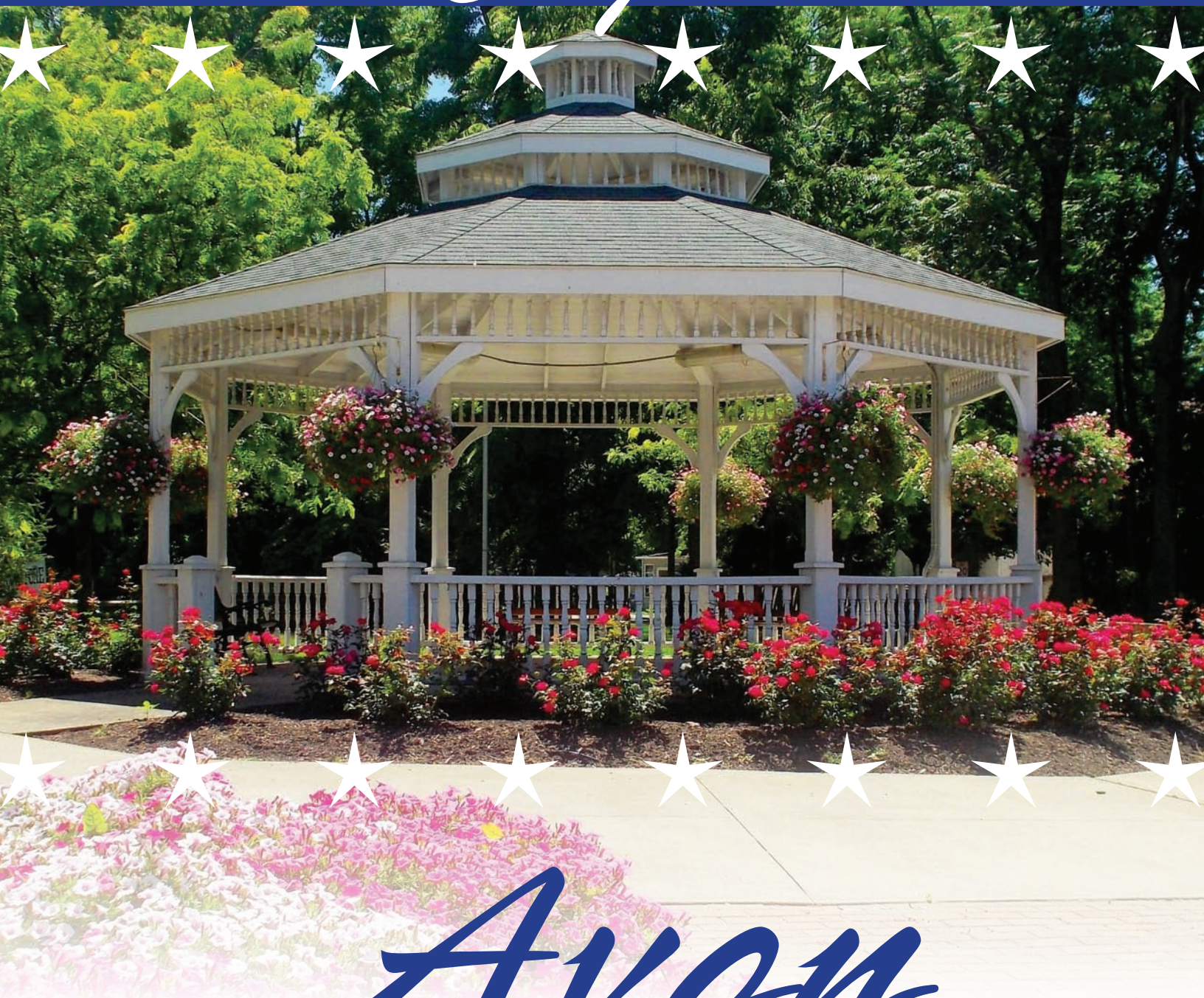


City of



Avon

Comprehensive Annual Financial Report

For the fiscal year ended December 31, 2014, for the City of Avon, Ohio



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Avon, Lorain County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2014 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

September 17, 2015

Bryan K. Jensen
MAYOR



Council



Lee Belardo
Council at Large



Mary Berges
Ward 3



Bob Butkowski
Ward 1



Craig Witherspoon
Council President



Dennis McBride
Ward 2



Tammy Holtzmeier
Council at Large



Daniel Urban
Ward 4

Finance Dept.



Front Row, L- R: Megan Zeck, Cheryl Sudbrook, Natalie Cifranic, Gina Irvin, Aaron Jenkins
Back Row, L- R: Bill Logan, Tania Gray, Tami Reynolds, Beth Raicevich, Randi Simkovich, Diane Szlempa,

City of Avon, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2014

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, 2014
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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 29, 2015

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, 2014.

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, 2014.

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 2014, the City of Avon was audited by Ciuni & Panichi, Inc.

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

Profile of the Government

The City of Avon was founded in 1814, incorporated as a village in 1917, and achieved city status in 1961. The City of Avon is located in Lorain County in northeast Ohio, 22 miles west of downtown Cleveland. The City is bounded on the north by the City of Avon Lake, on the east by the City of Westlake, on the west by the Village of Sheffield, and on the south by the City of North Ridgeville. The City covers 20.5 square miles, or a total of 16,000 acres. Avon is between 625 and 700 feet above sea level. The French Creek waterway runs throughout the City's relatively flat topography. The 2010 U.S. Census Bureau reports the City's population at 21,193, up 87 percent from 11,353 in 2000.

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

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

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

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

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

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

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

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

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

Economic Conditions and Outlook

Residential

The City of Avon continues to be an attractive location for residential development as single family home construction remains stable despite weakness in the overall State and national economy. Avon is appealing to new residents because of their excellent schools and City services. The median family income in Avon is 163 percent of the State average and 155 percent of the national average. The average length of time a home in Avon is for sale is 91 days. The number of new single-family home permits issued for the year 2014 was 128 with an approximate valuation of \$55,513,387 compared to 122 single-family home permits issued the previous year with a valuation of \$45,661,698.

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

Commercial & Industrial

Commercial permits for new construction issued in 2014 had an approximate valuation of \$75,203,490, compared to \$37,428,054 in 2013. New construction in 2014 includes a Residence Inn and 15,000 square foot convention center, (presently under construction), Cleveland Clinic Hospital (currently under construction), Select Medical Rehab Hospital (currently under construction), new restaurants and various expansions of existing businesses. Presently, there is approximately 2,300 acres of land available for commercial and industrial development in the City.

So far in 2015 plans for new commercial development include a Cabela's, Menard's, Meijer, Levin Furniture, Edward Rose Congregate Care Facility, Primrose Daycare and various other facilities.

The assessed valuation for tax year 2014 for the City of Avon is \$755,191,430 per the Lorain County Auditor's Office. Property taxes will be collected on this valuation in 2015. This is \$12,444,810 more than tax year 2013 valuation. The City's assessed value equates to almost \$2.2 billion at market, or appraised value. See the history of assessed valuations in the Statistical Section of this report.

This assessed valuation does not include the Cleveland Clinic which adds about \$35,000,000 to the total. This value is exempt from property tax however, as the Cleveland Clinic is a non-profit organization. Because the City has thirteen Tax Increment Financing (TIF) agreements in place for much of the commercial property north of I-90, these values are considered exempt and therefore not included in the County Auditor's total taxable assessed valuations. The City and the Avon School District both collect Tax Increment Financing revenues as if they were property taxes. Presently, the City is collecting TIF revenues on an estimated commercial assessed valuation of about \$44,000,000.

