373,141	2,150,075	1,701,068	1,319,031
Net Gain on the Loss of Impaired Asset	0	0	0	0
Miscellaneous	258,370	302,223	453,527	607,322
<i>Total Governmental Activities</i>	<u>21,794,856</u>	<u>20,968,426</u>	<u>19,002,962</u>	<u>17,577,500</u>
Business-Type Activities				
Investment Earnings	0	1,714	3,818	8,309
Miscellaneous	34,879	123,264	2,696	34,455
<i>Total Business-Type Activities</i>	<u>34,879</u>	<u>124,978</u>	<u>6,514</u>	<u>42,764</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>21,829,735</u>	<u>21,093,404</u>	<u>19,009,476</u>	<u>17,620,264</u>
<b>Transfers</b>				
Governmental Activities	24,974	26,011	(18,228)	164,191
Business-Type Activities	(24,974)	(26,011)	18,228	(164,191)
<b>Special Item</b>				
I-90 Interchange Project	(1,773,320)	(4,295,642)	(9,944,692)	0
<b>Change in Net Position</b>				
Governmental Activities	1,251,388	(445,895)	(10,191,301)	(3,031,345)
Business-Type Activities	(465,773)	1,899,547	(85,370)	(1,636,620)
<i>Total Primary Government Change in Net Position</i>	<u>\$785,615</u>	<u>\$1,453,652</u>	<u>(\$10,276,671)</u>	<u>(\$4,667,965)</u>

2009	2008	2007	2006	2005	2004
\$1,520,272	\$1,520,015	\$1,543,962	\$1,333,155	\$1,217,503	\$1,037,165
1,268,806	776,504	806,201	788,160	725,131	654,620
411,556	433,011	464,321	461,994	431,013	391,964
198,297	198,262	201,386	173,609	153,362	0
297,378	244,631	251,185	244,487	222,397	0
72,822	71,874	86,093	98,426	85,628	0
559,752	575,854	414,954	405,525	372,103	0
0	0	0	0	0	343,569
0	0	0	0	0	79,395
0	0	0	0	0	336,020
4,726,399	4,639,884	4,326,837	4,933,050	4,278,546	3,643,042
0	0	0	0	0	0
3,343,630	3,519,526	3,466,344	3,155,090	3,204,104	2,223,953
1,172,927	1,256,991	0	0	0	0
979,590	1,139,985	940,842	1,257,304	404,963	507,009
315,399	865,425	1,151,966	1,001,612	541,233	525,863
668,139	0	0	0	0	0
0	0	0	0	203,748	0
1,165,347	185,009	501,637	297,451	218,412	178,207
16,700,314	15,426,971	14,155,728	14,149,863	12,058,143	9,920,807
7,499	49,163	261,204	423,066	109,830	44,133
16,746	33,858	74,967	55,806	53,921	30,415
24,245	83,021	336,171	478,872	163,751	74,548
16,724,559	15,509,992	14,491,899	14,628,735	12,221,894	9,995,355
(294,388)	(194,150)	(230,000)	0	18,533	(20,333)
294,388	194,150	230,000	0	(18,533)	20,333
0	0	0	0	0	0
388,468	(3,399,113)	1,364,051	3,263,269	4,344,254	4,555,333
(111,479)	519,417	(217,794)	713,736	3,193,935	2,428,625
\$276,989	(\$2,879,696)	\$1,146,257	\$3,977,005	\$7,538,189	\$6,983,958

**City of Avon, Ohio**  
*Fund Balances, Governmental Funds*  
*Last Ten Years*  
*(Modified Accrual Basis of Accounting)*

	2013	2012	2011	2010
<b>General Fund</b>				
Nonspendable	\$1,168,421	\$1,170,558	\$1,250,272	\$25,615
Restricted	0	0	0	974,616
Assigned	341,665	1,742,480	107,024	83,948
Unassigned	4,569,321	6,058,076	7,509,648	8,632,072
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
<b>Total General Fund</b>	<b>6,079,407</b>	<b>8,971,114</b>	<b>8,866,944</b>	<b>9,716,251</b>
<b>All Other Governmental Funds</b>				
Nonspendable	242,741	201,058	178,349	166,340
Restricted	6,055,705	6,180,850	4,539,257	8,171,553
Committed	417,020	497,513	565,102	186,029
Assigned	307,741	683,639	39,389	86,605
Unassigned (Deficit)	(6,832,098)	(18,792,013)	(18,668,420)	(10,782,800)
Reserved	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:				
Special Revenue funds	N/A	N/A	N/A	N/A
Debt Service funds	N/A	N/A	N/A	N/A
Capital Projects funds	N/A	N/A	N/A	N/A
<b>Total All Other Governmental Funds (Deficit)</b>	<b>191,109</b>	<b>(11,228,953)</b>	<b>(13,346,323)</b>	<b>(2,172,273)</b>
<b>Total Governmental Funds (Deficit)</b>	<b>\$6,270,516</b>	<b>(\$2,257,839)</b>	<b>(\$4,479,379)</b>	<b>\$7,543,978</b>

Note: During 2010, the City implemented GASB 54.

2009	2008	2007	2006	2005	2004
\$23,773	N/A	N/A	N/A	N/A	N/A
973,798	N/A	N/A	N/A	N/A	N/A
50,844	N/A	N/A	N/A	N/A	N/A
6,854,374	N/A	N/A	N/A	N/A	N/A
N/A	\$178,261	\$189,529	\$170,059	\$27,802	\$47,714
N/A	6,319,932	6,577,416	6,558,172	5,556,819	4,692,475
7,902,789	6,498,193	6,766,945	6,728,231	5,584,621	4,740,189
151,638	N/A	N/A	N/A	N/A	N/A
8,058,375	N/A	N/A	N/A	N/A	N/A
598,223	N/A	N/A	N/A	N/A	N/A
214,528	N/A	N/A	N/A	N/A	N/A
(159,044)	N/A	N/A	N/A	N/A	N/A
N/A	25,344,685	3,799,554	1,171,829	1,001,146	3,468,055
N/A	3,083,916	3,990,801	3,579,484	3,096,126	2,266,290
N/A	643,228	531,928	371,855	369,923	1,239,564
N/A	1,684,436	(347,899)	986,929	(320,766)	411,653
8,863,720	30,756,265	7,974,384	6,110,097	4,146,429	7,385,562
\$16,766,509	\$37,254,458	\$14,741,329	\$12,838,328	\$9,731,050	\$12,125,751

**City of Avon, Ohio**  
*Changes in Fund Balances, Governmental Funds*  
*Last Ten Years*  
*(Modified Accrual Basis of Accounting)*

