

Dave Yost • Auditor of State

CITY OF AVON
LORAIN COUNTY

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Dave Yost • Auditor of State

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

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

To the City Council:

We have audited 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, Lorain County, Ohio, (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2011, wherein we noted the City implemented Governmental Accounting Standard Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" and restated the December 31, 2009 net assets of the Governmental Activities and the fund balances of the Governmental Funds due to a change in fund structure. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

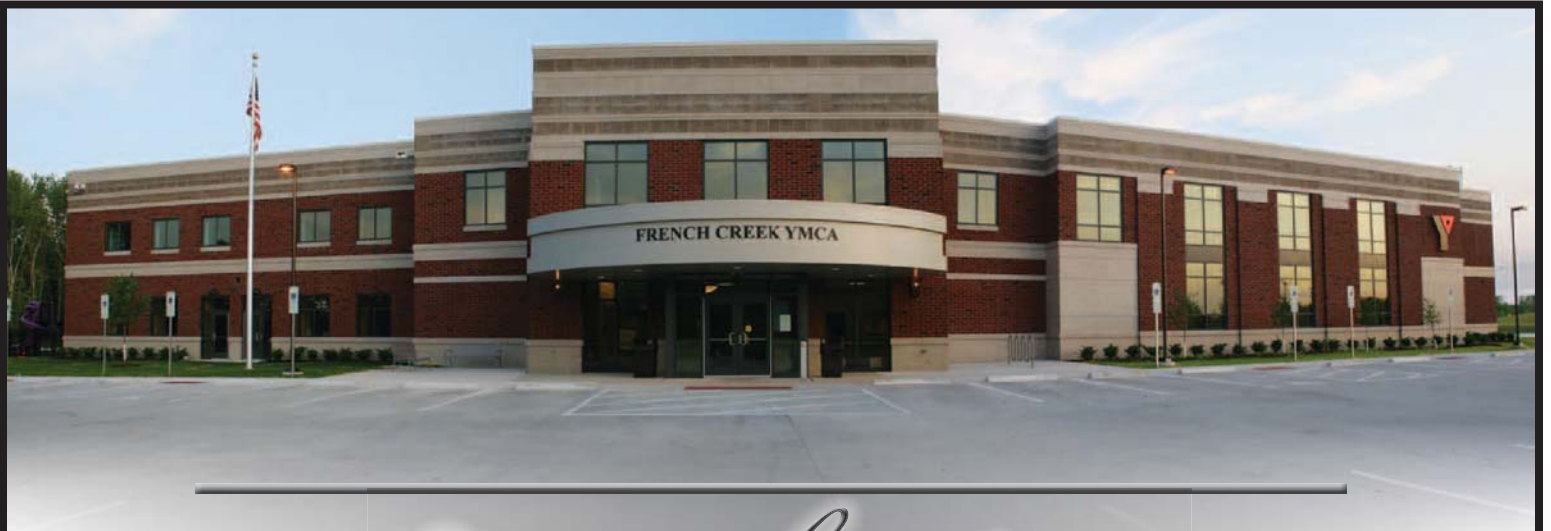
We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 27, 2011.

We intend this report solely for the information and use of management, the audit committee, City Council, and others within the City. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

June 27, 2011



City of Avon

Comprehensive Annual Financial Report



For the fiscal year ended December 31, 2010, for the City of Avon, Ohio

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James A. Smith
MAYOR

INTRODUCTION



GROUP COUNCIL: Bryan Jensen–Ward 1; Dennis McBride–Ward 2; Clint Pelfrey–Council at Large; Craig Witherspoon–Council President; Dan Urban–Ward 4; Kevin Ward–Ward 3; Dan Zegarac–Council at Large



GROUP FINANCE

Back Row: Jean Payne, Virginia Schneider,
William Logan, Randi Simkovich
Front Row: Francis Sikora, June Mitchell,
Barbara Kraus, Loretta Stockard

City of Avon, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2010

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, 2010
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CITY OF AVON

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

June 27, 2011

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, 2010.

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, 2010.

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 2010, the City of Avon was audited by the Auditor of State's Office.

Management's discussion and analysis (MD&A) immediately follows the independent accountant'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.

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

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

Legislative authority is vested in a seven-member council with four members elected from wards and three elected at large. The four ward 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. Members of Council are elected to a two-year term.

The City's Service Department works hard to respond to the needs of the residents, providing street maintenance, snow removal and maintenance of City facilities, leaf pick-up in the fall and other services.

Security is foremost on the minds of our full-time Police Department and Fire Department. 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, 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, and the Ohio Turnpike, which is approximately ten miles from the City. The City of Avon is serviced by three airports, Cleveland Hopkins International Airport, 16 miles southeast, Lorain County Regional Airport, 15 miles southwest, and Burke Lakefront Airport, 26 miles east of the City.

Shopping centers in the City of Avon include Avon Commons, Avon Crossings, Chester Road Square, French Creek Square, 2100 Place and City Centre. Several large shopping centers are located within close proximity of the City including the Promenade and Crocker Park in Westlake, Great Northern Shopping Center in North Olmsted, and Midway Mall in Elyria. Both the City of Avon and the nearby shopping centers have many fine restaurants. Located within the City are branches of 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

Both residential and commercial development grew in 2010 compared to 2009, helped by an increase in new single family homes started (increase of 31 homes over 2009) and the beginning of construction of the Cleveland Clinic on the east side of Avon. In addition, Community Health Partners purchased 33 acres of property on the west side of Avon and plan to build professional medical offices in 2011.

The number of new single-family home permits for the year 2010 was 146 with a valuation of \$41,755,807 compared to 115 single-family home permits issued the previous year with a valuation of \$32,853,664.

New and existing residential projects continue and expand in various stages including but not limited to: Amberwood, Arlington Estates, 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, Stonebridge, Stonewheel Estates, Village at Creekside, Vineyard Estates and Willow Creek.

Commercial permits issued in 2010 had a valuation of \$72,015,236 compared to \$14,968,316 in 2009. These permits include the Cleveland Clinic mentioned above and various professional offices and expansions of existing businesses, such as FlavorSeal (formerly Carroll Manufacturing).

Total 2010 assessed valuation in the City of Avon is \$779,763,250, per the Lorain County Auditor's Office (property taxes will be collected on this valuation in 2011). This is \$25,360,653 more than the 2009 valuation, or a 3 percent increase. This assessed value equates to a little more than \$2 billion at market, or appraised value. The County Auditor's Office is currently working on the sexennial update for 2012. See the history of assessed valuations in the Statistical Section of this report.

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 .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, known as the French Creek Family YMCA, and a baseball stadium, known as 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, and an outdoor pool or splash park. 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 also used by the Avon High School Varsity Baseball Team and the Cleveland State University Baseball Team for their home games. In 2010, Avon High School played 12 games and Cleveland State University played 17 games at All-Pro Freight Stadium. The stadium is owned by the City; 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 construction costs. In addition to sharing the costs of construction, the YMCA pays all operating

costs and manages all programming offered to the public at this facility. The amenities of the French Creek Family YMCA include a competitive swimming pool, basketball courts, workout areas for cardio and strength training, child care services for members and other programming typically provided by the YMCA. Membership to the YMCA is open to all residents of the entire region. Residents of the City benefit from a discounted enrollment fee. Currently the French Creek Family YMCA has over 15,000 members, of which approximately 4,800 are Avon residents.

Avon Healthcare Facilities

In late 2009, the Cleveland Clinic began construction of an 186,000 square foot facility in the City. The Cleveland Clinic is ranked as one of the nation's top four hospitals by U.S. News and World Report. The Cleveland Clinic Avon Family Health and Surgery Center (the "Avon Center") will open in Fall, 2011. The Avon Center will offer primary care services and more than 30 specialty services. It also will include a large physical therapy area with two pools for aquatic therapy, an ambulatory surgery center and a 24-hour Emergency Department with a helipad.

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, a cardiac rehabilitation program, medical offices and a health-fitness center. This is one of northeast Ohio's premier medically-based fitness centers.

In addition, Mercy Hospital, formerly known as Community Health Partners, purchased 35 acres and has brought preliminary plans to the City to construct a 58,000 square foot medical and professional complex at the City's State Route 611 interchange on I-90.

Finally, 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 33 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, fire safety inspections for both homes and 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 2,047 calls in 2010. 1,511 were emergency medical calls and 536 were fire related calls which include 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 achieved a major accomplishment in 2010. The Insurance Services Offices (ISO) reviewed the department looking at items such as training, equipment, dispatching, and water flow. ISO rates departments on a scale from 1 through 10 with 1 being the ultimate in fire protection and 10 being no fire protection. Prior to 2010 the fire department was rated 5. After the survey the department jumped to a 3, a major achievement for a department this size. ISO ratings are used to set insurance ratings throughout a community. The businesses and homeowners in Avon should see a reduction in their insurance premiums with this new rating.

In 2010 the Avon Police Department handled 18,169 calls for service and 507 traffic crashes. The department made 677 criminal arrests and 1,733 traffic charges were filed and 399 individuals were booked into the Avon City Jail.

For 2010 we saw the retirement of Sergeant Roy Dreger who served the citizens of Avon for 37 years. We also saw the addition of Patrolman Csaba Hortobagyi who came to our agency with five years of experience and has been a good addition to the department.

With the growth in the City, we have been fortunate to maintain a safe community with a high quality of life. Residents can do a lot to help keep Avon relatively crime free by continuing to always lock up their residences and vehicles and to report any suspicious activity to the police department. The police department has an anonymous tip line through our website at www.avonpd.com where residents can share information with the police department by way of email.

The Avon Senior Center provides programs and activities for anyone 55 and over. The center provides these services, which include educational seminars and health screenings, to serve the approximately 5,000 senior adults in Avon.

The Senior Center multi-purpose room is used for movies, cards, small educational seminars, and the adult health clinic appointments, just to name a few. The craft room allows seniors to participate in classes such as mosaic glass cutting, tole painting and jewelry making. Additionally, the Center has a fully functioning computer lab where seniors can come and check their emails, surf the net, practice what they've learned in between their computer classes, get some pointers from the computer coach and print out work through the network printer.

The Senior Center owns a transit bus and a car, which are used in the Center's transportation program to assist seniors and persons with disabilities in the City.

The City of Avon has seven parks totaling over 300 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. The City of Avon built a concession stand/storage building at Schwartz Road Park in 2010, and upgraded the restrooms.

The City is renovating the Avon Isle, a City owned historic dance hall and community center. A large portion of the cost of the renovation has been funded through an energy grant from the Northeast Ohio Public Energy Council. The improvements include siding, wall insulation, new roof, window replacement and other energy saving upgrades. The renovations will be completed in summer 2011.

Long-Term Financial Planning

The City issued long-term bonds in May, 2009 for the construction cost of the recreation complex facilities mentioned above, along with the post office and the Detroit Road widening project. Revenue to pay the debt service on these bonds includes the additional recreational income tax, lease payments from the Lake Erie Crushers and from the U.S. Postal Service, and Tax Incentive Financing PILOT payments (TIF).

As part of the City's long-term planning, TIF Agreements have been implemented for much of the remaining undeveloped property. The expected future PILOT payments will contribute to infrastructure improvements and to debt service on existing bonds.

The City has been working toward a new interchange for I-90 at Lear/Nagle Road, near the eastern boundary of the City and the line between Lorain and Cuyahoga Counties. This project will be managed by the Ohio Department of Transportation but funded by the City and a private developer. The project has been years in the making. In 2010, Ohio Department of Transportation (ODOT) placed this project on its "fast track" and construction of the interchange is now scheduled to begin in summer, 2011. The City has been acquiring property needed for construction of the interchange since August, 2010.

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 and a demonstrated track record of sound budgeting and financial management.

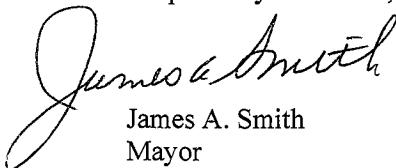
Awards and Acknowledgments

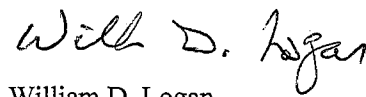
The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to a governmental unit that publishes an easily readable and efficiently organized Comprehensive Annual Financial Report which conforms to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The City of Avon received the Certificate of Achievement for its 2009 Comprehensive Annual Financial Report. 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. In 2010, the City received the Auditor of State's "Making Your Tax Dollars Count" Award.

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.

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

Respectfully submitted,


James A. Smith
Mayor


William D. Logan
Finance Director

City of Avon, Ohio
Principal Officials
 December 31, 2010

Elected Officials:

Mayor..... James A. Smith
 President of Council Craig Witherspoon
 Councilman at Large..... Dan Zegarac
 Councilman at Large..... Clint Pelfrey
 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

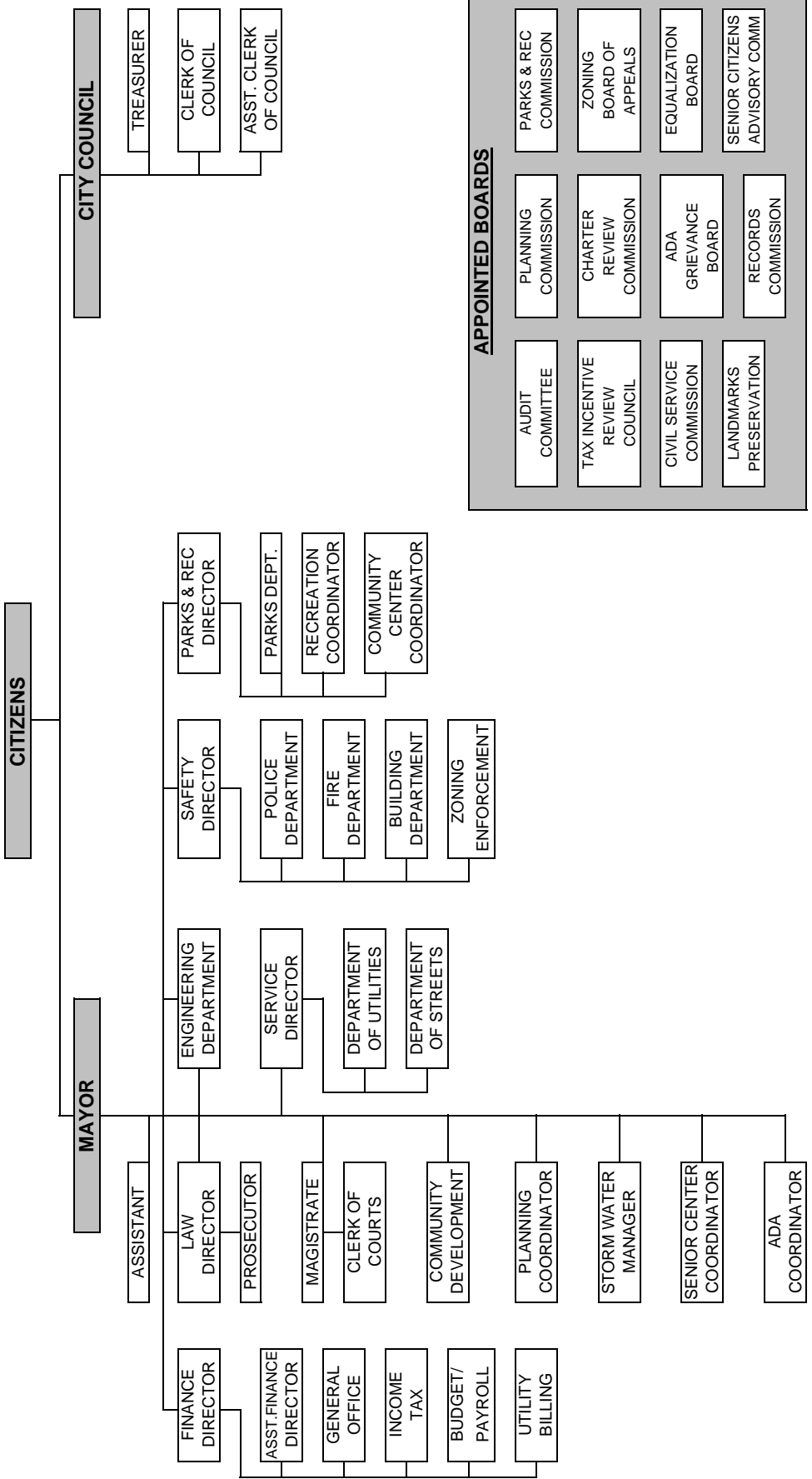
Chairmen, Boards and Commissions:

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

Other Staff Members:

Treasurer..... Barbara A. Kraus
 City Engineer Robert Knopf
 Superintendent of Utilities..... David A. Conrad
 Superintendent of Streets..... William M. Biro
 Secretary to the Mayor..... Sandra K. Martin
 Clerk of Council Ellen R. Young
 Clerk of Court..... Jill K. Clements
 Assistant Director of Finance June F. Mitchell
 Clerk Secretary of Planning Commission and Zoning Board of Appeals Dorothy A. Bommer
 Zoning Enforcement Officer..... Timothy T. Krugman
 Prosecutor Richard Kray
 City Magistrate Daniel P. Stringer
 Chief of Police Paul T. Romond
 Police Captain..... Richard A. Bosley
 Chief of Fire..... Frank Root, III
 Assistant Chief of Fire Timothy L. Golay
 Chief Building Inspector..... Kenneth A. Miller

CITY OF AVON ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Avon
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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



President

Executive Director

Senior building



FINANCIAL



Senior friends



Carmelina Barbera
Senior Coordinator



Art activity



AARP Tax assistance



Senior bus



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Avon, Lorain County, Ohio (the City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Avon, Lorain County, Ohio, as of December 31, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund, the Fire Department Fund, the Street Construction, Maintenance, and Repair Fund, and the Police Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, the City implemented Governmental Accounting Standard Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" and restated the December 31, 2009 net assets of the Governmental Activities and the fund balances of the Governmental Funds due to a change in fund structure.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential 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 other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements and individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Dave Yost
Auditor of State

June 27, 2011

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

The discussion and analysis of the City of Avon's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2010. 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 2010 are:

- In April, the French Creek Family YMCA opened in the Recreation Complex area at State Route 611 and Miller Road, next door to All Pro Freight Stadium. This YMCA presently has over 15,000 members.
- Income tax collections increased on a cash basis 2.6 percent. On the accrual basis, income taxes were slightly higher.
- On May 12, 2010, the City issued \$5,675,000 in new notes for the YMCA construction project.

Using This Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the City of Avon as a Whole

Statement of Net Assets and Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City do financially during 2010?" The *Statement of Net Assets* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

The *Statement of Net Assets* and the *Statement of Activities* are divided into the following categories:

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

Reporting the City of Avon's Most Significant Funds

Fund Financial Statements

The presentation of the City's funds begins on page 8. 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, special assessment bond retirement, I-90 interchange study, recreation complex, 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 Assets* and the *Statement of Activities*) and governmental funds is reconciled in the financial statements.

Proprietary Funds

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

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The City of Avon as a Whole

The *Statement of Net Assets* looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2010 compared to 2009.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and Other Assets	\$30,302,170	\$29,227,107	\$4,917,808	\$5,019,152	\$35,219,978	\$34,246,259
Capital Assets, Net	97,968,113	92,858,314	27,087,992	28,529,694	125,056,105	121,388,008
<i>Total Assets</i>	<u>128,270,283</u>	<u>122,085,421</u>	<u>32,005,800</u>	<u>33,548,846</u>	<u>160,276,083</u>	<u>155,634,267</u>
Current and Other Liabilities	18,064,782	7,374,448	662,478	250,433	18,727,260	7,624,881
Long-Term Liabilities:						
Due Within One Year	1,876,911	1,818,692	346,006	331,199	2,222,917	2,149,891
Due In More Than One Year	51,877,779	53,410,125	1,458,222	1,791,500	53,336,001	55,201,625
<i>Total Liabilities</i>	<u>71,819,472</u>	<u>62,603,265</u>	<u>2,466,706</u>	<u>2,373,132</u>	<u>74,286,178</u>	<u>64,976,397</u>
Invested in Capital Assets, Net of Related Debt	54,276,654	46,612,947	26,368,440	27,616,704	80,645,094	74,229,651
Restricted:						
Capital Projects	0	1,129,478	0	0	0	1,129,478
Debt Service	1,347,716	1,445,051	0	0	1,347,716	1,445,051
Other Purposes	2,626,091	3,514,887	0	0	2,626,091	3,514,887
Unrestricted (Deficit)	(1,799,650)	6,779,793	3,170,654	3,559,010	1,371,004	10,338,803
<i>Total Net Assets</i>	<u>\$56,450,811</u>	<u>\$59,482,156</u>	<u>\$29,539,094</u>	<u>\$31,175,714</u>	<u>\$85,989,905</u>	<u>\$90,657,870</u>

Total assets increased during 2010 \$4.6 million. The increase was due to an increase in capital assets, primarily a result of the new YMCA mentioned earlier.

Total liabilities increased during 2010 \$9.3 million primarily as a result of bond anticipatory notes issued for the upcoming I-90 interchange project.

Total net assets decreased during 2010 \$4.7 million. The decrease in governmental net assets was primarily due to the increased contracts payable. The decrease in business-type activities net assets is primarily due to the reduction in capital assets.

City of Avon, Ohio
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Table 2 shows the changes in net assets for the year ended December 31, 2010.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues:						
Charges for Services	\$1,855,038	\$2,092,031	\$3,970,545	\$3,636,841	\$5,825,583	\$5,728,872
Operating Grants and Contributions	1,773,562	1,475,770	0	0	1,773,562	1,475,770
Capital Grants and Contributions	0	1,248,332	310,925	453,148	310,925	1,701,480
Total Program Revenues	3,628,600	4,816,133	4,281,470	4,089,989	7,910,070	8,906,122
General Revenues:						
Property Taxes	4,261,498	4,328,883	0	0	4,261,498	4,328,883
Municipal Income Taxes	9,258,808	9,242,956	0	0	9,258,808	9,242,956
Grants and Entitlements	1,837,467	979,590	0	0	1,837,467	979,590
Investment Earnings	293,374	315,399	8,309	7,499	301,683	322,898
Payment in Lieu of Taxes	1,319,031	668,139	0	0	1,319,031	668,139
Miscellaneous	607,322	1,165,347	34,455	16,746	641,777	1,182,093
Total General Revenues	17,577,500	16,700,314	42,764	24,245	17,620,264	16,724,559
Total Revenues	21,206,100	21,516,447	4,324,234	4,114,234	25,530,334	25,630,681
Program Expenses						
General Government	4,349,901	3,042,622	0	0	4,349,901	3,042,622
Security of Persons and Property	8,611,264	7,948,875	0	0	8,611,264	7,948,875
Transportation	6,025,615	5,140,893	0	0	6,025,615	5,140,893
Community Environment	1,236,395	1,406,060	0	0	1,236,395	1,406,060
Basic Utility Services	862,479	495,523	0	0	862,479	495,523
Leisure Time Activities	1,104,319	1,130,300	0	0	1,104,319	1,130,300
Interest and Fiscal Charges	2,211,663	1,669,318	0	0	2,211,663	1,669,318
Water	0	0	3,924,685	2,392,503	3,924,685	2,392,503
Sewer	0	0	1,871,978	2,127,598	1,871,978	2,127,598
Total Expenses	24,401,636	20,833,591	5,796,663	4,520,101	30,198,299	25,353,692
Increase (Decrease) in Net Assets						
Before Transfers	(3,195,536)	682,856	(1,472,429)	(405,867)	(4,667,965)	276,989
Transfers	164,191	(294,388)	(164,191)	294,388	0	0
Increase (Decrease) in Net Assets	(3,031,345)	388,468	(1,636,620)	(111,479)	(4,667,965)	276,989
Net Assets, January 1	59,482,156	59,093,688	31,175,714	31,287,193	90,657,870	90,380,881
Net Assets, December 31	\$56,450,811	\$59,482,156	\$29,539,094	\$31,175,714	\$85,989,905	\$90,657,870

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Program revenues decreased slightly due to the decreased contributions of federal funds received for construction projects. 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 Tax Increment Financing payments in lieu of taxes from the County.

The two largest governmental activities expenses are related to security of persons and property and transportation. Transportation expenses increased due to purchases of property needed for the City's I-90 interchange project.

Program revenues make up a significant portion of the total revenues for business-type activities. Capital grants and contributions decreased from the prior year. In 2009, the City received federal grants for the Detroit Road widening project, but did not receive similar monies in 2010.

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 2010, the revenue from income taxes increased slightly.

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 12,500 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.

The three main governmental activities program expenses for 2010 were security of persons and property expenses, transportation expenses, followed by general government expenses.

Transportation expenses consist of depreciation, maintenance and repairs to the City's roads and infrastructure. The City paid for these projects primarily from general revenues, a part of which is provided by City income tax. The City takes great pride in maintaining its streets in good condition and continues to set aside money towards future capital maintenance and repairs.

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 and also 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.

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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. Like the Police Department, the Fire Department too 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.

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	
	2010	2009	2010	2009
General Government	\$4,349,901	\$3,042,622	\$3,076,422	\$1,507,617
Security of Persons and Property	8,611,264	7,948,875	8,378,180	7,796,901
Transportation	6,025,615	5,140,893	4,786,218	2,819,316
Community Environment	1,236,395	1,406,060	691,877	894,721
Basic Utility Services	862,479	495,523	862,479	475,471
Leisure Time Activities	1,104,319	1,130,300	766,197	854,114
Interest and Fiscal Charges	2,211,663	1,669,318	2,211,663	1,669,318
Total Cost of Services	<u>\$24,401,636</u>	<u>\$20,833,591</u>	<u>\$20,773,036</u>	<u>\$16,017,458</u>

BUSINESS-TYPE ACTIVITIES

Utility services for water and sewer saw a decrease in capital grants and contributions due to less residential activity of developers.

The City's Funds

Information about the City's governmental funds begins on page 18. These funds are accounted for by using the modified accrual basis of accounting. All governmental funds had total revenues of \$21,585,449 and expenditures of \$36,699,041. The most significant fund is the general fund with a year-end fund balance of \$9,716,251, which included an unassigned fund balance of \$8,632,072 compared to annual expenditures of \$3,669,465. While revenues exceeded expenditures by \$6,180,643, most of the excess 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 was \$1,813,462.

The fire department has completed seven years as a full-time department in its building that was constructed in 2003. Revenues in the fire department fund of \$3,562,396 exceeded expenditures of \$3,373,336 by \$189,060. The fire department fund balance decreased by \$735,940, due to transfers to the police department fund. The street construction maintenance and repair fund had revenues of \$2,250,954 which exceeded expenditures of \$1,757,666 by \$493,288. This increase was due to the receipt of intergovernmental revenues, including motor vehicle licensing fees and gasoline tax. The street department constructs, maintains and repairs the various streets of the City. The police fund balance increased by \$198,637 due to an increase in intergovernmental revenues. The special assessment bond retirement fund balance decreased

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\$35,860. The I-90 Interchange Study fund balance decreased \$3,902,799 as a result of property acquisitions needed for the right-of-way for the new interchange. The recreation complex fund balance decreased due to the repayment of notes.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During the course of 2010 the City amended its general fund budget for a total increase in certified revenues in the amount of \$4,059,573. 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. The legal level of budgetary control has been established by Council at the department fund, 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.

For the general fund, the original budgeted revenues were \$5,672,169, and the final budgeted amount was \$9,731,742. Of this \$4,059,573 difference, most was due to increased property and income taxes, charges for services, intergovernmental revenues received, licenses and permits cost adjustments and interest revenue. The actual revenues of \$9,751,197 received by the City were \$19,455 more than the final budgeted amount.

Original appropriations of \$2,979,960 were increased during the year by \$1,788,261 to establish final appropriations of \$4,768,221 for the year. These increases were due primarily to additions of General Fund contributions to capital projects. The actual expenditures of \$3,705,974 were \$1,062,247 less than the final budgeted amount. Final expenditures often are less than budget. 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 City continued to maintain a respectable level of liquidity in the general fund by maintaining a cash fund balance at year-end of 67.7 percent of total actual revenues received during the year.