Relevant Financial Policies

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

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

Avon Recreation Complex

In November 2007, the voters of the City passed a 0.25 percent income tax for the purpose of building a recreation complex on the western side of the City at the intersection of I-90, State Route 611 and Miller Road. The first phase of the complex was completed in 2010 and consists of a recreation center, French Creek Family YMCA, and a baseball stadium, All-Pro Freight Stadium. In addition to the recreation center and baseball stadium, plans call for the complex to eventually include an indoor volleyball facility, tennis courts, youth football and soccer fields. All-Pro Freight Stadium opened in the spring of 2009, and is the home of an expansion team in the Frontier League, the Lake Erie Crushers. The Frontier League is a professional baseball league made up of 12 teams in Ohio and neighboring states. The stadium has 3,500 traditional seats and 1,500 lawn seats, along with loges, concessions and playground areas for children. The stadium also has plenty of standing room on the concourse. In addition to the 48 Frontier League home games, the stadium has hosted concerts and other events each year since it has opened. The stadium is used by the Avon High School Varsity Baseball Team along with certain other schools and colleges who play many games here. The stadium has hosted the Mid-American Conference Tournament the last two years and will do so again in 2015. The stadium

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

The French Creek Family YMCA was built by the City in conjunction with the Greater Cleveland YMCA (the "YMCA"), but is owned solely by the City. The YMCA contributed approximately \$5,600,000 towards constructions costs. The YMCA pays all operating costs and manages all programming offered to the public at this facility. The amenities of the YMCA include a competitive swimming pool, basketball courts, workout areas for cardio and strength training, childcare services for members and other programming typically provided by the YMCA. A few high schools make the YMCA their home for varsity swimming meets, including Avon and Avon Lake High Schools. Membership to the YMCA is open to all residents of the entire region. Residents of the City benefit from a discounted membership fee. Currently, the YMCA has 19,086 members, of which 5,842 are Avon residents.

Avon Healthcare Facilities

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

The Cleveland Clinic currently has under construction a 111 bed hospital on land adjacent to the existing medical center. It is anticipated this facility will be complete and ready for use by late 2016.

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

Cleveland Clinic/Select Medical (a joint venture) is building a 60 bed rehabilitation hospital near the Nagel Road Interchange. Also under construction in this area is the Rose Senior Living Facility, a 175 room congregate care facility. University Hospitals, in partnership with Center Healthcare Corporation, is building a 50 room rehabilitation hospital near the S.R. 611 Interchange that should open in the fall of 2015. Recently the Woods of Avon Nursing Home, with 65 rooms, opened on the west side of the City. Finally, First & Main, LLC has announced a 109 bed congregate care facility on Detroit Road near the center of Avon.

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

City Services

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

The Avon Fire Department responded to 2,292 calls in 2014. 1,657 were emergency medical calls and 635 were fire related calls which included service and specialty rescue calls. Specialty rescues include water and ice rescue, confined space rescue, rope rescue, and structural collapse rescue.

The Avon Fire Department purchased a rescue squad and rescue engine in 2012. These items allow the department to better serve the citizens and businesses of Avon. The rescue engine also helps maintain our Insurance Services Offices (ISO) rating that we improved in 2010. As of February 1, 2015, this rating improved to an ISO of 2. The businesses and homeowners in Avon continue to benefit from this rating.

In 2014, the Avon Police Department handled 20,204 calls for service which resulted in 1,103 incident reports being taken and 1,123 traffic crashes being handled. The police department made 369 criminal arrests along with 2,178 traffic charges being filed. The police department also physically checked 385 homes for residents who were away on vacation and an additional 2,846 physical premise checks were completed on residential and commercial properties.

During 2014 the police department participated with other law enforcement agencies in Lorain County in "Project Dawn". The program was a test program in the State of Ohio to deploy naloxone with police officers to counteract the effects of a heroin overdose. This pilot program was successful in saving lives and has since gone Statewide.

With the departure of our Animal Control Officer the City also developed a closer working relationship with the Friendship APL to aid the City in handling calls pertaining to domestic animals. Friendship APL has trained animal control officers on staff at their facility and have been a great addition in providing support and assistance within the City.

In May, the City held their first Citywide Safety Fair. The safety fair was widely attended and showcased many services available to residents at the City, County, and State levels. Many private businesses also volunteered their time and resources to provide health screenings, bicycle helmets, and valuable information on how people can protect themselves, loved ones, property and their identity. The event had things of interest for people of all ages and all walks of life.

Also in May, Patrolman David Layne was selected by the Lorain County Safe Communities Coalition for one of their two Safe Community's Officer Awards. Patrolman Layne received this award in large part to the work and effort he has put into programs to promote safe bicycling and the use of bicycle helmets. Through his efforts several children have enjoyed free desserts donated by several of our local businesses and one child won a new bicycle courtesy of AAA.

Our officers attended many events during the year speaking to residents, business and community groups on a wide array of topics relating to public safety. We are continuing to strive to engage with our community and develop partnerships to keep Avon a wonderful place to raise a family, build a business or come to shop, play, dine or stay.

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

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

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

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

In 2011, the City renovated the Avon Isle, a City owned historic dance hall and community center. A large portion of the cost of the renovation was funded through an energy grant from the Northeast Ohio Public Energy Council. In 2013 the City paved the parking lot here. The Avon Isle is now available for residents to rent for parties, weddings and other events. In 2014, the City was awarded a Capital Budget matching grant not to exceed \$75,000 to renovate and improve the basement floor of the Avon Isle.

Long-Term Financial Planning

In 2014 the City issued \$5,235,000 of bonds for construction of the Nagel Road Interchange. This is the final piece of long-term debt associated with the interchange project.

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

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

In December of 2012, the I-90/Nagel Road Interchange opened. This project was in the works for over 10 years and construction began in August, 2011. The interchange opened six months sooner than originally planned, thanks to efficient construction management, value engineering and favorable weather. In addition, the project finished about \$1,200,000 lower than planned. The project was funded by the Jacobs Group and the City of Avon. The project was managed by the Ohio Department of Transportation and the General Contractor was Mosser Construction, Inc. The Jacobs Group and the City of Avon also funded \$4.6 million of infrastructure improvements in the area surrounding the new interchange.

The City issued \$9,800,000 of bond anticipatory notes in February, 2014 primarily for the construction of a 3,000,000 gallon water tower on the south side of town. This water tower will complement the existing 750,000 gallon tank in the center of town and provide needed capacity for new development. Additionally, it will provide water surplus in the event of an emergency. The estimated cost of this project is \$7,400,000. The other \$2,400,000 of the 2014 notes will finance a water transmission line that will run west from the new water tower to the City's border.

The City issued \$7,500,000 of bond anticipatory notes in September, 2014 for the construction of an outdoor swimming pool/aquatic facility and related infrastructure improvements in the center of town. The City owns the property where this project is currently under construction.

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

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

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to a governmental unit that publishes an easily readable and efficiently organized Comprehensive Annual Financial Report which conforms to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The City of Avon has received the Certificate of Achievement for its Comprehensive Annual Financial Report each year dating back a number of years. A Certificate of Achievement is valid for a period of one year.

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

For fiscal year 2009, the City received the Auditor of State's "Making Your Tax Dollars Count" Award, and for fiscal years 2010, 2011 and 2013, the City was presented with the "Auditor of State Award with Distinction."