	2013	2012	2011	2010
<b>Revenues</b>				
Property Taxes	\$4,043,296	\$4,388,175	\$4,506,378	\$4,248,951
Payment in Lieu of Taxes	2,373,141	2,150,075	1,701,068	1,319,031
Municipal Income Taxes	13,227,628	12,036,712	10,555,273	9,710,548
Charges for Services	2,563,870	3,018,040	811,160	617,297
Licenses and Permits	1,110,765	770,884	742,571	1,090,059
Fines and Forfeitures	188,494	399,610	203,505	147,987
Intergovernmental	2,612,270	2,953,599	3,286,920	3,296,064
Special Assessments	2,026,513	481,394	410,752	249,816
Interest	(17,879)	154,534	64,712	293,374
Contributions and Donations	1,803	0	625	5,000
Rentals	411,833	391,088	380,000	380,000
Miscellaneous	258,330	302,223	453,527	227,322
<i>Total Revenues</i>	<u>28,800,064</u>	<u>27,046,334</u>	<u>23,116,491</u>	<u>21,585,449</u>
<b>Expenditures</b>				
Current:				
General Government	4,795,581	4,528,308	3,644,554	3,451,160
Security of Persons and Property	9,457,216	8,751,701	8,403,805	7,834,770
Transportation	2,382,597	2,235,594	2,474,040	2,035,160
Community Environment	1,510,405	1,439,019	1,268,823	1,204,080
Basic Utility Services	0	8,587	46,497	15,286
Leisure Time Activities	1,614,582	1,272,269	1,350,087	840,942
Capital Outlay	5,836,420	10,969,183	3,816,253	11,799,587
Debt Service:				
Principal Retirement	2,443,614	2,051,057	7,530,941	7,326,169
Interest and Fiscal Charges	2,740,512	2,380,527	2,363,849	2,191,887
Bond Issuance Costs	176,031	206,242	178,073	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
<i>Total Expenditures</i>	<u>30,956,958</u>	<u>33,842,487</u>	<u>31,076,922</u>	<u>36,699,041</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,156,894)</u>	<u>(6,796,153)</u>	<u>(7,960,431)</u>	<u>(15,113,592)</u>
<b>Other Financing Sources (Uses)</b>				
Current Refunding Bonds Issued	0	0	2,620,000	0
Sale of Capital Assets	25,141	0	0	0
Bonds Issued	0	0	0	0
Insurance Recovery	0	0	0	0
Refunding Notes Issued	0	0	0	0
Payment to Refund Notes	0	0	0	0
General Obligation Bonds Issued	8,735,028	11,575,392	5,760,000	0
Refunding Principal	0	0	0	0
Special Assessment Bonds Issued	3,084,972	3,734,608	0	0
Notes Issued	0	0	0	5,675,000
Loans Received	32,423	97,167	0	0
Bond Premium	556,031	536,863	133,036	0
Payment to Refunded Bond Escrow Agent	0	(2,656,706)	(2,613,042)	0
Note Premium	0	0	0	51,870
Transfers In	11,872,993	8,410,863	9,652,720	11,341,838
Transfers Out	(11,848,019)	(8,384,852)	(9,670,948)	(11,177,647)
<i>Total Other Financing Sources (Uses)</i>	<u>12,458,569</u>	<u>13,313,335</u>	<u>5,881,766</u>	<u>5,891,061</u>
Special Item	(1,773,320)	(4,295,642)	(9,944,692)	0
<i>Net Change in Fund Balances</i>	<u>\$8,528,355</u>	<u>\$2,221,540</u>	<u>(\$12,023,357)</u>	<u>(\$9,222,531)</u>
Debt Service as a Percentage of Noncapital Expenditures	18.7%	17.9%	37.1%	33.4%

2009	2008	2007	2006	2005	2004
\$4,330,690	\$3,854,146	\$3,702,610	\$3,451,462	\$3,214,250	\$2,778,596
668,139	0	0	0	0	0
9,378,759	9,294,659	7,681,269	7,688,999	7,437,862	6,434,671
903,298	814,606	832,369	711,413	383,550	437,346
745,232	974,480	1,068,752	1,268,486	1,640,246	1,913,733
115,165	206,707	212,817	183,256	335,448	329,848
3,672,996	3,581,433	2,137,538	2,293,477	2,117,906	1,350,819
240,379	243,986	227,188	202,342	196,332	188,089
315,399	853,783	1,151,966	1,001,612	541,233	525,863
6,575	40,650	0	0	230	1,762
328,361	0	0	0	0	0
1,165,347	185,009	501,637	297,451	218,412	178,207
21,870,340	20,049,459	17,516,146	17,098,498	16,085,469	14,138,934
2,824,337	2,664,209	2,169,720	2,247,763	1,830,143	1,632,580
7,526,545	7,134,465	6,268,041	5,513,657	5,197,175	4,257,571
1,982,203	1,632,598	1,649,383	1,649,507	1,650,577	1,463,490
1,386,408	1,282,138	1,239,252	1,275,204	1,321,262	1,125,113
14,838	99,491	22,410	24,473	19,997	26,022
986,909	1,071,323	1,134,764	1,058,069	609,671	783,976
23,767,231	20,549,738	7,163,756	3,566,729	4,853,222	4,799,799
40,432,357	7,729,043	1,205,994	575,200	524,442	404,039
2,009,751	1,354,369	581,977	575,686	645,962	574,113
0	0	0	59,145	0	0
0	0	0	585	0	0
80,930,579	43,517,374	21,435,297	16,546,018	16,652,451	15,066,703
(59,060,239)	(23,467,915)	(3,919,151)	552,480	(566,982)	(927,769)
0	0	(1,100,000)	0	0	0
0	0	0	0	0	0
32,890,000	6,910,000	0	2,675,000	0	0
0	0	0	0	203,748	0
0	0	0	0	200,000	0
0	0	0	0	(2,250,000)	(3,870,000)
0	0	0	0	0	2,614,000
0	0	0	(200,000)	0	0
0	0	0	0	0	0
5,600,000	39,120,000	6,910,000	1,700,000	0	2,600,000
0	145,194	242,152	0	0	0
376,678	0	0	27,558	0	11,000
0	0	0	(1,647,760)	0	(131,990)
0	0	0	0	0	0
8,676,343	14,475,111	6,912,643	6,110,550	6,125,523	7,088,602
(8,970,731)	(14,669,261)	(7,142,643)	(6,110,550)	(6,106,990)	(7,108,935)
38,572,290	45,981,044	5,822,152	2,554,798	(1,827,719)	1,202,677
0	0	0	0	0	0
(\$20,487,949)	\$22,513,129	\$1,903,001	\$3,107,278	(\$2,394,701)	\$274,908
73.2%	33.8%	11.5%	9.9%	11.9%	13.6%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2013	\$550,176,210	\$169,038,370	\$2,054,898,800	\$11,582,520	\$13,161,955
2012	591,340,020	170,542,580	2,176,807,429	10,591,870	12,036,216
2011	577,927,270	191,542,460	2,198,484,943	10,293,520	11,697,182
2010	567,702,900	176,422,410	2,126,072,314	9,888,710	11,237,170
2009	578,232,900	170,637,860	2,139,630,743	9,597,120	10,905,818
2008	560,820,750	173,342,630	2,097,609,657	8,051,870	9,149,852
2007	534,209,880	167,992,780	2,006,293,314	10,155,460	11,540,295
2006	453,889,000	138,900,170	1,693,683,343	10,162,370	11,548,148
2005	408,693,210	115,980,310	1,499,067,200	10,714,700	12,175,795
2004	367,405,730	100,851,970	1,337,879,143	10,960,870	12,455,534

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for

Source: Lorain County, Ohio; County Auditor



Tangible Personal Property						
General Business		Total		Ratio	Total Tax Rate (mills)	Weighted Average (mills)
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value			
\$0	\$0	\$730,797,100	\$2,068,060,755	35.34 %	\$9.24	\$6.98
0	0	772,474,470	2,188,843,645	35.29	9.23	6.99
0	0	779,763,250	2,210,182,125	35.28	9.25	6.93
388,577	3,108,616	754,402,597	2,140,418,101	35.25	9.27	7.12
407,606	3,260,848	758,875,486	2,153,797,409	35.23	9.26	7.07
11,458,960	91,671,680	753,674,210	2,198,431,189	34.28	9.41	6.33
34,724,120	277,792,960	747,082,240	2,295,626,569	32.54	9.47	6.67
37,150,490	198,135,947	640,102,030	1,903,367,436	33.63	9.47	6.83
34,856,395	151,549,543	570,244,615	1,662,792,538	34.29	9.48	6.97
30,871,010	134,221,783	510,089,580	1,484,556,460	34.36	9.35	7.24