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Capital Assets and Debt Administration

Capital Assets

Total capital assets (net of depreciation) for the governmental activities are \$97,968,113, which is an increase from the prior year. The increase is due to the purchase of land in the center of town for future use and the completion of the French Creek Family YMCA. Total capital assets (net of depreciation) for the business activities decreased slightly due to less additions and less infrastructure acceptance in sanitary sewer lines from developers.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$4,881,014	\$3,187,493	\$7,580	\$7,580	\$4,888,594	\$3,195,073
Construction in Progress	163,244	9,871,952	0	0	163,244	9,871,952
Land Improvements	270,922	336,971	0	0	270,922	336,971
Buildings and Improvements	41,985,244	29,094,047	1,043,492	1,066,964	43,028,736	30,161,011
Machinery and Equipment	911,846	1,033,941	129,245	876,543	1,041,091	1,910,484
Vehicles	1,761,305	1,234,442	49,324	59,939	1,810,629	1,294,381
Infrastructure						
Park Improvements	853,089	891,712	0	0	853,089	891,712
Streets	26,181,230	27,230,107	0	0	26,181,230	27,230,107
Bridges and Culverts	1,765,516	1,120,108	0	0	1,765,516	1,120,108
Traffic Signals	1,438,987	1,381,745	0	0	1,438,987	1,381,745
Storm Sewer	15,728,795	15,935,978	0	0	15,728,795	15,935,978
Water Lines	2,026,921	1,539,818	9,986,287	10,392,118	12,013,208	11,931,936
Sewer Lines	0	0	15,872,064	16,126,550	15,872,064	16,126,550
<i>Total Capital Assets</i>	<u>\$97,968,113</u>	<u>\$92,858,314</u>	<u>\$27,087,992</u>	<u>\$28,529,694</u>	<u>\$125,056,105</u>	<u>\$121,388,008</u>

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

Debt

On December 31, 2010, the City of Avon had governmental debt of \$51,872,564 in bonds, loans and notes outstanding, with \$1,760,941 due within one year. Table 5 summarizes bonds, loans, contractual commitments and notes outstanding.

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Table 5
Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
General Obligation Bonds	\$42,987,841	\$44,441,334	\$419,158	\$490,581	\$43,406,999	\$44,931,915
Special Assessment Bonds	2,959,042	3,208,858	0	0	2,959,042	3,208,858
OPWC Loans	198,811	215,286	0	0	198,811	215,286
OWDA Loans	0	0	301,923	425,464	301,923	425,464
Intergovernmental Payable	0	0	952,191	1,074,817	952,191	1,074,817
Notes Payable	5,726,870	5,600,000	0	0	5,726,870	5,600,000
Total	\$51,872,564	\$53,465,478	\$1,673,272	\$1,990,862	\$53,545,836	\$55,456,340

General obligation bonds for governmental activities include Just Imagine Drive Paving, North Branch Sewer Avins Ditch, Moore Road Improvement, Veteran's Park, Service Garage, Schneider Court Improvements, All Pro Freight Stadium, YMCA/Recreation Center and related recreation complex infrastructure improvements, and various refunding bonds. Governmental activities also includes 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 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 Route 83 Sewer Improvements, Chester Road Sanitary Sewer, Moore/Chester Road Waterline, Chester Road Waterline East, Avon Road Waterline, North Branch Sewer Avins Ditch, Moore Road Improvement, Mills, Jaycox, Sandy Lane Improvements, Schneider Court Improvements and a various purpose sanitary sewer project. 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 and the Jaycox Road/Chester Improvements. 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 proprietary fund.

The City retired \$5,600,000 in general obligation bond anticipation notes and issued \$5,675,000 in new notes with a maturity date of May 11, 2011. The notes issued were for the YMCA/recreation center construction project.

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, 2010 is \$952,191. This amount has been recorded on Avon's financial statements as a long-term liability in the water enterprise fund.

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The City's overall legal ten and one-half percent debt limitation (voted and unvoted) on December 31, 2010 was \$67,765,090. The aggregate outstanding debt subject to the ten and one-half percent limitation is \$30,044,960. The difference of \$37,720,130 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 11 and 12 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. 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 ten areas designated as TIF districts. The revenues derived from these districts are used for infrastructure related projects and the associated debt service.

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 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 2010, the City was awarded a \$170,000 energy grant through the Northeast Ohio Public Energy Council (NOPEC) to renovate the Avon Isle. The City has re-built the bridge over French Creek to the Avon Isle helped by a \$50,000 grant through the Ohio Department of Natural Resources.

The City has been working toward a new interchange for I-90 at Lear/Nagle Road, near the eastern boundary of the City and the line between Lorain and Cuyahoga Counties. This project will be managed by the Ohio Department of Transportation (ODOT) but funded by the City and a private developer. The project has been years in the making. In 2010, ODOT placed this project on its "fast track" and construction of the interchange is now scheduled to begin in summer, 2011. The City has been acquiring property needed for construction of the interchange since August, 2010.

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 facility improvements and acquisitions, and continue to pay cash for all equipment and other major purchases necessary to maintain decent level of services. 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.

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

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 has early implemented GASB Statement 54 in the 2010 CAFR. 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.

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.

Basic Financial Statements

City of Avon, Ohio
Statement of Net Assets
December 31, 2010

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$17,383,709	\$3,310,479	\$20,694,188
Interest Receivable	2,555	77,783	80,338
Materials and Supplies Inventory	141,741	375,219	516,960
Accounts Receivable	7,529	244,045	251,574
Internal Balances	324,900	(324,900)	0
Intergovernmental Receivable	1,621,600	0	1,621,600
Prepaid Items	50,214	6,000	56,214
Municipal Income Taxes Receivable	2,216,006	0	2,216,006
Property Taxes Receivable	4,695,055	0	4,695,055
Payments in Lieu of Taxes Receivable	884,128	0	884,128
Special Assessments Receivable	2,959,042	156,681	3,115,723
Deferred Charges	15,691	1,072,501	1,088,192
Capital Assets, Non-Depreciable	5,044,258	7,580	5,051,838
Capital Assets, Depreciable, Net	92,923,855	27,080,412	120,004,267
<i>Total Assets</i>	<u>128,270,283</u>	<u>32,005,800</u>	<u>160,276,083</u>
Liabilities			
Accounts Payable	323,667	101,946	425,613
Contracts Payable	2,075,031	364	2,075,395
Accrued Wages and Benefits	132,258	10,831	143,089
Intergovernmental Payable	459,271	21,885	481,156
Deferred Revenue	5,366,217	0	5,366,217
Accrued Interest Payable	288,338	102,452	390,790
Notes Payable	9,420,000	425,000	9,845,000
Long-Term Liabilities:			
Due Within One Year	1,876,911	346,006	2,222,917
Due In More Than One Year	51,877,779	1,458,222	53,336,001
<i>Total Liabilities</i>	<u>71,819,472</u>	<u>2,466,706</u>	<u>74,286,178</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	54,276,654	26,368,440	80,645,094
Restricted for:			
Debt Service	1,347,716	0	1,347,716
Fire Department	376,263	0	376,263
Street Construction, Maintenance and Repair	1,760,913	0	1,760,913
Park Operating	185,911	0	185,911
Other Purposes	303,004	0	303,004
Unrestricted (Deficit)	(1,799,650)	3,170,654	1,371,004
<i>Total Net Assets</i>	<u>\$56,450,811</u>	<u>\$29,539,094</u>	<u>\$85,989,905</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Activities
For the Year Ended December 31, 2010

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities				
General Government	\$4,349,901	\$1,122,652	\$150,827	\$0
Security of Persons and Property	8,611,264	2,340	230,744	0
Transportation	6,025,615	0	1,239,397	0
Community Environment	1,236,395	457,238	87,280	0
Basic Utility Services	862,479	0	0	0
Leisure Time Activities	1,104,319	272,808	65,314	0
Interest and Fiscal Charges	2,211,663	0	0	0
<i>Total Governmental Activities</i>	<u>24,401,636</u>	<u>1,855,038</u>	<u>1,773,562</u>	<u>0</u>
Business-Type Activities				
Water	3,924,685	2,613,627	0	0
Sewer	1,871,978	1,356,918	0	310,925
<i>Total Business-Type Activities</i>	<u>5,796,663</u>	<u>3,970,545</u>	<u>0</u>	<u>310,925</u>
<i>Total</i>	<u>\$30,198,299</u>	<u>\$5,825,583</u>	<u>\$1,773,562</u>	<u>\$310,925</u>

General Revenues

Property Taxes Levied for:

General Purposes
Streets
Police
Park Operating
Library Bond Retirement
Equipment

Municipal Income Taxes Levied for

General Purposes
Fire Department
Recreation Complex

Grants and Entitlements not Restricted
to Specific Programs

Investment Earnings
Payment in Lieu of Taxes
Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activity	Total
(\$3,076,422)	\$0	(\$3,076,422)
(8,378,180)	0	(8,378,180)
(4,786,218)	0	(4,786,218)
(691,877)	0	(691,877)
(862,479)	0	(862,479)
(766,197)	0	(766,197)
(2,211,663)	0	(2,211,663)
(20,773,036)	0	(20,773,036)
0	(1,311,058)	(1,311,058)
0	(204,135)	(204,135)
0	(1,515,193)	(1,515,193)
(20,773,036)	(1,515,193)	(22,288,229)
1,496,579	0	1,496,579
1,223,635	0	1,223,635
613,253	0	613,253
289,808	0	289,808
78,640	0	78,640
559,583	0	559,583
4,692,358	0	4,692,358
3,386,770	0	3,386,770
1,179,680	0	1,179,680
1,837,467	0	1,837,467
293,374	8,309	301,683
1,319,031	0	1,319,031
607,322	34,455	641,777
17,577,500	42,764	17,620,264
164,191	(164,191)	0
17,741,691	(121,427)	17,620,264
(3,031,345)	(1,636,620)	(4,667,965)
59,482,156	31,175,714	90,657,870
\$56,450,811	\$29,539,094	\$85,989,905

City of Avon, Ohio

Balance Sheet

Governmental Funds

December 31, 2010

	General	Fire Department	Street Construction, Maintenance and Repair	Police
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$5,538,659	\$178,694	\$1,321,858	\$327,864
Materials and Supplies Inventory	6,887	13,646	101,633	13,182
Accounts Receivable	7,529	0	0	0
Interfund Receivable	2,120,174	0	0	0
Intergovernmental Receivable	805,653	0	526,692	107,055
Accrued Interest Receivable	2,555	0	0	0
Prepaid Items	18,728	10,000	6,000	14,986
Municipal Income Taxes Receivable	1,152,323	775,602	0	0
Property Taxes Receivable	1,691,907	0	1,333,807	666,645
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	974,616	0	0	0
<i>Total Assets</i>	<u>\$12,319,031</u>	<u>\$977,942</u>	<u>\$3,289,990</u>	<u>\$1,129,732</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$80,366	\$6,812	\$57,482	\$33,853
Contracts Payable	2,027	0	1,231	2,500
Accrued Wages and Benefits	25,754	39,546	12,723	49,391
Interfund Payable	0	0	0	0
Intergovernmental Payable	41,950	186,597	29,613	187,813
Deferred Revenue	2,452,683	233,953	1,729,875	773,700
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
<i>Total Liabilities</i>	<u>2,602,780</u>	<u>466,908</u>	<u>1,830,924</u>	<u>1,047,257</u>
Fund Balances				
Nonspendable	25,615	23,646	107,633	28,168
Restricted	974,616	487,388	1,327,118	54,307
Committed	0	0	0	0
Assigned	83,948	0	24,315	0
Unassigned (Deficit)	8,632,072	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>9,716,251</u>	<u>511,034</u>	<u>1,459,066</u>	<u>82,475</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$12,319,031</u>	<u>\$977,942</u>	<u>\$3,289,990</u>	<u>\$1,129,732</u>

See accompanying notes to the basic financial statements

Special Assessment Bond Retirement	I-90 Interchange Study	Recreation Complex	Other Governmental Funds	Total Governmental Funds
\$325,453	\$4,041,786	\$423,204	\$4,251,575	\$16,409,093
0	0	0	6,393	141,741
0	0	0	0	7,529
0	0	0	0	2,120,174
0	0	0	182,200	1,621,600
0	0	0	0	2,555
0	0	0	500	50,214
0	0	288,081	0	2,216,006
0	0	0	1,002,696	4,695,055
0	0	0	884,128	884,128
2,959,042	0	0	0	2,959,042
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>974,616</u>
<u>\$3,284,495</u>	<u>\$4,041,786</u>	<u>\$711,285</u>	<u>\$6,327,492</u>	<u>\$32,081,753</u>
\$0	\$64,084	\$0	\$81,070	\$323,667
0	1,560,075	108,000	401,198	2,075,031
0	0	0	4,844	132,258
0	0	1,043,000	752,274	1,795,274
0	0	0	13,298	459,271
2,959,042	0	87,198	2,042,181	10,278,632
0	35,875	0	17,767	53,642
0	6,300,000	0	3,120,000	9,420,000
<u>2,959,042</u>	<u>7,960,034</u>	<u>1,238,198</u>	<u>6,432,632</u>	<u>24,537,775</u>
0	0	0	6,893	191,955
325,453	0	4,121,834	1,855,453	9,146,169
0	0	0	186,029	186,029
0	0	0	62,290	170,553
0	(3,918,248)	(4,648,747)	(2,215,805)	(2,150,728)
<u>325,453</u>	<u>(3,918,248)</u>	<u>(526,913)</u>	<u>(105,140)</u>	<u>7,543,978</u>
<u>\$3,284,495</u>	<u>\$4,041,786</u>	<u>\$711,285</u>	<u>\$6,327,492</u>	<u>\$32,081,753</u>

City of Avon, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2010*

Total Governmental Fund Balances	\$7,543,978
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*Amounts reported for governmental activities in
 the statement of net assets are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	97,968,113
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Special Assessments	2,959,042
Delinquent Property Taxes	212,967
Intergovernmental	1,069,651
Municipal Income Taxes	670,755

Total	4,912,415
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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(234,696)
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Bond issuance costs are considered deferred charges and will be amortized over the life of the bonds on the statement of net assets.	15,691
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

General Obligation Bonds	(42,669,027)
Premium	(423,868)
Refunding	53,184
Special Assessment Bonds	(2,959,042)
OPWC Loans	(198,811)
Notes Payable	(5,675,000)
Compensated Absences	(1,882,126)

Total	(53,754,690)
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<i>Net Assets of Governmental Activities</i>	<u><u>\$56,450,811</u></u>
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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, 2010

	General	Fire Department	Street Construction, Maintenance and Repair	Police	Special Assessment Bond Retirement
Revenues					
Property Taxes	\$1,492,802	\$0	\$1,220,607	\$610,830	\$0
Payment in Lieu of Taxes	0	0	0	0	0
Municipal Income Taxes	4,931,551	3,546,374	0	0	0
Charges for Services	472,696	0	0	0	0
Licenses and Permits	913,420	0	0	0	0
Fines and Forfeitures	140,762	0	0	2,340	0
Intergovernmental	1,688,412	0	1,018,047	168,351	0
Special Assessments	0	0	0	0	249,816
Interest	91,978	1,772	5,350	0	165,341
Contributions and Donations	5,000	0	0	0	0
Rentals	0	0	0	0	0
Miscellaneous	113,487	14,250	6,950	52,401	0
<i>Total Revenues</i>	<u>9,850,108</u>	<u>3,562,396</u>	<u>2,250,954</u>	<u>833,922</u>	<u>415,157</u>
Expenditures					
Current:					
General Government	2,567,063	0	0	0	19,209
Security of Persons and Property	0	3,373,336	0	4,460,285	0
Transportation	0	0	1,742,380	0	0
Community Environment	1,086,268	0	0	0	0
Basic Utility Services	0	0	15,286	0	0
Leisure Time Activities	16,134	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	249,816
Interest and Fiscal Charges	0	0	0	0	164,772
<i>Total Expenditures</i>	<u>3,669,465</u>	<u>3,373,336</u>	<u>1,757,666</u>	<u>4,460,285</u>	<u>433,797</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>6,180,643</u>	<u>189,060</u>	<u>493,288</u>	<u>(3,626,363)</u>	<u>(18,640)</u>
Other Financing Sources (Uses)					
Notes Issued	0	0	0	0	0
Premium on General Obligation Notes Issued	0	0	0	0	0
Transfers In	1,505,669	0	0	3,825,000	0
Transfers Out	(5,872,850)	(925,000)	(188,331)	0	(17,220)
<i>Total Other Financing Sources (Uses)</i>	<u>(4,367,181)</u>	<u>(925,000)</u>	<u>(188,331)</u>	<u>3,825,000</u>	<u>(17,220)</u>
<i>Net Change in Fund Balances</i>	1,813,462	(735,940)	304,957	198,637	(35,860)
<i>Fund Balances (Deficit)</i>					
<i>Beginning of Year - Restated (See Note 3)</i>	<u>7,902,789</u>	<u>1,246,974</u>	<u>1,154,109</u>	<u>(116,162)</u>	<u>361,313</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$9,716,251</u>	<u>\$511,034</u>	<u>\$1,459,066</u>	<u>\$82,475</u>	<u>\$325,453</u>

See accompanying notes to the basic financial statements

(continued)

City of Avon, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds (continued)
For the Year Ended December 31, 2010

	I-90 Interchange Study	Recreation Complex	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$0	\$0	\$924,712	\$4,248,951
Payment in Lieu of Taxes	0	0	1,319,031	1,319,031
Municipal Income Taxes	0	1,232,623	0	9,710,548
Charges for Services	0	0	144,601	617,297
Licenses and Permits	0	0	176,639	1,090,059
Fines and Forfeitures	0	0	4,885	147,987
Intergovernmental	0	0	421,254	3,296,064
Special Assessments	0	0	0	249,816
Interest	8,843	14,831	5,259	293,374
Contributions and Donations	0	0	0	5,000
Rentals	0	0	380,000	380,000
Miscellaneous	0	8,376	31,858	227,322
<i>Total Revenues</i>	<u>8,843</u>	<u>1,255,830</u>	<u>3,408,239</u>	<u>21,585,449</u>
Expenditures				
Current:				
General Government	0	38,136	826,752	3,451,160
Security of Persons and Property	0	0	1,149	7,834,770
Transportation	0	0	292,780	2,035,160
Community Environment	0	0	117,812	1,204,080
Basic Utility Services	0	0	0	15,286
Leisure Time Activities	0	0	824,808	840,942
Capital Outlay	3,875,767	3,448,997	4,474,823	11,799,587
Debt Service:				
Principal Retirement	0	5,600,000	1,476,353	7,326,169
Interest and Fiscal Charges	35,875	72,598	1,918,642	2,191,887
<i>Total Expenditures</i>	<u>3,911,642</u>	<u>9,159,731</u>	<u>9,933,119</u>	<u>36,699,041</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,902,799)</u>	<u>(7,903,901)</u>	<u>(6,524,880)</u>	<u>(15,113,592)</u>
Other Financing Sources (Uses)				
Notes Issued	0	5,675,000	0	5,675,000
Premium on General Obligation Notes Issued	0	0	51,870	51,870
Transfers In	0	0	6,011,169	11,341,838
Transfers Out	0	(2,793,561)	(1,380,685)	(11,177,647)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>2,881,439</u>	<u>4,682,354</u>	<u>5,891,061</u>
<i>Net Change in Fund Balances</i>	<u>(3,902,799)</u>	<u>(5,022,462)</u>	<u>(1,842,526)</u>	<u>(9,222,531)</u>
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year - Restated (See Note 3)</i>	<u>(15,449)</u>	<u>4,495,549</u>	<u>1,737,386</u>	<u>16,766,509</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$3,918,248)</u>	<u>(\$526,913)</u>	<u>(\$105,140)</u>	<u>\$7,543,978</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, 2010*

Net Change in Fund Balances - Total Governmental Funds (\$9,222,531)

*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	8,178,154	
Capital Contributions	791,915	
Current Year Depreciation	<u>(3,771,791)</u>	
Total		5,198,278

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. (88,479)

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

Delinquent Property Taxes	12,547	
Fines and Forfeitures	(305)	
Intergovernmental	309,965	
Special Assessments	(249,816)	
Municipal Income Taxes	<u>(451,740)</u>	
Total		(379,349)

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

Notes Issued	(5,675,000)	
Premium on Notes Issued	<u>(51,870)</u>	
Total		(5,726,870)

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 assets. 7,326,169

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

Accrued Interest	13,526	
Amortization of Bond Issuance Costs	(26,917)	
Amortization of Gain on Refunding	(12,845)	
Amortization of Bond Premium	<u>6,460</u>	
Total		(19,776)

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. (118,787)

Change in Net Assets of Governmental Activities (\$3,031,345)

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Property Taxes	\$861,658	\$1,492,802	\$1,492,802	\$0
Municipal Income Taxes	2,822,875	4,890,565	4,890,565	0
Charges for Services	403,408	698,895	703,044	4,149
Licenses and Permits	522,094	904,516	913,420	8,904
Fines and Forfeitures	78,674	136,301	140,762	4,461
Contributions and Donations	2,886	5,000	5,000	0
Intergovernmental	877,122	1,425,695	1,426,234	539
Interest	38,028	65,883	65,883	0
Miscellaneous	65,424	112,085	113,487	1,402
<i>Total Revenues</i>	<u>5,672,169</u>	<u>9,731,742</u>	<u>9,751,197</u>	<u>19,455</u>
Expenditures				
Current:				
General Government	1,872,966	3,300,250	2,571,191	729,059
Community Environment	1,106,994	1,467,971	1,134,783	333,188
<i>Total Expenditures</i>	<u>2,979,960</u>	<u>4,768,221</u>	<u>3,705,974</u>	<u>1,062,247</u>
<i>Excess of Revenues Over Expenditures</i>	<u>2,692,209</u>	<u>4,963,521</u>	<u>6,045,223</u>	<u>1,081,702</u>
Other Financing Sources (Uses)				
Advances In	499,503	542,100	542,100	0
Advances Out	(700,000)	(722,425)	(429,900)	292,525
Transfers In	1,557,158	1,718,169	1,718,169	0
Transfers Out	(5,499,175)	(6,085,350)	(6,085,350)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(4,142,514)</u>	<u>(4,547,506)</u>	<u>(4,254,981)</u>	<u>292,525</u>
<i>Net Change in Fund Balance</i>	(1,450,305)	416,015	1,790,242	1,374,227
<i>Fund Balance Beginning of Year</i>	4,647,945	4,647,945	4,647,945	0
Prior Year Encumbrances Appropriated	161,393	161,393	161,393	0
<i>Fund Balance End of Year</i>	<u>\$3,359,033</u>	<u>\$5,225,353</u>	<u>\$6,599,580</u>	<u>\$1,374,227</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Department Fund
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Municipal Income Taxes	\$3,550,119	\$3,511,521	\$3,511,521	\$0
Interest	2,090	2,067	2,067	0
Miscellaneous	14,391	14,235	14,250	15
<i>Total Revenues</i>	3,566,600	3,527,823	3,527,838	15
Expenditures				
Current:				
Security of Persons and Property	3,704,390	3,597,234	3,463,626	133,608
<i>Excess of Revenues Over (Under) Expenditures</i>	(137,790)	(69,411)	64,212	133,623
Other Financing Uses				
Transfers Out	(925,000)	(925,000)	(925,000)	0
<i>Net Change in Fund Balance</i>	(1,062,790)	(994,411)	(860,788)	133,623
<i>Fund Balance Beginning of Year</i>	1,026,377	1,026,377	1,026,377	0
Prior Year Encumbrances Appropriated	5,640	5,640	5,640	0
<i>Fund Balance (Deficit) End of Year</i>	(\$30,773)	\$37,606	\$171,229	\$133,623

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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Property Taxes	\$1,293,266	\$1,220,607	\$1,220,607	\$0
Intergovernmental	1,021,402	964,017	1,013,762	49,745
Interest	6,357	6,000	5,535	(465)
Miscellaneous	7,363	6,950	6,950	0
<i>Total Revenues</i>	<u>2,328,388</u>	<u>2,197,574</u>	<u>2,246,854</u>	<u>49,280</u>
Expenditures				
Current:				
Transportation	2,077,302	2,077,302	1,872,648	204,654
Basic Utilities	30,788	30,788	30,788	0
<i>Total Expenditures</i>	<u>2,108,090</u>	<u>2,108,090</u>	<u>1,903,436</u>	<u>204,654</u>
<i>Excess of Revenues Over Expenditures</i>	220,298	89,484	343,418	253,934
Other Financing Uses				
Transfers Out	(188,331)	(188,331)	(188,331)	0
<i>Net Change in Fund Balance</i>	31,967	(98,847)	155,087	253,934
<i>Fund Balance Beginning of Year</i>	900,013	900,013	900,013	0
Prior Year Encumbrances Appropriated	118,380	118,380	118,380	0
<i>Fund Balance End of Year</i>	<u>\$1,050,360</u>	<u>\$919,546</u>	<u>\$1,173,480</u>	<u>\$253,934</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Property Taxes	\$1,303,690	\$610,830	\$610,830	\$0
Intergovernmental	359,310	168,351	168,351	0
Fines and Forfeitures	5,336	2,500	2,340	(160)
Miscellaneous	106,081	49,703	52,401	2,698
<i>Total Revenues</i>	1,774,417	831,384	833,922	2,538
Expenditures				
Current:				
Security of Persons and Property	4,723,464	4,726,864	4,652,975	73,889
<i>Excess of Revenues Under Expenditures</i>	(2,949,047)	(3,895,480)	(3,819,053)	76,427
Other Financing Sources				
Transfers In	3,000,000	3,825,000	3,825,000	0
<i>Net Change in Fund Balance</i>	50,953	(70,480)	5,947	76,427
<i>Fund Balance Beginning of Year</i>	243,433	243,433	243,433	0
Prior Year Encumbrances Appropriated	24,264	24,264	24,264	0
<i>Fund Balance End of Year</i>	<u>\$318,650</u>	<u>\$197,217</u>	<u>\$273,644</u>	<u>\$76,427</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2010

	Business-Type Activities		
	Water	Sewer	Total
Assets			
<i>Current Assets</i>			
Equity in Pooled Cash and			
Cash Equivalents	\$2,637,530	\$672,949	\$3,310,479
Interest Receivable	0	77,783	77,783
Materials and Supplies Inventory	338,420	36,799	375,219
Accounts Receivable	159,727	84,318	244,045
Prepaid Items	3,000	3,000	6,000
Special Assessments Receivable	156,681	0	156,681
<i>Total Current Assets</i>	<u>3,295,358</u>	<u>874,849</u>	<u>4,170,207</u>
<i>Noncurrent Assets</i>			
Deferred Charges	1,070,972	1,529	1,072,501
Non-Depreciable Capital Assets	0	7,580	7,580
Depreciable Capital Assets, Net	10,409,479	16,670,933	27,080,412
<i>Total Noncurrent Assets</i>	<u>11,480,451</u>	<u>16,680,042</u>	<u>28,160,493</u>
<i>Total Assets</i>	<u>14,775,809</u>	<u>17,554,891</u>	<u>32,330,700</u>
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	68,933	33,013	101,946
Contracts Payable	182	182	364
Accrued Wages and Benefits	5,601	5,230	10,831
Intergovernmental Payable	10,954	10,931	21,885
Interfund Payable	250,300	74,600	324,900
Compensated Absences Payable	5,568	5,568	11,136
Accrued Interest Payable	14,353	88,099	102,452
Intergovernmental Payable - Current	130,493	0	130,493
Notes Payable	425,000	0	425,000
OWDA Loans - Current	0	128,842	128,842
Bonds Payable - Current	31,500	44,035	75,535
<i>Total Current Liabilities</i>	<u>942,884</u>	<u>390,500</u>	<u>1,333,384</u>
<i>Long-Term Liabilities</i>			
Compensated Absences Payable	59,910	59,910	119,820
Intergovernmental Payable	821,698	0	821,698
OWDA Loans	0	173,081	173,081
Bonds Payable	29,716	313,907	343,623
<i>Total Long-Term Liabilities</i>	<u>911,324</u>	<u>546,898</u>	<u>1,458,222</u>
<i>Total Liabilities</i>	<u>1,854,208</u>	<u>937,398</u>	<u>2,791,606</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	10,348,263	16,020,177	26,368,440
Unrestricted	2,573,338	597,316	3,170,654
<i>Total Net Assets</i>	<u>\$12,921,601</u>	<u>\$16,617,493</u>	<u>\$29,539,094</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
*Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2010*

	Business-Type Activities		
	Water	Sewer	Total
Operating Revenues			
Charges for Services	\$2,613,627	\$1,356,918	\$3,970,545
Other	33,576	879	34,455
<i>Total Operating Revenues</i>	<u>2,647,203</u>	<u>1,357,797</u>	<u>4,005,000</u>
Operating Expenses			
Personal Services	434,518	429,406	863,924
Materials and Supplies	1,156,821	328,373	1,485,194
Contractual Services	1,823,077	473,201	2,296,278
Other Operating Expenses	4,930	9,728	14,658
Depreciation	438,862	598,560	1,037,422
<i>Total Operating Expenses</i>	<u>3,858,208</u>	<u>1,839,268</u>	<u>5,697,476</u>
<i>Operating Loss</i>	<u>(1,211,005)</u>	<u>(481,471)</u>	<u>(1,692,476)</u>
Non-Operating Revenues (Expenses)			
Interest	5,742	2,567	8,309
Interest and Fiscal Charges	(66,477)	(32,710)	(99,187)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(60,735)</u>	<u>(30,143)</u>	<u>(90,878)</u>
<i>Loss Before Contributions and Transfers</i>	(1,271,740)	(511,614)	(1,783,354)
Capital Contributions	0	310,925	310,925
Transfers In	0	71,809	71,809
Transfers Out	(236,000)	0	(236,000)
<i>Change in Net Assets</i>	(1,507,740)	(128,880)	(1,636,620)
<i>Net Assets Beginning of Year</i>	<u>14,429,341</u>	<u>16,746,373</u>	<u>31,175,714</u>
<i>Net Assets End of Year</i>	<u>\$12,921,601</u>	<u>\$16,617,493</u>	<u>\$29,539,094</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, 2010

	Business-Type Activities		
	Water	Sewer	Totals
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Customers	\$2,660,915	\$1,479,875	\$4,140,790
Cash Payments to Suppliers for Materials and Supplies	(1,167,590)	(327,616)	(1,495,206)
Cash Payments for Employee Services and Benefits	(449,978)	(443,163)	(893,141)
Cash Payments for Contractual Services	(1,824,495)	(474,619)	(2,299,114)
Other Operating Revenues	33,576	879	34,455
Other Operating Expenses	(4,930)	(3,266)	(8,196)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(752,502)</u>	<u>232,090</u>	<u>(520,412)</u>
Cash Flows from Noncapital Financing Activities			
Advances In	0	74,600	74,600
Transfers In	0	71,809	71,809
Transfers Out	(236,000)	0	(236,000)
Interfund Activity - Bonds	(6,000)	0	(6,000)
Special Assessments	67,188	0	67,188
Interest Paid to City of Avon Lake	(56,908)	0	(56,908)
Payments to City of Avon Lake	(96,092)	0	(96,092)
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>(327,812)</u>	<u>146,409</u>	<u>(181,403)</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	(10,947)	0	(10,947)
Disposal of Capital Assets	726,152	0	726,152
Notes Issued	425,000	0	425,000
Principal Paid on GO Bonds	(31,500)	(43,807)	(75,307)
Interest Paid on GO Bonds	(3,021)	(16,366)	(19,387)
Principal Paid on OWDA Loans	0	(123,541)	(123,541)
Interest Paid on OWDA Loans	0	(16,612)	(16,612)
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>1,105,684</u>	<u>(200,326)</u>	<u>905,358</u>
Cash Flows from Investing Activities			
Interest on Investments	5,742	2,567	8,309
Net Decrease in Cash and Cash Equivalents	31,112	180,740	211,852
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,606,418</u>	<u>492,209</u>	<u>3,098,627</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$2,637,530</u></u>	<u><u>\$672,949</u></u>	<u><u>\$3,310,479</u></u>

(continued)

City of Avon, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2010

	Business-Type Activities		
	Water	Sewer	Totals
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities			
Operating Loss	(\$1,211,005)	(\$481,471)	(\$1,692,476)
<i>Adjustments:</i>			
Depreciation	438,862	598,560	1,037,422
(Increase) Decrease in Assets:			
Accounts Receivable	47,288	122,957	170,245
Materials and Supplies Inventory	(13,825)	(4,558)	(18,383)
Prepaid Items	(500)	(500)	(1,000)
Increase (Decrease) in Liabilities:			
Accounts Payable	1,956	10,677	12,633
Contracts Payable	182	182	364
Accrued Wages	(12,596)	(11,100)	(23,696)
Compensated Absences Payable	(440)	(441)	(881)
Intergovernmental Payable	(2,424)	(2,216)	(4,640)
<i>Total Adjustments</i>	458,503	713,561	1,172,064
<i>Net Cash Provided by (Used for) Operating Activities</i>	(\$752,502)	\$232,090	(\$520,412)

Noncash Capital Financing Activities

During 2010, the sewer enterprise fund received sewer lines from developers valued at \$310,925.