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

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

Respectfully submitted,



Bryan K. Jensen
Mayor



William D. Logan
Director of Finance

City of Avon, Ohio
Principal Officials
December 31, 2014

Elected Officials:

Mayor..... Bryan K. Jensen
President of Council Craig Witherspoon
Councilman at Large..... Lee Belardo
Councilman at Large..... Tammy Holtzmeier
Councilman – Ward I..... Bob Butkowski
Councilman – Ward II Dennis McBride
Councilman – Ward III..... Mary Berges
Councilman – Ward IV..... Daniel Urban

Directors:

Director of Law..... John A. Gasior
Director of Finance William D. Logan
Director of Public Service Mike Farmer
Director of Parks and Recreation..... Diane Corrao

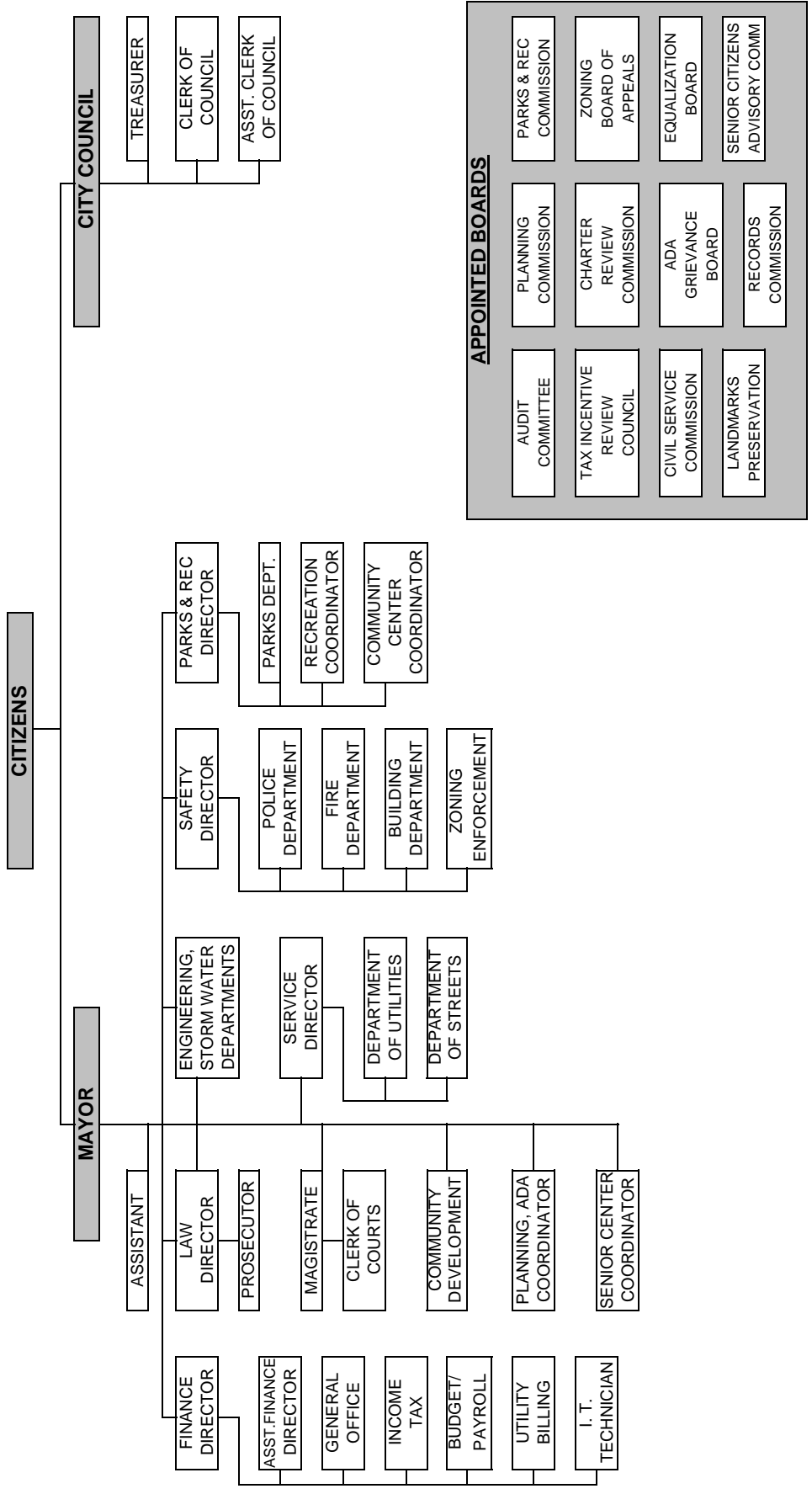
Chairmen, Boards and Commissions:

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

Other Staff Members:

Treasurer..... Megan Zeck
City Engineer..... Robert Knopf
Superintendent of Utilities..... Tony Lorenzo
Secretary to the Mayor..... Rose Seighman
Clerk of Council Ellen R. Young
Clerk of Court..... Cheryl Sudbrook
Assistant Director of Finance Beth A. Raicevich
Clerk Secretary of Planning Commission and Zoning Board of Appeals Jill K. Clements
Zoning Enforcement Officer..... Richard A. Schneider
Prosecutor Richard Kray
City Magistrate Daniel P. Stringer
Chief of Police Richard A. Bosley
Police Captain..... Lawrence M. Fischbach III
Chief of Fire..... Frank Root, III
Assistant Chief of Fire Timothy L. Golay
Chief Building Inspector..... Robert A. Schumacher

CITY OF AVON ORGANIZATIONAL CHART





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Avon
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

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FINANCIAL

Avon Aquatic Facility



Independent Auditor's Report

Members of the City Council
City of Avon, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Avon, Ohio (the "City"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Fire Department, Street Construction, Maintenance and Repair, and Police Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Members of the City Council
City of Avon, Ohio

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Cini & Parichi, Inc.

Cleveland, Ohio
June 29, 2015

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City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
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, 2014. 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 2014 are:

- The City issued \$5,235,000 in General Obligation Bonds replacing short-term notes, for the Nagel Road I-90 Interchange. This is the final issuance of bonds for this project.
- The City issued \$7,500,000 of General Obligation Notes for the construction of an aquatic facility and supporting infrastructure. Avon residents have been long awaiting a municipal aquatic facility.
- The City issued \$9,800,000 of Water Revenue Notes for the construction of a 3,000,000 gallon elevated water storage tank and a 16 inch water transmission line. These assets will provide needed water capacity to support the recent and future growth of the City.
- Income tax collections increased on a cash basis by 7.3 percent over 2013. This is a result of increased employment and new commercial/industrial development in the City.

Using This Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the City of Avon as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City do financially during 2014?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and deferred outflows and liabilities and deferred inflows using the accrual basis of accounting similar to the accounting method used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
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These two statements report the City's net position and the changes in that position. The changes in net position are important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of the City capital assets will also need to be evaluated.

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

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources
- Net Position (Assets and Deferred Outflows of Resources minus Liabilities and Deferred Inflows of Resources)
- Program Revenue and Expenses
- General Revenues
- Net Position Beginning of Year and Year's End

Reporting the City of Avon's Most Significant Funds

Fund Financial Statements

The presentation of the City's funds begins on page 10. Fund financial statements provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds which account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Avon, the major funds are the general, fire department, street construction, maintenance and repair, police, general obligation bond retirement, special assessment bond retirement, municipal swimming pool, water and sewer.

Governmental Funds

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

Proprietary Funds

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

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
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The City of Avon as a Whole

The *Statement of Net Position* looks at the City as a whole. Table 1 provides a summary of the City's net position for 2014 compared to 2013.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Current and Other Assets	\$35,351,685	\$33,369,309	\$13,819,778	\$5,948,557	\$49,171,463	\$39,317,866
Capital Assets, Net	102,497,624	102,472,978	33,650,561	30,916,421	136,148,185	133,389,399
<i>Total Assets</i>	<u>137,849,309</u>	<u>135,842,287</u>	<u>47,470,339</u>	<u>36,864,978</u>	<u>185,319,648</u>	<u>172,707,265</u>
Deferred Outflows of Resources	<u>251,068</u>	<u>286,810</u>	<u>0</u>	<u>0</u>	<u>251,068</u>	<u>286,810</u>
Liabilities						
Current and Other Liabilities	8,856,057	10,232,869	1,571,019	446,996	10,427,076	10,679,865
Long-Term Liabilities:						
Due Within One Year	2,736,540	2,732,702	123,642	215,586	2,860,182	2,948,288
Due In More Than One Year	73,562,945	71,020,436	14,740,509	5,314,898	88,303,454	76,335,334
<i>Total Liabilities</i>	<u>85,155,542</u>	<u>83,986,007</u>	<u>16,435,170</u>	<u>5,977,480</u>	<u>101,590,712</u>	<u>89,963,487</u>
Deferred Inflows of Resources	<u>5,100,187</u>	<u>5,078,087</u>	<u>0</u>	<u>0</u>	<u>5,100,187</u>	<u>5,078,087</u>
Net Position						
Net Investment in Capital Assets	29,363,504	35,478,485	24,624,861	25,528,673	53,988,365	61,007,158
Restricted:						
Debt Service	7,274,056	7,431,775	0	0	7,274,056	7,431,775
Other Purposes	3,231,022	3,259,941	0	0	3,231,022	3,259,941
Unrestricted	7,976,066	894,802	6,410,308	5,358,825	14,386,374	6,253,627
<i>Total Net Position</i>	<u>\$47,844,648</u>	<u>\$47,065,003</u>	<u>\$31,035,169</u>	<u>\$30,887,498</u>	<u>\$78,879,817</u>	<u>\$77,952,501</u>

Total assets increased during 2014 by \$12.6 million. The increase was primarily due to an increase in cash, as the business-type activities issued notes and a significant amount of the proceeds had not been spent by the end of the year.