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

	2013	2012	2011	2010
<b>Unvoted Millage</b>				
Operating	\$2.30000	\$2.30000	\$2.30000	\$2.30000
Police Pension	0.30000	0.30000	0.30000	0.30000
<i>Total Unvoted Millage</i>	2.60000	2.60000	2.60000	2.60000
<b>Voted Millage - by levy</b>				
1994 Bond	0.09200	0.08000	0.10000	0.12000
2002 Fire - 5 years (2)				
General Business and Public Utility Personal	0.50000	0.50000	0.50000	0.50000
Residential/Agricultural Real	0.40940	0.40980	0.37588	0.37710
Commercial/Industrial and Public Utility Real	0.25140	0.26000	0.26901	0.31600
1996 Library				
General Business and Public Utility Personal	1.20000	1.20000	1.20000	1.20000
Residential/Agricultural Real	0.61070	0.61130	0.56064	0.56250
Commercial/Industrial and Public Utility Real	0.47920	0.48800	0.51289	0.60250
2008 Park & Recreation - 5 years (3)				
General Business and Public Utility Personal	0.45000	0.45000	0.45000	0.45000
Residential/Agricultural Real	0.44950	0.45000	0.44853	0.45000
Commercial/Industrial and Public Utility Real	0.34280	0.34900	0.36682	0.43090
1984 Police				
General Business and Public Utility Personal	2.00000	2.00000	2.00000	2.00000
Residential/Agricultural Real	0.60160	0.60220	0.55225	0.55410
Commercial/Industrial and Public Utility Real	0.65150	0.66340	0.69723	0.81900
2007 Police - 10 years (4)				
General Business and Public Utility Personal	0.50000	0.50000	0.50000	0.50000
Residential/Agricultural Real	0.49950	0.50000	0.49837	0.50000
Commercial/Industrial and Public Utility Real	0.38090	0.38780	0.40758	0.47880
2008 Street Improvement - 10 years (5)				
General Business and Public Utility Personal	1.90000	1.90000	1.90000	1.90000
Residential/Agricultural Real	1.89810	1.90000	1.89380	1.90000
Commercial/Industrial and Public Utility Real	1.44730	1.47360	1.54880	1.81930
<i>Total Voted Millage by Type of Property</i>				
General Business and Public Utility Personal	\$6.64200	\$6.63000	\$6.65000	\$6.67000
Residential/Agricultural Real	4.56080	4.55330	4.42947	4.46370
Commercial/Industrial and Public Utility Real	3.64510	3.70180	3.90234	4.58650
<i>Total Millage by Type of Property</i>				
General Business and Public Utility Personal	\$9.24200	\$9.23000	\$9.25000	\$9.27000
Residential/Agricultural Real	7.16080	7.15330	7.02947	7.06370
Commercial/Industrial and Public Utility Real	6.24510	6.30180	6.50234	7.18650
<i>Total Weighted Average Tax Rate</i>	\$6.98198	\$6.99379	\$6.92929	\$7.12247

2009	2008	2007	2006	2005	2004
\$2.30000	\$2.30000	\$2.30000	\$2.30000	\$2.30000	\$2.30000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
2.60000	2.60000	2.60000	2.60000	2.60000	2.60000
0.11000	0.11000	0.17000	0.17000	0.18000	0.20000
0.50000	0.50000	0.50000	0.50000	0.50000	0.50000
0.36220	0.36268	0.41030	0.42170	0.43490	0.48760
0.31870	0.33001	0.37690	0.39850	0.41330	0.47240
1.20000	1.20000	1.20000	1.20000	1.20000	1.20000
0.54034	0.54090	0.61190	0.62890	0.64860	0.72730
0.60760	0.62919	0.71860	0.75990	0.78790	0.90070
0.45000	0.50000	0.50000	0.50000	0.50000	0.35000
0.44950	0.37191	0.42070	0.43240	0.44590	0.27850
0.43450	0.34928	0.39890	0.42180	0.43740	0.26270
2.00000	2.00000	2.00000	2.00000	2.00000	2.00000
0.53226	0.53285	0.60280	0.61950	0.63890	0.71640
0.82591	0.85532	0.97680	1.03290	1.07110	1.22440
0.50000	0.50000	0.50000	0.50000	0.50000	0.50000
0.49570	0.49630	0.26300	0.27040	0.27880	0.31260
0.48280	0.50000	0.29940	0.31660	0.32830	0.37530
1.90000	2.00000	2.00000	2.00000	2.00000	2.00000
1.89790	1.18352	1.33880	1.37600	1.41910	1.59120
1.83470	1.04860	1.19760	1.26640	1.31320	1.50120
\$6.66000	\$6.81000	\$6.87000	\$6.87000	\$6.88000	\$6.75000
4.38790	3.59816	3.81750	3.91890	4.04620	4.31360
4.61421	3.82240	4.13820	4.36610	4.53120	4.93670
\$9.26000	\$9.41000	\$9.47000	\$9.47000	\$9.48000	\$9.35000
6.98790	6.19816	6.41750	6.51890	6.64620	6.91360
7.21421	6.42240	6.73820	6.96610	7.13120	7.53670
\$7.06874	\$6.33288	\$6.67299	\$6.83407	\$6.97131	\$7.23660

(continued)

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

	2013	2012	2011	2010
<b><i>Overlapping Rates by Taxing District</i></b>				
<b>Avon Local School District</b>				
General Business and Public Utility Personal	\$57.0300	\$57.2800	\$56.5700	\$50.4900
Residential/Agricultural Real	41.7059	41.9729	39.8338	33.8055
Commercial/Industrial and Public Utility Real	39.4403	39.7042	39.0337	33.0959
<b>Lorain County Voted Millage</b>				
General Business and Public Utility Personal	14.4820	13.6550	13.6900	13.3900
Residential/Agricultural Real	14.0927	12.8534	12.2226	11.5346
Commercial/Industrial and Public Utility Real	13.7186	12.5193	12.4841	11.9718
<b>Special Taxing Districts (1)</b>				
General Business and Public Utility Personal	3.4500	3.4500	3.4500	3.4500
Residential/Agricultural Real	3.3137	3.3161	3.1184	3.1154
Commercial/Industrial and Public Utility Real	2.9858	2.9847	2.9779	3.0120

Source: Lorain County Auditor

Notes: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The City's basic property tax rate may be increased only by a majority vote of the City's residents.

The real property tax rates for the voted levies are reduced so that inflationary increases in value do not generate additional revenue.

Overlapping rates are those of local and county governments that apply to property owners within the City.

- (1) Health District, Joint Vocational School
- (2) The 1997 Fire levy was renewed in 2002.
- (3) The 1998 Parks & Recreation levy was renewed in 2003 and 2008.
- (4) The 1997 Police levy was renewed in 2007.
- (5) The 1998 Street Improvement levy was renewed in 2008.

2009	2008	2007	2006	2005	2004
\$50.4400	\$50.4900	\$43.7000	\$42.1000	\$37.2200	\$38.0100
33.1312	33.1825	26.5292	24.9620	20.1200	20.9100
33.0539	33.2053	26.4900	24.9555	20.1200	20.9100
13.3900	13.3900	13.4900	13.1900	12.8900	12.8900
10.9380	10.9618	12.1746	10.7597	10.1212	10.5495
11.8436	11.9061	12.7798	12.0306	11.6676	11.9922
3.4500	3.4500	3.4500	3.4500	3.4500	3.4500
2.9949	2.9975	2.6080	2.6148	2.6222	2.6927
2.9847	3.0056	2.7675	2.7831	2.7967	2.8769

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

Tax Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections
2012	\$4,674,336	\$4,565,633	97.67 %	\$76,128
2011	4,931,999	4,858,738	98.51	93,250
2010	5,208,709	5,509,845	105.78	35,867
2009	4,935,250	4,667,972	94.58	94,251
2008	4,936,187	4,675,241	94.71	144,098
2007	4,311,718	3,851,783	89.33	140,881
2006	4,118,715	3,697,890	89.78	127,526
2005	3,550,966	3,495,653	98.44	65,689
2004	3,216,199	3,127,969	97.26	49,128
2003	2,995,687	2,877,724	96.06	60,579

Source: Lorain County, Ohio; County Auditor

Note: The City is aware of the requirement to report delinquent tax collections by levy year rather than by collection year. However, the County is unable to provide delinquent collections by levy year. This presentation will be updated as new information becomes available.

(1) State reimbursement of rollback and homestead exemptions are included.

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<u>Total Tax Collections (1)</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
\$4,641,760	99.30%	\$165,855	3.55%
4,951,988	100.41	148,792	3.02
5,545,712	106.47	73,805	1.42
4,762,223	96.49	231,539	4.69
4,819,339	97.63	190,617	3.86
3,992,664	92.60	268,151	6.22
3,825,416	92.88	309,555	7.52
3,561,342	100.29	121,001	3.41
3,177,097	98.78	129,729	4.03
2,938,303	98.08	137,819	4.60

**City of Avon, Ohio**  
*Principal Real Property Taxpayers*  
*Current and Nine Years Ago*

Taxpayer	2013	
	Real Property Assessed Valuation (1)	Percentage
First Interstate Avon, LTD	\$17,948,770	2.50 %
Blue Dog Properties Trust	9,818,630	1.37
Cleveland Electric Illuminating Company	8,529,240	1.19
AERC Avon, LLC	6,822,430	0.95
Orion Properties	5,839,170	0.81
Timberlake Apartments	5,429,920	0.75
V & V Lakeshore	4,755,560	0.66
Chester Properties, LTD	4,531,270	0.63
Wal Mart Real Estate Business Trust	4,448,580	0.62
First Interstate Commons East, LLC	4,193,720	0.58
<b>Total</b>	<b>\$72,317,290</b>	<b>10.06 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$719,214,580</b>	

Taxpayer	2004	
	Real Property Assessed Valuation (1)	Percentage
First Interstate Avon, LTD	\$15,011,340	3.21 %
AERC Avon, LLC	6,919,500	1.48
Comprehensive Healthcare	6,037,500	1.29
F I BJS	4,457,640	0.95
Manco, Incorporated	3,932,730	0.84
Timberlake Apartments	3,827,180	0.82
JS Avon North	3,073,990	0.65
Caravan Golf Company	2,648,290	0.56
Avon Oaks Country Club	2,197,590	0.47
David Kirschenbaum (Good Samaritan)	1,999,180	0.43
<b>Total</b>	<b>\$50,104,940</b>	<b>10.70 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$468,257,700</b>	

Source: Lorain County, Ohio; County Auditor

(1) The amounts presented represent the assessed values upon which 2013 and 2004 collections were based.