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2010

Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$2,344,017</u>
 Liabilities	
Deposits Held and Due to Others	\$2,341,187
Intergovernmental Payable	<u>2,830</u>
 <i>Total Liabilities</i>	 <u><u>\$2,344,017</u></u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

Note 1 - Description of City and Reporting Entity

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

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

The legislative authority is vested in a seven member council with four members elected from the four wards and three members elected at large, serving two year terms. The Council President is determined by the council at large member who receives the most votes in the general election. Council enacts ordinances and resolutions related to tax levies, appropriates and borrows money, and accepts bids for materials and services and other municipal purposes.

Reporting Entity

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

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

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

The City is associated with the Lorain County General Health District and the Northeast Ohio Public Energy Council (NOPEC), both jointly governed organizations, as presented in Note 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 City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise funds unless those pronouncements conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989, to its business-type activities and enterprise funds. The more significant of the City's accounting policies are described below.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

Basis of Presentation

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

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

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the 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 liabilities 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 all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City of Avon for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Street Construction, Maintenance and Repair Special Revenue Fund This fund is used to account for property tax revenue and 92.5 percent of the State gasoline tax and motor vehicle registration fees 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, 2010

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

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

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

Recreation Complex Capital Projects Fund This fund accounts for bond proceeds that will be used for the cost of constructing a recreation facility in conjunction with the Greater Cleveland YMCA.

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

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The City 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 assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. 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 all liabilities associated with the operation of the City are included on the Statement of Net Assets. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

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.

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

Basis of Accounting

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 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 Revenue Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2010, but which were levied to finance year 2011 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

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, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents."

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

During 2010, investments were made in State Treasury Asset Reserve of Ohio (STAR Ohio), Federal Home Loan Mortgage Corporation Bonds, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes, and Federal Home Loan Bank Bonds.

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. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2010.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2010 amounted to \$91,978, which includes \$28,353 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, 2010

Inventory

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2010 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.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. 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 except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	10 years
Building and Improvements	50 years
Machinery and Equipment	3 - 20 years
Vehicles	10 - 15 years
Infrastructure	10 - 50 years

The City's infrastructure consists of park improvements (roads, paths, bridges, culverts, water and sewer lines within the park system), streets, bridges and culverts, traffic signals, storm sewers and water lines and includes infrastructure acquired prior to December 31, 1980.

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 assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

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.

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).

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 formal action (ordinance or resolution) 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, 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 are not considered to be legally enforceable.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

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. 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.

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

The 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 Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include recycling, highway maintenance, law enforcement, parks, recreation, community activities, contributions to police pension funds and various police programs.

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

Contributions of Capital

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

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.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

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.

Bond Issuance Costs

Bond issuance costs for underwriting fees and bond insurance for the general obligation bonds are being amortized using the straight-line method over the life of the bonds on the government-wide statements. The straight-line method of amortization is not materially different from the effective-interest method. On the governmental financial statements, issuance costs are reported as an expenditure in the fiscal year in which the bonds are issued. Bond issuance costs are generally paid from bond proceeds.

As permitted by State Statute, the City paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

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 received 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.

Estimates

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

Note 3 – Change in Accounting Principles and Restatement of Prior Year’s Fund Balance

Changes in Accounting Principles

For fiscal year 2010, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 51, “Accounting and Reporting for Intangible Assets” and Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”.

GASB Statement No. 51 establishes accounting and financial reporting of such assets to reduce inconsistencies, thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any change to the City’s financial statements.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the reclassification and restatement of the City's financial statements.

Restatement of Prior Year's Fund Balance

During 2010, it was determined that the implementation of GASB Statement No. 54 had the following effect on fund balances of the major and nonmajor funds as they were previously reported.

	General	Fire Department	Street Construction, Maintenance and Repair	Police	Special Assessment Bond Retirement
Fund Balance at December 31, 2009	\$7,828,172	\$1,246,974	\$1,130,103	(\$40,628)	\$361,313
GASB 54 Change in in Fund Structure	74,617	0	24,006	(75,534)	0
Adjusted Fund Balance at December 31, 2009	<u>\$7,902,789</u>	<u>\$1,246,974</u>	<u>\$1,154,109</u>	<u>(\$116,162)</u>	<u>\$361,313</u>

	I-90 Interchange Study	Recreation Complex	Other Governmental Funds	Total Governmental Funds
Fund Balance at December 31, 2009	(\$15,449)	\$714,933	\$5,541,091	\$16,766,509
GASB 54 Change in in Fund Structure	0	3,780,616	(3,803,705)	0
Adjusted Fund Balance at December 31, 2009	<u>(\$15,449)</u>	<u>\$4,495,549</u>	<u>\$1,737,386</u>	<u>\$16,766,509</u>

Note 4 – Accountability and Legal Compliance

Accountability

At December 31, 2010, the I-90 interchange study, recreation complex, road and bridges, land purchases, and municipal buildings capital projects funds had deficits of \$3,918,248, \$526,913, \$401,122, \$1,423,218, and \$390,115, respectively. These deficits are due to adjustments for accrued liabilities. The general fund is liable for any deficits in these funds and provides operating transfers when cash is required, rather than when accruals occur.

Legal Compliance

Contrary to ORC section 5709.39, the fire department special revenue fund had original appropriations in excess of original estimated resources plus beginning balances in the amount of \$30,773.

Management has indicated that appropriations will be closely monitored to ensure no future violations.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

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 a reservation of fund balance (GAAP basis).
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.
5. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (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 two major special revenue funds.

Net Change in Fund Balance

	General	Fire Department	Street Construction, Maintenance and Repair	Police
GAAP Basis	\$1,813,462	(\$735,940)	\$304,957	\$198,637
Net Adjustment for Revenue Accruals	103,998	(34,853)	(4,285)	0
Advances In	542,100	0	0	0
Unrecorded Cash Beginning of Year	45,375	334	321	0
Unrecorded Cash End of Year	(35,784)	(39)	(136)	0
Net Adjustment for Expenditure Accruals	(207,597)	(82,864)	2,472	(138,470)
Advances Out	(429,900)	0	0	0
Encumbrances	(41,412)	(7,426)	(148,242)	(54,220)
Budget Basis	<u>\$1,790,242</u>	<u>(\$860,788)</u>	<u>\$155,087</u>	<u>\$5,947</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 below:

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

Fund Balances	General	Fire Department	Street Construction, Maintenance and Repair	Police
<u>Nonspendable:</u>				
Inventory	\$6,887	\$13,646	\$101,633	\$13,182
Prepays	18,728	10,000	6,000	14,986
<i>Total Nonspendable</i>	<u>25,615</u>	<u>23,646</u>	<u>107,633</u>	<u>28,168</u>
<u>Restricted for:</u>				
Unclaimed Funds	974,616	0	0	0
Fire Department	0	487,388	0	0
Street Maintenance	0	0	1,327,118	0
Police	0	0	0	54,307
Debt Retirement	0	0	0	0
Recreation Complex	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
<i>Total Restricted</i>	<u>974,616</u>	<u>487,388</u>	<u>1,327,118</u>	<u>54,307</u>
<u>Committed to:</u>				
Donations	0	0	0	0
Recreation	0	0	0	0
Park Development	0	0	0	0
Stadium Marquee	0	0	0	0
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Assigned to:</u>				
General	83,948	0	0	0
Street Maintenance	0	0	24,315	0
Storm Water Detention	0	0	0	0
Storm Sewers	0	0	0	0
Municipal Buildings	0	0	0	0
French Creek Restoration	0	0	0	0
Sidewalk Programs	0	0	0	0
Detroit Road Landscaping	0	0	0	0
<i>Total Assigned</i>	<u>83,948</u>	<u>0</u>	<u>24,315</u>	<u>0</u>
Unassigned (deficits):	8,632,072	0	0	0
Total Fund Balances	<u><u>\$9,716,251</u></u>	<u><u>\$511,034</u></u>	<u><u>\$1,459,066</u></u>	<u><u>\$82,475</u></u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

Special Assessment Bond Retirement	I-90 Interchange Study	Recreation Complex	Other Governmental Funds	Total
\$0	\$0	\$0	\$6,393	\$141,741
0	0	0	500	50,214
0	0	0	6,893	191,955
0	0	0	0	974,616
0	0	0	0	487,388
0	0	0	162,304	1,489,422
0	0	0	0	54,307
325,453	0	0	103,536	428,989
0	0	4,121,834	0	4,121,834
0	0	0	4,007	4,007
0	0	0	82,487	82,487
0	0	0	157,637	157,637
0	0	0	1,345,482	1,345,482
325,453	0	4,121,834	1,855,453	9,146,169
0	0	0	8,101	8,101
0	0	0	70,582	70,582
0	0	0	98,470	98,470
0	0	0	8,876	8,876
0	0	0	186,029	186,029
0	0	0	0	83,948
0	0	0	0	24,315
0	0	0	548	548
0	0	0	14,855	14,855
0	0	0	1,350	1,350
0	0	0	4,120	4,120
0	0	0	16,417	16,417
0	0	0	25,000	25,000
0	0	0	62,290	170,553
0	(3,918,248)	(4,648,747)	(2,215,805)	(2,150,728)
\$325,453	(\$3,918,248)	(\$526,913)	(\$105,140)	\$7,543,978

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

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

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

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

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. Investments may only be made through specified dealers and institutions.

Investments

Investments are reported at fair value. As of December 31, 2010, the City had the following investments:

	Fair Value	Maturity
Federal Home Loan Mortgage Corporation Bonds	\$1,004,420	October 7, 2013
Federal Home Loan Bank Notes	999,500	August 4, 2014
Federal Home Loan Mortgage Corporation Notes	990,490	September 15, 2015
Federal Home Loan Bank Bonds	978,090	October 25, 2015
STAR Ohio	5,474	58 Days - Average
Total	\$3,977,974	

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 STAR Ohio carries a rating of AAAM by Standard’s and Poor’s. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The Federal Home Loan Mortgage Corporation Bonds, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes and Federal Home Loan Bank Bonds all carry a rating of AAA by Standard and Poor’s. The City has no investment policy that would further limit its investment choices.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Mortgage Corporation Bonds, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes and Federal Home Loan Bank Bonds are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty’s trust department or agent. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

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, 2010:

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

Investment	Percentage of Investments
Federal Home Loan Mortgage Corporation Bonds	25.25 %
Federal Home Loan Bank Notes	25.12
Federal Home Loan Mortgage Corporation Notes	24.90
Federal Home Loan Bank Bonds	24.59

Note 8 - Receivables

Receivables at December 31, 2010, 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 \$2,701,300 in the special assessment bond retirement fund. The amount of delinquent special assessments outstanding at year-end is \$34,606.

Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2010 for real and public utility property taxes represents collections of 2009 taxes. Property tax payments received during 2010 for tangible personal property (other than public utility property) are for 2010 taxes.

2010 real property taxes are levied after October 1, 2010 on the assessed value as of January 1, 2010, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2010 real property taxes are collected in and intended to finance 2011.

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. 2010 public utility property taxes which become a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes.

Tangible personal property tax revenue received during 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable September 20.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

The full tax rate for all City operations for the year ended December 31, 2010 was \$9.27 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

Real Property	
Residential/Agricultural	\$567,702,900
Commercial Industrial/Public Util	176,422,410
Public Utility Property	9,888,710
Tangible Personal Property	<u>388,577</u>
Total Valuation	<u>\$754,402,597</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 tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2010 and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2010 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

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.

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 three percent. Income tax proceeds are received by the general fund, fire department special revenue fund, and the recreation income tax capital projects fund.

Intergovernmental Receivables

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

	<u>Amount</u>
Inheritance Tax	\$437,721
Homestead and Rollback	234,425
Gasoline Excise Tax	234,294
Personal Property	
Reimbursement	227,509
Local Government	198,570
Gasoline Tax	114,690
Motor Vehicle Registration	74,661
Permissive Tax	48,756
Electric Deregulation	40,282
Grants	<u>10,692</u>
Total	<u><u>\$1,621,600</u></u>

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.

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 40 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 and 40 hours of holiday 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 in 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. Full-time fire employees earn 13 hours of sick leave per month. Sick leave accumulation is unlimited. 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.

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, 2010

Note 10 – Capital Assets

Capital asset activity for the year ended December 31, 2010, was as follows:

	Balance 12/31/09	Additions	Deletions	Balance 12/31/10
Governmental Activities				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$3,187,493	\$1,693,521	\$0	\$4,881,014
Construction in Progress	9,871,952	4,413,027	(14,121,735)	163,244
<i>Total Capital Assets, Not Being Depreciated</i>	<u>13,059,445</u>	<u>6,106,548</u>	<u>(14,121,735)</u>	<u>5,044,258</u>
<i>Capital Assets, Being Depreciated:</i>				
Land Improvements	712,739	0	0	712,739
Buildings and Improvements	30,937,155	13,408,906	0	44,346,061
Machinery and Equipment	1,895,633	77,294	(225,921)	1,747,006
Vehicles	3,160,146	830,428	(56,662)	3,933,912
Infrastructure:				
Park Improvements	1,158,693	0	0	1,158,693
Streets	51,310,437	1,047,628	0	52,358,065
Bridges and Culverts	1,439,133	693,448	0	2,132,581
Traffic Signals	2,013,574	163,571	0	2,177,145
Storm Sewer	19,809,055	276,878	0	20,085,933
Water Lines	1,539,818	487,103	0	2,026,921
<i>Total Capital Assets, Being Depreciated</i>	<u>113,976,383</u>	<u>16,985,256</u>	<u>(282,583)</u>	<u>130,679,056</u>
Less Accumulated Depreciation:				
Land Improvements	(375,768)	(66,049)	0	(441,817)
Buildings and Improvements	(1,843,108)	(517,709)	0	(2,360,817)
Machinery and Equipment	(861,692)	(112,421)	138,953	(835,160)
Vehicles	(1,925,704)	(302,054)	55,151	(2,172,607)
Infrastructure:				
Park Improvements	(266,981)	(38,623)	0	(305,604)
Streets	(24,080,330)	(2,096,505)	0	(26,176,835)
Bridges and Culverts	(319,025)	(48,040)	0	(367,065)
Traffic Signals	(631,829)	(106,329)	0	(738,158)
Storm Sewer	(3,873,077)	(484,061)	0	(4,357,138)
<i>Total Accumulated Depreciation</i>	<u>(34,177,514)</u>	<u>(3,771,791) *</u>	<u>194,104</u>	<u>(37,755,201)</u>
Total Capital Assets, Being Depreciated, Net	<u>79,798,869</u>	<u>13,213,465</u>	<u>(88,479)</u>	<u>92,923,855</u>
Governmental Activities Capital Assets, Net	<u>\$92,858,314</u>	<u>\$19,320,013</u>	<u>(\$14,210,214)</u>	<u>\$97,968,113</u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

	Balance 12/31/09	Additions	Deletions	Balance 12/31/10
Business-Type Activities				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$7,580	\$0	\$0	\$7,580
<i>Capital Assets, Being Depreciated:</i>				
Land Improvements	93,196	0	0	93,196
Buildings and Improvements	1,693,594	10,947	0	1,704,541
Machinery and Equipment	967,092	0	(726,152)	240,940
Vehicles	143,600	0	0	143,600
Infrastructure:				
Water Lines	17,000,847	0	0	17,000,847
Sewer Lines	21,267,090	310,925	0	21,578,015
<i>Total Capital Assets, Being Depreciated</i>	<u>41,165,419</u>	<u>321,872</u>	<u>(726,152)</u>	<u>40,761,139</u>
Less Accumulated Depreciation:				
Land Improvements	(93,196)	0	0	(93,196)
Buildings and Improvements	(626,630)	(34,419)	0	(661,049)
Machinery and Equipment	(90,549)	(21,146)	0	(111,695)
Vehicles	(83,661)	(10,615)	0	(94,276)
Infrastructure:				
Water Lines	(6,608,729)	(405,831)	0	(7,014,560)
Sewer Lines	(5,140,540)	(565,411)	0	(5,705,951)
<i>Total Accumulated Depreciation</i>	<u>(12,643,305)</u>	<u>(1,037,422)</u>	<u>0</u>	<u>(13,680,727)</u>
Total Capital Assets, Being Depreciated, Net	<u>28,522,114</u>	<u>(715,550)</u>	<u>(726,152)</u>	<u>27,080,412</u>
Business-Type Activities Capital Assets, Net	<u>\$28,529,694</u>	<u>(\$715,550)</u>	<u>(\$726,152)</u>	<u>\$27,087,992</u>

During 2010, the City received street improvements from developers valued at \$331,305, traffic signals from developers valued at \$500, and storm sewer and water improvements from developers valued at \$460,110 in governmental funds, the sewer enterprise fund received sewer lines from developers valued at \$310,925.

* Depreciation expense was charged to governmental functions as follows:

General Government	\$504,218
Security of Persons and Property	446,070
Transportation	2,169,904
Community Environment	13,262
Leisure Time Activities	154,276
Basic Utility Services	484,061
Total Depreciation Expense	<u>\$3,771,791</u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

Note 11 – Note Debt

A summary of note transactions for the year ended December 31, 2010 follows:

	Balance 12/31/09	Additions	Deletions	Balance 12/31/10
Governmental Activities				
Road and Bridges Fund	\$0	\$825,000	\$0	\$825,000
Storm Sewers Fund	0	795,000	0	795,000
Land Purchases Fund	0	1,500,000	0	1,500,000
I-90 Interchange Study Fund	0	6,300,000	0	6,300,000
Total Governmental Funds	<u>\$0</u>	<u>\$9,420,000</u>	<u>\$0</u>	<u>\$9,420,000</u>
Business-Type Activities				
Water Fund	\$0	\$425,000	\$0	\$425,000
Total Business-Type Funds	<u>\$0</u>	<u>\$425,000</u>	<u>\$0</u>	<u>\$425,000</u>

In 2010, the City issued \$825,000, \$795,000, \$1,500,000 and \$6,300,000 in bond anticipation notes to help finance the road and bridges, storm sewers, land purchases, and I-90 interchange study funds, respectively. These notes will mature on July 21, 2011 and have an interest rate of 1.25 percent.

In 2010, the City issued \$425,000 in water notes to help finance the construction of a waterline. These notes will mature on July 21, 2011 and have an interest rate of 1.25 percent.

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.

Note 12 – Long-Term Obligations

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

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
<i>General Obligation Bonds:</i>			
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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
<i>General Obligation Bonds (Continued):</i>			
Just Imagine Drive - 1997	3.90-5.35 %	\$655,000	December 1, 2017
North Branch Sewer Avins Ditch - 1998	4.60-5.20	88,467	December 1, 2018
Moore Road Improvement - 1999	4.40-5.40	110,870	December 1, 2019
Veteran's Park - 2003	1.50-4.70	1,590,000	December 1, 2023
Service Garage Term - 2004	2.00-5.00	2,500,000	December 1, 2024
Water/Sewer Refunding Bonds - 2004	2.00-3.25	114,000	December 1, 2012
Mills, Jaycox, Sandy Lane - 2000	4.5-5.75	242,600	December 1, 2020
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
<i>Ohio Public Works Commission Loans:</i>			
Center Road Extension - 2007	0.00	92,152	December 1, 2017
Jaycox Road/Chester Improvements	0.00	145,194	December 1, 2027
<i>Special Assessment Bonds:</i>			
Route 83 Sewer Improvements - 1995	4.20-6.50	520,000	December 1, 2015
Chester Road Sanitary Sewer - 1997	3.90-5.50	974,600	December 1, 2017
Moore/Chester Road Waterline - 1997	3.90-5.50	94,200	December 1, 2017
Chester Road Waterline East - 1997	3.90-5.50	152,200	December 1, 2017
Avon Road Waterline - 1997	3.90-5.50	324,200	December 1, 2017
North Branch Sewer Avins Ditch - 1998	4.60-5.20	281,533	December 1, 2018
Moore Road Improvement - 1999	4.40-5.40	869,130	December 1, 2019
Mills, Jaycox, Sandy Lane - 2000	4.50-5.75	342,400	December 1, 2020
Schneider Court Improvements - 2006	3.45-4.25	903,868	December 1, 2026
Various Purpose - 2001	3.95-5.25	590,000	December 1, 2021
<i>Long-term Notes</i>			
Recreation Construction - 2009	1.30	5,600,000	May 12, 2010
Recreation Construction - 2010	1.50	5,675,000	May 11, 2011
<i>Ohio Water Development Loans:</i>			
Sanitary Sewer Addition - 1989	7.65	687,406	January 1, 2013
Sanitary Sewer Construction - 1989	2.00	1,536,998	January 1, 2013
<i>Enterprise General Obligation Bonds:</i>			
Water Construction Refunding Bonds - 2004	2.00-3.25	239,400	December 1, 2012
Various Purpose Bonds - 2008	3.00-5.25	330,000	December 1, 2027
Sewer Construction Refunding Bonds - 2004	2.00-3.25	239,400	December 1, 2012

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

Changes in bonds and other long-term obligations of the City during 2010 were as follows:

	Principal Outstanding 12/31/09	Additions	Deletions	Principal Outstanding 12/31/10	Due Within One Year
Governmental Activities					
<i>General Obligation Bonds:</i>					
Detroit Road Park Refunding	\$123,000	\$0	\$16,000	\$107,000	\$16,000
Unamortized Premium	136	0	10	126	0
Unamortized Loss on Refunding	(5,178)	0	(764)	(4,414)	0
Library Improvement Refunding	345,000	0	70,000	275,000	65,000
Unamortized Premium	15,436	0	3,114	12,322	0
Unamortized Loss on Refunding	(16,090)	0	(3,139)	(12,951)	0
Northgate Sewer Improvement Refunding	195,000	0	27,000	168,000	27,000
Unamortized Premium	215	0	14	201	0
Unamortized Loss on Refunding	(8,418)	0	(1,188)	(7,230)	0
New City Hall Refunding	502,000	0	57,000	445,000	57,000
Unamortized Loss on Refunding	(23,257)	0	(3,392)	(19,865)	0
Schneider Court Improvements Serial	100,183	0	4,380	95,803	4,380
Unamortized Premium	415	0	25	390	0
Just Imagine Drive	340,000	0	35,000	305,000	35,000
North Branch Sewer Avins Ditch	50,209	0	4,782	45,427	4,782
Moore Road Improvement	69,013	0	5,655	63,358	5,655
Veteran's Park	1,235,000	0	65,000	1,170,000	70,000
Service Garage Term	2,035,000	0	105,000	1,930,000	105,000
Unamortized Premium	7,796	0	519	7,277	0
Water/Sewer Refunding Bonds	36,800	0	12,000	24,800	12,000
Unamortized Premium	174	0	58	116	0
Unamortized Loss on Refunding	(13,086)	0	(4,362)	(8,724)	0
Mills, Jaycox, Sandy Lane	161,732	0	10,368	151,364	12,441
Various Purpose Bonds, 2008	6,470,968	0	257,693	6,213,275	262,466
Various Purpose Bonds, 2009A	4,050,000	0	215,000	3,835,000	225,000
Various Purpose Bonds, 2009B	28,415,000	0	575,000	27,840,000	585,000
Unamortized Premium	354,286	0	2,720	351,566	0
<i>Total General Obligation Bonds</i>	<u>44,441,334</u>	<u>0</u>	<u>1,453,493</u>	<u>42,987,841</u>	<u>1,486,724</u>
<i>OPWC Loans:</i>					
Center Road Extension	73,722	0	9,215	64,507	9,215
Jaycox Road/Chester Improvements	141,564	0	7,260	134,304	7,260
<i>Total OPWC Loans</i>	<u>\$215,286</u>	<u>\$0</u>	<u>\$16,475</u>	<u>\$198,811</u>	<u>\$16,475</u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

	Principal Outstanding 12/31/09	Additions	Deletions	Principal Outstanding 12/31/10	Due Within One Year
Governmental Activities (cont.)					
<i>Special Assessment Bonds:</i>					
Route 83 Sewer Improvements	\$225,000	\$0	\$30,000	\$195,000	\$35,000
Chester Road Sanitary Sewer	519,685	0	53,537	466,148	53,479
Moore/Chester Road Waterline	50,588	0	5,220	45,368	5,217
Chester Road Waterline East	81,593	0	8,401	73,192	8,487
Avon Road Waterline	173,134	0	17,842	155,292	17,817
North Branch Sewer Avins Ditch	159,788	0	15,218	144,570	15,218
Moore Road Improvement	540,986	0	44,345	496,641	44,345
Mills, Jaycox, Sandy Lane	228,267	0	14,633	213,634	17,559
Schneider Court Improvements	814,817	0	35,620	779,197	35,620
Various Purpose	415,000	0	25,000	390,000	25,000
<i>Total Special Assessment Bonds</i>	<u>3,208,858</u>	<u>0</u>	<u>249,816</u>	<u>2,959,042</u>	<u>257,742</u>
<i>Long-Term Notes Payable:</i>					
Recreation Construction	5,600,000	5,675,000	5,600,000	5,675,000	0
Premium	0	51,870	0	51,870	0
<i>Total Long-Term Notes Payable</i>	<u>5,600,000</u>	<u>5,726,870</u>	<u>5,600,000</u>	<u>5,726,870</u>	<u>0</u>
<i>Other Long-Term Obligations:</i>					
Compensated Absences	1,763,339	219,547	100,760	1,882,126	115,970
<i>Total Governmental Activities</i>	<u>\$55,228,817</u>	<u>\$5,946,417</u>	<u>\$7,420,544</u>	<u>\$53,754,690</u>	<u>\$1,876,911</u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

	Principal Outstanding 12/31/09	Additions	Deletions	Principal Outstanding 12/31/10	Due Within One Year
Business-Type Activities					
<i>Ohio Water Development Loans:</i>					
Sanitary Sewer Addition	\$263,417	\$0	\$73,457	\$189,960	\$74,926
Sanitary Sewer Construction	162,047	0	50,084	111,963	53,916
<i>Total Ohio Water Development Loans</i>	<u>425,464</u>	<u>0</u>	<u>123,541</u>	<u>301,923</u>	<u>128,842</u>
<i>General Obligation Bonds:</i>					
Water Construction Refunding Bonds	96,600	0	31,500	65,100	31,500
Unamortized Premium	348	0	116	232	0
Unamortized Gain on Refunding	(6,174)	0	(2,058)	(4,116)	0
Various Purpose Bonds 2008	309,033	0	12,307	296,726	12,535
Sewer Construction Refunding Bonds	96,600	0	31,500	65,100	31,500
Unamortized Premium	348	0	116	232	0
Unamortized Gain on Refunding	(6,174)	0	(2,058)	(4,116)	0
<i>Total General Obligation Bonds</i>	<u>490,581</u>	<u>0</u>	<u>71,423</u>	<u>419,158</u>	<u>75,535</u>
<i>Intergovernmental Payable</i>					
Avon Lake Waterline 1994	585,713	0	103,640	482,073	109,781
Avon Lake Waterline 2009	489,104	0	18,986	470,118	20,712
<i>Total Intergovernmental Payable</i>	<u>1,074,817</u>	<u>0</u>	<u>122,626</u>	<u>952,191</u>	<u>130,493</u>
Compensated Absences	131,837	9,985	10,866	130,956	11,136
<i>Total Business-Type Activities</i>	<u>\$2,122,699</u>	<u>\$9,985</u>	<u>\$328,456</u>	<u>\$1,804,228</u>	<u>\$346,006</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 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 OWDA loans reported in the enterprise funds will be paid from charges for services revenue in the enterprise funds.