Total liabilities increased by \$11.6 million during 2014. As with assets above, this was a direct result of the issuance of notes for water projects.

Total net position increased during 2014 by \$0.9 million. Not only is this increase minimal, it is also consistent with the prior year, when total net position increased by \$0.8 million.

City of Avon, Ohio
Management's Discussion and Analysis
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Table 2 shows the changes in net position for the year ended December 31, 2014.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues:						
Charges for Services	\$3,968,959	\$9,093,643	\$6,581,466	\$4,350,010	\$10,550,425	\$13,443,653
Operating Grants and Contributions	1,420,108	1,343,700	0	0	1,420,108	1,343,700
Capital Grants and Contributions	1,195,585	1,101,928	111,193	549,235	1,306,778	1,651,163
Total Program Revenues	6,584,652	11,539,271	6,692,659	4,899,245	13,277,311	16,438,516
General Revenues:						
Property Taxes	4,249,177	4,046,198	0	0	4,249,177	4,046,198
Municipal Income Taxes	14,074,841	14,151,916	0	0	14,074,841	14,151,916
Grants and Entitlements	588,601	983,110	0	0	588,601	983,110
Unrestricted Contributions	150	0	0	0	150	0
Investment Earnings	124,974	(17,879)	19,561	0	144,535	(17,879)
Payment in Lieu of Taxes	2,580,037	2,373,141	0	0	2,580,037	2,373,141
Miscellaneous	562,343	258,370	88,492	34,879	650,835	293,249
Total General Revenues	22,180,123	21,794,856	108,053	34,879	22,288,176	21,829,735
Total Revenues	28,764,775	33,334,127	6,800,712	4,934,124	35,565,487	38,268,251
Program Expenses						
General Government	5,326,980	6,098,761	0	0	5,326,980	6,098,761
Security of Persons and Property	10,094,196	10,444,993	0	0	10,094,196	10,444,993
Transportation	5,862,901	6,538,774	0	0	5,862,901	6,538,774
Community Environment	1,728,765	1,544,542	0	0	1,728,765	1,544,542
Basic Utility Services	688,440	996,170	0	0	688,440	996,170
Leisure Time Activities	1,302,661	1,888,391	0	0	1,302,661	1,888,391
Interest and Fiscal Charges	2,976,565	2,822,762	0	0	2,976,565	2,822,762
Water	0	0	3,102,338	3,063,812	3,102,338	3,063,812
Sewer	0	0	3,555,325	2,311,111	3,555,325	2,311,111
Total Expenses	27,980,508	30,334,393	6,657,663	5,374,923	34,638,171	35,709,316
Increase (Decrease) in Net Position						
Before Transfers and Special Item	784,267	2,999,734	143,049	(440,799)	927,316	2,558,935
Transfers	(4,622)	24,974	4,622	(24,974)	0	0
Special Item - I-90 Interchange Project	0	(1,773,320)	0	0	0	(1,773,320)
Changes in Net Position	779,645	1,251,388	147,671	(465,773)	927,316	785,615
Net Position, January 1	47,065,003	45,813,615	30,887,498	31,353,271	77,952,501	77,166,886
Net Position, December 31	\$47,844,648	\$47,065,003	\$31,035,169	\$30,887,498	\$78,879,817	\$77,952,501

City of Avon, Ohio
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Governmental program revenues decreased primarily from decreased charges for services. Charges for services revenue in 2013 included significant amounts related to special assessments and the I-90 interchange project, while 2014 revenue was much lower in these areas. 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 property taxes and tax increment financing payments in lieu of taxes.

The two largest governmental activities expenses are related to security of persons and property and transportation. Both of these expenses saw a decrease in 2014, as the cost of materials and supplies decreased slightly.

Program revenues make up a significant portion of the total revenues for business-type activities. Capital grants and contributions decreased significantly from the prior year due to less donated assets from developers.

GOVERNMENTAL ACTIVITIES

Several revenue sources fund the City's governmental activities with City income tax being the largest contribution. The general income tax rate of 1 percent was established by City Ordinance No. 371-68, passed February 28, 1968. The Income Tax Ordinance was amended on November 2, 1993 requiring proposed tax rate changes be submitted to the electors of the City for approval or rejection. On November 6, 2002 the electors approved an increase in the income tax rate to 1-1/2 percent from 1 percent and a change in the tax credit for residents having income taxable in another community. In November 2007, the electors approved an increase in the income tax rate to 1-3/4 percent and a change in the tax credit. In 2014, the revenue from income taxes decreased only slightly from 2013.

The City of Avon is very aggressive in collecting delinquent income tax. The City utilizes the Regional Income Tax Agency for income tax collections. Their collection efforts including subpoena programs and small claims court are very effective and cost justified. The City's strong and diversified commercial and industrial tax base provide the City with a predictable revenue stream. There are approximately 14,500 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.

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

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

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

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
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Table 3 indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services shown below identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2014	2013	2014	2013
General Government	\$5,326,980	\$6,098,761	(\$3,227,420)	\$325,151
Security of Persons and Property	10,094,196	10,444,993	(9,549,771)	(9,915,093)
Transportation	5,862,901	6,538,774	(3,924,210)	(3,479,502)
Community Environment	1,728,765	1,544,542	(635,876)	(400,592)
Basic Utility Services	688,440	996,170	(180,548)	(961,379)
Leisure Time Activities	1,302,661	1,888,391	(901,466)	(1,540,945)
Interest and Fiscal Charges	2,976,565	2,822,762	(2,976,565)	(2,822,762)
Total Cost of Services	<u>\$27,980,508</u>	<u>\$30,334,393</u>	<u>(\$21,395,856)</u>	<u>(\$18,795,122)</u>

BUSINESS-TYPE ACTIVITIES

The increase in charges for services in the water and sewer funds is due to a few factors, including a 5 percent increase in water volume due to growth in the City, water tap-in fee increases on new construction, and an approximate 15 percent increase in water usage rates.

The City's Funds

Information about the City's governmental funds begins on page 20. These funds are accounted for by using the modified accrual basis of accounting. All governmental funds had total revenues of \$28,218,354 and expenditures of \$30,295,730. The most significant fund is the general fund with a year-end fund balance of \$5,356,470, which included an unassigned fund balance of \$4,290,707, compared to annual expenditures of \$4,548,078. While revenues exceeded expenditures by \$7,101,813, the remainder of revenues and part of fund balance was transferred to other City funds. These transferred funds enabled the City to fund street improvements, police operations, service long-term and short-term debt and fund capital improvements. The net change in fund balance was a decrease of \$722,937.

The Fire Department has completed nine years as a full-time department in its building that was constructed in 2003. Revenues in the fire department fund exceeded expenditures by \$164,635. The fire department fund balance increased due to increased income taxes. The street construction maintenance and repair fund had revenues and other financing sources that fell short of expenditures by \$527,412. This decrease was due to an increase in transportation expenditures as more maintenance of streets was needed. The street department constructs, maintains and repairs the various streets of the City. The police fund balance increased by just \$2,569 due to a transfer providing the necessary amount of funding to operate the department. The general obligation bond retirement fund balance increased by \$33,017 due to lower debt service requirements. The special assessment bond retirement fund balance increased by \$16,840. The municipal swimming pool fund had a decrease in fund balance and ended the year with a deficit due to the fund having a \$4,850,000 liability related to the note proceeds it received during the year.