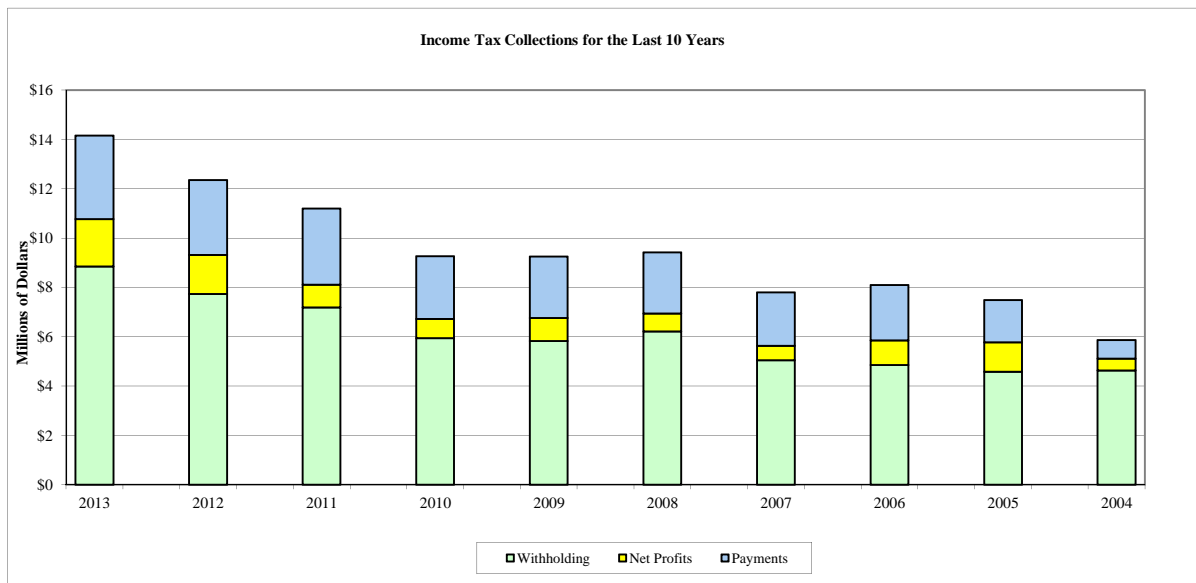


**City of Avon, Ohio**  
*Income Tax Revenue Base and Collections*  
*Last Ten Years*

Tax Year	Tax Rate (2)	Total Tax Collected (1)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individual Payments	Percentage of Taxes from Individual Payments
2013	1.75%	\$14,151,916	\$8,844,664	62.50%	\$1,916,311	13.54%	\$3,390,941	23.96%
2012	1.75	12,354,791	7,731,628	62.58	1,581,413	12.80	3,041,750	24.62
2011	1.75	11,198,984	7,184,484	64.15	916,189	8.18	3,098,311	27.67
2010	1.75	9,258,808	5,932,674	64.08	784,221	8.47	2,541,913	27.45
2009	1.75	9,242,956	5,822,877	63.00	935,017	10.12	2,485,061	26.88
2008	1.75	9,416,401	6,214,542	66.00	717,436	7.62	2,484,423	26.38
2007	1.50	7,793,181	5,037,200	64.64	588,775	7.55	2,167,206	27.81
2006	1.50	8,088,140	4,853,127	60.00	990,878	12.25	2,244,135	27.75
2005	1.50	7,482,650	4,577,137	61.17	1,192,660	15.94	1,712,853	22.89
2004	1.50	5,866,995	4,633,987	78.98	476,987	8.13	756,021	12.89

Source: Regional Income Tax Agency data - certain amounts may be estimates - years are tax years. Number of filers does not equal total taxpayers due to taxpayers paying city taxes through employer withholding only without filing requirement.

- (1) Accrual Basis
- (2) In November 2007, the City of Avon Electors voted to increase the City income tax by .25%. Collection commenced on January 1, 2008.



**City of Avon, Ohio**

*Income Tax Statistics*

*Last Ten Years*

Tax Year	Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
2012	\$0 - 24,999	1,759	25.02 %	\$16,842,101	2.33 %
2012	25,000 - 49,999	924	13.14	34,254,980	4.74
2012	50,000 - 74,999	844	12.01	53,186,130	7.36
2012	75,000 - 99,999	784	11.15	68,562,392	9.49
2012	Over 100,000	2,719	38.68	549,889,680	76.08
	<b>Total</b>	<b>7,030</b>		<b>\$722,735,283</b>	
2011	\$0 - 24,999	1,700	24.85 %	\$16,127,434	2.42 %
2011	25,000 - 49,999	917	13.41	33,904,856	5.09
2011	50,000 - 74,999	840	12.28	52,554,531	7.89
2011	75,000 - 99,999	787	11.51	68,587,179	10.30
2011	Over 100,000	2,596	37.95	494,819,519	74.30
	<b>Total</b>	<b>6,840</b>		<b>\$665,993,519</b>	
2010	\$0 - 24,999	1,722	25.59 %	\$16,658,792	2.69 %
2010	25,000 - 49,999	912	13.55	33,707,542	5.45
2010	50,000 - 74,999	932	13.85	58,240,162	9.41
2010	75,000 - 99,999	794	11.80	69,330,417	11.20
2010	Over 100,000	2,370	35.21	440,989,347	71.25
	<b>Total</b>	<b>6,730</b>		<b>\$618,926,260</b>	
2009	\$0 - 24,999	1,727	25.88 %	\$16,838,135	2.90 %
2009	25,000 - 49,999	973	14.58	36,223,361	6.23
2009	50,000 - 74,999	897	13.44	56,187,628	9.67
2009	75,000 - 99,999	826	12.38	71,685,920	12.34
2009	Over 100,000	2,251	33.72	400,195,682	68.86
	<b>Total</b>	<b>6,674</b>		<b>\$581,130,726</b>	
2008	\$0 - 24,999	1,739	26.11 %	\$17,229,483	3.09 %
2008	25,000 - 49,999	967	14.52	35,954,446	6.43
2008	50,000 - 74,999	976	14.65	60,897,408	10.90
2008	75,000 - 99,999	776	11.65	67,571,451	12.09
2008	Over 100,000	2,203	33.07	377,157,371	67.49
	<b>Total</b>	<b>6,661</b>		<b>\$558,810,159</b>	
2007	\$0 - 24,999	1,748	26.67 %	\$16,916,794	3.19 %
2007	25,000 - 49,999	1,032	15.74	38,442,879	7.25
2007	50,000 - 74,999	936	14.28	58,398,823	11.02
2007	75,000 - 99,999	777	11.85	67,801,989	12.79
2007	Over 100,000	2,062	31.46	348,394,384	65.75
	<b>Total</b>	<b>6,555</b>		<b>\$529,954,869</b>	

(continued)