Special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. The general obligation bond retirement fund also contributes a small portion towards the Mills, Jaycox, Sandy Lane special assessment bond payment. In the event that a property owner would fail to pay the assessment, payment would be made by the City.

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

The City has pledged future revenues to repay the OWDA Loans. The loans are 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.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

Annual principal and interest payments of the loans are expected to require less than 10 percent of total revenues. The total principal and interest remaining to be paid on the loans is \$321,774. Principal and interest paid for the current year were \$140,153.

Bond anticipation notes that were rolled over prior to the issuance of the financial statements and that have a new maturity beyond the end of the year in which the report is issued have been reported as long-term obligations in the government wide statements. The notes are backed by the full faith of the City of Avon and mature on May 11, 2011. The long-term notes will be paid by transfers from the general fund.

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

On May 12, 2010, the City issued \$5,675,000 in governmental general obligation notes with a maturity date of May 11, 2011 and an interest rate of 1.50 percent. The notes were for the YMCA construction project.

On May 13, 2009, the City issued \$5,600,000 in governmental general obligation notes with a maturity date of May 12, 2010 and an interest rate of 1.30 percent. The notes were for the YMCA construction project.

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 2.00 to 5.00 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.

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 3.0 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 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 4.0 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, 2010 is \$565,000.

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 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 2.0 percent to 5.0 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. The amount still outstanding at December 31, 2010 is \$165,000.

The term bonds for the service garage were issued for an 11 year period with a final maturity at December 1, 2012. The bonds are being retired from the general obligation bond retirement fund.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

Optional Redemption The service garage term bonds maturing on and after December 1, 2015 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, 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.

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.

Mandatory Sinking Fund Redemption The term bonds maturing on December 1, 2019 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 below:

Year	Principal Amount to be Redeemed
2015	\$120,000
2016	125,000
2017	130,000
2018	140,000

If retired only by such mandatory redemption prior to their stated maturity, there would remain \$145,000 in principal amount of the bonds maturing on December 1, 2019 to be paid at maturity.

The bonds maturing on December 1, 2024 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 below:

Year	Principal Amount to be Redeemed
2020	\$150,000
2021	155,000
2022	165,000
2023	170,000

If retired only by such mandatory redemption prior to their stated maturity, there would remain \$180,000 in principal amount of the bonds maturing on December 1, 2024 to be paid at maturity.

The City's overall legal debt margin was \$67,765,090 and an unvoted debt margin of \$30,044,960 at December 31, 2010. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2010 are as follows:

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

Years	General Obligation Bonds		Special Assessment Bonds		OPWC Loans	Total Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2011	\$1,486,724	\$1,865,616	\$257,742	\$151,793	\$16,475	\$1,760,941	\$2,017,409
2012	1,547,406	1,817,709	277,177	138,263	20,106	1,844,689	1,955,972
2013	1,739,924	1,767,538	291,630	123,481	16,475	2,048,029	1,891,019
2014	1,863,303	1,711,283	307,794	107,912	16,475	2,187,572	1,819,195
2015	1,832,618	1,650,526	322,795	91,450	16,475	2,171,888	1,741,976
2016-2020	9,530,306	7,256,883	1,105,151	230,236	54,726	10,690,183	7,487,119
2021-2025	10,028,621	4,931,187	329,964	53,767	36,299	10,394,884	4,984,954
2026-2030	6,800,125	2,647,125	66,789	2,839	21,780	6,888,694	2,649,964
2031-2035	4,555,000	1,465,592	0	0	0	4,555,000	1,465,592
2036-2039	3,285,000	334,000	0	0	0	3,285,000	334,000
Total	\$42,669,027	\$25,447,459	\$2,959,042	\$899,741	\$198,811	\$45,826,880	\$26,347,200

Years	OWDA Loans		Revenue Bonds		Avon Lake	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$128,842	\$12,365	\$63,000	\$4,153	\$130,493	\$55,549
2012	134,470	6,736	67,200	2,184	136,785	47,787
2013	38,611	750	0	0	144,837	39,651
2014	0	0	0	0	153,721	31,018
2015	0	0	0	0	24,431	21,873
2016-2020	0	0	0	0	140,340	87,597
2021-2025	0	0	0	0	184,928	43,018
2026-2030	0	0	0	0	36,656	2,079
Total	\$301,923	\$19,851	\$130,200	\$6,337	\$952,191	\$328,572

Years	General Obligation Bonds		Total Business-Type Activities	
	Principal	Interest	Principal	Interest
2011	\$12,535	\$12,976	\$334,870	\$85,043
2012	13,218	12,600	351,673	69,307
2013	13,446	12,204	196,894	52,605
2014	13,902	11,767	167,623	42,785
2015	14,586	11,297	39,017	33,170
2016-2020	79,538	47,999	219,878	135,596
2021-2025	101,416	26,477	286,344	69,495
2026-2030	48,085	3,370	84,741	5,449
Total	\$296,726	\$138,690	\$1,681,040	\$493,450

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

Avon Lake Contractual Agreements

During 1994, the City of Avon entered into a contractual agreement with the City of Avon Lake for the construction and future maintenance of a water trunk line that runs through Avon and that Avon residents will be able to tap into. The project was financed mainly by general obligation bonds which were issued in 1994 by the City of Avon Lake. All proceeds were received by the City of Avon Lake and the City of Avon Lake is responsible for the debt retirement and maintenance. The line will be a capital asset of the City of Avon Lake. Cost overruns have increased Avon's share of the costs. The total amount owed to the City of Avon Lake as of December 31, 2010 is \$482,073. This amount has been recorded on Avon's books as a long-term liability in the water enterprise fund. The annual interest rate of this obligation ranges from 4.3 percent to 6.5 percent.

A corresponding amount has been recorded as deferred charges in the water enterprise fund. This amount will be amortized over the life of the waterline. In 2010, a payment was made to the City of Avon Lake in the amount of \$103,640; \$26,534 from the special assessment debt service fund and \$77,106 from the enterprise water fund. The current year capital contribution related to this debt is \$26,534.

Of the amount owed to Avon Lake, \$123,370 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 and that Avon residents will be able to tap into. All proceeds were received by the City of Avon Lake and the City of Avon Lake is responsible for the debt retirement and maintenance. The line will be a capital asset of the City of Avon Lake. Cost overruns have increased Avon's share of the costs. The total amount owed to the City of Avon Lake as of December 31, 2010 is \$470,118. 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 has been recorded as deferred charges in the water enterprise fund. This amount will be amortized over the life of the waterline.

Note 13 – Contingencies

Grants

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

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.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

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 2010, the City negotiated with Curtis 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.

The cost of the current coverage was \$112,426 for 2010. 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 \$59,778,733 blanket building and contents policy, an inland marine coverage of \$2,514,416, 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, 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.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

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 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 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 and 18.1 percent of covered payroll for law and public safety employer units. Member contribution rates, as set in the Ohio Revised Code, are not to exceed 10 percent. For the year ended December 31, 2010, members in state and local classifications contributed 10 percent of covered payroll while public safety and law enforcement members contributed 10.5 percent and 11.1 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2010, member and employer contribution rates were consistent across all three plans.

The City's 2010 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.87 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010. 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, 2010, 2009, and 2008 were \$350,350, \$316,646, and \$243,678, respectively; 89.06 percent has been contributed for 2010 and 100 percent for 2009 and 2008. Contributions to the Member-Directed Plan for 2010 were \$16,617 made by the City and \$11,869 made by plan members.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

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 – The Ohio Revised Code requires plan members to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 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. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters pension were \$335,850 and \$386,759 for the year ended December 31, 2010, \$287,680 and \$329,703 for the year ended December 31, 2009, and \$249,848 and \$281,755 for the year ended December 31, 2008, respectively. 69.88 percent for police and 70.88 percent for firefighters has been contributed for 2010. The full amount has been contributed for 2009 and 2008.

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 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.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 17.87 percent. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units.

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. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010.

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.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009, and 2008 were \$226,697, \$204,889, and \$243,678, respectively; 89.06 percent has been contributed for 2010 and 100 percent for 2009 and 2008.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

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.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

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 24.0 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 the year ended December 31, 2010, the employer contribution allocated to the health care plan was 6.75 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).

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 \$177,803 and \$151,341 for the year ended December 31, 2010, \$152,301 and \$129,014 for the year ended December 31, 2009, and \$164,793 and \$134,375 for the year ended December 31, 2008. 69.88 percent has been contributed for police and 70.88 percent has been contributed for firefighters for 2010. The full amount has been contributed for 2009 and 2008.

Note 17 - Jointly Governed Organizations

Lorain County General Health District

The City participates in the Lorain County General Health District, a jointly governed organization, which provides health services to the citizens within the Health District. The Health District is governed by the Board of Health which represents the area served by the Health District and oversees the operation of the Health District. The Board of Health members are appointed to staggered five year terms. One member is appointed by the City of North Ridgeville, one member is jointly appointed by the cities of Avon and Sheffield Lake and one member is appointed jointly by the cities of Amherst and Oberlin. The remaining five members are appointed by the various mayors of villages, chairmen of the township trustees and the County Commissioners. The City contributed \$109,057 during 2010 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.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

Northeast Ohio Public Energy Council

The City is a member of The Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of over 126 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 2010. 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.

Note 18 - Shared Risk Pool

The City participates in the Lorain County Healthcare Program, a shared risk pool (Note 14) 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 street construction, maintenance and repair special revenue fund 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.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

Transfers made during the year ended December 31, 2010 were as follows:

Transfer To	Transfer From				
	General	Fire Department	Street Construction, Maintenance and Repair	Special Assessment Bond Retirement	Recreation Complex
General	\$0	\$0	\$0	\$17,220	\$1,075,000
Police	2,900,000	925,000	0	0	0
Sewer	43,573	0	0	0	0
Nonmajor Funds	2,929,277	0	188,331	0	1,718,561
Total	\$5,872,850	\$925,000	\$188,331	\$17,220	\$2,793,561

Transfer To	Transfer From		
	Water	Nonmajor	Totals
General	\$51,000	\$362,449	\$1,505,669
Police	0	0	3,825,000
Sewer	0	28,236	71,809
Nonmajor Funds	185,000	990,000	6,011,169
Total	\$236,000	\$1,380,685	\$11,413,647

Interfund Balances

On the fund financial statements interfund balances at December 31, 2010 were:

	Receivables		Payable	
	Manuscript Bonds	Advances To Other Funds	Manuscript Bonds	Advances From Other Funds
Major Funds				
General	\$190,000	\$1,930,174	\$0	\$0
Recreation Complex	0	0	0	1,043,000
Water	0	0	190,000	60,300
Sewer	0	0		74,600
Nonmajor Capital Project Fund				
Road and Bridge Programs	0	0	0	138,274
Municipal Buildings	0	0	0	614,000
Total	\$190,000	\$1,930,174	\$190,000	\$1,930,174

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

As of December 31, 2010, the general fund had \$1,930,174 interfund receivable. The road and bridge programs, recreation complex, and the municipal buildings capital projects funds had a \$138,274, \$1,043,000, and \$614,000, interfund payable balance, respectively, due to the timing of the receipt of grant monies by the nonmajor funds, and the water and sewer enterprise funds had \$60,300 and \$74,600 interfund payable, respectively.

The Jaycox Road Watermain Improvement interfund balance of \$190,000 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 2010, the City has pledged tap-in-fees in the amount of \$27,040 to repay \$1,987,552 in 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.

Note 20 - Contractual Commitments

Various projects within the City had contractual commitments outstanding at December 31, 2010 in the amount of \$560,091.

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.

During 2009, the City entered into an operating lease with Avon Baseball L.L.C, 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 L.L.C. 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.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

Note 22 - Subsequent Events

On April 19, 2011, the City issued \$5,760,000 and \$2,620,000 in general obligation bonds with a maturity of April 18, 2031 and April 18, 2021, respectively. The \$5,760,000 bonds pay off the current bond anticipatory note that matures May 11, 2011, in the amount of \$5,675,000. The \$2,620,000 bonds retire the following series of older, callable bonds: Series 1997 A & B, Series 1998, Series 1999, Series 2000, and Series 2001.

**Combining Statements
and Individual Fund Schedules**

Combining Statements - Nonmajor Governmental 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 grant proceeds and miscellaneous revenues restricted for costs related to the development of the City recycling program.

State Highway Fund - This fund accounts for 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 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 restricted fines collected to be used to update court computer systems.

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

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

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

Donations Fund - This fund accounts for 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.

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

Library Bond Retirement Fund - This fund accounts for 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 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)

Combining Statements - Nonmajor Governmental 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 restricted monies received from property taxes used for the purchase of equipment for the Police and Fire Departments.

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

Road and Bridges Fund - This fund accounts for road and bridge improvements made during the year that include activities such as resurfacing and blacktop upgrades.

Land Purchases Fund - This fund accounts for the costs associated with the purchase and development of land.

French Creek Restoration Fund - This fund accounts for the costs associated with the improvements at this site.

Sidewalk Programs Fund - This fund accounts for costs associated with the construction and improvement of City sidewalks.

Storm Sewers Fund - This fund accounts for the cost of storm sewer improvements.

Municipal Buildings Fund - This fund accounts for the costs associated with the various City building projects.

Stadium Marquee Fund - This fund accounts for 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.

Detroit Road Landscaping Fund - This fund accounts 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, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$631,469	\$111,773	\$3,508,333	\$4,251,575
Materials and Supplies Inventory	6,393	0	0	6,393
Intergovernmental Receivable	113,091	4,327	64,782	182,200
Prepaid Items	500	0	0	500
Property Taxes Receivable	316,418	77,223	609,055	1,002,696
Payments in Lieu of Taxes Receivable	0	884,128	0	884,128
<i>Total Assets</i>	<u>\$1,067,871</u>	<u>\$1,077,451</u>	<u>\$4,182,170</u>	<u>\$6,327,492</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$64,347	\$0	\$16,723	\$81,070
Contracts Payable	472	0	400,726	401,198
Accrued Wages and Benefits	4,844	0	0	4,844
Interfund Payable	0	0	752,274	752,274
Intergovernmental Payable	5,061	8,237	0	13,298
Deferred Revenue	402,666	965,678	673,837	2,042,181
Accrued Interest Payable	0	0	17,767	17,767
Notes Payable	0	0	3,120,000	3,120,000
<i>Total Liabilities</i>	<u>477,390</u>	<u>973,915</u>	<u>4,981,327</u>	<u>6,432,632</u>
Fund Balances				
Nonspendable	6,893	0	0	6,893
Restricted	406,435	103,536	1,345,482	1,855,453
Committed	177,153	0	8,876	186,029
Assigned	0	0	62,290	62,290
Unassigned (Deficit)	0	0	(2,215,805)	(2,215,805)
<i>Total Fund Balances (Deficit)</i>	<u>590,481</u>	<u>103,536</u>	<u>(799,157)</u>	<u>(105,140)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,067,871</u>	<u>\$1,077,451</u>	<u>\$4,182,170</u>	<u>\$6,327,492</u>

City of Avon, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$289,092	\$77,885	\$557,735	\$924,712
Payment in Lieu of Taxes	0	1,319,031	0	1,319,031
Charges for Services	89,501	55,100	0	144,601
Licenses and Permits	176,639	0	0	176,639
Fines and Forfeitures	4,885	0	0	4,885
Intergovernmental	214,672	9,287	197,295	421,254
Interest	1,003	0	4,256	5,259
Rentals	0	0	380,000	380,000
Miscellaneous	8,642	2,346	20,870	31,858
<i>Total Revenues</i>	<u>784,434</u>	<u>1,463,649</u>	<u>1,160,156</u>	<u>3,408,239</u>
Expenditures				
Current:				
General Government	0	826,752	0	826,752
Security of Persons and Property	1,149	0	0	1,149
Transportation	292,780	0	0	292,780
Community Environment	117,812	0	0	117,812
Leisure Time Activities	824,808	0	0	824,808
Capital Outlay	600	0	4,474,223	4,474,823
Debt Service:				
Principal Retirement	81,000	1,395,353	0	1,476,353
Interest and Fiscal Charges	60,126	1,840,749	17,767	1,918,642
<i>Total Expenditures</i>	<u>1,378,275</u>	<u>4,062,854</u>	<u>4,491,990</u>	<u>9,933,119</u>
<i>Excess of Revenues</i> <i>Under Expenditures</i>	<u>(593,841)</u>	<u>(2,599,205)</u>	<u>(3,331,834)</u>	<u>(6,524,880)</u>
Other Financing Sources (Uses)				
Premium on General Obligation Notes Issued	0	51,870	0	51,870
Transfers In	700,000	3,088,367	2,222,802	6,011,169
Transfers Out	(125,000)	(528,236)	(727,449)	(1,380,685)
<i>Total Other Financing Sources (Uses)</i>	<u>575,000</u>	<u>2,612,001</u>	<u>1,495,353</u>	<u>4,682,354</u>
<i>Net Change in Fund Balances</i>	(18,841)	12,796	(1,836,481)	(1,842,526)
<i>Fund Balances Beginning of Year</i>	<u>609,322</u>	<u>90,740</u>	<u>1,037,324</u>	<u>1,737,386</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$590,481</u>	<u>\$103,536</u>	<u>(\$799,157)</u>	<u>(\$105,140)</u>

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

	<u>Recycling</u>	<u>State Highway</u>	<u>Permissive Tax</u>	<u>Mayor's Court Computer</u>
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$4,098	\$163,803	\$21,553	\$82,487
Materials and Supplies Inventory	0	0	0	0
Intergovernmental Receivable	0	31,773	48,756	520
Prepaid Items	0	0	0	0
Property Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$4,098</u>	<u>\$195,576</u>	<u>\$70,309</u>	<u>\$83,007</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$33,675	\$15,748	\$0
Contracts Payable	0	472	0	0
Accrued Wages and Benefits	80	0	0	0
Intergovernmental Payable	11	0	0	0
Deferred Revenue	0	21,182	32,504	520
<i>Total Liabilities</i>	<u>91</u>	<u>55,329</u>	<u>48,252</u>	<u>520</u>
 Fund Balances				
Nonspendable	0	0	0	0
Restricted	4,007	140,247	22,057	82,487
Committed	0	0	0	0
<i>Total Fund Balances</i>	<u>4,007</u>	<u>140,247</u>	<u>22,057</u>	<u>82,487</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,098</u>	<u>\$195,576</u>	<u>\$70,309</u>	<u>\$83,007</u>

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2010

<u>Recreation</u>	<u>Park Operating</u>	<u>Park Development</u>	<u>Donations</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$70,593	\$182,364	\$98,470	\$8,101	\$631,469
302	0	6,091	0	6,393
0	32,042	0	0	113,091
0	500	0	0	500
0	316,418	0	0	316,418
<u>\$70,895</u>	<u>\$531,324</u>	<u>\$104,561</u>	<u>\$8,101</u>	<u>\$1,067,871</u>
\$0	\$14,924	\$0	\$0	\$64,347
0	0	0	0	472
0	4,764	0	0	4,844
11	5,039	0	0	5,061
0	348,460	0	0	402,666
<u>11</u>	<u>373,187</u>	<u>0</u>	<u>0</u>	<u>477,390</u>
302	500	6,091	0	6,893
0	157,637	0	0	406,435
70,582	0	98,470	8,101	177,153
<u>70,884</u>	<u>158,137</u>	<u>104,561</u>	<u>8,101</u>	<u>590,481</u>
<u>\$70,895</u>	<u>\$531,324</u>	<u>\$104,561</u>	<u>\$8,101</u>	<u>\$1,067,871</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, 2010

	Recycling	State Highway	Permissive Tax	Mayor's Court Computer
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	0	0	4,885
Intergovernmental	0	63,887	98,110	0
Interest	0	765	238	0
Miscellaneous	0	0	2,950	0
<i>Total Revenues</i>	<u>0</u>	<u>64,652</u>	<u>101,298</u>	<u>4,885</u>
Expenditures				
Current:				
Security of Persons and Property	0	0	0	0
Transportation	0	96,500	196,280	0
Community Environment	117,812	0	0	0
Leisure Time Activities	0	0	0	0
Capital Outlay	0	0	0	600
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>117,812</u>	<u>96,500</u>	<u>196,280</u>	<u>600</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(117,812)</u>	<u>(31,848)</u>	<u>(94,982)</u>	<u>4,285</u>
Other Financing Sources (Uses)				
Transfers In	75,000	0	75,000	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>75,000</u>	<u>0</u>	<u>75,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(42,812)	(31,848)	(19,982)	4,285
<i>Fund Balances Beginning of Year</i>	<u>46,819</u>	<u>172,095</u>	<u>42,039</u>	<u>78,202</u>
<i>Fund Balances End of Year</i>	<u>\$4,007</u>	<u>\$140,247</u>	<u>\$22,057</u>	<u>\$82,487</u>

<u>Recreation</u>	<u>Park Operating</u>	<u>Park Development</u>	<u>Donations</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$0	\$289,092	\$0	\$0	\$289,092
89,501	0	0	0	89,501
0	0	176,639	0	176,639
0	0	0	0	4,885
0	52,675	0	0	214,672
0	0	0	0	1,003
0	4,644	0	1,048	8,642
<u>89,501</u>	<u>346,411</u>	<u>176,639</u>	<u>1,048</u>	<u>784,434</u>
0	0	0	1,149	1,149
0	0	0	0	292,780
0	0	0	0	117,812
97,018	727,299	491	0	824,808
0	0	0	0	600
0	0	81,000	0	81,000
0	0	60,126	0	60,126
<u>97,018</u>	<u>727,299</u>	<u>141,617</u>	<u>1,149</u>	<u>1,378,275</u>
<u>(7,517)</u>	<u>(380,888)</u>	<u>35,022</u>	<u>(101)</u>	<u>(593,841)</u>
50,000	500,000	0	0	700,000
0	0	(125,000)	0	(125,000)
<u>50,000</u>	<u>500,000</u>	<u>(125,000)</u>	<u>0</u>	<u>575,000</u>
42,483	119,112	(89,978)	(101)	(18,841)
28,401	39,025	194,539	8,202	609,322
<u>\$70,884</u>	<u>\$158,137</u>	<u>\$104,561</u>	<u>\$8,101</u>	<u>\$590,481</u>

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2010

	General Obligation Bond Retirement	Library Bond Retirement	Tax Increment Financing	Total Nonmajor Debt Service Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$72,706	\$29,381	\$9,686	\$111,773
Intergovernmental Receivable	0	4,327	0	4,327
Property Taxes Receivable	0	77,223	0	77,223
Payments in Lieu of Taxes Receivable	0	0	884,128	884,128
<i>Total Assets</i>	<u>\$72,706</u>	<u>\$110,931</u>	<u>\$893,814</u>	<u>\$1,077,451</u>
Liabilities and Fund Balances				
Liabilities				
Intergovernmental Payable	\$8,237	\$0	\$0	\$8,237
Deferred Revenue	0	81,550	884,128	965,678
<i>Total Liabilities</i>	<u>8,237</u>	<u>81,550</u>	<u>884,128</u>	<u>973,915</u>
Fund Balances				
Restricted	64,469	29,381	9,686	103,536
<i>Total Liabilities and Fund Balances</i>	<u>\$72,706</u>	<u>\$110,931</u>	<u>\$893,814</u>	<u>\$1,077,451</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, 2010

	General Obligation Bond Retirement	Library Bond Retirement	Tax Increment Financing	Total Nonmajor Debt Service Funds
Revenues				
Property Taxes	\$0	\$77,885	\$0	\$77,885
Payment in Lieu of Taxes	0	0	1,319,031	1,319,031
Charges for Services	55,100	0	0	55,100
Intergovernmental	0	9,287	0	9,287
Miscellaneous	2,346	0	0	2,346
<i>Total Revenues</i>	<u>57,446</u>	<u>87,172</u>	<u>1,319,031</u>	<u>1,463,649</u>
Expenditures				
Current:				
General Government	8,237	1,172	817,343	826,752
Debt Service:				
Principal Retirement	1,325,353	70,000	0	1,395,353
Interest and Fiscal Charges	1,823,680	17,069	0	1,840,749
<i>Total Expenditures</i>	<u>3,157,270</u>	<u>88,241</u>	<u>817,343</u>	<u>4,062,854</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,099,824)</u>	<u>(1,069)</u>	<u>501,688</u>	<u>(2,599,205)</u>
Other Financing Sources (Uses)				
Premium on General Obligation Notes Issued	51,870	0	0	51,870
Transfers In	3,088,367	0	0	3,088,367
Transfers Out	(28,236)	0	(500,000)	(528,236)
<i>Total Other Financing Sources (Uses)</i>	<u>3,112,001</u>	<u>0</u>	<u>(500,000)</u>	<u>2,612,001</u>
<i>Net Change in Fund Balances</i>	12,177	(1,069)	1,688	12,796
<i>Fund Balances Beginning of Year</i>	<u>52,292</u>	<u>30,450</u>	<u>7,998</u>	<u>90,740</u>
<i>Fund Balances End of Year</i>	<u><u>\$64,469</u></u>	<u><u>\$29,381</u></u>	<u><u>\$9,686</u></u>	<u><u>\$103,536</u></u>

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2010

	Equipment	Storm Water Detention	Road and Bridges
Assets			
Equity in Pooled Cash and			
Cash Equivalents	\$1,346,748	\$548	\$789,395
Intergovernmental Receivable	64,782	0	0
Property Taxes Receivable	609,055	0	0
<i>Total Assets</i>	<u>\$2,020,585</u>	<u>\$548</u>	<u>\$789,395</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$1,266	\$0	\$0
Contracts Payable	0	0	222,545
Interfund Payable	0	0	138,274
Deferred Revenue	673,837	0	0
Accrued Interest Payable	0	0	4,698
Notes Payable	0	0	825,000
<i>Total Liabilities</i>	<u>675,103</u>	<u>0</u>	<u>1,190,517</u>
Fund Balances			
Restricted	1,345,482	0	0
Committed	0	0	0
Assigned	0	548	0
Unassigned (Deficit)	0	0	(401,122)
<i>Total Fund Balances (Deficit)</i>	<u>1,345,482</u>	<u>548</u>	<u>(401,122)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,020,585</u>	<u>\$548</u>	<u>\$789,395</u>

Land Purchases	French Creek Restoration	Sidewalk Programs	Storm Sewers	Municipal Buildings
\$99,444	\$4,120	\$16,417	\$815,719	\$402,066
0	0	0	0	0
0	0	0	0	0
<u>\$99,444</u>	<u>\$4,120</u>	<u>\$16,417</u>	<u>\$815,719</u>	<u>\$402,066</u>
\$14,120	\$0	\$0	\$1,337	\$0
0	0	0	0	178,181
0	0	0	0	614,000
0	0	0	0	0
8,542	0	0	4,527	0
1,500,000	0	0	795,000	0
<u>1,522,662</u>	<u>0</u>	<u>0</u>	<u>800,864</u>	<u>792,181</u>
0	0	0	0	0
0	0	0	0	0
0	4,120	16,417	14,855	1,350
<u>(1,423,218)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(391,465)</u>
<u>(1,423,218)</u>	<u>4,120</u>	<u>16,417</u>	<u>14,855</u>	<u>(390,115)</u>
<u>\$99,444</u>	<u>\$4,120</u>	<u>\$16,417</u>	<u>\$815,719</u>	<u>\$402,066</u>