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
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General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. At the direction of Council, all capital projects and requests for capital type purchases must be reviewed and approved individually by Council. Recommendations and requests for budget changes are referred to the Finance Committee of City Council for review, after which they are sent to Council work session for presentation before going to the formal Council meeting for ordinance enactment on the change. Budgets for projects are set based on public bidding and engineers' estimates. The City strives to hold down project costs and control contractor expenditures. The result is that most contract/project work is completed under budget. The City takes great pride in project management successes. The legal level of budgetary control has been established by Council at the fund department, object level for all funds.

The general fund supports many major activities such as the Building and Planning Departments as well as the legislative and most executive activities. Some capital projects are funded with general fund dollars. By ordinance, these funds are transferred from the general fund to capital project funds where the revenue and expenditures for the capital improvement are tracked and monitored.

The most significant budgeted fund is the general fund. During the course of 2014, the City amended its general fund budget for a total increase in certified revenues in the amount of \$2,124,478. For the general fund, the original budgeted revenues were \$9,414,983, and the final budgeted amount was \$11,539,461. Of this \$2,124,478 difference, most was due to increased income and property taxes and licenses and permits. The actual revenues of \$11,594,880 received by the City were \$55,419 more than the final budgeted amount.

Original appropriations of \$2,944,723 were increased during the year by \$2,820,109 to establish final appropriations of \$5,764,832 for the year. These increases were due primarily to conservative budgeting at the beginning of the year. The actual expenditures of \$4,762,545 were \$1,002,287 less than the final budgeted amount. Final expenditures often are less than budget.

The City continued to maintain a respectable level of liquidity in the general fund by maintaining a cash fund balance at year-end of 24 percent of total actual revenues received during the year.

Capital Assets and Debt Administration

Capital Assets

Total capital assets (net of depreciation) for the governmental activities are \$102,497,624, which is a slight increase from the prior year. The increase is primarily due to additions to streets and other capital assets, which was partially offset by annual depreciation. Total capital assets (net of depreciation) for the business activities increased due to construction in progress related to waterline projects. In 2014, the sewer enterprise fund entered into a capital lease for a camera truck in the amount of \$300,869. Also, in addition to the capital outlay made by the sewer enterprise fund, it also received donated sewer lines from developers in the amount of \$111,193.

City of Avon, Ohio
Management's Discussion and Analysis
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Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$5,951,955	\$5,926,955	\$7,580	\$7,580	\$5,959,535	\$5,934,535
Construction in Progress	0	0	2,644,610	0	2,644,610	0
Land Improvements	379,004	450,801	28,785	0	407,789	450,801
Buildings and Improvements	38,866,895	39,805,654	909,644	945,413	39,776,539	40,751,067
Machinery and Equipment	2,039,946	1,647,299	146,467	125,673	2,186,413	1,772,972
Vehicles	2,103,384	2,231,489	463,316	127,331	2,566,700	2,358,820
Waterline Rights	0	0	1,291,604	1,332,620	1,291,604	1,332,620
Infrastructure:						
Park Improvements	698,597	737,220	0	0	698,597	737,220
Streets	27,153,425	27,370,852	0	0	27,153,425	27,370,852
Bridges and Culverts	2,423,596	1,593,144	0	0	2,423,596	1,593,144
Traffic Signals	2,636,183	2,690,871	0	0	2,636,183	2,690,871
Storm Sewer	18,241,438	18,443,493	0	0	18,241,438	18,443,493
Water Lines	2,003,201	1,575,200	11,662,947	11,208,865	13,666,148	12,784,065
Sewer Lines	0	0	16,495,608	17,168,939	16,495,608	17,168,939
Total Capital Assets	\$102,497,624	\$102,472,978	\$33,650,561	\$30,916,421	\$136,148,185	\$133,389,399

See Note 8 of the Notes to the Basic Financial Statements for additional information on the City's capital assets.

Debt

On December 31, 2014, the City of Avon had a total of \$89,266,410 in outstanding long-term debt obligations, with \$2,736,571 due within one year. Table 5 summarizes bonds, loans and contractual commitments outstanding.

Table 5
Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds	\$65,557,853	\$62,382,911	\$3,639,825	\$3,676,764	\$69,197,678	\$66,059,675
Special Assessment Bonds	8,603,358	8,989,810	1,164,806	1,171,813	9,768,164	10,161,623
OPWC Loans	366,796	274,441	0	0	366,796	274,441
Intergovernmental Payable	0	0	385,452	539,171	385,452	539,171
Notes Payable	0	0	9,300,000	0	9,300,000	0
Capital Lease	0	0	248,320	0	248,320	0
Total	\$74,528,007	\$71,647,162	\$14,738,403	\$5,387,748	\$89,266,410	\$77,034,910

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General obligation bonds for governmental activities include Schneider Court Improvements, Veteran's Park, Service Garage, YMCA/Recreation Center and related recreation complex infrastructure improvements, and various refunding bonds. Governmental activities also include refunding bonds for the 1996 Detroit Road Park, the Library Improvement, Northgate Sewer Improvement and the 1997 New City Hall. These bond obligations are paid from monies transferred from the general fund into the debt service funds. The service garage is currently paid from special revenue funds collected from a property tax levy and gasoline taxes. The business-type activities general obligation bonds are in refunding bonds, payable from the water and sewer funds' charges for services.

The special assessment bonds consist of the voluntary assessment a developer has agreed to for their portion of the interchange and related infrastructure improvements, Route 83 Sewer Improvements, Schneider Court Improvements, a various purpose sanitary sewer project and refunding bonds. Principal and interest for these bonds are paid from the collection of special assessments by the Lorain County Auditor.

The Ohio Public Works Commission loans represent interest free loans obtained to finance portions of the Center Road Extension, Jaycox Road/Chester Improvements, the Detroit Road Improvement, Phases I and II, and the Reigelsberger-Jaycox Bridge project. These OPWC loans are paid from the bond retirement fund.

During 1994 and again in 2009, the City of Avon entered into contractual agreements with the City of Avon Lake for the construction and future maintenance of two water trunk lines that service the City of Avon. The projects were financed mainly by general obligation bonds which were issued by the City of Avon Lake. All proceeds were received by the City of Avon Lake and the City of Avon Lake is responsible for the debt retirement and maintenance. The lines will be a capital asset of the City of Avon Lake. The total amount owed to the City of Avon Lake as of December 31, 2014 is \$385,452. This amount has been recorded on Avon's financial statements as a long-term liability in the water enterprise fund.

During 2014, the City issued \$9,300,000 in bond anticipation notes to help finance water system improvements. The notes mature on February 5, 2015, and have interest rates of 1 percent.

During 2014, the City entered into a capital lease with Key Government Finance, Incorporated for a sewer camera truck, which will end in 2019.

The City's overall legal ten and one-half percent debt limitation (voted and unvoted) on December 31, 2014 was \$51,093,395. The aggregate outstanding debt subject to the five and one-half percent limitation is \$13,956,064. The difference of \$37,137,331 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, 12, and 19 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 five tax abatement agreements in effect with local companies. Each of these five companies has expanded in Avon from their original facility and employment base. Although property taxes have been partially deferred as a result of these abatements, the deferral has been more than offset by the significant increase in income tax collections as a result of the employment in these companies.

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

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

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

The City applies for various grants wherever possible. In 2012, the City was awarded \$3,511,920 of Ohio Department of Transportation Safety Funding for the re-location of Chester Road. The City was also awarded \$1,181,200 of Transportation Enhancement Program grants for the rehabilitation of the State Route 611 bridge. The Chester Road re-location project will begin in summer 2015 and should be complete before the end of 2015. The State Route 611 bridge project was substantially completed in 2014.