**City of Avon, Ohio**  
*Income Tax Statistics (continued)*  
*Last Ten Years*

Tax Year	Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
2006	\$0 - 24,999	1,731	28.10 %	\$16,146,506	3.24 %
2006	25,000 - 49,999	924	15.00	34,682,455	6.96
2006	50,000 - 74,999	866	14.06	54,220,032	10.88
2006	75,000 - 99,999	761	12.35	66,550,102	13.36
2006	Over 100,000	1,878	30.49	326,560,796	65.56
	Total	6,160		\$498,159,891	
2005	\$0 - 24,999	1,666	28.43 %	\$15,728,218	3.35 %
2005	25,000 - 49,999	909	15.51	33,990,464	7.23
2005	50,000 - 74,999	882	15.05	55,326,557	11.78
2005	75,000 - 99,999	827	14.11	72,287,420	15.39
2005	Over 100,000	1,577	26.91	292,492,967	62.26
	Total	5,861		\$469,825,626	
2004	\$0 - 24,999	1,636	29.15 %	\$14,815,608	3.91 %
2004	25,000 - 49,999	900	16.03	31,741,150	8.38
2004	50,000 - 74,999	857	15.27	51,278,424	13.53
2004	75,000 - 99,999	795	14.16	66,822,259	17.63
2004	Over 100,000	1,425	25.39	214,276,863	56.55
	Total	5,613		\$378,934,304	
2003	\$0 - 24,999	1,535	29.96 %	\$14,383,257	4.33 %
2003	25,000 - 49,999	845	16.49	30,316,444	9.12
2003	50,000 - 74,999	831	16.22	49,714,424	14.95
2003	75,000 - 99,999	741	14.46	62,547,823	18.81
2003	Over 100,000	1,172	22.87	175,541,667	52.79
	Total	5,124		\$332,503,615	

Source: Regional Income Tax Agency data - certain amounts may be estimates - years are tax years. Number of filers does not equal total taxpayers due to taxpayers paying city taxes through employer withholding only without filing requirement.

As of December 31, 2013, year 2013 information has not been compiled.

**City of Avon, Ohio**  
*Ratios of Outstanding Debt by Type*  
*Last Ten Years*

Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)	Governmental Activities Debt			
				General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Bond Anticipation Notes
2013	\$66,059,675	3.19 %	\$3,117.05	\$62,382,911	\$8,989,810	\$274,441	\$0
2012	59,049,585	2.70	2,786.28	55,348,374	6,125,921	263,028	0
2011	47,759,093	2.16	2,253.53	47,407,470	2,720,771	182,336	0
2010	43,406,999	2.03	2,048.18	42,987,841	2,959,042	198,811	5,726,870
2009	44,931,915	2.09	2,496.22	44,441,334	3,208,858	215,286	5,600,000
2008	12,809,258	0.58	1,117.15	12,251,682	3,449,237	223,523	39,120,000
2007	7,008,741	0.31	611.26	6,717,363	2,866,244	242,044	6,910,000
2006	7,438,804	0.39	648.77	7,096,708	3,073,713	13,500	1,700,000
2005	6,809,227	0.41	593.86	6,412,213	3,263,227	22,500	2,873,650
2004	7,013,499	0.47	611.68	6,565,767	3,596,389	56,540	3,805,000

Year	Business-Type Activities Debt					Total Debt (3)	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Special Assessment Bonds	Avon Lake Debt	Bond Anticipation Notes	OWDA Loans			
2013	\$3,676,764	\$1,171,813	\$539,171	\$0	\$0	\$77,034,910	10.52 %	\$3,635
2012	3,701,211	1,174,762	684,008	0	38,610	67,335,914	9.20	3,177
2011	351,623	0	821,698	0	173,081	51,656,979	7.06	2,437
2010	419,158	0	952,191	0	301,923	53,545,836	7.32	2,527
2009	490,581	0	1,074,817	0	425,464	55,456,340	10.87	3,081
2008	557,576	0	683,979	0	544,006	56,830,003	17.52	4,956
2007	291,378	0	776,103	730,000	657,830	19,190,962	5.92	1,674
2006	342,096	0	863,621	0	767,198	13,856,836	4.27	1,209
2005	397,014	0	946,533	991,350	872,356	15,778,843	4.87	1,379
2004	447,732	0	1,024,120	1,470,000	973,532	17,939,080	5.53	1,580

Source: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) See S14-15 for taxable property value data.
- (2) See S34 for population and personal income data.
- (3) Includes general bonded debt, other governmental debt and business-type activities debt.
- (4) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

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**City of Avon, Ohio**

*Legal Debt Margin*

*Last Ten Years*

	2013	2012	2011	2010
Total Assessed Property Value	<u>\$730,797,100</u>	<u>\$772,474,470</u>	<u>\$779,763,250</u>	<u>\$754,402,597</u>
General Bonded Debt Outstanding:				
General Obligation Notes/Bonds	\$64,748,246	\$58,098,800	\$47,348,171	\$42,987,841
General Obligation Revenue Notes/Bonds	0	0	67,200	130,200
Special Assessment Bonds	9,981,754	7,261,200	2,657,553	2,959,042
Bond Anticipation Notes	0	0	0	5,675,000
Bond Anticipation Notes Enterprise	0	0	0	0
OPWC Loans	274,441	263,028	182,336	198,811
OWDA Loans	0	38,610	173,081	301,923
Contractual Debt Obligation	539,171	684,008	821,698	952,191
Total Gross Indebtedness	75,543,612	66,345,646	51,250,039	53,205,008
Less:				
General Obligation Bonds	(54,490,082)	(40,484,768)	(30,865,000)	(31,675,000)
General Obligation Revenue Notes/Bonds	0	0	(67,200)	(130,200)
Special Assessment Bonds	(9,981,754)	(7,261,200)	(2,657,553)	(2,959,042)
Bond Anticipation Notes	0	0	0	(5,675,000)
Bond Anticipation Notes Enterprise	0	0	0	0
OWDA Loans	0	(38,610)	(173,081)	(301,923)
Contractual Debt Obligation	(539,171)	(684,008)	(821,698)	(952,191)
General Obligation Bond Retirement Fund Balance	(63,560)	(102,117)	(44,968)	(64,469)
Total Net Debt Applicable to Debt Limit	<u>10,469,045</u>	<u>17,774,943</u>	<u>16,620,539</u>	<u>11,447,183</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>76,733,696</u>	<u>81,109,819</u>	<u>81,875,141</u>	<u>79,212,273</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$66,264,651</u>	<u>\$63,334,876</u>	<u>\$65,254,602</u>	<u>\$67,765,090</u>
Legal Debt Margin as a Percentage of the Debt Limit	86.36%	78.09%	79.70%	85.55%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$40,193,841</u>	<u>\$42,486,096</u>	<u>\$42,886,979</u>	<u>\$41,492,143</u>
Total Gross Indebtedness	75,543,612	66,345,646	51,250,039	53,205,008
Less:				
General Obligation Bonds	(54,490,082)	(40,484,768)	(30,865,000)	(31,675,000)
General Obligation Revenue Notes/Bonds	0	0	(67,200)	(130,200)
Special Assessment Bonds	(9,981,754)	(7,261,200)	(2,657,553)	(2,959,042)
Bond Anticipation Notes	0	0	0	(5,675,000)
Bond Anticipation Notes Enterprise	0	0	0	0
OWDA Loans	0	(38,610)	(173,081)	(301,923)
Contractual Debt Obligation	(539,171)	(684,008)	(821,698)	(952,191)
General Obligation Bond Retirement Fund Balance	(63,560)	(102,117)	(44,968)	(64,469)
Net Debt Within 5 ½ % Limitations	<u>10,469,045</u>	<u>17,774,943</u>	<u>16,620,539</u>	<u>11,447,183</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$29,724,796</u>	<u>\$24,711,153</u>	<u>\$26,266,440</u>	<u>\$30,044,960</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	73.95%	58.16%	61.25%	72.41%

Source: City Financial Records and Prior Year CAFR'S.