(continued)

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds (continued)
December 31, 2010

	Stadium Marquee	Detroit Road Landscaping	Total Nonmajor Capital Projects Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$8,876	\$25,000	\$3,508,333
Intergovernmental Receivable	0	0	64,782
Property Taxes Receivable	0	0	609,055
<i>Total Assets</i>	<u>\$8,876</u>	<u>\$25,000</u>	<u>\$4,182,170</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$0	\$16,723
Contracts Payable	0	0	400,726
Interfund Payable	0	0	752,274
Deferred Revenue	0	0	673,837
Accrued Interest Payable	0	0	17,767
Notes Payable	0	0	3,120,000
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>4,981,327</u>
Fund Balances			
Restricted	0	0	1,345,482
Committed	8,876	0	8,876
Assigned	0	25,000	62,290
Unassigned (Deficit)	0	0	(2,215,805)
<i>Total Fund Balances (Deficit)</i>	<u>8,876</u>	<u>25,000</u>	<u>(799,157)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$8,876</u>	<u>\$25,000</u>	<u>\$4,182,170</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, 2010

	Equipment	Storm Water Detention	Road and Bridges	Land Purchases
Revenues				
Property Taxes	\$557,735	\$0	\$0	\$0
Intergovernmental	112,017	0	0	0
Interest	1,825	0	1,246	0
Rentals	0	0	0	0
Miscellaneous	8,534	0	1,880	90
<i>Total Revenues</i>	<u>680,111</u>	<u>0</u>	<u>3,126</u>	<u>90</u>
Expenditures				
Capital Outlay	181,431	0	1,957,792	1,691,391
Debt Service:				
Interest and Fiscal Charges	0	0	4,698	8,542
<i>Total Expenditures</i>	<u>181,431</u>	<u>0</u>	<u>1,962,490</u>	<u>1,699,933</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>498,680</u>	<u>0</u>	<u>(1,959,364)</u>	<u>(1,699,843)</u>
Other Financing Sources (Uses)				
Transfers In	0	0	1,191,235	275,000
Transfers Out	0	0	(317,984)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>873,251</u>	<u>275,000</u>
<i>Net Change in Fund Balances</i>	498,680	0	(1,086,113)	(1,424,843)
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year</i>	<u>846,802</u>	<u>548</u>	<u>684,991</u>	<u>1,625</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,345,482</u>	<u>\$548</u>	<u>(\$401,122)</u>	<u>(\$1,423,218)</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, 2010

	French Creek Restoration	Sidewalk Programs	Storm Sewers
Revenues			
Property Taxes	\$0	\$0	\$0
Intergovernmental	0	0	0
Interest	0	0	1,185
Rentals	0	0	0
Miscellaneous	0	0	1,100
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>2,285</u>
Expenditures			
Capital Outlay	0	38,008	39,330
Debt Service:			
Interest and Fiscal Charges	0	0	4,527
<i>Total Expenditures</i>	<u>0</u>	<u>38,008</u>	<u>43,857</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>(38,008)</u>	<u>(41,572)</u>
Other Financing Sources (Uses)			
Transfers In	0	50,000	46,427
Transfers Out	0	0	(40,905)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>50,000</u>	<u>5,522</u>
<i>Net Change in Fund Balances</i>	0	11,992	(36,050)
<i>Fund Balances (Deficit)</i>			
<i>Beginning of Year</i>	<u>4,120</u>	<u>4,425</u>	<u>50,905</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$4,120</u></u>	<u><u>\$16,417</u></u>	<u><u>\$14,855</u></u>

Municipal Buildings	Stadium Marquee	Detroit Road Landscaping	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$557,735
85,278	0	0	197,295
0	0	0	4,256
380,000	0	0	380,000
640	8,626	0	20,870
<u>465,918</u>	<u>8,626</u>	<u>0</u>	<u>1,160,156</u>
566,271	0	0	4,474,223
0	0	0	17,767
<u>566,271</u>	<u>0</u>	<u>0</u>	<u>4,491,990</u>
<u>(100,353)</u>	<u>8,626</u>	<u>0</u>	<u>(3,331,834)</u>
660,140	0	0	2,222,802
<u>(368,560)</u>	<u>0</u>	<u>0</u>	<u>(727,449)</u>
<u>291,580</u>	<u>0</u>	<u>0</u>	<u>1,495,353</u>
191,227	8,626	0	(1,836,481)
<u>(581,342)</u>	<u>250</u>	<u>25,000</u>	<u>1,037,324</u>
<u>(\$390,115)</u>	<u>\$8,876</u>	<u>\$25,000</u>	<u>(\$799,157)</u>

Fiduciary Funds

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

Agency Funds

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

Lorain Public Library Fund – This fund accounts for resources received from a 1.2 mill levy used to pay for the upkeep of the Lorain Public Library – Avon Branch. These funds are collected and immediately given to the Library.

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

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 Assets and Liabilities
Agency Funds
December 31, 2010

	<u>Deposits</u>	<u>North Ridgeville Sewer</u>	<u>Avon Lake Sanitary Sewer Trunk Fees</u>	<u>Subdivisions</u>	<u>Total</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	<u>\$213,975</u>	<u>\$2,830</u>	<u>\$230,622</u>	<u>\$1,896,590</u>	<u>\$2,344,017</u>
Liabilities					
Deposits Held and Due to Others	\$213,975	\$0	\$230,622	\$1,896,590	\$2,341,187
Intergovernmental Payable	<u>0</u>	<u>2,830</u>	<u>0</u>	<u>0</u>	<u>2,830</u>
<i>Total Liabilities</i>	<u>\$213,975</u>	<u>\$2,830</u>	<u>\$230,622</u>	<u>\$1,896,590</u>	<u>\$2,344,017</u>

City of Avon, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2010

	Beginning Balance 12/31/09	Additions	Deductions	Ending Balance 12/31/10
Deposits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$208,408	\$514,816	\$509,249	\$213,975
Liabilities				
Deposits Held and Due to Others	\$208,408	\$514,816	\$509,249	\$213,975
 Lorain Public Library				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$466,198	\$466,198	\$0
Liabilities				
Intergovernmental Payable	\$0	\$466,198	\$466,198	\$0
 North Ridgeville Sewer				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$32,823	\$1,453,666	\$1,483,659	\$2,830
Liabilities				
Intergovernmental Payable	\$32,823	\$1,453,666	\$1,483,659	\$2,830
 Avon Lake Sanitary Sewer Trunk Fees				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$114,023	\$116,599	\$0	\$230,622
Liabilities				
Deposits Held and Due to Others	\$114,023	\$116,599	\$0	\$230,622

(continued)

City of Avon, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds (continued)
For the Year Ended December 31, 2010

	Beginning Balance 12/31/09	Additions	Deductions	Ending Balance 12/31/10
Clearing Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$10,725	\$10,725	\$0
Liabilities				
Deposits Held and Due to Others	\$0	\$10,725	\$10,725	\$0
Subdivisions				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,089,094	\$163,293	\$355,797	\$1,896,590
Liabilities				
Deposits Held and Due to Others	\$2,089,094	\$163,293	\$355,797	\$1,896,590
Mayor's Court				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$0	\$108,788	\$108,788	\$0
Liabilities				
Deposits Held and Due to Others	\$0	\$108,788	\$108,788	\$0
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,444,348	\$2,725,297	\$2,825,628	\$2,344,017
Cash and Cash Equivalents in Segregated Accounts	0	108,788	108,788	0
Total Assets	\$2,444,348	\$2,834,085	\$2,934,416	\$2,344,017
Liabilities				
Deposits Held and Due to Others	\$2,411,525	\$914,221	\$984,559	\$2,341,187
Intergovernmental Payable	32,823	1,919,864	1,949,857	2,830
Total Liabilities	\$2,444,348	\$2,834,085	\$2,934,416	\$2,344,017

**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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Property Taxes	\$861,658	\$1,492,802	\$1,492,802	\$0
Municipal Income Taxes	2,822,875	4,890,565	4,890,565	0
Charges for Services	403,408	698,895	703,044	4,149
Licenses and Permits	522,094	904,516	913,420	8,904
Fines and Forfeitures	78,674	136,301	140,762	4,461
Donations	2,886	5,000	5,000	0
Intergovernmental	877,122	1,425,695	1,426,234	539
Interest	38,028	65,883	65,883	0
Miscellaneous	65,424	112,085	113,487	1,402
<i>Total Revenues</i>	<u>5,672,169</u>	<u>9,731,742</u>	<u>9,751,197</u>	<u>19,455</u>
Expenditures				
Current:				
General Government:				
Mayor:				
Personal Services	156,232	275,340	239,129	36,211
Materials and Supplies	3,518	6,200	5,242	958
Contractual Services	75,468	132,375	102,932	29,443
Total Mayor	<u>235,218</u>	<u>413,915</u>	<u>347,303</u>	<u>66,612</u>
Finance:				
Personal Services	229,970	405,295	372,150	33,145
Materials and Supplies	13,873	24,449	10,772	13,677
Contractual Services	32,445	57,181	22,966	34,215
Total Finance	<u>276,288</u>	<u>486,925</u>	<u>405,888</u>	<u>81,037</u>
Treasurer:				
Personal Services	12,540	22,100	21,480	620
Materials and Supplies	848	1,495	750	745
Contractual Services	1,759	3,100	2,230	870
Total Treasurer	<u>15,147</u>	<u>26,695</u>	<u>24,460</u>	<u>2,235</u>
Law Director:				
Personal Services	90,900	160,200	157,705	2,495
Materials and Supplies	1,532	2,700	1,380	1,320
Contractual Services	269,805	475,500	412,042	63,458
Total Law Director	<u>\$362,237</u>	<u>\$638,400</u>	<u>\$571,127</u>	<u>\$67,273</u>

(continued)

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Council:				
Personal Services	\$112,481	\$198,235	\$167,473	\$30,762
Materials and Supplies	9,362	16,499	14,907	1,592
Contractual Services	11,865	20,911	18,233	2,678
Capital Outlay	5,674	10,000	9,886	114
Total Council	139,382	245,645	210,499	35,146
City Hall:				
Personal Services	28,717	50,610	44,136	6,474
Materials and Supplies	33,709	59,408	38,225	21,183
Contractual Services	112,862	198,905	152,395	46,510
Capital Outlay	10,144	17,877	13,937	3,940
Other	16,653	29,350	27,275	2,075
Total City Hall	202,085	356,150	275,968	80,182
Civil Service:				
Personal Services	3,328	5,865	4,200	1,665
Materials and Supplies	57	100	0	100
Contractual Services	4,823	8,500	0	8,500
Other	56	100	0	100
Total Civil Service	8,264	14,565	4,200	10,365
Records:				
Personal Services	5,320	9,375	8,235	1,140
Materials and Supplies	284	500	0	500
Contractual Services	567	1,000	0	1,000
Total Records	6,171	10,875	8,235	2,640
Statutory Accounts:				
Personal Services	42,648	75,160	47,564	27,596
Material and Supplies	190,042	334,924	267,636	67,288
Contractual Services	6,384	11,250	2,480	8,770
Total Statutory Accounts	239,074	421,334	317,680	103,654
Legal:				
Personal Services	1,983	3,495	3,366	129
Materials and Supplies	284	500	238	262
Capital Outlay	5,390	9,500	8,900	600
Total Legal	\$7,657	\$13,495	\$12,504	\$991

(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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Engineer:				
Personal Services	\$62,821	\$110,715	\$107,331	\$3,384
Materials and Supplies	2,837	5,000	3,111	1,889
Contractual Services	164,516	289,940	64,628	225,312
Total Engineer	230,174	405,655	175,070	230,585
Grant Coordinator:				
Contractual Services	14,185	25,000	25,000	0
Project Coordinator:				
Personal Services	25,140	44,307	37,163	7,144
Materials and Supplies	8,839	15,578	79	15,499
Contractual Services	14,305	25,211	2,005	23,206
Total Project Coordinator	48,284	85,096	39,247	45,849
Income Tax Department:				
Contractual Services	88,800	156,500	154,010	2,490
Total General Government	1,872,966	3,300,250	2,571,191	729,059
Community Environment:				
Avon Seniors:				
Personal Services	145,933	145,933	131,882	14,051
Materials and Supplies	43,258	43,258	26,066	17,192
Contractual Services	35,896	35,896	27,278	8,618
Capital Outlay	20,405	20,405	19,171	1,234
Other	1,000	1,000	0	1,000
Total Avon Seniors	246,492	246,492	204,397	42,095
Planning Commission:				
Personal Services	96,463	169,180	158,889	10,291
Materials and Supplies	2,454	4,325	714	3,611
Contractual Services	20,048	35,332	11,718	23,614
Capital Outlay	567	1,000	0	1,000
Other	1,033	1,820	335	1,485
Total Planning Commission	\$120,565	\$211,657	\$171,656	\$40,001

(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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Community Center:				
Personal Services	\$16,910	\$16,910	\$14,305	\$2,605
Materials and Supplies	746	745	569	176
Contractual Services	3,852	3,852	1,892	1,960
Other	150	150	142	8
Total Community Center	21,658	21,657	16,908	4,749
Cemetery:				
Contractual Services	2,500	2,500	0	2,500
Building Inspector:				
Personal Services	541,538	678,584	535,808	142,776
Materials and Supplies	27,997	49,342	23,416	25,926
Contractual Services	94,279	166,155	115,035	51,120
Capital Outlay	11,348	20,000	0	20,000
Other	1,885	3,324	3,324	0
Total Building Inspector	677,047	917,405	677,583	239,822
Safety Director/Zoning Officer:				
Personal Services	36,802	64,860	63,989	871
Materials and Supplies	85	150	150	0
Contractual Services	1,845	3,250	100	3,150
Total Safety Director/Zoning Officer	38,732	68,260	64,239	4,021
Total Community Environment	1,106,994	1,467,971	1,134,783	333,188
Total Expenditures	2,979,960	4,768,221	3,705,974	1,062,247
<i>Excess of Revenues</i>				
<i>Over Expenditures</i>	2,692,209	4,963,521	6,045,223	1,081,702
Other Financing Sources (Uses)				
Advances In	499,503	542,100	542,100	0
Advances Out	(700,000)	(722,425)	(429,900)	292,525
Transfers In	1,557,158	1,718,169	1,718,169	0
Transfers Out	(5,499,175)	(6,085,350)	(6,085,350)	0
Total Other Financing Sources (Uses)	(4,142,514)	(4,547,506)	(4,254,981)	292,525
Net Change in Fund Balance	(1,450,305)	416,015	1,790,242	1,374,227
Fund Balance Beginning of Year	4,647,945	4,647,945	4,647,945	0
Prior Year Encumbrances Appropriated	161,393	161,393	161,393	0
Fund Balance End of Year	\$3,359,033	\$5,225,353	\$6,599,580	\$1,374,227

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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$3,550,119	\$3,511,521	\$3,511,521	\$0
Interest	2,090	2,067	2,067	0
Miscellaneous	14,391	14,235	14,250	15
<i>Total Revenues</i>	<u>3,566,600</u>	<u>3,527,823</u>	<u>3,527,838</u>	<u>15</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire Department:				
Personal Services	3,285,640	3,190,597	3,111,844	78,753
Materials and Supplies	131,483	127,680	102,608	25,072
Contractual Services	287,267	278,957	249,174	29,783
<i>Total Expenditures</i>	<u>3,704,390</u>	<u>3,597,234</u>	<u>3,463,626</u>	<u>133,608</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(137,790)	(69,411)	64,212	133,623
Other Financing Uses				
Transfers Out	(925,000)	(925,000)	(925,000)	0
<i>Net Change in Fund Balance</i>	(1,062,790)	(994,411)	(860,788)	133,623
<i>Fund Balance Beginning of Year</i>	1,026,377	1,026,377	1,026,377	0
Prior Year Encumbrances Appropriated	5,640	5,640	5,640	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$30,773)</u>	<u>\$37,606</u>	<u>\$171,229</u>	<u>\$133,623</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Property Taxes	\$1,293,266	\$1,220,607	\$1,220,607	\$0
Intergovernmental	1,021,402	964,017	1,013,762	49,745
Interest	6,357	6,000	5,535	(465)
Miscellaneous	7,363	6,950	6,950	0
<i>Total Revenues</i>	<u>2,328,388</u>	<u>2,197,574</u>	<u>2,246,854</u>	<u>49,280</u>
Expenditures				
Current:				
Transportation:				
Street Department:				
Personal Services	1,080,710	1,080,710	1,026,870	53,840
Materials and Supplies	693,058	693,058	596,825	96,233
Contractual Services	238,534	238,534	200,913	37,621
Capital Outlay	65,000	65,000	48,040	16,960
Total Transportation	2,077,302	2,077,302	1,872,648	204,654
Basic Utilities:				
Drainage:				
Materials and Supplies	30,788	30,788	30,788	0
<i>Total Expenditures</i>	<u>2,108,090</u>	<u>2,108,090</u>	<u>1,903,436</u>	<u>204,654</u>
<i>Excess of Revenues Over Expenditures</i>	220,298	89,484	343,418	253,934
Other Financing Uses				
Transfers Out	(188,331)	(188,331)	(188,331)	0
<i>Net Change in Fund Balance</i>	31,967	(98,847)	155,087	253,934
<i>Fund Balance Beginning of Year</i>	900,013	900,013	900,013	0
Prior Year Encumbrances Appropriated	118,380	118,380	118,380	0
<i>Fund Balance End of Year</i>	<u>\$1,050,360</u>	<u>\$919,546</u>	<u>\$1,173,480</u>	<u>\$253,934</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Property Taxes	\$1,303,690	\$610,830	\$610,830	\$0
Intergovernmental	359,310	168,351	168,351	0
Fines and Forfeitures	5,336	2,500	2,340	(160)
Miscellaneous	106,081	49,703	52,401	2,698
<i>Total Revenues</i>	<u>1,774,417</u>	<u>831,384</u>	<u>833,922</u>	<u>2,538</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Personal Services	4,090,016	4,092,960	4,073,969	18,991
Materials and Supplies	247,457	247,635	233,412	14,223
Contractual Services	382,519	382,794	342,119	40,675
Other	3,472	3,475	3,475	0
<i>Total Expenditures</i>	<u>4,723,464</u>	<u>4,726,864</u>	<u>4,652,975</u>	<u>73,889</u>
<i>Excess of Revenues Under Expenditures</i>	(2,949,047)	(3,895,480)	(3,819,053)	76,427
Other Financing Sources				
Transfers In	3,000,000	3,825,000	3,825,000	0
<i>Net Change in Fund Balance</i>	50,953	(70,480)	5,947	76,427
<i>Fund Balance Beginning of Year</i>	243,433	243,433	243,433	0
Prior Year Encumbrances Appropriated	24,264	24,264	24,264	0
<i>Fund Balance End of Year</i>	<u><u>\$318,650</u></u>	<u><u>\$197,217</u></u>	<u><u>\$273,644</u></u>	<u><u>\$76,427</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Special Assessments	\$467,220	\$451,736	\$451,736	\$0
Expenditures				
Current:				
General Government:				
Special Assessment Bond Retirement:				
Contractual Services	21,000	21,000	19,209	1,791
Debt Service:				
Principal Retirement	276,400	276,400	276,350	50
Interest and Fiscal Charges	174,900	174,900	174,817	83
<i>Total Expenditures</i>	472,300	472,300	470,376	1,924
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(5,080)	(20,564)	(18,640)	1,924
Other Financing Uses				
Transfers Out	(17,220)	(17,220)	(17,220)	0
<i>Net Change in Fund Balance</i>	(22,300)	(37,784)	(35,860)	1,924
<i>Fund Balance Beginning of Year</i>	361,313	361,313	361,313	0
<i>Fund Balance End of Year</i>	\$339,013	\$323,529	\$325,453	\$1,924

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
I-90 Interchange Study Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Interest	\$0	\$8,000	\$8,026	\$26
Expenditures				
Capital Outlay:				
I-90 Interchange:				
Capital Outlay	<u>0</u>	<u>6,277,000</u>	<u>4,983,429</u>	<u>1,293,571</u>
<i>Excess of Revenues</i>				
<i> Under Expenditures</i>	<u>0</u>	<u>(6,269,000)</u>	<u>(4,975,403)</u>	<u>1,293,597</u>
Other Financing Sources (Uses)				
Note Proceeds	0	6,300,000	6,300,000	0
Advances In	0	250,000	250,000	0
Advances Out	<u>(27,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(27,000)</u>	<u>6,250,000</u>	<u>6,250,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(27,000)	(19,000)	1,274,597	1,293,597
<i>Fund Balance Beginning of Year</i>	<u>37,128</u>	<u>37,128</u>	<u>37,128</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$10,128</u></u>	<u><u>\$18,128</u></u>	<u><u>\$1,311,725</u></u>	<u><u>\$1,293,597</u></u>

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Municipal Income Taxes	\$1,039,649	\$1,213,154	\$1,213,154	\$0
Interest	12,621	17,828	17,380	(448)
Miscellaneous	5,930	8,376	8,376	0
<i>Total Revenues</i>	<u>1,058,200</u>	<u>1,239,358</u>	<u>1,238,910</u>	<u>(448)</u>
Expenditures				
General Government:				
Recreation Complex:				
Contractual Services	40,000	40,000	38,136	1,864
Capital Outlay	5,465,590	4,651,852	4,475,690	176,162
Total General Government	<u>5,505,590</u>	<u>4,691,852</u>	<u>4,513,826</u>	<u>178,026</u>
Debt Service:				
Principal Retirement	5,600,000	5,600,000	5,600,000	0
Interest and Fiscal Charges	72,598	72,598	72,598	0
Total Debt Service	<u>5,672,598</u>	<u>5,672,598</u>	<u>5,672,598</u>	<u>0</u>
<i>Total Expenditures</i>	<u>11,178,188</u>	<u>10,364,450</u>	<u>10,186,424</u>	<u>178,026</u>
<i>Excess of Revenues</i>				
<i> Under Expenditures</i>	<u>(10,119,988)</u>	<u>(9,125,092)</u>	<u>(8,947,514)</u>	<u>177,578</u>
Other Financing Sources (Uses)				
Notes Issued	5,675,000	5,675,000	5,675,000	0
Advances In	99,300	99,300	99,300	0
Advances Out	(341,400)	(341,400)	(341,400)	0
Transfers Out	(493,561)	(1,718,561)	(2,793,561)	(1,075,000)
<i>Total Other Financing Sources (Uses)</i>	<u>4,939,339</u>	<u>3,714,339</u>	<u>2,639,339</u>	<u>(1,075,000)</u>
<i>Net Change in Fund Balance</i>	<u>(5,180,649)</u>	<u>(5,410,753)</u>	<u>(6,308,175)</u>	<u>(897,422)</u>
<i>Fund Balance Beginning of Year</i>	1,654,223	1,654,223	1,654,223	0
Prior Year Encumbrances Appropriated	4,910,349	4,910,349	4,910,349	0
<i>Fund Balance End of Year</i>	<u>\$1,383,923</u>	<u>\$1,153,819</u>	<u>\$256,397</u>	<u>(\$897,422)</u>

City of Avon, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for Services	\$2,022,880	\$2,632,824	\$2,660,915	\$28,091
Interest	4,068	6,083	6,083	0
Notes Proceeds	0	425,000	425,000	0
Other	33,000	33,014	33,576	562
<i>Total Revenues</i>	2,059,948	3,096,921	3,125,574	28,653
Expenses				
Personal Services	356,526	471,930	450,128	21,802
Materials and Supplies	1,242,841	1,296,014	1,199,026	96,988
Contractual Services	940,270	1,203,771	1,093,581	110,190
Other	9,066	12,000	4,930	7,070
Capital Outlay	91,509	161,987	35,126	126,861
Debt Service:				
Principal Retirement	93,628	129,700	127,592	2,108
Interest and Fiscal Charges	44,818	62,256	59,929	2,327
<i>Total Expenses</i>	2,778,658	3,337,658	2,970,312	367,346
<i>Excess of Revenues Over (Under) Expenses</i>	(718,710)	(240,737)	155,262	395,999
Advances In	485,300	60,300	60,300	0
Transfers In	4,170	0	0	0
Transfers Out	(614,170)	(236,000)	(236,000)	0
<i>Net Change in Fund Equity</i>	(843,410)	(416,437)	(20,438)	395,999
<i>Fund Equity Beginning of Year</i>	2,570,239	2,570,239	2,570,239	0
Prior Year Encumbrances Appropriated	39,707	39,707	39,707	0
<i>Fund Equity End of Year</i>	\$1,766,536	\$2,193,509	\$2,589,508	\$395,999

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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Charges for Services	\$1,513,835	\$1,518,500	\$1,479,875	(\$38,625)
Interest	2,119	2,444	2,465	21
Other Operating Revenues	328	378	879	501
<i>Total Revenues</i>	<u>1,516,282</u>	<u>1,521,322</u>	<u>1,483,219</u>	<u>(38,103)</u>
Expenses				
Personal Services	493,692	464,800	443,163	21,637
Materials and Supplies	523,287	349,118	333,486	15,632
Contractual Services	354,658	516,463	500,577	15,886
Other Operating Expenses	11,242	7,500	3,266	4,234
Capital Outlay	74,057	42,520	1,745	40,775
Debt Service:				
Principal Retirement	250,836	194,388	194,388	0
Interest and Fiscal Charges	51,127	34,110	32,978	1,132
<i>Total Expenses</i>	<u>1,758,899</u>	<u>1,608,899</u>	<u>1,509,603</u>	<u>99,296</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(242,617)	(87,577)	(26,384)	61,193
Advances In	74,600	74,600	74,600	0
Transfers In	118,000	72,573	71,809	(764)
Transfers Out	0	(100,000)	0	100,000
<i>Net Change in Fund Equity</i>	(50,017)	(40,404)	120,025	160,429
<i>Fund Equity Beginning of Year</i>	2,406,275	2,406,275	2,406,275	0
Prior Year Encumbrances Appropriated	9,634	9,634	9,634	0
<i>Fund Equity End of Year</i>	<u>\$2,365,892</u>	<u>\$2,375,505</u>	<u>\$2,535,934</u>	<u>\$160,429</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Community Environment:				
Recycling:				
Personal Services	5,806	6,000	5,979	21
Material and Supplies	9,786	10,113	9,912	201
Contractual Services	107,976	111,580	111,480	100
Capital Outlay	116,134	120,009	120,009	0
<i>Total Expenditures</i>	239,702	247,702	247,380	322
<i>Excess of Revenues Under Expenditures</i>	(239,702)	(247,702)	(247,380)	322
Other Financing Sources				
Transfers In	147,750	75,000	75,000	0
<i>Net Change in Fund Balance</i>	(91,952)	(172,702)	(172,380)	322
<i>Fund Balance Beginning of Year</i>	56,256	56,256	56,256	0
Prior Year Encumbrances Appropriated	120,222	120,222	120,222	0
<i>Fund Balance End of Year</i>	\$84,526	\$3,776	\$4,098	\$322

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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Intergovernmental	\$58,200	\$59,507	\$63,540	\$4,033
Interest	800	800	800	0
<i>Total Revenues</i>	<u>59,000</u>	<u>60,307</u>	<u>64,340</u>	<u>4,033</u>
Expenditures				
Current:				
Transportation:				
State Highway:				
Material and Supplies	32,000	75,000	75,000	0
Contractual Services	23,142	55,142	50,509	4,633
<i>Total Expenditures</i>	<u>55,142</u>	<u>130,142</u>	<u>125,509</u>	<u>4,633</u>
<i>Excess of Revenues Over (Under)Expenditures</i>	3,858	(69,835)	(61,169)	8,666
<i>Fund Balance Beginning of Year</i>	156,657	156,657	156,657	0
Prior Year Encumbrances Appropriated	5,142	5,142	5,142	0
<i>Fund Balance End of Year</i>	<u>\$165,657</u>	<u>\$91,964</u>	<u>\$100,630</u>	<u>\$8,666</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$69,347	\$98,162	\$98,162	\$0
Interest	706	1,000	246	(754)
Miscellaneous	1,947	2,755	2,950	195
<i>Total Revenues</i>	72,000	101,917	101,358	(559)
Expenditures				
Current:				
Transportation:				
Permissive Tax:				
Contractual Services	175,000	200,000	185,395	14,605
<i>Excess of Revenues</i> <i>Under Expenditures</i>	(103,000)	(98,083)	(84,037)	14,046
Other Financing Sources				
Transfers In	75,000	75,000	75,000	0
<i>Net Change in Fund Balance</i>	(28,000)	(23,083)	(9,037)	14,046
<i>Fund Balance Beginning of Year</i>	30,588	30,588	30,588	0
<i>Fund Balance End of Year</i>	<u>\$2,588</u>	<u>\$7,505</u>	<u>\$21,551</u>	<u>\$14,046</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Mayor's Court Computer Fund
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Fines and Forfeitures	\$0	\$4,800	\$4,885	\$85
Expenditures				
Current:				
Capital Outlay:				
Mayor's Court Computer:				
Capital Outlay	5,000	5,000	600	4,400
<i>Net Change in Fund Balance</i>	(5,000)	(200)	4,285	4,485
<i>Fund Balance Beginning of Year</i>	78,202	78,202	78,202	0
<i>Fund Balance End of Year</i>	\$73,202	\$78,002	\$82,487	\$4,485