The City was awarded an Ohio Public Works Commission grant/zero interest loan in 2013 in the amount of \$350,000 toward the construction of a new bridge at Reigelsberger Road and Jaycox Road. Debt was recorded for the loan portion in 2014, as the project has begun and loan proceeds have been received.

The City was awarded Capital Budget grants in the amount of \$75,000 for additional renovations to the Avon Isle and \$50,000 for improvements at All-Pro Freight Stadium. These improvements are expected to take place in late 2015.

The City of Avon is experiencing a boom in health care and retail growth. Many businesses in Avon are expanding. Companies, hotels, stores and restaurants are finding Avon a very attractive destination, particularly along the I-90 corridor. At the same time, the City's population continues to grow with new home construction averaging over 100 units annually.

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

The City of Avon has committed itself to financial excellence. The City has received the Government Finance Officers Award Certificate of Achievement for Excellence every year since 1991, the year of our first Comprehensive Annual Financial Report. The City of Avon was one of the first in Ohio to report using the Government Accounting Standards Board (GASB) 34 requirements and early implemented GASB Statement 54 in the 2010 CAFR. The City of Avon received the Auditor of State "Making Your Tax Dollars Count" award for the 2009 audit and the "Auditor of State Award with Distinction" for the 2010, 2011 and 2013 audits. Our commitment to the residents of Avon has been one of full disclosure of the financial position of the City, and will continue to be.

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

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 Position
December 31, 2014

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$15,438,861	\$11,404,301	\$26,843,162
Accrued Interest Receivable	682	77,783	78,465
Materials and Supplies Inventory	181,638	710,588	892,226
Accounts Receivable	0	563,490	563,490
Internal Balances	161,000	(161,000)	0
Intergovernmental Receivable	888,977	0	888,977
Prepaid Items	76,504	6,500	83,004
Municipal Income Taxes Receivable	4,703,553	0	4,703,553
Property Taxes Receivable	4,399,790	0	4,399,790
Payments in Lieu of Taxes Receivable	910,934	0	910,934
Special Assessments Receivable	8,589,746	1,218,116	9,807,862
Capital Assets, Non-Depreciable	5,951,955	2,652,190	8,604,145
Capital Assets, Depreciable, Net	96,545,669	30,998,371	127,544,040
<i>Total Assets</i>	<u>137,849,309</u>	<u>47,470,339</u>	<u>185,319,648</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	251,068	0	251,068
Liabilities			
Accounts Payable	192,279	55,133	247,412
Contracts Payable	63,944	272,096	336,040
Accrued Wages and Benefits	286,533	20,534	307,067
Intergovernmental Payable	507,579	290,463	798,042
Retainage Payable	0	251,783	251,783
Accrued Interest Payable	264,327	181,010	445,337
Matured Compensated Absences Payable	41,395	0	41,395
Notes Payable	7,500,000	500,000	8,000,000
Long-Term Liabilities:			
Due Within One Year	2,736,540	123,642	2,860,182
Due In More Than One Year	73,562,945	14,740,509	88,303,454
<i>Total Liabilities</i>	<u>85,155,542</u>	<u>16,435,170</u>	<u>101,590,712</u>
Deferred Inflows of Resources			
Property Taxes	4,233,379	0	4,233,379
Payment in Lieu of Taxes	866,808	0	866,808
<i>Total Deferred Inflows of Resources</i>	<u>5,100,187</u>	<u>0</u>	<u>5,100,187</u>
Net Position			
Net Investment in Capital Assets	29,363,504	24,624,861	53,988,365
Restricted for:			
Debt Service	7,274,056	0	7,274,056
Fire Department	1,763,116	0	1,763,116
Street Construction, Maintenance and Repair	758,676	0	758,676
Other Purposes	709,230	0	709,230
Unrestricted	7,976,066	6,410,308	14,386,374
<i>Total Net Position</i>	<u>\$47,844,648</u>	<u>\$31,035,169</u>	<u>\$78,879,817</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Activities
For the Year Ended December 31, 2014

	Expenses	Program Revenues		
		Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$5,326,980	\$2,016,543	\$7,778	\$75,239
Security of Persons and Property	10,094,196	435,775	108,650	0
Transportation	5,862,901	0	1,239,055	699,636
Community Environment	1,728,765	1,092,889	0	0
Basic Utility Services	688,440	87,182	0	420,710
Leisure Time Activities	1,302,661	336,570	64,625	0
Interest and Fiscal Charges	2,976,565	0	0	0
<i>Total Governmental Activities</i>	<u>27,980,508</u>	<u>3,968,959</u>	<u>1,420,108</u>	<u>1,195,585</u>
Business-Type Activities				
Water	3,102,338	3,250,484	0	0
Sewer	3,555,325	3,330,982	0	111,193
<i>Total Business-Type Activities</i>	<u>6,657,663</u>	<u>6,581,466</u>	<u>0</u>	<u>111,193</u>
<i>Total</i>	<u>\$34,638,171</u>	<u>\$10,550,425</u>	<u>\$1,420,108</u>	<u>\$1,306,778</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
Police
Park Operating
Recreation Complex
Grants and Entitlements not Restricted to Specific Programs
Unrestricted Contributions
Investment Earnings
Payment in Lieu of Taxes
Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$3,227,420)	\$0	(\$3,227,420)
(9,549,771)	0	(9,549,771)
(3,924,210)	0	(3,924,210)
(635,876)	0	(635,876)
(180,548)	0	(180,548)
(901,466)	0	(901,466)
(2,976,565)	0	(2,976,565)
(21,395,856)	0	(21,395,856)
0	148,146	148,146
0	(113,150)	(113,150)
0	34,996	34,996
(21,395,856)	34,996	(21,360,860)
1,532,142	0	1,532,142
1,188,229	0	1,188,229
625,571	0	625,571
281,422	0	281,422
61,569	0	61,569
560,244	0	560,244
7,018,713	0	7,018,713
4,229,098	0	4,229,098
983,874	0	983,874
617,848	0	617,848
1,225,308	0	1,225,308
588,601	0	588,601
150	0	150
124,974	19,561	144,535
2,580,037	0	2,580,037
562,343	88,492	650,835
22,180,123	108,053	22,288,176
(4,622)	4,622	0
22,175,501	112,675	22,288,176
779,645	147,671	927,316
47,065,003	30,887,498	77,952,501
<u>\$47,844,648</u>	<u>\$31,035,169</u>	<u>\$78,879,817</u>

City of Avon, Ohio

Balance Sheet

Governmental Funds

December 31, 2014

	General	Fire Department	Street Construction, Maintenance and Repair	Police
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,691,111	\$1,005,511	\$337,477	\$400,251
Materials and Supplies Inventory	0	7,584	153,337	17,359
Interfund Receivable	1,694,100	0	0	0
Intergovernmental Receivable	193,180	0	510,829	31,462
Accrued Interest Receivable	682	0	0	0
Prepaid Items	29,504	15,000	6,500	20,000
Municipal Income Taxes Receivable	2,382,140	1,401,048	0	299,688
Property Taxes Receivable	1,612,667	0	1,219,147	525,776
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	11,544	0	0	0
<i>Total Assets</i>	<u>\$8,614,928</u>	<u>\$2,429,143</u>	<u>\$2,227,290</u>	<u>\$1,294,536</u>
Liabilities				
Accounts Payable	\$48,487	\$14,579	\$15,934	\$41,294
Contracts Payable	15,085	4,271	0	17,082
Accrued Wages and Benefits	59,275	92,133	24,909	99,508
Interfund Payable	0	0	0	0
Intergovernmental Payable	83,781	168,134	43,985	192,852
Accrued Interest Payable	0	0	0	0
Matured Compensated Absences Payable	13,152	28,243	0	0
Notes Payable	0	0	0	0
<i>Total Liabilities</i>	<u>219,780</u>	<u>307,360</u>	<u>84,828</u>	<u>350,736</u>
Deferred Inflows of Resources				
Property Taxes	1,552,837	0	1,172,422	505,676
Payments in Lieu of Taxes	0	0	0	0
Unavailable Revenue	1,485,841	745,215	412,175	210,966
<i>Total Deferred Inflows of Resources</i>	<u>3,038,678</u>	<u>745,215</u>	<u>1,584,597</u>	<u>716,642</u>
Fund Balances				
Nonspendable	202,048	22,584	159,837	37,359
Restricted	0	1,353,984	348,642	189,799
Committed	0	0	0	0
Assigned	863,715	0	49,386	0
Unassigned (Deficit)	4,290,707	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>5,356,470</u>	<u>1,376,568</u>	<u>557,865</u>	<u>227,158</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$8,614,928</u>	<u>\$2,429,143</u>	<u>\$2,227,290</u>	<u>\$1,294,536</u>