2009	2008	2007	2006	2005	2004
<u>\$758,875,486</u>	<u>\$753,674,210</u>	<u>\$747,082,240</u>	<u>\$640,102,030</u>	<u>\$570,244,615</u>	<u>\$510,089,580</u>
\$44,441,334	\$12,251,682	\$6,780,967	\$7,165,884	\$6,286,816	\$6,565,767
193,200	252,000	310,800	365,400	424,200	456,000
3,208,858	3,449,237	2,866,244	3,073,713	3,263,227	3,596,389
5,600,000	39,120,000	6,910,000	2,110,000	2,873,650	3,805,000
0	0	1,530,000	1,150,000	991,350	1,470,000
215,286	223,523	242,044	13,500	22,500	56,540
425,464	544,006	657,830	767,198	872,356	974,117
1,074,817	683,979	776,103	863,621	946,533	1,024,845
55,158,959	56,524,427	20,073,988	15,509,316	15,680,632	17,948,658
(32,970,000)	0	0	0	0	0
(193,200)	(252,000)	(310,800)	(365,400)	(424,200)	(456,000)
(3,208,858)	(3,449,237)	(2,866,244)	(3,073,713)	(3,406,724)	(3,596,389)
(5,600,000)	(39,120,000)	0	0	0	0
0	0	(1,530,000)	(1,150,000)	(991,350)	(1,470,000)
(425,464)	(544,006)	(657,830)	(767,198)	(872,356)	(974,117)
(1,074,817)	(683,979)	(776,103)	(863,621)	(946,533)	(1,024,120)
(52,292)	(48,136)	(168,549)	(26,725)	(23,992)	(95,356)
11,634,328	12,427,069	13,764,462	9,262,659	9,015,477	10,332,676
79,681,926	79,135,792	78,443,635	67,210,713	59,875,685	53,559,406
<u>\$68,047,598</u>	<u>\$66,708,723</u>	<u>\$64,679,173</u>	<u>\$57,948,054</u>	<u>\$50,860,208</u>	<u>\$43,226,730</u>
85.40%	84.30%	82.45%	86.22%	84.94%	80.71%
<u>\$41,738,152</u>	<u>\$41,452,082</u>	<u>\$41,089,523</u>	<u>\$35,205,612</u>	<u>\$31,363,454</u>	<u>\$28,054,927</u>
55,158,959	56,524,427	20,073,988	15,509,316	15,680,632	17,948,658
(32,970,000)	0	0	0	0	0
(193,200)	(252,000)	(310,800)	(365,400)	(424,200)	(456,000)
(3,208,858)	(3,449,237)	(2,866,244)	(3,073,713)	(3,406,724)	(3,596,389)
(5,600,000)	(39,120,000)	0	0	0	0
0	0	(1,530,000)	(1,150,000)	(991,350)	(1,470,000)
(425,464)	(544,006)	(657,830)	(767,198)	(872,356)	(974,117)
(1,074,817)	(683,979)	(776,103)	(863,621)	(946,533)	(1,024,845)
(52,292)	(48,136)	(168,549)	(26,725)	(23,992)	(95,356)
11,634,328	12,427,069	13,764,462	9,262,659	9,015,477	10,331,951
<u>\$30,103,824</u>	<u>\$29,025,013</u>	<u>\$27,325,061</u>	<u>\$25,942,953</u>	<u>\$22,347,977</u>	<u>\$17,722,976</u>
72.13%	70.02%	66.50%	73.69%	71.25%	63.17%

**City of Avon, Ohio**  
*Pledged Revenue Coverage - Sewer Fund*  
*Last Ten Years*

Year	Sewer Operating Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2013	\$1,794,967	\$1,526,056	\$268,911	\$38,610	\$752	6.83
2012	1,865,750	956,508	909,242	134,471	13,692	6.14
2011	1,646,944	1,028,665	618,279	128,842	16,612	4.25
2010	1,360,364	1,240,708	119,656	123,541	16,612	0.85
2009	1,629,741	1,526,181	103,560	118,542	21,447	0.74
2008	1,333,487	1,102,775	230,712	113,824	25,745	1.65
2007	1,405,083	1,496,430	(91,347)	109,368	31,839	(0.65)
2006	1,396,730	1,028,961	367,769	105,158	33,908	2.64
2005	1,098,603	1,007,297	91,306	101,176	37,665	0.66
2004	855,744	921,824	(66,080)	97,409	32,166	(0.51)

(1) Revenues include interest and operating grants.

(2) Operating expenses do not include depreciation/amortization.

**Source:** City Financial Records



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**City of Avon, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
*December 31, 2013*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to the City of Avon
<b>Direct - City of Avon</b>			
General Obligation Bonds	\$62,382,911	100.00%	\$62,382,911
Special Assessment Bonds	8,989,810	100.00%	8,989,810
OPWC Loans	274,441	100.00%	274,441
<i>Total Direct Debt</i>	<u>71,647,162</u>		<u>71,647,162</u>
<b>Overlapping</b>			
Avon Local School District			
General Obligation Bonds	68,195,339	100.00%	68,195,339
Lorain County			
General Obligation Bonds	25,780,000	10.00%	2,578,000
<i>Total Overlapping Debt</i>	<u>93,975,339</u>		<u>70,773,339</u>
<b>Total</b>	<u><u>\$165,622,501</u></u>		<u><u>\$142,420,501</u></u>

Source: Lorain County, Ohio; County Auditor

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

\* \$54,490,082 of the total \$64,748,246 of total outstanding general obligation debt is backed by two revenue sources.

The basic security for the Bonds is the pledge of the City's ability to levy, and its pledge to levy, pursuant to constitutional and statutory requirements, and ad valorem tax on all taxable property in the City, within the ten-mill limitation imposed by Ohio law. In addition, the City has covenanted in the Bond Legislation to appropriate annually, to the extent required, sufficient amounts from municipal income tax revenues to pay principal and interest on the Bonds when due, and to continue to levy and collected the municipal income tax in an amount necessary to meet debt charges on the Bonds.

**City of Avon, Ohio**  
*Principal Employers*  
*Current and Eight Years Ago (1)*

<b>2013</b>		
Employer	Employees	Percentage of Total City Employment
Cleveland Clinic Foundation	572	4.09 %
Avon Local School District	394	2.81
ShurTech Brands LLC	390	2.79
Willoway Nurseries Inc	355	2.54
Walmart	260	1.86
A.J. Rose Manufacturing Company	214	1.53
All Pro Freight Systems Inc	175	1.25
Costco Wholesale	173	1.23
City of Avon	170	1.21
EMH Regional Medical Center	169	1.20
<b>Total</b>	<b>2,872</b>	<b>20.51 %</b>
<b>Total Employment within the City</b>	<b>14,000</b>	

<b>2005</b>		
Employer	Employees	Percentage of Total City Employment
Henkel	499	3.79 %
Our Lady of the Wayside Nursing Home	314	2.39
Avon Local School District	300	2.28
Willoway Nurseries Inc	212	1.61
A.J. Rose Manufacturing Company	219	1.67
Walmart	195	1.48
Good Samaritan Nursing Home	172	1.31
Target	170	1.29
Avon Oaks Nursing Home	150	1.14
Home Depot	135	1.03
<b>Total</b>	<b>2,366</b>	<b>17.99 %</b>
<b>Total Employment within the City</b>	<b>13,153</b>	

Source: Number of employees obtained from the W2's  
from our Tax Department

(1) Information prior to 2005 is not available

**City of Avon, Ohio**  
*Demographic and Economic Statistics*  
*Last Ten Years*

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Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita	Median Household Income (1)	Median Age (1)
2013	21,193	\$731,963,834	\$34,538	\$75,951	38
2012	21,193	731,963,834	34,538	75,951	38
2011	21,193	731,963,834	34,538	75,951	38
2010	21,193	731,963,834	34,538	75,951	38
2009	18,000	510,012,000	28,334	66,747	38
2008	11,466	324,877,644	28,334	66,747	38
2007	11,466	324,877,644	28,334	66,747	38
2006	11,466	324,877,644	28,334	66,747	38
2005	11,466	324,877,644	28,334	66,747	38
2004	11,466	324,877,644	28,334	66,747	38

(1) Source: U. S. Census

(a) Years 2004 through 2008 - 2000 Federal Census; 2009 estimated

(b) Years 2010 through 2013 - 2010 Federal Census

(2) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us/data/>"

(3) Ohio Department of Job and Family Services

(4) Source: Lorain County Auditor

(5) Computation of per capita personal income multiplied by population

<u>Educational Attainment: Bachelor's Degree or Higher (1)</u>	<u>School Enrollment (2)</u>	<u>Lorain County Unemployment Rate (3)</u>	<u>Average Sales Price of Residential Property (4)</u>	<u>Total Assessed Property Value (4)</u>
32.3%	4,153	9.3%	\$260,000	\$730,797,100
32.3	4,076	7.0	260,000	772,474,470
32.3	4,078	7.7	260,000	779,763,250
32.3	3,976	8.8	260,000	754,402,597
32.3	3,580	9.4	245,000	758,875,486
32.3	3,136	7.0	251,011	753,674,210
32.3	3,128	6.2	239,730	747,082,240
32.3	2,988	5.5	213,590	640,102,030
32.3	2,962	5.8	213,590	570,244,615
32.3	2,699	6.3	213,590	510,089,580