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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
Revenues				
Charges for Services	\$82,300	\$91,751	\$89,501	(\$2,250)
Expenditures				
Current:				
Leisure Time Activities:				
Recreation Department:				
Personal Services	6,946	6,782	1,737	5,045
Materials and Supplies	8,210	8,016	6,589	1,427
Contractual Services	24,075	23,505	16,662	6,843
Other	1,024	1,000	0	1,000
Total Recreation Department	40,255	39,303	24,988	14,315
Adult Volleyball:				
Materials and Supplies	3,073	3,000	737	2,263
Men's Basketball:				
Materials and Supplies	1,926	1,880	1,490	390
Youth Basketball:				
Materials and Supplies	26,745	26,112	17,624	8,488
Little Eagles:				
Materials and Supplies	11,523	11,250	9,232	2,018
Tennis Camp				
Materials and Supplies	5,121	5,000	4,727	273
Adult Softball:				
Materials and Supplies	3,811	3,721	3,402	319
Little Scientist:				
Materials and Supplies	4,097	4,000	3,215	785
Youth Baseball:				
Materials and Supplies	15,363	15,000	7,141	7,859
Flag Football:				
Materials and Supplies	\$6,145	\$6,000	\$4,828	\$1,172

(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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Safety Town:				
Materials and Supplies	\$4,880	\$4,765	\$3,305	\$1,460
Fishing:				
Materials and Supplies	1,229	1,200	1,200	0
Youth Football:				
Materials and Supplies	10,754	10,500	9,740	760
Running Club:				
Materials and Supplies	3,073	3,000	2,280	720
Fitness Camp:				
Materials and Supplies	3,073	3,000	2,365	635
Theater:				
Materials and Supplies	3,073	3,000	2,500	500
Youth Soccer:				
Materials and Supplies	2,048	2,000	0	2,000
Educational:				
Materials and Supplies	3,074	3,000	1,330	1,670
Kidz Art:				
Materials and Supplies	2,048	2,000	500	1,500
<i>Total Expenditures</i>	<u>151,311</u>	<u>147,731</u>	<u>100,604</u>	<u>47,127</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(69,011)	(55,980)	(11,103)	44,877
Other Financing Sources				
Transfers In	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(19,011)	(5,980)	38,897	44,877
<i>Fund Balance Beginning of Year</i>	21,744	21,744	21,744	0
Prior Year Encumbrances Appropriated	<u>8,501</u>	<u>8,501</u>	<u>8,501</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$11,234</u>	<u>\$24,265</u>	<u>\$69,142</u>	<u>\$44,877</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Property Taxes	\$324,880	\$289,092	\$289,092	\$0
Intergovernmental	59,196	52,675	52,675	0
Miscellaneous	4,436	3,947	4,644	697
<i>Total Revenues</i>	<u>388,512</u>	<u>345,714</u>	<u>346,411</u>	<u>697</u>
Expenditures				
Current:				
Leisure Time Activities:				
Park Operating:				
Personal Services	537,194	538,194	489,603	48,591
Materials and Supplies	78,110	78,110	62,263	15,847
Contractual Services	188,314	188,314	147,064	41,250
Capital Outlay	65,949	65,949	64,844	1,105
<i>Total Expenditures</i>	<u>869,567</u>	<u>870,567</u>	<u>763,774</u>	<u>106,793</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(481,055)	(524,853)	(417,363)	107,490
Other Financing Sources				
Transfers In	500,000	500,000	500,000	0
<i>Net Change in Fund Balance</i>	18,945	(24,853)	82,637	107,490
<i>Fund Balance Beginning of Year</i>	49,659	49,659	49,659	0
Prior Year Encumbrances Appropriated	20,037	20,037	20,037	0
<i>Fund Balance End of Year</i>	<u>\$88,641</u>	<u>\$44,843</u>	<u>\$152,333</u>	<u>\$107,490</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Licenses and Permits	\$125,000	\$176,639	\$176,639	\$0
Expenditures				
Current:				
Leisure Time Activities:				
Park Development:				
Materials and Supplies	500	500	0	500
Capital Outlay	41	41	27	14
Total Leisure Time Activities	541	541	27	514
Debt Service:				
Principal Retirement	81,200	81,200	81,000	200
Interest and Fiscal Charges	60,000	60,000	60,126	(126)
Total Debt Service	141,200	141,200	141,126	74
<i>Total Expenditures</i>	141,741	141,741	141,153	588
<i>Excess of Revenues Over (Under) Expenditures</i>	(16,741)	34,898	35,486	588
Other Financing Uses				
Transfers Out	(125,000)	(125,000)	(125,000)	0
<i>Net Change in Fund Balance</i>	(141,741)	(90,102)	(89,514)	588
<i>Fund Balance Beginning of Year</i>	187,943	187,943	187,943	0
Prior Year Encumbrances Appropriated	41	41	41	0
<i>Fund Balance End of Year</i>	\$46,243	\$97,882	\$98,470	\$588

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Miscellaneous	\$10,000	\$1,000	\$1,048	\$48
Expenditures				
Current:				
Security of Persons and Property:				
Enforcement and Education:				
Contractual Services	10,000	5,000	1,718	3,282
<i>Net Change in Fund Balance</i>	0	(4,000)	(670)	3,330
<i>Fund Balance Beginning of Year</i>	8,202	8,202	8,202	0
<i>Fund Balance End of Year</i>	<u>\$8,202</u>	<u>\$4,202</u>	<u>\$7,532</u>	<u>\$3,330</u>

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for Services	\$55,100	\$55,100	\$55,100	\$0
Miscellaneous	2,346	2,346	2,346	0
<i>Total Revenues</i>	<u>57,446</u>	<u>57,446</u>	<u>57,446</u>	<u>0</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Material and Supplies	1,000	1,000	0	1,000
Debt Service:				
Principal Retirement	1,334,096	1,334,096	1,333,590	506
Interest and Fiscal Charges	1,823,880	1,823,880	1,823,680	200
<i>Total Expenditures</i>	<u>3,158,976</u>	<u>3,158,976</u>	<u>3,157,270</u>	<u>1,706</u>
<i>Excess of Revenues</i> <i>Under Expenditures</i>	<u>(3,101,530)</u>	<u>(3,101,530)</u>	<u>(3,099,824)</u>	<u>1,706</u>
Other Financing Sources (Uses)				
Premium on Notes Issued	51,870	51,870	51,870	0
Transfers In	3,555,980	3,088,367	3,088,367	0
Transfers Out	(50,000)	(50,000)	(28,236)	21,764
<i>Total Other Financing Sources (Uses)</i>	<u>3,557,850</u>	<u>3,090,237</u>	<u>3,112,001</u>	<u>21,764</u>
<i>Net Change in Fund Balance</i>	456,320	(11,293)	12,177	23,470
<i>Fund Balance Beginning of Year</i>	44,055	44,055	44,055	0
Prior Year Encumbrances Appropriated	8,237	8,237	8,237	0
<i>Fund Balance End of Year</i>	<u>\$508,612</u>	<u>\$40,999</u>	<u>\$64,469</u>	<u>\$23,470</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Library Bond Retirement Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Property Taxes	\$115,352	\$77,885	\$77,885	\$0
Intergovernmental	13,755	9,287	9,287	0
<i>Total Revenues</i>	<u>129,107</u>	<u>87,172</u>	<u>87,172</u>	<u>0</u>
Expenditures				
Current:				
General Government:				
Contractual Services	1,500	1,500	1,172	328
Debt Service:				
Principal Retirement	70,000	70,000	70,000	0
Interest and Fiscal Charges	17,100	17,100	17,069	31
<i>Total Debt Service</i>	<u>87,100</u>	<u>87,100</u>	<u>87,069</u>	<u>31</u>
<i>Total Expenditures</i>	<u>88,600</u>	<u>88,600</u>	<u>88,241</u>	<u>359</u>
<i>Net Change in Fund Balance</i>	40,507	(1,428)	(1,069)	359
<i>Fund Balance Beginning of Year</i>	<u>30,450</u>	<u>30,450</u>	<u>30,450</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$70,957</u></u>	<u><u>\$29,022</u></u>	<u><u>\$29,381</u></u>	<u><u>\$359</u></u>

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Payment in Lieu of Taxes	\$560,000	\$1,319,031	\$1,319,031	0
Expenditures				
Current:				
General Government	67,000	817,343	817,343	0
<i>Excess of Revenues Over Expenditures</i>				
	493,000	501,688	501,688	0
Other Financing Uses				
Transfers Out	(500,000)	(500,000)	(500,000)	0
<i>Net Change in Fund Balance</i>	(7,000)	1,688	1,688	0
<i>Fund Balance Beginning of Year</i>	7,998	7,998	7,998	0
<i>Fund Balance End of Year</i>	<u>\$998</u>	<u>\$9,686</u>	<u>\$9,686</u>	<u>\$0</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Equipment Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Property Taxes	\$628,642	\$557,735	\$557,735	\$0
Intergovernmental	126,258	112,017	112,017	0
Interest	2,254	2,000	1,864	(136)
Miscellaneous	9,115	8,087	8,534	447
<i>Total Revenues</i>	<u>766,269</u>	<u>679,839</u>	<u>680,150</u>	<u>311</u>
Expenditures				
Capital Outlay:				
Equipment:				
Materials and Supplies	5,000	5,000	4,835	165
Contractual Services	4,100	4,100	3,565	535
Capital Outlay	395,920	395,920	305,248	90,672
<i>Total Expenditures</i>	<u>405,020</u>	<u>405,020</u>	<u>313,648</u>	<u>91,372</u>
<i>Net Change in Fund Balance</i>	361,249	274,819	366,502	91,683
<i>Fund Balance Beginning of Year</i>	824,643	824,643	824,643	0
Prior Year Encumbrances Appropriated	25,920	25,920	25,920	0
<i>Fund Balance End of Year</i>	<u><u>\$1,211,812</u></u>	<u><u>\$1,125,382</u></u>	<u><u>\$1,217,065</u></u>	<u><u>\$91,683</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>548</u>	<u>548</u>	<u>548</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$548</u></u>	<u><u>\$548</u></u>	<u><u>\$548</u></u>	<u><u>\$0</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Road and Bridges Fund
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Interest	\$1,300	\$1,300	\$1,167	(\$133)
Miscellaneous	1,880	1,880	1,880	0
<i>Total Revenues</i>	3,180	3,180	3,047	(133)
Expenditures				
Capital Outlay:				
Road and Bridge Programs:				
Capital Outlay	1,550,549	2,497,679	2,224,009	273,670
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(1,547,369)	(2,494,499)	(2,220,962)	273,537
Other Financing Sources (Uses)				
Notes Issued	825,000	825,000	825,000	0
Advances In	45,000	45,000	45,000	0
Transfers In	196,220	1,191,235	1,191,235	0
Transfers Out	(317,984)	(317,984)	(317,984)	0
<i>Total Other Financing Sources (Uses)</i>	748,236	1,743,251	1,743,251	0
<i>Net Change in Fund Balance</i>	(799,133)	(751,248)	(477,711)	273,537
<i>Fund Balance Beginning of Year</i>	380,136	380,136	380,136	0
Prior Year Encumbrances Appropriated	521,833	521,833	521,833	0
<i>Fund Balance End of Year</i>	<u>\$102,836</u>	<u>\$150,721</u>	<u>\$424,258</u>	<u>\$273,537</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues	\$90	\$90	\$90	\$0
Expenditures				
Capital Outlay:				
Land Purchases:				
Capital Outlay	20,000	1,775,000	1,680,071	94,929
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(19,910)	(1,774,910)	(1,679,981)	94,929
Other Financing Sources (Uses)				
Notes Issued	185,090	1,500,000	1,500,000	0
Advances Out	(185,000)	0	0	0
Transfers In	92,716	275,000	275,000	0
<i>Total Other Financing Sources (Uses)</i>	92,806	1,775,000	1,775,000	0
<i>Net Change in Fund Balance</i>	72,896	90	95,019	94,929
<i>Fund Balance Beginning of Year</i>	1,625	1,625	1,625	0
<i>Fund Balance End of Year</i>	\$74,521	\$1,715	\$96,644	\$94,929

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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
French Creek Restoration				
Capital Outlay	<u>1,362</u>	<u>1,362</u>	<u>0</u>	<u>1,362</u>
<i>Net Change in Fund Balance</i>	(1,362)	(1,362)	0	1,362
<i>Fund Balance Beginning of Year</i>	2,757	2,757	2,757	0
Prior Year Encumbrances Appropriated	<u>1,362</u>	<u>1,362</u>	<u>1,362</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,757</u></u>	<u><u>\$2,757</u></u>	<u><u>\$4,119</u></u>	<u><u>\$1,362</u></u>

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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Capital Improvements:				
Capital Outlay	<u>0</u>	<u>54,425</u>	<u>38,008</u>	<u>16,417</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	0	(54,425)	(38,008)	16,417
Other Financing Sources				
Transfers In	<u>0</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	(4,425)	11,992	16,417
<i>Fund Balance Beginning of Year</i>	<u>4,425</u>	<u>4,425</u>	<u>4,425</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,425</u></u>	<u><u>\$0</u></u>	<u><u>\$16,417</u></u>	<u><u>\$16,417</u></u>

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Interest	\$13,463	\$1,200	\$1,185	(\$15)
Miscellaneous	110	1,100	1,100	0
<i>Total Revenues</i>	13,573	2,300	2,285	(15)
Expenditures				
Capital Outlay:				
Storm Sewers:				
Capital Outlay	11,391	846,428	38,969	807,459
<i>Excess of Revenues Over (Under) Expenditures</i>	2,182	(844,128)	(36,684)	807,444
Other Financing Sources (Uses)				
Notes Proceeds	0	795,000	795,000	0
Transfers In	46,427	46,427	46,427	0
Transfers Out	(43,424)	(40,905)	(40,905)	0
<i>Total Other Financing Sources (Uses)</i>	3,003	800,522	800,522	0
<i>Net Change in Fund Balance</i>	5,185	(43,606)	763,838	807,444
<i>Fund Balance Beginning of Year</i>	17,481	17,481	17,481	0
Prior Year Encumbrances Appropriated	33,424	33,424	33,424	0
<i>Fund Balance End of Year</i>	<u>\$56,090</u>	<u>\$7,299</u>	<u>\$814,743</u>	<u>\$807,444</u>

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Intergovernmental	\$0	\$85,278	\$85,278	\$0
Rentals	311,648	380,000	380,000	\$0
Miscellaneous	640	640	640	0
<i>Total Revenues</i>	312,288	465,918	465,918	0
Expenditures				
Capital Outlay:				
Municipal Buildings:				
Capital Outlay	299,716	701,792	583,575	118,217
<i>Excess of Revenues Over (Under) Expenditures</i>	12,572	(235,874)	(117,657)	118,217
Other Financing Sources (Uses)				
Transfers In	360,365	660,140	660,140	0
Transfers Out	(366,350)	(368,560)	(368,560)	0
<i>Total Other Financing Sources (Uses)</i>	(5,985)	291,580	291,580	0
<i>Net Change in Fund Balance</i>	6,587	55,706	173,923	118,217
<i>Fund Balance Beginning of Year</i>	25,594	25,594	25,594	0
Prior Year Encumbrances Appropriated	7,064	7,064	7,064	0
<i>Fund Balance End of Year</i>	\$39,245	\$88,364	\$206,581	\$118,217

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Miscellaneous	\$10,000	\$250	\$8,626	\$8,376
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	10,000	250	8,626	8,376
<i>Fund Balance Beginning of Year</i>	<u>250</u>	<u>250</u>	<u>250</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$10,250</u></u>	<u><u>\$500</u></u>	<u><u>\$8,876</u></u>	<u><u>\$8,376</u></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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Detroit Road Lanscaping:				
Capital Outlay	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
<i>Net Change in Fund Balance</i>	(10,000)	(10,000)	0	10,000
<i>Fund Balance Beginning of Year</i>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$15,000</u></u>	<u><u>\$15,000</u></u>	<u><u>\$25,000</u></u>	<u><u>\$10,000</u></u>

STATISTICAL



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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.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2-S15
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax, and the municipal income	S16-S27
Debt Capacity 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.	S28-S34
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S35-S37
Operating Information 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.	S38-S45

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2001; schedules presenting government-wide information include information beginning in that year.

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

	2010	2009	2008	2007
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$54,276,654	\$46,612,947	\$47,659,906	\$50,184,764
Restricted:				
Capital Projects	0	1,129,478	0	2,474,044
Debt Service	1,347,716	1,445,051	1,714,977	2,255,097
Fire Department	376,263	1,297,579	1,876,277	3,369,930
Street Construction, Maintenance and Repair	1,760,913	1,368,224	1,072,610	836,575
Park Operating	185,911	0	0	0
Park Development	0	194,539	143,303	263,416
Other Purposes	303,004	654,545	650,158	620,767
Unrestricted (Deficit)	(1,799,650)	6,779,793	5,976,457	2,488,208
<i>Total Governmental Activities Net Assets</i>	<u>56,450,811</u>	<u>59,482,156</u>	<u>59,093,688</u>	<u>62,492,801</u>
Business Type - Activities				
Invested in Capital Assets, Net of Related Debt	26,368,440	27,616,704	27,306,773	25,494,999
Unrestricted	3,170,654	3,559,010	3,980,420	5,272,777
<i>Total Business-Type Activities Net Assets</i>	<u>29,539,094</u>	<u>31,175,714</u>	<u>31,287,193</u>	<u>30,767,776</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	80,645,094	74,229,651	74,966,679	75,679,763
Restricted	3,973,807	6,089,416	5,457,325	9,819,829
Unrestricted	1,371,004	10,338,803	9,956,877	7,760,985
<i>Total Primary Government Net Assets</i>	<u><u>\$85,989,905</u></u>	<u><u>\$90,657,870</u></u>	<u><u>\$90,380,881</u></u>	<u><u>\$93,260,577</u></u>

2006	2005	2004	2003	2002	2001
\$50,319,254	\$48,545,323	\$43,240,483	\$39,981,775	\$33,648,231	\$32,336,070
2,213,629	3,231,787	5,411,319	2,124,737	1,659,080	1,409,760
1,407,892	1,444,688	2,339,940	2,156,992	2,461,360	2,213,739
2,613,979	1,884,793	815,856	2,275,314	0	0
734,079	752,640	906,927	1,051,272	0	0
0	0	0	0	0	0
418,068	705,205	536,980	630,113	0	0
616,702	529,938	451,805	124,131	3,169,282	1,548,768
2,805,147	771,107	(58,200)	745,443	(771,225)	406,337
<u>61,128,750</u>	<u>57,865,481</u>	<u>53,645,110</u>	<u>49,089,777</u>	<u>40,166,728</u>	<u>37,914,674</u>
24,570,995	23,504,509	20,753,823	17,442,509	16,625,219	15,317,633
6,414,575	6,767,325	6,200,193	7,082,882	4,855,375	3,177,746
<u>30,985,570</u>	<u>30,271,834</u>	<u>26,954,016</u>	<u>24,525,391</u>	<u>21,480,594</u>	<u>18,495,379</u>
74,890,249	72,049,832	63,994,306	57,424,284	50,273,450	47,653,703
8,004,349	8,549,051	10,462,827	8,362,559	7,289,722	5,172,267
9,219,722	7,538,432	6,141,993	7,828,325	4,084,150	3,584,083
<u>\$92,114,320</u>	<u>\$88,137,315</u>	<u>\$80,599,126</u>	<u>\$73,615,168</u>	<u>\$61,647,322</u>	<u>\$56,410,053</u>

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

	2010	2009	2008	2007
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$1,122,652	\$1,420,788	\$1,109,333	\$2,058,970
Security of Persons and Property	2,340	1,771	88,885	11,871
Transportation	0	0	0	0
Community Environment	457,238	429,764	470,431	555,772
Basic Utility Services	0	20,052	30,219	450
Leisure Time Activities	272,808	219,656	296,925	333,573
Subtotal - Charges for Services	<u>1,855,038</u>	<u>2,092,031</u>	<u>1,995,793</u>	<u>2,960,636</u>
Operating Grants and Contributions:				
General Government	150,827	8,810	131,238	51,326
Security of Persons and Property	230,744	150,203	175,872	101,026
Transportation	1,239,397	1,178,652	1,382,026	1,017,795
Community Environment	87,280	81,575	163,341	70,429
Basic Utility Services	0	0	150,000	0
Leisure Time Activities	65,314	56,530	56,496	20,246
Subtotal - Operating Grants and Contributions	<u>1,773,562</u>	<u>1,475,770</u>	<u>2,058,973</u>	<u>1,260,822</u>
Capital Grants and Contributions:				
General Government	0	105,407	0	0
Security of Persons and Property	0	0	0	0
Transportation	0	1,142,925	0	0
Community Environment	0	0	0	0
Basic Utility Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>0</u>	<u>1,248,332</u>	<u>0</u>	<u>0</u>
<i>Total Governmental Activities Program Revenues</i>	<u>3,628,600</u>	<u>4,816,133</u>	<u>4,054,766</u>	<u>4,221,458</u>
Business-Type Activities:				
Charges for Services:				
Water	2,613,627	2,007,943	2,144,366	2,350,121
Sewer	1,356,918	1,628,898	1,322,418	1,267,601
Subtotal - Charges for Services	<u>3,970,545</u>	<u>3,636,841</u>	<u>3,466,784</u>	<u>3,617,722</u>
Capital Grants and Contributions				
Water	0	0	507,811	121,800
Sewer	310,925	453,148	587,409	242,036
Subtotal - Capital Grants and Contributions	<u>310,925</u>	<u>453,148</u>	<u>1,095,220</u>	<u>363,836</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>4,281,470</u>	<u>4,089,989</u>	<u>4,562,004</u>	<u>3,981,558</u>
<i>Total Primary Government Program Revenues</i>	<u>\$7,910,070</u>	<u>\$8,906,122</u>	<u>\$8,616,770</u>	<u>\$8,203,016</u>

2006	2005	2004	2003	2002	2001
\$367,172	\$1,186,202	\$1,343,467	\$1,068,732	\$849,259	\$758,999
10,213	10,036	9,223	37,214	350,848	331,987
50	750	530	20	2,190	0
1,272,496	681,953	839,327	558,460	482,531	556,469
16,828	32,247	34,000	52,556	278,824	116,410
365,727	454,726	461,048	365,797	317,280	444,769
<u>2,032,486</u>	<u>2,365,914</u>	<u>2,687,595</u>	<u>2,082,779</u>	<u>2,280,932</u>	<u>2,208,634</u>
0	0	0	0	4,498	119,890
0	32,081	30,565	17,148	75,756	80,319
991,097	860,389	763,940	561,904	494,385	605,767
70,429	68,001	100,527	113,505	111,480	146,375
0	0	0	0	0	30,000
42,815	13,893	17,982	2,784	6,000	11,069
<u>1,104,341</u>	<u>974,364</u>	<u>913,014</u>	<u>695,341</u>	<u>692,119</u>	<u>993,420</u>
0	22,480	0	0	0	0
0	0	22,078	60,000	0	0
1,816,365	3,988,681	5,163,299	6,709,012	1,302,781	2,466,085
0	217,267	0	0	0	0
0	573,019	0	209,514	1,599,316	750,874
0	0	0	80,000	94,526	0
<u>1,816,365</u>	<u>4,801,447</u>	<u>5,185,377</u>	<u>7,058,526</u>	<u>2,996,623</u>	<u>3,216,959</u>
<u>4,953,192</u>	<u>8,141,725</u>	<u>8,785,986</u>	<u>9,836,646</u>	<u>5,969,674</u>	<u>6,419,013</u>
2,137,300	2,258,379	2,046,470	1,962,762	1,213,560	1,075,991
1,143,598	1,021,487	826,192	769,285	844,518	749,367
<u>3,280,898</u>	<u>3,279,866</u>	<u>2,872,662</u>	<u>2,732,047</u>	<u>2,058,078</u>	<u>1,825,358</u>
276,477	1,540,005	1,290,440	612,910	1,157,408	1,474,796
406,870	2,012,709	2,243,380	2,712,519	2,747,851	1,235,838
<u>683,347</u>	<u>3,552,714</u>	<u>3,533,820</u>	<u>3,325,429</u>	<u>3,905,259</u>	<u>2,710,634</u>
<u>3,964,245</u>	<u>6,832,580</u>	<u>6,406,482</u>	<u>6,057,476</u>	<u>5,963,337</u>	<u>4,535,992</u>
<u>\$8,917,437</u>	<u>\$14,974,305</u>	<u>\$15,192,468</u>	<u>\$15,894,122</u>	<u>\$11,933,011</u>	<u>\$10,955,005</u>

(continued)

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

	2010	2009	2008	2007
Expenses				
<i>Governmental Activities:</i>				
General Government	\$4,349,901	\$3,042,622	\$2,968,222	\$2,269,262
Security of Persons and Property	8,611,264	7,948,875	7,572,725	6,789,884
Transportation	6,025,615	5,140,893	6,638,018	4,449,451
Community Environment	1,236,395	1,406,060	1,680,851	1,256,537
Basic Utility Services	862,479	495,523	848,296	430,858
Leisure Time Activities	1,104,319	1,130,300	1,217,094	829,313
Interest and Fiscal Charges	2,211,663	1,669,318	1,761,494	757,830
<i>Total Governmental Activities Expenses</i>	<u>24,401,636</u>	<u>20,833,591</u>	<u>22,686,700</u>	<u>16,783,135</u>
<i>Business-Type Activities</i>				
Water	3,924,685	2,392,503	2,594,517	2,757,452
Sewer	1,871,978	2,127,598	1,725,241	2,008,071
<i>Total Business-Type Activities Expenses</i>	<u>5,796,663</u>	<u>4,520,101</u>	<u>4,319,758</u>	<u>4,765,523</u>
<i>Total Primary Government Program Expenses</i>	<u>30,198,299</u>	<u>25,353,692</u>	<u>27,006,458</u>	<u>21,548,658</u>
Net (Expense)/Revenue				
Governmental Activities	(20,773,036)	(16,017,458)	(18,631,934)	(12,561,677)
Business-Type Activities	<u>(1,515,193)</u>	<u>(430,112)</u>	<u>242,246</u>	<u>(783,965)</u>
<i>Total Primary Government Net Expense</i>	<u>(\$22,288,229)</u>	<u>(\$16,447,570)</u>	<u>(\$18,389,688)</u>	<u>(\$13,345,642)</u>

2006	2005	2004	2003	2002	2001
\$2,739,914	\$1,919,159	\$1,935,275	\$1,695,377	\$1,510,968	\$1,191,523
5,739,141	5,462,030	4,532,738	3,932,378	4,299,769	2,471,684
3,824,122	5,285,670	4,470,599	3,288,035	3,533,913	3,245,758
1,272,107	1,395,945	1,222,720	1,091,550	940,434	1,427,607
419,887	379,953	395,185	22,007	461,515	916,029
1,173,141	811,918	1,052,267	1,131,505	805,698	222,207
671,474	619,472	522,343	479,473	511,821	506,281
<u>15,839,786</u>	<u>15,874,147</u>	<u>14,131,127</u>	<u>11,640,325</u>	<u>12,064,118</u>	<u>9,981,089</u>
1,505,362	2,235,003	2,630,729	1,852,642	1,643,370	1,378,699
2,224,019	1,548,860	1,442,009	1,228,483	1,002,289	1,035,805
<u>3,729,381</u>	<u>3,783,863</u>	<u>4,072,738</u>	<u>3,081,125</u>	<u>2,645,659</u>	<u>2,414,504</u>
<u>19,569,167</u>	<u>19,658,010</u>	<u>18,203,865</u>	<u>14,721,450</u>	<u>14,709,777</u>	<u>12,395,593</u>
(10,886,594)	(7,732,422)	(5,345,141)	(1,803,679)	(6,094,444)	(3,562,076)
234,864	3,048,717	2,333,744	2,976,351	3,317,678	2,121,488
<u>(\$10,651,730)</u>	<u>(\$4,683,705)</u>	<u>(\$3,011,397)</u>	<u>\$1,172,672</u>	<u>(\$2,776,766)</u>	<u>(\$1,440,588)</u>