See accompanying notes to the basic financial statements

General Obligation Bond Retirement	Special Assessment Bond Retirement	Municipal Swimming Pool	Other Governmental Funds	Total Governmental Funds
\$98,136	\$249,984	\$4,899,974	\$5,744,873	\$15,427,317
0	0	0	3,358	181,638
0	0	0	279,180	1,973,280
0	0	0	153,506	888,977
0	0	0	0	682
0	0	0	5,500	76,504
0	0	0	620,677	4,703,553
0	0	0	1,042,200	4,399,790
0	0	0	910,934	910,934
0	8,589,746	0	0	8,589,746
0	0	0	0	11,544
<u>\$98,136</u>	<u>\$8,839,730</u>	<u>\$4,899,974</u>	<u>\$8,760,228</u>	<u>\$37,163,965</u>
\$1,559	\$0	\$532	\$69,894	\$192,279
0	0	2,538	24,968	63,944
0	0	0	10,708	286,533
0	0	279,180	1,533,100	1,812,280
0	0	0	18,827	507,579
0	0	15,047	8,222	23,269
0	0	0	0	41,395
0	0	4,850,000	2,650,000	7,500,000
<u>1,559</u>	<u>0</u>	<u>5,147,297</u>	<u>4,315,719</u>	<u>10,427,279</u>
0	0	0	1,002,444	4,233,379
0	0	0	866,808	866,808
0	8,469,318	0	536,722	11,860,237
0	8,469,318	0	2,405,974	16,960,424
0	0	0	8,858	430,686
96,577	370,412	0	3,568,379	5,927,793
0	0	0	594,804	594,804
0	0	0	194,840	1,107,941
0	0	(247,323)	(2,328,346)	1,715,038
<u>96,577</u>	<u>370,412</u>	<u>(247,323)</u>	<u>2,038,535</u>	<u>9,776,262</u>
<u>\$98,136</u>	<u>\$8,839,730</u>	<u>\$4,899,974</u>	<u>\$8,760,228</u>	<u>\$37,163,965</u>

City of Avon, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2014*

Total Governmental Fund Balance	\$9,776,262
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*Amounts reported for governmental activities in
 the statement of net position are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	102,497,624
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Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable in the funds:

Delinquent Property Taxes	\$166,411
Delinquent Payment in Lieu of Taxes	44,126
Municipal Income Taxes	2,501,811
Intergovernmental	678,571
Special Assessments	8,469,318

Total	11,860,237
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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.	(241,058)
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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	(65,557,853)
Special Assessment Bonds	(8,603,358)
OPWC Loans	(366,796)
Deferred Charge on Refunding	251,068
Compensated Absences	(1,771,478)

Total	(76,048,417)
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<i>Net Position of Governmental Activities</i>	\$47,844,648
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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, 2014

	General	Fire Department	Street Construction, Maintenance and Repair	Police	General Obligation Bond Retirement
Revenues					
Property Taxes	\$1,526,786	\$0	\$1,184,327	\$623,845	\$0
Payment in Lieu of Taxes	0	0	0	0	0
Municipal Income Taxes	7,098,665	4,233,481	0	940,879	0
Charges for Services	377,381	433,292	0	0	366,639
Licenses and Permits	1,261,717	0	0	150	0
Fines and Forfeitures	252,229	0	0	2,333	0
Intergovernmental	585,905	2,731	1,036,417	105,177	0
Special Assessments	0	0	0	0	0
Interest	117,587	0	1,318	0	0
Contributions and Donations	150	0	0	106	0
Rentals	7,735	0	0	0	0
Miscellaneous	421,736	4,402	20,608	31,439	26,552
<i>Total Revenues</i>	<u>11,649,891</u>	<u>4,673,906</u>	<u>2,242,670</u>	<u>1,703,929</u>	<u>393,191</u>
Expenditures					
Current:					
General Government	2,905,655	0	0	0	1,559
Security of Persons and Property	0	4,509,271	0	5,239,339	0
Transportation	0	0	2,546,211	0	0
Community Environment	1,626,764	0	0	0	0
Leisure Time Activities	15,659	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	184,575	0	946,422
Interest and Fiscal Charges	0	0	47,575	0	1,080,113
Bond Issuance Costs	0	0	0	0	0
<i>Total Expenditures</i>	<u>4,548,078</u>	<u>4,509,271</u>	<u>2,778,361</u>	<u>5,239,339</u>	<u>2,028,094</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>7,101,813</u>	<u>164,635</u>	<u>(535,691)</u>	<u>(3,535,410)</u>	<u>(1,634,903)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	1,064	0	8,279	12,979	0
General Obligation Bonds Issued	0	0	0	0	0
Premium on General Obligation Bonds Issued	0	0	0	0	0
OPWC Loans Issued	0	0	0	0	0
Transfers In	0	0	0	3,525,000	1,667,920
Transfers Out	(7,825,814)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(7,824,750)</u>	<u>0</u>	<u>8,279</u>	<u>3,537,979</u>	<u>1,667,920</u>
<i>Net Change in Fund Balances</i>	(722,937)	164,635	(527,412)	2,569	33,017
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>6,079,407</u>	<u>1,211,933</u>	<u>1,085,277</u>	<u>224,589</u>	<u>63,560</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$5,356,470</u>	<u>\$1,376,568</u>	<u>\$557,865</u>	<u>\$227,158</u>	<u>\$96,577</u>

(continued)

City of Avon, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds (continued)
For the Year Ended December 31, 2014

	Special Assessment Bond Retirement	Municipal Swimming Pool	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$0	\$0	\$899,587	\$4,234,545
Payment in Lieu of Taxes	0	0	2,535,911	2,535,911
Municipal Income Taxes	0	0	1,856,839	14,129,864
Charges for Services	0	0	206,156	1,383,468
Licenses and Permits	0	0	211,018	1,472,885
Fines and Forfeitures	0	0	7,955	262,517
Intergovernmental	0	0	517,634	2,247,864
Special Assessments	837,217	0	0	837,217
Interest	0	3,610	2,459	124,974
Contributions and Donations	0	0	4,350	4,606
Rentals	0	0	414,425	422,160
Miscellaneous	0	0	57,606	562,343
<i>Total Revenues</i>	<u>837,217</u>	<u>3,610</u>	<u>6,713,940</u>	<u>28,218,354</u>
Expenditures				
Current:				
General Government	26,012	0	1,651,942	4,585,168
Security of Persons and Property	0	0	4,135	9,752,745
Transportation	0	0	263,001	2,809,212
Community Environment	0	0	116,051	1,742,815
Leisure Time Activities	0	0	1,103,769	1,119,428
Capital Outlay	0	273,571	4,076,604	4,350,175
Debt Service:				
Principal Retirement	375,909	0	1,095,807	2,602,713
Interest and Fiscal Charges	418,456	15,047	1,665,497	3,226,688
Bond Issuance Costs	0	0	106,786	106,786
<i>Total Expenditures</i>	<u>820,377</u>	<u>288,618</u>	<u>10,083,592</u>	<u>30,295,730</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>16,840</u>	<u>(285,008)</u>	<u>(3,369,652)</u>	<u>(2,077,376)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	0	22,322
General Obligation Bonds Issued	0	0	5,235,000	5,235,000
Premium on General Obligation Bonds Issued	0	0	211,786	211,786
OPWC Loans Issued	0	0	114,014	114,014
Transfers In	0	0	3,507,894	8,700,814
Transfers Out	0	0	(875,000)	(8,700,814)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>8,193,694</u>	<u>5,583,122</u>
<i>Net Change in Fund Balances</i>	16,840	(285,008)	4,824,042	3,505,746
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>353,572</u>	<u>37,685</u>	<u>(2,785,507)</u>	<u>6,270,516</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$370,412</u>	<u>(\$247,323)</u>	<u>\$2,038,535</u>	<u>\$9,776,262</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, 2014*