**City of Avon, Ohio**  
*Full-Time Equivalent City Government Employees by Function/Program*  
*Last Ten Years*

Function/Program	2013	2012	2011	2010
<b>General Government</b>				
Council	5.50	5.50	5.50	5.50
Finance	4.00	4.00	4.00	4.00
Finance Director	1.00	1.00	1.00	1.00
Law	1.00	1.00	1.00	1.00
Mayors Office	2.00	2.00	2.00	2.00
Planning	3.50	3.50	3.50	3.50
Civil Service	1.50	1.50	1.50	1.50
Court	1.50	1.50	1.50	1.50
Zoning	3.50	3.50	3.50	3.50
Information Technology	1.00	1.00	1.00	0.00
Senior Center	3.50	3.50	3.50	3.00
Engineering	1.00	1.00	1.00	0.00
Project Manager	1.00	1.00	1.00	0.00
<b>Security of Persons and Property</b>				
Police	31.00	32.00	31.00	34.00
Police - Dispatchers/Office/Other	10.50	10.50	9.00	10.50
Safety Director	0.00	0.00	0.00	0.00
Fire	32.00	32.00	33.00	32.00
Fire - Dispatchers/Office/Other	1.00	1.00	1.00	1.00
<b>Leisure Time Activities</b>				
Recreation and Parks	12.50	12.50	14.00	14.50
Landmarks Preservation	2.00	2.00	2.00	2.00
<b>Community Development</b>				
Building	7.00	7.00	7.50	7.50
<b>Transportation</b>				
Service/Street M&R	18.00	16.00	15.00	15.50
<b>Basic Utility Services</b>				
Water and Sewer	11.00	12.00	10.50	9.50
<b>Totals:</b>	<u>155.00</u>	<u>155.00</u>	<u>153.00</u>	<u>153.00</u>

Source: City of Avon, Ohio Payroll Department W2 Audit Listing

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee on staff as of December 31st.

Some employees work in two different departments.

2009	2008	2007	2006	2005	2004
5.50	5.50	5.00	4.00	4.00	4.00
4.00	4.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.50	0.50	0.50	0.50
2.00	2.00	2.00	2.00	2.00	2.00
3.50	3.50	4.50	4.50	4.50	4.00
1.50	1.50	1.50	1.50	0.00	1.50
1.50	1.50	1.50	1.50	1.50	1.50
3.50	3.50	3.50	3.50	3.50	3.50
0.00	0.00	0.00	0.00	0.00	0.00
3.00	2.50	1.00	1.00	1.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
1.00	1.00	0.00	0.00	0.00	0.00
34.00	30.00	30.00	28.00	26.00	24.00
10.50	8.00	8.00	6.00	6.00	6.00
0.50	0.50	0.50	0.50	0.50	0.50
30.00	28.00	28.00	25.50	24.50	22.00
1.00	1.00	1.00	1.00	1.00	1.00
15.50	13.50	12.00	10.50	10.50	9.50
2.00	2.00	2.00	2.00	2.00	2.00
6.50	9.50	8.50	10.00	10.00	10.50
15.00	13.00	12.50	12.00	12.00	12.00
10.50	11.00	10.50	11.50	11.50	11.50
<u>153.00</u>	<u>143.50</u>	<u>138.50</u>	<u>130.50</u>	<u>126.00</u>	<u>121.00</u>

**City of Avon, Ohio**  
*Operating Indicators by Function/Program*  
*Last Ten Years (1)*

Function/Program	2013	2012	2011
Date of Incorporation as a Village	1917		
Date of Incorporation as a City	1961		
<b>General Government</b>			
<i>Council and Clerk</i>			
Number of Ordinances Passed	137	134	116
Number of Resolutions Passed	35	33	22
<i>Planning Commission/Zoning Board of Appeals</i>			
Number of Planning Commission docket items	131	78	76
Zoning Board of Appeals docket items	26	14	17
<i>Finance Department</i>			
Amount of checks written	\$59,114,557	\$79,149,951	\$53,594,606
Interest earnings for fiscal year (cash basis)	\$71,310	\$80,715	\$95,029
Number of Receipts issued	4,306	3,584	3,687
Number of Budget Adjustments issued	29	22	35
Agency Ratings - Moody's Financial Services	Aa1	Aa1	Aa1
General Fund Receipts (cash basis in thousands)	\$12,554	\$11,224	\$12,821
General Fund Expenditures (cash basis in thousands)	\$13,269	\$10,739	\$15,015
General Fund Cash Balances including Income Tax (in thousands)	\$3,113	\$3,828	\$3,343
<i>Income Tax Department</i>			
Number of Annual withholding forms processed	19,813	14,357	14,273
Number of Business net profit forms processed	3,465	1,517	2,079
Number of Individual forms processed	11,167	10,923	8,745
Amount of Penalties and Interest Collected	N/A	N/A	N/A
Annual number of balance due/estimated payment forms processed	N/A	N/A	8,874
Annual number of reconciliations of withholdings processed	1,957	1,917	1,862
<i>Engineer Contracted Services</i>			
Dollar amount of Construction overseen by Engineer	\$2,107,283	\$4,022,623	\$9,550,735
<i>Mayor's Court</i>			
Number of Traffic cases	1,233	784	1,103
Number of Criminal cases	40	41	40
<i>Civil Service</i>			
Number of police entry tests administered	0	2	0
Number of fire entry tests administered	0	1	0
Number of police promotional tests administered	0	2	1
Number of fire promotional tests administered	0	1	0
Number of hires of Police Officers from certified lists	1	4	0
Number of hires of Fire/Medics from certified lists	1	2	0
Number of promotions from police certified lists	1	3	1
Number of promotions from fire certified lists	0	0	0
<i>Building Department Indicators</i>			
Single Family Permits Issued	122	96	113
Commercial Permits Issued	217	131	228
Estimated Value of Construction	\$88,664,341	\$72,114,502	\$40,702,895
Number of permits issued (all types)	1,142	1,112	1,199
Amount of Revenue generated from permits	\$1,199,584	\$847,201	\$972,849
Number of contractor registrations issued	862	810	769



2010	2009	2008	2007	2006	2005	2004
113	132	168	142	151	175	197
39	18	44	41	31	23	39
60	74	121	149	105	183	204
17	20	26	29	37	41	60
\$42,389,310	\$37,724,785	\$30,942,350	\$32,987,641	\$37,732,774	\$28,632,549	\$27,249,268
\$112,699	\$231,386	\$665,519	\$1,181,222	\$1,177,582	\$428,468	\$214,154
4,018	3,658	3,661	3,704	4,090	6,543	6,665
32	26	44	51	31	35	41
Aa1	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2
\$13,284	\$9,254	\$7,555	\$9,728	\$7,800	\$9,400	\$6,600
\$11,466	\$9,029	\$9,887	\$3,334	\$8,600	\$8,100	\$7,400
\$5,570	\$3,752	\$3,527	\$5,668	\$5,450	\$4,600	\$3,700
13,275	11,009	11,066	10,697	10,357	9,727	8,931
2,075	1,882	1,559	1,437	1,272	1,405	1,072
8,883	12,204	8,616	8,205	7,346	7,186	6,698
\$125,422	\$88,437	\$63,898	\$61,456	\$60,813	\$41,506	\$43,662
10,195	11,165	9,234	9,926	9,048	8,742	8,212
N/A	1,251	1,215	1,124	1,529	1,315	1,532
\$1,899,519	\$2,471,597	\$7,854,087	\$4,880,288	\$3,997,969	\$8,139,674	\$8,754,750
982	880	867	2,079	1,508	1,617	1,572
62	44	50	82	77	92	182
0	1	0	0	1	0	1
0	0	1	0	1	0	1
0	0	0	0	2	2	2
0	0	2	0	2	2	1
1	5	0	2	5	1	3
1	1	0	1	4	2	1
0	0	0	0	2	4	4
5	2	0	2	9	2	1
146	115	142	179	222	350	402
137	109	210	249	183	316	260
\$113,771,043	\$47,821,980	\$67,973,353	\$84,863,809	\$81,389,840	\$123,988,313	\$194,077,164
1,112	1,022	1,124	1,269	2,085	2,311	2,471
\$1,464,343	\$506,654	\$1,281,070	\$1,478,453	\$1,225,686	\$1,158,571	\$31,397,505
932	609	694	1,086	1,096	1,170	1,075

(continued)