(continued)

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

	2010	2009	2008	2007
General Revenues and Other Changes in Net Assets				
Governmental Activities				
Taxes:				
Property and Other Local Taxes Levied For:				
General Purposes	\$1,496,579	\$1,520,272	\$1,520,015	\$1,543,962
Streets	1,223,635	1,268,806	776,504	806,201
Police	613,253	411,556	433,011	464,321
Police Pension	0	198,297	198,262	201,386
Park Operating	289,808	297,378	244,631	251,185
Library Bond Retirement	78,640	72,822	71,874	86,093
Equipment	559,583	559,752	575,854	414,954
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	4,692,358	4,726,399	4,639,884	4,326,837
Fire Department	3,386,770	3,343,630	3,519,526	3,466,344
Recreation Complex	1,179,680	1,172,927	1,256,991	0
Grants and Entitlements not Restricted to				
Specific Programs	1,837,467	979,590	1,139,985	940,842
Investment Earnings	293,374	315,399	865,425	1,151,966
Payment in Lieu of Taxes	1,319,031	668,139	0	0
Gain on Sale of Capital Assets	0	0	0	0
Net Gain on the Loss of Impaired Asset	0	0	0	0
Miscellaneous	607,322	1,165,347	185,009	501,637
<i>Total Governmental Activities</i>	<u>17,577,500</u>	<u>16,700,314</u>	<u>15,426,971</u>	<u>14,155,728</u>
Business-Type Activities				
Investment Earnings	8,309	7,499	49,163	261,204
Miscellaneous	34,455	16,746	33,858	74,967
<i>Total Business-Type Activities</i>	<u>42,764</u>	<u>24,245</u>	<u>83,021</u>	<u>336,171</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>17,620,264</u>	<u>16,724,559</u>	<u>15,509,992</u>	<u>14,491,899</u>
Transfers				
Governmental Activities	164,191	(294,388)	(194,150)	(230,000)
Business-Type Activities	(164,191)	294,388	194,150	230,000
Change in Net Assets				
Governmental Activities	(3,031,345)	388,468	(3,399,113)	1,364,051
Business-Type Activities	(1,636,620)	(111,479)	519,417	(217,794)
<i>Total Primary Government Change in Net Assets</i>	<u>(\$4,667,965)</u>	<u>\$276,989</u>	<u>(\$2,879,696)</u>	<u>\$1,146,257</u>

2006	2005	2004	2003	2002	2001
\$1,333,155	\$1,217,503	\$1,037,165	\$870,500	\$698,768	\$614,100
788,160	725,131	654,620	693,349	0	0
461,994	431,013	391,964	0	0	0
173,609	153,362	0	0	0	0
244,487	222,397	0	0	0	0
98,426	85,628	0	0	0	0
405,525	372,103	0	0	0	0
0	0	343,569	660,143	1,133,835	991,071
0	0	79,395	83,291	84,537	90,642
0	0	336,020	356,914	244,153	222,803
4,933,050	4,278,546	3,643,042	4,019,591	2,909,788	3,246,032
3,155,090	3,204,104	2,223,953	2,727,351	2,008,383	0
0	0	0	0	0	0
1,257,304	404,963	507,009	275,722	237,174	115,580
1,001,612	541,233	525,863	291,920	533,541	821,670
0	0	0	0	0	0
0	0	0	647,650	0	0
0	203,748	0	0	0	0
297,451	218,412	178,207	96,670	125,650	88,801
14,149,863	12,058,143	9,920,807	10,723,101	7,975,829	6,190,699
423,066	109,830	44,133	27,272	25,825	49,777
55,806	53,921	30,415	44,801	12,381	58,525
478,872	163,751	74,548	72,073	38,206	108,302
14,628,735	12,221,894	9,995,355	10,795,174	8,014,035	6,299,001
0	18,533	(20,333)	3,627	370,669	369,202
0	(18,533)	20,333	(3,627)	(370,669)	(369,202)
3,263,269	4,344,254	4,555,333	8,923,049	2,252,054	2,997,825
713,736	3,193,935	2,428,625	3,044,797	2,985,215	1,860,588
\$3,977,005	\$7,538,189	\$6,983,958	\$11,967,846	\$5,237,269	\$4,858,413

City of Avon, Ohio
Fund Balances, Governmental Funds
Last Two Years
(modified accrual basis of accounting)

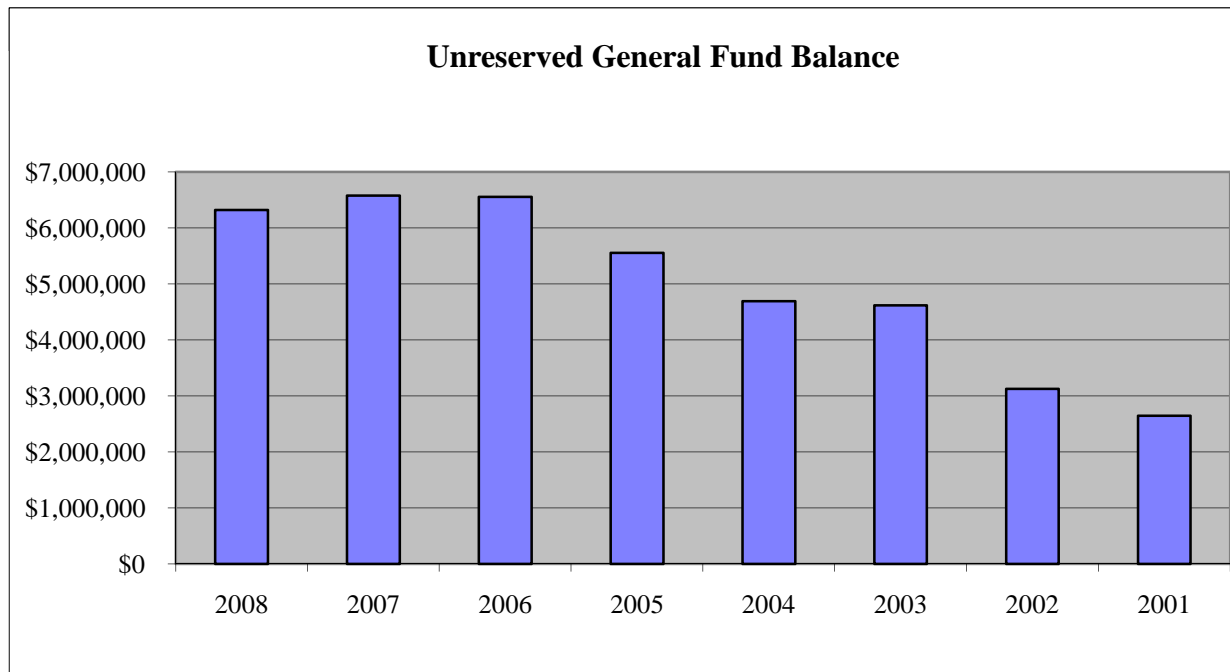
	2010	2009
General Fund		
Nonspendable	\$25,615	\$23,773
Restricted	974,616	973,798
Assigned	83,948	50,844
Unassigned	8,632,072	6,854,374
<i>Total General Fund</i>	<i>9,716,251</i>	<i>7,902,789</i>
All Other Governmental Funds		
Nonspendable	166,340	151,638
Restricted	8,171,553	8,058,375
Committed	186,029	598,223
Assigned	86,605	214,528
Unassigned (Deficit)	(10,782,800)	(159,044)
Total All Other Governmental Funds	(2,172,273)	8,863,720
<i>Total Governmental Funds</i>	<i>\$7,543,978</i>	<i>\$16,766,509</i>

Note: The City implemented GASB 54 in 2010.

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

	2008	2007	2006
General Fund			
Reserved	\$178,261	\$189,529	\$170,059
Unreserved	6,319,932	6,577,416	6,558,172
Total General Fund	6,498,193	6,766,945	6,728,231
All Other Governmental Funds			
Reserved	25,344,685	3,799,554	1,171,829
Unreserved, Undesignated (Deficit), Reported in:			
Special Revenue funds	3,083,916	3,990,801	3,579,484
Debt Service funds	643,228	531,928	371,855
Capital Projects funds	1,684,436	(347,899)	986,929
Total All Other Governmental Funds	30,756,265	7,974,384	6,110,097
Total Governmental Funds	\$37,254,458	\$14,741,329	\$12,838,328



2005	2004	2003	2002	2001
\$27,802	\$47,714	\$31,677	\$67,424	\$34,075
5,556,819	4,692,475	4,618,368	3,123,883	2,643,086
5,584,621	4,740,189	4,650,045	3,191,307	2,677,161
1,001,146	3,468,055	2,721,875	2,379,265	491,796
3,096,126	2,266,290	3,259,084	961,578	(79,303)
369,923	1,239,564	304,992	325,470	136,764
(320,766)	411,653	914,847	40,741	1,658,345
4,146,429	7,385,562	7,200,798	3,707,054	2,207,602
<u>\$9,731,050</u>	<u>\$12,125,751</u>	<u>\$11,850,843</u>	<u>\$6,898,361</u>	<u>\$4,884,763</u>

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

	2010	2009	2008	2007
Revenues				
Property Taxes	\$4,248,951	\$4,330,690	\$3,854,146	\$3,702,610
Payment in Lieu of Taxes	1,319,031	668,139	0	0
Municipal Income Taxes	9,710,548	9,378,759	9,294,659	7,681,269
Charges for Services	617,297	903,298	814,606	832,369
Licenses and Permits	1,090,059	745,232	974,480	1,068,752
Fines and Forfeitures	147,987	115,165	206,707	212,817
Intergovernmental	3,296,064	3,672,996	3,581,433	2,137,538
Special Assessments	249,816	240,379	243,986	227,188
Interest	293,374	315,399	853,783	1,151,966
Contributions and Donations	5,000	6,575	40,650	0
Rentals	380,000	328,361	0	0
Miscellaneous	227,322	1,165,347	185,009	501,637
<i>Total Revenues</i>	<u>21,585,449</u>	<u>21,870,340</u>	<u>20,049,459</u>	<u>17,516,146</u>
Expenditures				
Current:				
General Government	3,451,160	2,824,337	2,664,209	2,169,720
Security of Persons and Property	7,834,770	7,526,545	7,134,465	6,268,041
Transportation	2,035,160	1,982,203	1,632,598	1,649,383
Community Environment	1,204,080	1,386,408	1,282,138	1,239,252
Basic Utility Services	15,286	14,838	99,491	22,410
Leisure Time Activities	840,942	986,909	1,071,323	1,134,764
Capital Outlay	11,799,587	23,767,231	20,549,738	7,163,756
Debt Service:				
Principal Retirement	7,326,169	40,432,357	7,729,043	1,205,994
Interest and Fiscal Charges	2,191,887	2,009,751	1,354,369	581,977
Bond Issuance Costs	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
<i>Total Expenditures</i>	<u>36,699,041</u>	<u>80,930,579</u>	<u>43,517,374</u>	<u>21,435,297</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(15,113,592)</u>	<u>(59,060,239)</u>	<u>(23,467,915)</u>	<u>(3,919,151)</u>
Other Financing Sources (Uses)				
Current Refunding	0	0	0	(1,100,000)
Sale of Capital Assets	0	0	0	0
Bonds Issued	0	32,890,000	6,910,000	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	0	0	0	0
Refunding Principal	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0
Notes Issued	5,675,000	5,600,000	39,120,000	6,910,000
Loans Received	0	0	145,194	242,152
Payment to Refunded Bond Escrow Agent	0	0	0	0
Bond Premium	0	376,678	0	0
Note Premium	51,870	0	0	0
Transfers In	11,341,838	8,676,343	14,475,111	6,912,643
Transfers Out	(11,177,647)	(8,970,731)	(14,669,261)	(7,142,643)
<i>Total Other Financing Sources (Uses)</i>	<u>5,891,061</u>	<u>38,572,290</u>	<u>45,981,044</u>	<u>5,822,152</u>
<i>Net Change in Fund Balances</i>	<u><u>(\$9,222,531)</u></u>	<u><u>(\$20,487,949)</u></u>	<u><u>\$22,513,129</u></u>	<u><u>\$1,903,001</u></u>
Debt Service as a Percentage of Noncapital Expenditures	33.4%	73.2%	33.8%	11.5%

2006	2005	2004	2003	2002	2001
\$3,451,462	\$3,214,250	\$2,778,596	\$2,671,095	\$2,161,319	\$1,884,810
0	0	0	0	0	0
7,688,999	7,437,862	6,434,671	6,181,819	5,148,048	2,639,125
711,413	383,550	437,346	516,302	660,046	440,916
1,268,486	1,640,246	1,913,733	1,282,688	1,301,949	1,450,399
183,256	335,448	329,848	277,121	318,937	317,319
2,293,477	2,117,906	1,350,819	1,270,445	1,130,957	1,396,646
202,342	196,332	188,089	184,848	174,939	124,577
1,001,612	541,233	525,863	291,920	533,541	821,670
0	230	1,762	85,775	131,651	36,000
0	0	0	0	0	0
297,451	218,412	178,207	96,670	125,650	88,801
17,098,498	16,085,469	14,138,934	12,858,683	11,687,037	9,200,263
2,247,763	1,830,143	1,632,580	1,740,913	1,463,958	1,280,668
5,513,657	5,197,175	4,257,571	3,468,294	2,661,078	2,267,977
1,649,507	1,650,577	1,463,490	1,101,163	947,671	1,032,355
1,275,204	1,321,262	1,125,113	920,261	910,906	884,742
24,473	19,997	26,022	22,007	33,541	25,722
1,058,069	609,671	783,976	705,439	775,672	1,631,866
3,566,729	4,853,222	4,799,799	3,827,534	4,259,083	2,712,234
575,200	524,442	404,039	361,333	351,428	357,418
575,686	645,962	574,113	495,534	510,771	520,877
59,145	0	0	0	0	0
585	0	0	0	0	0
16,546,018	16,652,451	15,066,703	12,642,478	11,914,108	10,713,859
552,480	(566,982)	(927,769)	216,205	(227,071)	(1,513,596)
0	0	0	0	0	0
0	0	0	1,097,650	0	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)	(1,870,000)	0	0
0	0	2,614,000	1,590,000	0	0
(200,000)	0	0	0	0	0
0	0	0	0	0	590,000
1,700,000	0	2,600,000	3,870,000	1,870,000	0
0	0	0	45,000	0	0
(1,647,760)	0	(131,990)	0	0	0
27,558	0	11,000	0	0	0
0	0	0	0	0	0
6,110,550	6,125,523	7,088,602	5,604,836	4,748,230	4,357,479
(6,110,550)	(6,106,990)	(7,108,935)	(5,601,209)	(4,377,561)	(3,988,277)
2,554,798	(1,827,719)	1,202,677	4,736,277	2,240,669	959,202
\$3,107,278	(\$2,394,701)	\$274,908	\$4,952,482	\$2,013,598	(\$554,394)
9.9%	11.9%	13.6%	30.5%	12.4%	11.0%

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
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
2003	305,013,530	76,136,110	1,088,998,971	10,647,860	12,099,841
2002	272,215,560	61,781,660	954,277,771	11,260,440	12,795,955
2001	246,146,260	50,871,290	848,621,571	15,157,750	17,224,716

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. Both types of general business tangible personal property were assessed at 12.5 for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010).

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. The 10% rollback for commercial/industrial property was eliminated in 2006.

Source: Lorain County, Ohio; County Auditor

<u>Tangible Personal Property</u>						
<u>General Business</u>		<u>Total</u>		<u>Ratio</u>	<u>Total Direct Tax Rate</u>	<u>Weighted Average</u>
<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>			
\$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	9.27	7.07
11,458,960	91,671,680	753,674,210	2,198,431,189	34.28	9.26	7.10
34,724,120	277,792,960	747,082,240	2,295,626,569	32.54	9.41	6.44
37,150,490	198,135,947	640,102,030	1,903,367,436	33.63	9.47	6.28
34,856,395	151,549,543	570,244,615	1,662,792,538	34.29	9.47	6.85
30,871,010	134,221,783	510,089,580	1,484,556,460	33.20	9.48	6.97
25,843,840	107,682,667	417,641,340	1,208,781,479	34.55	9.35	5.04
20,953,670	87,306,958	366,211,330	1,054,380,684	34.73	9.40	4.93
16,337,140	65,348,560	328,512,440	931,194,847	35.28	9.45	4.44

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

	2010	2009	2008	2007	2006
Unvoted Millage					
Operating	\$2.30000	\$2.30000	\$2.30000	\$2.30000	\$2.30000
Police Pension	0.30000	0.30000	0.30000	0.30000	0.30000
<i>Total Unvoted Millage</i>	<u>2.60000</u>	<u>2.60000</u>	<u>2.60000</u>	<u>2.60000</u>	<u>2.60000</u>
Voted Millage - by levy					
1994 Bond	0.1200	0.1100	0.1100	0.1700	0.1700
2002 Fire					
General Business and Public Utility Personal	0.5000	0.5000	0.5000	0.5000	0.5000
Residential/Agricultural Real	0.3771	0.3622	0.3627	0.4103	0.4217
Commercial/Industrial and Public Utility Real	0.3160	0.3187	0.3300	0.3769	0.3985
1996 Library					
General Business and Public Utility Personal	1.2000	1.2000	1.2000	1.2000	1.2000
Residential/Agricultural Real	0.5625	0.5403	0.5409	0.6119	0.6289
Commercial/Industrial and Public Utility Real	0.6025	0.6076	0.6292	0.7186	0.7599
1998 Parks					
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000	0.0000
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000	0.0000
2003 Park					
General Business and Public Utility Personal	0.0000	0.0000	0.5000	0.5000	0.5000
Residential/Agricultural Real	0.0000	0.0000	0.3719	0.4207	0.4324
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.3493	0.3989	0.4218
2008 Park & Recreation					
General Business and Public Utility Personal	0.4500	0.4500	0.0000	0.0000	0.0000
Residential/Agricultural Real	0.4500	0.4495	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.4309	0.4345	0.0000	0.0000	0.0000
1984 Police					
General Business and Public Utility Personal	2.0000	2.0000	2.0000	2.0000	2.0000
Residential/Agricultural Real	0.5541	0.5323	0.5329	0.6028	0.6195
Commercial/Industrial and Public Utility Real	0.8190	0.8259	0.8553	0.9768	1.0329
1997 Police					
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.5000	0.5000
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.2630	0.2704
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.2994	0.3166
2007 Police					
General Business and Public Utility Personal	0.5000	0.5000	0.5000	0.0000	0.0000
Residential/Agricultural Real	0.5000	0.4957	0.4963	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.4788	0.4828	0.5000	0.0000	0.0000
1998 Street Improvement					
General Business and Public Utility Personal	0.0000	0.0000	2.0000	2.0000	2.0000
Residential/Agricultural Real	0.0000	0.0000	1.1835	1.3388	1.3760
Commercial/Industrial and Public Utility Real	0.0000	0.0000	1.0486	1.1976	1.2664
2008 Street Improvement					
General Business and Public Utility Personal	1.9000	1.9000	0.0000	0.0000	0.0000
Residential/Agricultural Real	1.9000	1.8979	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	1.8193	1.8347	0.0000	0.0000	0.0000
1997 Fire					
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000	0.0000
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000

2005	2004	2003	2002	2001
\$2.30000	\$2.30000	\$2.30000	\$2.30000	\$2.30000
0.30000	0.30000	0.30000	0.30000	0.30000
2.60000	2.60000	2.60000	2.60000	2.60000
0.1800	0.2000	0.2500	0.3000	0.2100
0.5000	0.5000	0.0000	0.0000	0.0000
0.4349	0.4876	0.0000	0.0000	0.0000
0.4133	0.4724	0.0000	0.0000	0.0000
1.2000	1.2000	1.2000	1.2000	1.2000
0.6486	0.7273	0.7458	0.7697	0.8521
0.7879	0.9007	0.9533	0.9201	1.1531
0.0000	0.0000	0.3500	0.3500	0.3500
0.0000	0.0000	0.2855	0.2947	0.3263
0.0000	0.0000	0.2780	0.2684	0.3363
0.5000	0.3500	0.0000	0.0000	0.0000
0.4459	0.2785	0.0000	0.0000	0.0000
0.4374	0.2627	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
2.0000	2.0000	2.0000	2.0000	2.0000
0.6389	0.7164	0.7346	0.7582	0.8394
1.0711	1.2244	1.2959	1.2508	1.5676
0.5000	0.5000	0.5000	0.5000	0.5000
0.2788	0.3126	0.3206	0.3309	0.3663
0.3283	0.3753	0.3972	0.3834	0.4805
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
2.0000	2.0000	2.0000	2.0000	2.0000
1.4191	1.5912	1.6316	1.6840	1.8643
1.3132	1.5012	1.5888	1.5335	1.9219
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.5000	0.5000	0.5000
0.0000	0.0000	0.3206	0.3309	0.3663
\$0.0000	\$0.0000	\$0.3972	\$0.3834	\$0.4805

City of Avon, Ohio

Property Tax Rates - Direct and Overlapping Governments (continued)

(Per \$1,000 of Assessed Valuation)

Last Ten Years

	2010	2009	2008	2007	2006
<i>Total Voted Millage by Type of Property</i>					
General Business and Public Utility Personal	\$6.67000	\$6.66000	\$6.81000	\$6.87000	\$6.87000
Residential/Agricultural Real	4.46370	4.38790	3.59816	3.81750	3.91890
Commercial/Industrial and Public Utility Real	4.58650	4.61421	3.82240	4.13820	4.36610

<i>Total Millage by Type of Property</i>					
General Business and Public Utility Personal	9.27000	9.26000	9.41000	9.47000	9.47000
Residential/Agricultural Real	7.06370	6.98790	6.19816	6.41750	6.51890
Commercial/Industrial and Public Utility Real	7.18650	7.21421	6.42240	6.73820	6.96610

Overlapping Rates by Taxing District

<i>Avon Local School District</i>					
General Business and Public Utility Personal	50.4900	50.4400	50.4900	43.7000	42.1000
Residential/Agricultural Real	33.8055	33.1312	33.1825	26.5292	24.9620
Commercial/Industrial and Public Utility Real	33.0959	33.0539	33.2053	26.4900	24.9555
<i>Lorain County Voted Millage</i>					
General Business and Public Utility Personal	13.3900	13.3900	13.3900	13.4900	13.1900
Residential/Agricultural Real	11.5346	10.9380	10.9618	12.1746	10.7597
Commercial/Industrial and Public Utility Real	11.9718	11.8436	11.9061	12.7798	12.0306
<i>Special Taxing Districts (1)</i>					
General Business and Public Utility Personal	3.4500	3.4500	3.4500	3.4500	3.4500
Residential/Agricultural Real	3.1154	2.9949	2.9975	2.6080	2.6148
Commercial/Industrial and Public Utility Real	3.0120	2.9847	3.0056	2.7675	2.7831

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

2005	2004	2003	2002	2001
\$6.88000	\$6.75000	\$6.80000	\$6.85000	\$6.76000
4.04620	4.31360	4.28870	4.46840	4.82470
4.53120	4.93670	5.16040	5.03960	6.14990
9.48000	9.35000	9.40000	9.45000	9.36000
6.64620	6.91360	6.88870	7.06840	7.42470
7.13120	7.53670	7.76040	7.63960	8.74990

37.2200	38.0100	37.0500	37.7500	38.0500
20.1200	20.9100	19.9501	20.6500	20.9500
20.1200	20.9100	20.4623	20.6501	23.3885

12.8900	12.8900	12.8900	10.7900	10.7900
10.1212	10.5495	10.6199	8.1030	9.0116
11.6676	11.9922	12.0564	9.6901	10.1729

3.4500	3.4500	3.4500	3.4500	3.4500
2.6222	2.6927	2.6990	2.7047	2.8154
2.7967	2.8769	2.9046	2.8944	3.0935

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

<u>Collection Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Collections</u>
2010	\$5,644,032	\$4,621,253	81.88%	N/A
2009	4,936,187	4,675,241	94.71	144,098
2008	4,311,718	3,851,783	89.33	140,881
2007	4,118,715	3,697,890	89.78	127,526
2006	3,550,966	3,495,653	98.44	65,689
2005	3,216,199	3,127,969	97.26	49,128
2004	2,995,687	2,877,724	96.06	60,579
2003	2,486,377	2,431,912	97.81	56,519
2002	2,209,111	2,160,415	97.80	68,527
2001	2,015,612	1,954,837	96.98	54,316

Source: Lorain County, Ohio; County Auditor

Note: The County does not identify delinquent collections by the year for which the tax was levied.

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

<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>
N/A	N/A	\$231,539	4.10%
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
2,488,431	100.08	66,901	2.69
2,228,942	100.90	62,792	2.84
2,009,153	99.68	74,869	3.71

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

<i>2010</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Total Assessed Valuation
First Interstate Avon, LTD.	\$17,776,050	2.39 %
Henkel Consumer	10,279,970	1.38
AERC Avon LLC	7,123,310	0.96
Cleveland Electric	6,876,700	0.92
Chester 83 LLC	6,859,320	0.92
Timberlake Apartments	5,695,910	0.77
Lowes Home Centers Incorporated	4,782,260	0.64
Comprehensive Healthcare	4,701,630	0.63
Chester Properties Ltd	4,565,100	0.61
First Interstate Avon	4,194,480	0.56
Total	\$72,854,730	9.79 %
Total Real Property Assessed Valuation	\$744,125,310	

<i>2001</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating Company	\$7,468,560	2.51 %
AERC Avon	4,001,240	1.35
Columbia Gas of Ohio	3,518,620	1.18
Comprehensive Health	3,048,340	1.03
Century Telephone	3,031,240	1.02
First Interstate Avon, LTD.	2,494,310	0.84
First Interstate	2,304,870	0.78
Manco Incorporated	2,092,900	0.70
JS Avon North	1,913,390	0.64
David Kirschenbaum (Good Samaritan)	1,690,600	0.58
Total	\$31,564,070	10.63 %
Total Real Property Assessed Valuation	\$297,017,550	

Source: Lorain County, Ohio; County Auditor

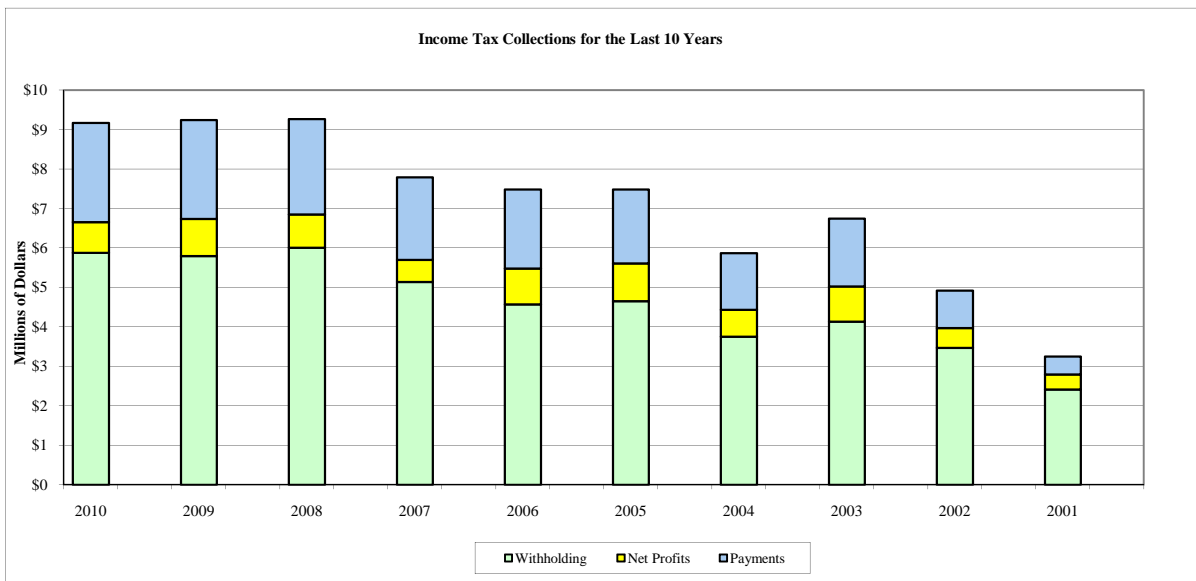
(1) The amounts presented represent the assessed values upon which 2010 and 2001 collections were based.