**City of Avon, Ohio**  
*Operating Indicators by Function/Program (continued)*  
*Last Ten Years (1)*

Function/Program	2013	2012	2011
<b>Security of Persons and Property</b>			
<i>Police</i>			
Total Calls for Services	17,748	18,789	16,208
Number of traffic citations issued	1,770	1,495	2,018
Number of parking citations issued	384	475	306
Number of criminal arrests	466	579	565
Number of accident reports completed	598	569	581
Part 1 Offenses (major offenses)	494	481	313
DUI Arrests	85	100	82
Prisoners	461	358	363
Prisoner meal costs	\$0	\$0	\$5
Motor Vehicle Accidents	1,073	911	705
Fatalities from Motor Vehicle Accidents	0	2	0
Gasoline costs of fleet	\$105,400	\$99,212	\$102,384
<i>Fire</i>			
EMS Calls	1,737	1,666	1,530
Ambulance Billing Collections (net)	\$418,414	\$458,386	\$372,867
Fire Calls	623	589	567
Fires with Loss	14	16	17
Fires with Losses exceeding \$10K	1	4	3
Fire Losses	\$186,450	\$240,550	\$220,700
Fire Safety Inspections	727	682	640
Number of times Mutual Aid given to Fire and EMS and Auto Aid	73	67	143
Number of times Mutual Aid received for Fire and EMS and Auto Aid	54	86	75
<b>Leisure Time Activities</b>			
<i>Recreation</i>			
Recreation Men's and Women's Leagues receipts	\$5,056	\$4,041	\$3,381
Recreation Youth Activities receipts	\$94,373	\$87,527	\$81,460
<b>Transportation</b>			
Street Improvements - asphalt overlay (linear feet)	N/A	N/A	N/A
Crackseal Coating Program (Miles)	N/A	N/A	N/A
Street Repair (Curbs, aprons, berms, asphalt) (hours)	N/A	N/A	N/A
Guardrail Repair (hours)	N/A	N/A	N/A
Paint Striping (hours)	N/A	N/A	N/A
Cold Patch (hours)	N/A	N/A	N/A
Snow & Ice Removal overtime hours	N/A	N/A	N/A
Street Improvements Cost	\$186,735	\$139,421	\$138,295
Street Improvements Cost per mile	\$1,503	\$1,134	\$1,143
Miles of City Streets	124	123	121
Tons of snow melting salt purchased (Nov-May - winter season)	3,850	4,083	5,135
Cost of salt purchased	\$177,714	\$188,538	\$239,792
<b>Water Department</b>			
Water Rates per 1st 6,000 gallons of water used (per thousand)	\$3.05	\$2.94	\$2.63
Average gallons of water billed monthly (in thousands)	63,206	71,913	69,692
Total Water Collections Annually (Including P&I) (in thousands)	\$2,183	\$2,316	\$1,822
<b>Wastewater Department</b>			
Sewer Rates per 1,000 gallons of water used	\$5.79	\$5.79	\$5.59
Average gallons of sewer billed monthly (in thousands)	41,409	42,831	40,103
Total Sewer Collections Annually (Including penalties and interest) (in thousands)	\$1,630	\$1,630	\$1,445
Total North Ridgeville Sewer Collections Annually (in thousands)	\$1,359	\$1,360	\$1,206

(1) Information for some years is not available

Source: City of Avon Records

2010	2009	2008	2007	2006	2005	2004
15,817	15,268	15,367	25,812	25,995	20,992	18,640
1,733	1,446	1,267	2,371	1,240	2,361	2,012
294	441	104	637	392	58	53
677	682	725	638	622	608	461
507	488	575	545	544	555	526
303	325	283	385	232	262	254
90	67	76	97	193	184	138
399	380	363	484	523	480	336
\$0	\$0	\$35	\$60	\$350	\$90	\$170
780	488	575	545	544	555	526
0	1	2	1	1	1	0
\$84,013	\$64,291	\$83,693	\$62,186	\$52,814	\$45,365	\$28,552
1,511	1,557	1,516	1,413	1,341	1,204	1,073
\$346,078	\$367,927	\$331,076	\$297,996	\$337,213	\$29,521	\$67,112
536	490	459	460	466	440	371
18	25	22	15	40	32	17
6	5	0	4	5	8	4
\$1,107,750	\$719,120	\$571,215	\$319,400	\$328,830	\$916,625	\$793,020
859	608	619	619	454	415	532
54	61	45	8	24	4	10
29	16	4	4	22	11	13
\$6,375	\$5,822	\$5,405	\$1,435	\$6,330	\$3,619	\$8,341
\$83,125	\$62,899	\$121,872	\$125,794	\$119,491	\$89,347	\$68,881
10,685	21,375	6,012	4,000	9,434	23,420	19,130
40	20	20	25	40	30	30
200	150	150	160	120	150	180
20	40	40	40	60	40	40
900	400	400	400	400	80	80
550	400	400	420	360	150	150
850	350	350	350	312	349	523
\$129,301	\$151,940	N/A	N/A	N/A	N/A	N/A
\$1,078	\$1,266	N/A	N/A	N/A	N/A	N/A
120	120	N/A	N/A	N/A	N/A	N/A
5,291	5,323	4,700	4,056	4,000	3,900	3,911
\$240,733	\$242,204	\$194,854	\$182,556	\$132,345	\$119,965	\$104,855
\$2.33	\$2.33	\$2.33	\$2.33	\$2.33	\$2.33	\$2.33
65,571	63,672	62,494	78,635	101,087	40,400	47,500
\$1,809	\$1,674	\$1,689	\$1,847	\$1,591	\$1,600	\$1,300
\$4.98	\$4.98	\$4.23	\$4.23	\$4.01	\$4.01	\$4.01
40,145	41,419	37,227	39,081	67,864	26,400	27,600
\$1,327	\$1,137	\$1,081	\$1,048	\$950	\$900	\$750
\$1,154	\$1,115	\$1,017	\$1,037	\$967	\$900	\$750

**City of Avon, Ohio**  
*Capital Assets Statistics by Function/Program*  
*Last Ten Years*

Function/Program	2013	2012	2011	2010
<b>General Government</b>				
Inspection Vehicles	8	8	8	7
<b>Security of Persons and Property</b>				
<b>    Police</b>				
Stations	1	1	1	1
Vehicles	34	35	33	37
<b>    Fire</b>				
Stations	1	1	1	1
Vehicles	15	15	15	14
<b>Leisure Time Activities</b>				
<b>    Recreation</b>				
Number of Parks	7	7	7	7
Number of Ice Rinks	1	1	1	1
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	12	12	12	12
Number of Tot Lots	4	4	4	4
Number of Soccer Fields	16	16	14	14
Vehicles	8	8	8	9
<b>Transportation</b>				
<b>    Service</b>				
Buildings	1	1	1	1
Service Vehicles	20	23	22	21
Streets (miles)	140.70	123.00	121.00	120.00
<b>Water and Sewer</b>				
Buildings	10	10	9	9
Water Lines (miles)	117.8	117.3	115.8	114.1
Sanitary Sewers (miles)	96.7	96.3	95.2	93.3
Vehicles	9	7	7	10

Source: City of Avon Records

2009	2008	2007	2006	2005	2004
8	9	9	9	9	8
1	1	1	1	1	1
34	27	27	27	24	18
1	1	1	1	1	1
15	16	16	16	15	15
7	7	6	6	6	6
1	1	1	3	3	3
1	1	1	1	1	1
12	11	11	11	11	11
4	4	3	3	3	3
14	14	14	10	10	10
10	6	6	5	5	4
1	1	1	1	1	1
17	16	16	16	14	12
120.00	120.00	120.00	120.00	120.00	94.18
9	9	9	9	9	8
113.58	111.55	108.38	106.5	106.50	101.00
92.97	91.34	89.06	84.5	84.50	79.00
9	9	9	8	8	6

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# City of Avon, Ohio

36080 Chester Road  
Avon, Ohio 44011  
440-937-7800

Bryan K. Jensen, Mayor

**Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance With *Government Auditing Standards***

Members of the City Council  
Avon, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Avon (the "City"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 24, 2014.

**Internal Control over Financial Reporting**

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

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

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



Members of the City Council  
Avon, Ohio

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Cini & Paricki, Inc.*

Cleveland, Ohio  
June 24, 2014

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# Dave Yost • Auditor of State

**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  
JULY 29, 2014**