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
2010	1.75%	\$9,258,808	\$5,873,788	63.44%	\$776,814	8.39%	\$2,516,544	27.18%
2009	1.75	9,242,956	5,792,561	62.67	940,933	10.18	2,509,463	27.15
2008	1.75	9,416,401	6,006,449	63.79	845,059	8.97	2,413,019	25.63
2007	1.50	7,793,181	5,139,025	65.94	561,016	7.20	2,093,140	26.86
2006	1.50	8,088,140	4,571,899	61.10	906,897	12.12	2,003,854	26.78
2005	1.50	7,482,650	4,650,467	62.15	960,024	12.83	1,872,159	25.02
2004	1.50	5,866,995	3,754,290	63.99	676,465	11.53	1,436,240	24.48
2003	1.50	6,746,942	4,131,827	61.24	895,994	13.28	1,719,121	25.48
2002	1.50	4,918,171	3,465,835	70.47	504,113	10.25	948,223	19.28
2001	1.00	3,246,032	2,411,802	74.30	385,304	11.87	448,926	13.83

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 Nine Years (1)

<u>Tax Year</u>	<u>Income Range</u>	<u>Number of Filers</u>	<u>Percent of Filers</u>	<u>Taxable Income</u>	<u>Percent of Taxable Income</u>
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	<u>2,251</u>	33.73	<u>400,195,682</u>	68.87
	Total	<u>6,674</u>		<u>\$581,130,726</u>	
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	<u>2,203</u>	33.07	<u>377,157,371</u>	67.49
	Total	<u>6,661</u>		<u>\$558,810,159</u>	
2007	\$0 - 24,999	1,748	28.38 %	\$16,916,794	3.40 %
2007	25,000 - 49,999	1,032	16.75	38,442,879	7.72
2007	50,000 - 74,999	936	15.19	58,398,823	11.72
2007	75,000 - 99,999	777	12.61	67,801,989	13.61
2007	Over 100,000	<u>2,062</u>	33.47	<u>348,394,384</u>	69.94
	Total	<u>6,555</u>		<u>\$529,954,869</u>	
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	<u>1,878</u>	30.49	<u>326,560,796</u>	65.55
	Total	<u>6,160</u>		<u>\$498,159,891</u>	
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	<u>1,577</u>	26.91	<u>292,492,967</u>	62.26
	Total	<u>5,861</u>		<u>\$469,825,626</u>	

(continued)

City of Avon, Ohio
Income Tax Statistics (continued)
Last Nine Years (1)

Tax Year	Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
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	<u>1,425</u>	25.39	<u>214,276,863</u>	56.55
	Total	<u><u>5,613</u></u>		<u><u>\$378,934,304</u></u>	
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	<u>1,172</u>	22.87	<u>175,541,667</u>	52.79
	Total	<u><u>5,124</u></u>		<u><u>\$332,503,615</u></u>	
2002	\$0 - 24,999	1,394	29.30 %	\$12,651,259	4.27 %
2002	25,000 - 49,999	866	18.20	30,643,037	10.35
2002	50,000 - 74,999	810	17.02	48,550,536	16.39
2002	75,000 - 99,999	677	14.23	57,253,860	19.33
2002	Over 100,000	<u>1,011</u>	21.25	<u>147,086,590</u>	49.66
	Total	<u><u>4,758</u></u>		<u><u>\$296,185,282</u></u>	
2001	\$0 - 24,999	1,265	28.06 %	\$11,227,014	4.07 %
2001	25,000 - 49,999	877	19.45	31,527,108	11.44
2001	50,000 - 74,999	820	18.19	49,029,914	17.79
2001	75,000 - 99,999	635	14.08	53,502,498	19.42
2001	Over 100,000	<u>912</u>	20.23	<u>130,255,254</u>	47.27
	Total	<u><u>4,509</u></u>		<u><u>\$275,541,788</u></u>	

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, 2010, year 2010 information has not been compiled.

(1) Information prior to 2001 is not available.

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

Year	Governmental Activities		Other Governmental Activities Debt			
	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)	Special Assessment Bonds	OPWC Loans	Bond Anticipation Notes
2010	\$42,987,841	2.01 %	\$2,028.40	\$2,959,042	\$198,811	\$5,675,000
2009	44,441,334	2.06	2,468.96	3,208,858	215,286	5,600,000
2008	12,251,682	0.56	1,068.52	3,449,237	223,523	39,120,000
2007	6,717,363	0.29	\$585.85	2,866,244	242,044	6,910,000
2006	7,096,708	0.37	\$618.93	3,073,713	13,500	1,700,000
2005	6,412,213	0.39	\$559.24	3,263,227	22,500	2,873,650
2004	6,565,767	0.44	\$572.63	3,596,389	56,540	3,805,000
2003	4,283,189	0.35	\$377.27	3,777,810	90,580	3,870,000
2002	2,842,209	0.27	\$250.35	3,955,990	79,713	5,300,000
2001	2,984,471	0.32	\$262.88	4,130,929	113,940	2,301,000

Business-Type Activities							
Year	General Obligation Bonds	Avon Lake Debt	Bond Anticipation Notes	OWDA Loans	Total Debt (3)	Percentage of Personal Income (2)	Per Capita (2)
2010	\$419,158	\$952,191	0	\$301,923	\$53,493,966	7.31 %	\$2,524
2009	490,581	1,074,817	0	425,464	55,456,340	10.87	3,081
2008	557,576	683,979	0	544,006	56,830,003	17.52	4,956
2007	291,378	776,103	730,000	657,830	19,190,962	5.92	1,674
2006	342,096	863,621	0	767,198	13,856,836	4.27	1,209
2005	397,014	946,533	991,350	872,356	15,778,843	4.87	1,379
2004	447,732	1,024,120	1,470,000	973,532	17,939,080	5.53	1,580
2003	504,000	1,099,312	1,400,000	1,071,526	16,096,417	4.96	1,418
2002	541,800	1,169,941	0	1,165,371	15,055,024	4.64	2,052
2001	579,600	1,236,731	0	1,255,837	12,602,508	3.89	1,718

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

(1) See S16-17 for taxable property value data.

(2) See S36 for population and personal income data.

(3) Includes general bonded debt, other governmental debt and business-type activities debt.

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City of Avon, Ohio

Legal Debt Margin

Last Ten Years

	2010	2009	2008	2007
Total Assessed Property Value	\$754,402,597	\$758,875,486	\$753,674,210	\$747,082,240
General Bonded Debt Outstanding:				
General Obligation Notes/Bonds	\$42,987,841	\$44,441,334	\$12,251,682	\$6,780,967
General Obligation Revenue Notes/Bonds	130,200	193,200	252,000	310,800
Special Assessment Bonds	2,959,042	3,208,858	3,449,237	2,866,244
Bond Anticipation Notes	5,675,000	5,600,000	39,120,000	6,910,000
Bond Anticipation Notes Enterprise	0	0	0	1,530,000
OPWC Loans	198,811	215,286	223,523	242,044
OWDA Loans	301,923	425,464	544,006	657,830
Contractual Debt Obligation	952,191	1,074,817	683,979	776,103
Total Gross Indebtedness	53,205,008	55,158,959	56,524,427	20,073,988
Less:				
General Obligation Bonds	(31,675,000)	(32,970,000)	0	0
General Obligation Revenue Notes/Bonds	(130,200)	(193,200)	(252,000)	(310,800)
Special Assessment Bonds	(2,959,042)	(3,208,858)	(3,449,237)	(2,866,244)
Bond Anticipation Notes	(5,675,000)	(5,600,000)	(39,120,000)	0
Bond Anticipation Notes Enterprise	0	0	0	(1,530,000)
OWDA Loans	(301,923)	(425,464)	(544,006)	(657,830)
Contractual Debt Obligation	(952,191)	(1,074,817)	(683,979)	(776,103)
General Obligation Bond Retirement Fund Balance	(64,469)	(52,292)	(48,136)	(168,549)
Total Net Debt Applicable to Debt Limit	11,447,183	11,634,328	12,427,069	13,764,462
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	79,212,273	79,681,926	79,135,792	78,443,635
Legal Debt Margin Within 10 ½ % Limitations	\$67,765,090	\$68,047,598	\$66,708,723	\$64,679,173
Legal Debt Margin as a Percentage of the Debt Limit	85.55%	85.40%	84.30%	82.45%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	\$41,492,143	\$41,738,152	\$41,452,082	\$41,089,523
Total Gross Indebtedness	53,205,008	55,158,959	56,524,427	20,073,988
Less:				
General Obligation Bonds	(31,675,000)	(32,970,000)	0	0
General Obligation Revenue Notes/Bonds	(130,200)	(193,200)	(252,000)	(310,800)
Special Assessment Bonds	(2,959,042)	(3,208,858)	(3,449,237)	(2,866,244)
Bond Anticipation Notes	(5,675,000)	(5,600,000)	(39,120,000)	0
Bond Anticipation Notes Enterprise	0	0	0	(1,530,000)
OWDA Loans	(301,923)	(425,464)	(544,006)	(657,830)
Contractual Debt Obligation	(952,191)	(1,074,817)	(683,979)	(776,103)
General Obligation Bond Retirement Fund Balance	(64,469)	(52,292)	(48,136)	(168,549)
Net Debt Within 5 ½ % Limitations	11,447,183	11,634,328	12,427,069	13,764,462
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$30,044,960	\$30,103,824	\$29,025,013	\$27,325,061
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	72.41%	72.13%	70.02%	66.50%

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

2006	2005	2004	2003	2002	2001
<u>\$640,102,030</u>	<u>\$570,244,615</u>	<u>\$510,089,580</u>	<u>\$417,641,340</u>	<u>\$366,211,330</u>	<u>\$328,512,440</u>
\$7,165,884	\$6,286,816	\$6,565,767	\$4,283,189	\$2,842,209	\$2,984,471
365,400	424,200	456,000	504,000	541,800	579,600
3,073,713	3,263,227	3,596,389	3,777,810	3,955,990	4,130,929
2,110,000	2,873,650	3,805,000	3,870,000	5,300,000	2,301,000
1,150,000	991,350	1,470,000	1,400,000	0	0
13,500	22,500	56,540	90,580	79,713	113,940
767,198	872,356	974,117	1,071,526	1,165,371	1,255,837
863,621	946,533	1,024,845	1,099,312	1,169,941	1,236,731
15,509,316	15,680,632	17,948,658	16,096,417	15,055,024	12,602,508
0	0	0	0	0	0
(365,400)	(424,200)	(456,000)	(504,000)	(541,800)	(579,600)
(3,073,713)	(3,406,724)	(3,596,389)	(3,777,810)	(3,955,990)	(4,130,929)
0	0	0	0	0	0
(1,150,000)	(991,350)	(1,470,000)	(1,400,000)	0	0
(767,198)	(872,356)	(974,117)	(1,071,526)	(1,165,371)	(1,255,837)
(863,621)	(946,533)	(1,024,120)	(1,099,312)	(1,169,941)	(1,236,731)
(26,725)	(23,992)	(95,356)	0	(8,543)	(22,379)
9,262,659	9,015,477	10,332,676	8,243,769	8,213,379	5,377,032
67,210,713	59,875,685	53,559,406	43,852,341	38,452,190	34,493,806
<u>\$57,948,054</u>	<u>\$50,860,208</u>	<u>\$43,226,730</u>	<u>\$35,608,572</u>	<u>\$30,238,811</u>	<u>\$29,116,774</u>
86.22%	84.94%	80.71%	81.20%	78.64%	84.41%
<u>\$35,205,612</u>	<u>\$31,363,454</u>	<u>\$28,054,927</u>	<u>\$22,970,274</u>	<u>\$20,141,623</u>	<u>\$18,068,184</u>
15,509,316	15,680,632	17,948,658	16,096,417	15,055,024	12,602,508
0	0	0	0	0	0
(365,400)	(424,200)	(456,000)	(504,000)	(541,800)	(579,600)
(3,073,713)	(3,406,724)	(3,596,389)	(3,777,810)	(3,955,990)	(4,130,929)
0	0	0	0	0	0
(1,150,000)	(991,350)	(1,470,000)	(1,400,000)	0	0
(767,198)	(872,356)	(974,117)	(1,071,526)	(1,165,371)	(1,255,837)
(863,621)	(946,533)	(1,024,845)	(1,099,312)	(1,169,941)	(1,236,731)
(26,725)	(23,992)	(95,356)	0	(8,543)	(22,379)
9,262,659	9,015,477	10,331,951	8,243,769	8,213,379	5,377,032
<u>\$25,942,953</u>	<u>\$22,347,977</u>	<u>\$17,722,976</u>	<u>\$14,726,505</u>	<u>\$11,928,244</u>	<u>\$12,691,152</u>
73.69%	71.25%	63.17%	64.11%	59.22%	70.24%

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	
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)
2003	788,956	883,600	(94,644)	93,845	45,977	(0.68)
2002	860,163	702,846	157,317	90,466	50,741	1.11
2001	777,044	744,148	32,896	87,262	53,944	0.23

(1) Revenues include interest and operating grants.

(2) Operating expenses do not include depreciation.

Source: City Financial Records

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City of Avon, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2010

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to the City of Avon
Direct - City of Avon			
General Obligation Bonds	\$42,987,841	100.00%	\$42,987,841
Special Assessment Bonds	2,959,042	100.00%	2,959,042
OPWC Loans	198,811	100.00%	198,811
<i>Total Direct Debt</i>	<u>46,145,694</u>		<u>46,145,694</u>
Overlapping			
Avon Local School District			
General Obligation Bonds	37,580,194	100.00%	37,580,194
Lorain County			
General Obligation Bonds	<u>22,680,000</u>	10.00%	<u>2,268,000</u>
<i>Total Overlapping Debt</i>	<u>60,260,194</u>		<u>39,848,194</u>
Total	<u><u>\$106,405,888</u></u>		<u><u>\$85,993,888</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.

* \$31,675,000 of the total \$42,987,841 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 Five Years Ago (1)

2010		
Employer	Employees	Percentage of Total City Employment
Avon Board of Education	363	2.89 %
Our Lady of the Wayside	362	2.88
ShurTech Brands LLC	341	2.72
Walmart	214	1.71
A.J. Rose Manufacturing Company	185	1.47
Good Samaritan Nursing Home	179	1.43
City of Avon	174	1.39
EMH Regional Medical Center	150	1.20
Avon Oaks Nursing Home	141	1.12
Cutting Dynamics Incorporated	125	1.00
Total	2,234	17.80 %
Total Employment within the City	12,551	

2005	
Employer	Employees
Henkel	499
Our Lady of the Wayside Nursing Home	314
Avon Local Schools	300
Willoway Nurseries	212
A.J. Rose Manufacturing Company	219
Walmart	195
Good Samaritan Nursing Home	172
Target	170
Avon Oaks Nursing Home	150
Home Depot	135
Total	2,366
Total Employment within the City	13,153

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (5)</u>	<u>Personal Income Per Capita</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>
2010	21,193	\$731,963,834	\$34,538	\$87,074	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
2003	11,353	321,675,902	28,334	66,747	38
2002	11,353	321,675,902	28,334	66,747	38
2001	11,353	321,675,902	28,334	66,747	38

(1) Source: U. S. Census

(a) Years 2001 through 2008 - 2000 Federal Census; 2009 and 2010 Estimated

(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; 2010 Estimate

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

Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Lorain County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
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
32.3	2,474	6.6	121,510	417,641,340
32.3	2,266	6.3	N/A	366,211,330
32.3	1,921	5.8	N/A	328,512,440

City of Avon, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Eight Years (1)

Function/Program	2010	2009	2008
General Government			
Council	5.00	5.00	5.00
Finance	4.00	4.00	4.00
Finance Director	1.00	1.00	1.00
Law	1.50	1.50	1.50
Administration	2.00	2.00	2.00
Planning	4.50	4.50	4.50
Civil Service	1.50	1.50	1.50
Court	0.50	0.50	0.50
Zoning	3.50	3.50	3.50
Security of Persons and Property			
Police	34.00	34.00	30.00
Police - Dispatchers/Office/Other	10.50	10.50	8.00
Safety Director	0.00	0.50	0.50
Fire	32.00	30.00	28.00
Fire - Dispatchers/Office/Other	1.00	1.00	1.00
Leisure Time Activities			
Recreation and Parks	10.00	11.00	9.00
Community Development			
Building	7.50	6.50	9.50
Transportation			
Service/Street M&R	15.50	15.00	13.00
Basic Utility Services			
Water and Sewer	9.50	10.50	11.00
Totals:	<u>143.50</u>	<u>142.50</u>	<u>133.50</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.

(1) Data prior to 2003 is not available.

2007	2006	2005	2004	2003
5.00	4.00	4.00	4.00	4.00
4.00	4.00	4.00	4.00	3.50
1.00	1.00	1.00	1.00	1.00
1.50	0.50	0.50	0.50	0.50
2.00	2.00	2.00	2.00	2.00
4.50	4.50	4.50	4.00	3.50
1.50	1.50	0.00	1.50	1.50
0.50	0.50	0.50	0.50	0.50
3.50	3.50	3.50	3.50	3.50
30.00	28.00	26.00	24.00	22.00
8.00	6.00	6.00	6.00	5.00
0.50	0.50	0.50	0.50	0.50
28.00	25.50	24.50	22.00	22.00
1.00	1.00	1.00	1.00	1.00
9.00	7.50	7.50	6.50	5.00
8.50	10.00	10.00	10.50	10.00
12.50	12.00	12.00	12.00	12.00
10.50	11.50	11.50	11.50	11.00
131.50	123.50	119.00	115.00	108.50

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

Function/Program	2010	2009	2008
Date of Incorporation as a Village	1917		
Date of Incorporation as a City	1961		
General Government			
<i>Council and Clerk</i>			
Number of Ordinances Passed	113	132	168
Number of Resolutions Passed	39	18	44
<i>Planning Commission/Zoning Board of Appeals</i>			
Number of Planning Commission docket items	60	74	121
Zoning Board of Appeals docket items	17	20	26
<i>Finance Department</i>			
Amount of checks written	\$42,389,310	\$37,724,785	\$30,942,350
Interest earnings for fiscal year (cash basis)	\$112,699	\$231,386	\$665,519
Number of Receipts issued	4,018	3,658	3,661
Number of Budget Adjustments issued	32	26	44
Agency Ratings - Moody's Financial Services	Aa2	Aa2	Aa2
General Fund Receipts (cash basis in thousands)	\$13,284	\$9,254	\$7,555
General Fund Expenditures (cash basis in thousands)	\$11,466	\$9,029	\$9,887
General Fund Cash Balances including Income Tax (in thousands)	\$5,570	\$3,752	\$3,527
<i>Income Tax Department</i>			
Number of Annual withholding forms processed	13,275	11,009	11,066
Number of Business net profit forms processed	2,075	1,882	1,559
Number of Individual forms processed	8,883	12,204	8,616
Amount of Penalties and Interest Collected	\$125,422	\$88,437	\$63,898
Annual number of balance due/estimated payment forms processed	10,195	11,165	9,234
Annual number of reconciliations of withholdings processed	N/A	1,251	1,215
<i>Engineer Contracted Services</i>			
Dollar amount of Construction overseen by Engineer	\$1,899,519	\$2,471,597	\$7,854,087
<i>Mayor's Court</i>			
Number of Traffic cases	982	880	867
Number of Criminal cases	62	44	50
<i>Civil Service</i>			
Number of police entry tests administered	0	1	0
Number of fire entry tests administered	0	0	1
Number of police promotional tests administered	0	0	0
Number of fire promotional tests administered	0	0	2
Number of hires of Police Officers from certified lists	1	5	0
Number of hires of Fire/Medics from certified lists	1	1	0
Number of promotions from police certified lists	0	0	0
Number of promotions from fire certified lists	5	2	0
<i>Building Department Indicators</i>			
Single Family Permits Issued	146	115	142
Commercial Permits Issued	137	109	210
Estimated Value of Construction	\$113,771,043	\$47,821,980	\$67,973,353
Number of permits issued (all types)	1,112	1,022	1,124
Amount of Revenue generated from permits	\$1,464,343	\$506,654	\$1,281,070
Number of contractor registrations issued	932	609	694

2007	2006	2005	2004	2003	2002	2001
142	151	175	197	265	180	175
41	31	23	39	46	46	33
149	105	183	204	238	240	219
29	37	41	60	57	50	43
\$32,987,641	\$37,732,774	\$28,632,549	\$27,249,268	\$23,041,609	\$0	n/a
\$1,181,222	\$1,177,582	\$428,468	\$214,154	\$140,428	\$188,577	\$404,313
3,704	4,090	6,543	6,665	6,111	n/a	n/a
51	31	35	41	42	27	27
Aa2	Aa2	Aa2	Aa2	Aa2	Aa3	Aa3
\$9,728	\$7,800	\$9,400	\$6,600	\$7,800	\$6,700	\$5,700
\$3,334	\$8,600	\$8,100	\$7,400	\$7,500	\$6,000	\$5,600
\$5,668	\$5,450	\$4,600	\$3,700	\$3,500	\$2,200	\$2,200
10,697	10,357	9,727	8,931	7,546	6,871	6,490
1,437	1,272	1,405	1,072	741	845	901
8,205	7,346	7,186	6,698	6,333	5,468	5,415
\$61,456	\$60,813	\$41,506	\$43,662	\$23,549	\$16,790	\$13,453
9,926	9,048	8,742	8,212	8,020	5,320	2,006
1,124	1,529	1,315	1,532	693	1,248	391
\$4,880,288	\$3,997,969	\$8,139,674	\$8,754,750	\$8,264,517	\$9,528,967	\$6,268,915
2,079	1,508	1,617	1,572	1,149	1,283	1,756
82	77	92	182	171	148	138
0	1	0	1	0	1	0
0	1	0	1	0	0	1
0	2	2	2	0	0	0
0	2	2	1	3	2	0
2	5	1	3	0	0	1
1	4	2	1	0	0	5
0	2	4	4	3	n/a	n/a
2	9	2	1	1	n/a	n/a
179	222	350	402	397	397	321
249	183	316	260	248	161	256
\$84,863,809	\$81,389,840	\$123,988,313	\$194,077,164	\$123,628,234	\$118,276,888	\$177,630,180
1,269	2,085	2,311	2,471	2,477	1,611	1,622
\$1,478,453	\$1,225,686	\$1,158,571	\$31,397,505	\$877,982	\$941,744	\$1,060,934
1,086	1,096	1,170	1,075	1,377	1,448	1,025

(continued)

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

Function/Program	2010	2009	2008
Security of Persons and Property			
<i>Police</i>			
Total Calls for Services	18,169	18,228	19,119
Number of traffic citations issued	1,733	1,446	1,267
Number of parking citations issued	294	441	104
Number of criminal arrests	677	682	725
Number of accident reports completed	507	488	575
Part 1 Offenses (major offenses)	303	325	283
DUI Arrests	90	67	76
Prisoners	399	380	363
Prisoner meal costs	\$0	\$0	\$35
Motor Vehicle Accidents	780	488	575
Property damage accidents	676	361	463
Fatalities from Motor Vehicle Accidents	0	1	2
Gasoline costs of fleet	\$84,013	\$64,291	\$83,693
<i>Fire</i>			
EMS Calls	1,511	1,557	1,516
Ambulance Billing Collections (net)	\$346,078	\$367,927	\$331,076
Fire Calls	536	490	459
Fires with Loss	18	25	22
Fires with Losses exceeding \$10K	6	5	0
Fire Losses	\$1,107,750	\$719,120	\$571,215
Fire Safety Inspections	859	608	619
Number of times Mutual Aid given to Fire and EMS	54	61	45
Number of times Mutual Aid received for Fire and EMS	29	16	4
Leisure Time Activities			
<i>Recreation</i>			
Recreation Men's and Women's Leagues receipts	\$6,375	\$5,822	\$5,405
Recreation Youth Activities receipts	\$83,125	\$62,899	\$121,872
Transportation			
Street Improvements - asphalt overlay (linear feet)	10,685	21,375	6,012
Crackseal Coating Program (Miles)	40	20	20
Street Repair (Curbs, aprons, berms, asphalt) (hours)	200	150	150
Guardrail Repair (hours)	20	40	40
Paint Striping (hours)	900	400	400
Cold Patch (hours)	550	400	400
Snow & Ice Removal overtime hours	850	350	350
Tons of snow melting salt purchased (Nov-May - winter season)	5,291	5,323	4,700
Cost of salt purchased	\$240,733	\$242,204	\$194,854
Water Department			
Water Rates per 1st 6,000 gallons of water used (per thousand)	\$2.33	\$2.33	\$2.33
Average gallons of water billed monthly (in thousands)	65,571	63,672	62,494
Total Water Collections Annually (Including P&I) (in thousands)	\$1,809	\$1,674	\$1,689
Wastewater Department			
Sewer Rates per 1,000 gallons of water used	\$4.98	\$4.98	\$4.23
Average gallons of sewer billed monthly (in thousands)	40,145	41,419	37,227
Total Sewer Collections Annually (Including penalties and interest) (in thousands)	\$1,327	\$1,137	\$1,081
Total North Ridgeville Sewer Collections Annually (in thousands)	\$1,154	\$1,115	\$1,017

(1) Information for some years is not available

Source: City of Avon Records

2007	2006	2005	2004	2003	2002	2001
25,812	25,995	20,992	18,640	18,151	18,259	19,573
2,371	1,240	2,361	2,012	1,451	1,703	n/a
637	392	58	53	64	69	23
638	622	608	461	391	542	n/a
545	544	555	526	461	393	455
385	232	262	254	263	261	208
97	193	184	138	90	179	107
484	523	480	336	257	406	130
\$60	\$350	\$90	\$170	\$80	\$90	n/a
545	544	555	526	461	393	455
422	415	428	377	359	n/a	n/a
1	1	1	0	4	n/a	n/a
\$62,186	\$52,814	\$45,365	\$28,552	\$29,335	\$24,867	\$27,411
1,413	1,341	1,204	1,073	1,022	818	661
\$297,996	\$337,213	\$29,521	\$67,112	\$83,403	\$181,397	\$213,553
460	466	440	371	309	244	263
15	40	32	17	25	20	28
4	5	8	4	3	6	4
\$319,400	\$328,830	\$916,625	\$793,020	\$298,150	\$370,400	\$181,750
619	454	415	532	461	356	303
8	24	4	10	16	1	4
4	22	11	13	15	8	2
\$1,435	\$6,330	\$3,619	\$8,341	\$3,200	n/a	n/a
\$125,794	\$119,491	\$89,347	\$68,881	\$22,830	n/a	n/a
4,000	9,434	23,420	19,130	11,500	14,050	30,500
25	40	30	30	30	30	25
160	120	150	180	200	200	200
40	60	40	40	40	40	40
400	400	80	80	80	80	80
420	360	150	150	150	175	175
350	312	349	523	326	668	521
4,056	4,000	3,900	3,911	4,111	1,825	3,789
\$182,556	\$132,345	\$119,965	\$104,855	\$111,533	\$55,734	\$83,640
\$2.33	\$2.33	\$2.33	\$2.33	\$2.33	\$2.33	\$2.33
78,635	101,087	40,400	47,500	43,800	46,100	39,500
\$1,847	\$1,591	\$1,600	\$1,300	\$1,200	\$1,100	\$900
\$4.23	\$4.01	\$4.01	\$4.01	\$4.01	\$4.01	\$4.01
39,081	67,864	26,400	27,600	24,300	23,800	20,900
\$1,048	\$950	\$900	\$750	\$700	\$650	\$600
\$1,037	\$967	\$900	\$750	\$700	\$600	\$450

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

Function/Program	2010	2009	2008	2007
General Government				
Inspection Vehicles	7	8	9	9
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	37	34	27	27
Fire				
Stations	1	1	1	1
Vehicles	14	15	16	16
Leisure Time Activities				
Recreation				
Number of Parks	7	7	7	6
Number of Ice Rinks	1	1	1	1
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	12	12	11	11
Number of Tot Lots	4	4	4	3
Number of Soccer Fields	14	14	14	14
Vehicles	9	10	6	6
Transportation				
Service				
Buildings	1	1	1	1
Service Vehicles	21	17	16	16
Streets (miles)	132.00	132.00	120.00	120.00
Water and Sewer				
Buildings	9	9	9	9
Water Lines (miles)	114.1	113.58	111.55	108.38
Sanitary Sewers (miles)	93.3	92.97	91.34	89.06
Vehicles	10	9	9	9

Source: City of Avon Records

2006	2005	2004	2003	2002	2001
9	9	8	8	5	5
1	1	1	1	1	1
27	24	18	14	12	11
1	1	1	1	1	2
16	15	15	13	13	11
6	6	6	6	5	5
3	3	3	3	2	2
1	1	1	0	0	0
11	11	11	11	7	7
3	3	3	3	2	2
10	10	10	8	5	5
5	5	4	3	3	3
1	1	1	1	1	1
16	14	12	11	11	10
120.00	120.00	94.18	120.00	120.00	120.00
9	9	8	8	8	7
106.5	106.50	101.00	88.00	90.00	88.00
84.5	84.50	79.00	63.00	66.00	63.00
8	8	6	5	5	4

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CITY OF AVON, OHIO

36080 CHESTER ROAD
AVON, OHIO 44011
440-937-7800

JAMES A. SMITH, MAYOR

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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 12, 2011