Net Change in Fund Balances - Total Governmental Funds	\$3,505,746
<i>Amounts reported for governmental activities in the statements of activities are different because:</i>	
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 and contributions exceeded depreciation in the current period:	
Capital Asset Additions:	
Capital Outlays	\$4,198,196
Capital Contributions	923,702
Current Year Depreciation	<u>(4,954,808)</u>
Total	167,090
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.	
	(142,444)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Delinquent Property Taxes	14,632
Delinquent Payment in Lieu of Taxes	44,126
Municipal Income Taxes	(55,023)
Intergovernmental	28,272
Special Assessments	<u>(409,288)</u>
Total	(377,281)
Other financing sources in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues in the statement of activities:	
Bonds Issued	(5,235,000)
Premium on Bonds Issued	(211,786)
OPWC Loans Issued	<u>(114,014)</u>
Total	(5,560,800)
Repayment of bond, note and loan principal are expenditures in the governmental funds, but the repayments reduce the long-term liabilities in the statement of net position.	
	2,602,713
In the statement of activities, interest is accrued on outstanding bonds and bond premiums are amortized over the term of the bonds, whereas in governmental funds, an expenditure is reported when bonds are issued:	
Accrued Interest	208,623
Amortization of Loss on Refunding	(35,742)
Amortization of Bond Premium	<u>77,242</u>
Total	250,123
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.	
	<u>334,498</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$779,645</u></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
General Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Property Taxes	\$1,245,195	\$1,526,786	\$1,526,786	\$0
Municipal Income Taxes	5,772,903	7,078,400	7,102,984	24,584
Charges for Services	302,812	371,290	378,122	6,832
Licenses and Permits	1,032,264	1,265,703	1,263,957	(1,746)
Fines and Forfeitures	197,408	242,050	252,229	10,179
Intergovernmental	463,296	568,067	591,848	23,781
Interest	41,047	50,330	49,333	(997)
Contributions and Donations	130	150	150	0
Rentals	5,960	6,893	7,735	842
Miscellaneous	353,968	429,792	421,736	(8,056)
<i>Total Revenues</i>	9,414,983	11,539,461	11,594,880	55,419
Expenditures				
Current:				
General Government	1,875,736	3,897,862	3,143,159	754,703
Community Environment	1,053,228	1,844,438	1,603,367	241,071
Leisure Time Activities	15,759	22,532	16,019	6,513
<i>Total Expenditures</i>	2,944,723	5,764,832	4,762,545	1,002,287
<i>Excess of Revenues Over Expenditures</i>	6,470,260	5,774,629	6,832,335	1,057,706
Other Financing Sources (Uses)				
Sale of Capital Assets	1,064	1,064	1,064	0
Advances Out	(405,000)	(405,000)	(405,000)	0
Transfers In	8,350,273	8,350,273	8,225,273	(125,000)
Transfers Out	(15,150,814)	(15,150,814)	(16,051,087)	(900,273)
<i>Total Other Financing Sources (Uses)</i>	(7,204,477)	(7,204,477)	(8,229,750)	(1,025,273)
<i>Net Change in Fund Balance</i>	(734,217)	(1,429,848)	(1,397,415)	32,433
<i>Fund Balance Beginning of Year</i>	3,989,265	3,989,265	3,989,265	0
Prior Year Encumbrances Appropriated	188,284	188,284	188,284	0
<i>Fund Balance End of Year</i>	\$3,443,332	\$2,747,701	\$2,780,134	\$32,433

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Municipal Income Taxes	\$4,141,820	\$4,141,820	\$4,177,596	\$35,776
Charges for Services	435,000	435,000	442,863	7,863
Intergovernmental	0	0	2,731	2,731
Miscellaneous	5,500	5,500	4,402	(1,098)
<i>Total Revenues</i>	4,582,320	4,582,320	4,627,592	45,272
Expenditures				
Current:				
Security of Persons and Property	4,692,364	4,700,365	4,488,193	212,172
<i>Net Change in Fund Balance</i>	(110,044)	(118,045)	139,399	257,444
<i>Fund Balance Beginning of Year</i>	773,072	773,072	773,072	0
Prior Year Encumbrances Appropriated	30,099	30,099	30,099	0
<i>Fund Balance End of Year</i>	<u>\$693,127</u>	<u>\$685,126</u>	<u>\$942,570</u>	<u>\$257,444</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Property Taxes	\$1,168,716	\$1,184,327	\$1,184,327	\$0
Intergovernmental	935,716	948,214	1,027,179	78,965
Interest	1,362	1,380	1,370	(10)
Miscellaneous	20,227	20,608	20,608	0
<i>Total Revenues</i>	<u>2,126,021</u>	<u>2,154,529</u>	<u>2,233,484</u>	<u>78,955</u>
Expenditures				
Current:				
Transportation	2,744,967	2,786,242	2,574,891	211,351
Debt Service:				
Principal Retirement	184,575	184,575	184,575	0
Interest and Fiscal Charges	47,600	47,600	47,575	25
<i>Total Expenditures</i>	<u>2,977,142</u>	<u>3,018,417</u>	<u>2,807,041</u>	<u>211,376</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(851,121)</u>	<u>(863,888)</u>	<u>(573,557)</u>	<u>290,331</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	8,279	8,279	8,279	0
Transfers In	25,000	25,000	25,000	0
Transfers Out	(25,000)	(25,000)	(25,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>8,279</u>	<u>8,279</u>	<u>8,279</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(842,842)	(855,609)	(565,278)	290,331
<i>Fund Balance Beginning of Year</i>	686,762	686,762	686,762	0
Prior Year Encumbrances Appropriated	211,739	211,739	211,739	0
<i>Fund Balance End of Year</i>	<u>\$55,659</u>	<u>\$42,892</u>	<u>\$333,223</u>	<u>\$290,331</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, 2014*

	<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	\$669,338	\$623,845	\$623,845	\$0
Municipal Income Taxes	974,407	908,180	893,598	(14,582)
Licenses and Permits	161	150	150	0
Fines and Forfeitures	3,863	3,600	2,333	(1,267)
Intergovernmental	96,607	90,041	105,177	15,136
Contributions and Donations	114	106	106	0
Miscellaneous	37,560	34,125	31,439	(2,686)
<i>Total Revenues</i>	1,782,050	1,660,047	1,656,648	(3,399)
Expenditures				
Current:				
Security of Persons and Property	5,639,353	5,497,353	5,207,652	289,701
<i>Excess of Revenues Under Expenditures</i>	(3,857,303)	(3,837,306)	(3,551,004)	286,302
Other Financing Sources				
Sale of Capital Assets	12,979	12,979	12,979	0
Transfers In	3,525,000	3,525,000	3,525,000	0
<i>Total Other Financing Sources</i>	3,537,979	3,537,979	3,537,979	0
<i>Net Change in Fund Balance</i>	(319,324)	(299,327)	(13,025)	286,302
<i>Fund Balance Beginning of Year</i>	326,719	326,719	326,719	0
Prior Year Encumbrances Appropriated	64,185	64,185	64,185	0
<i>Fund Balance End of Year</i>	<u>\$71,580</u>	<u>\$91,577</u>	<u>\$377,879</u>	<u>\$286,302</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2014

	Business-Type Activities		
	Water	Sewer	Total
Assets			
<i>Current Assets</i>			
Equity in Pooled Cash and Cash Equivalents	\$9,716,292	\$1,688,009	\$11,404,301
Accrued Interest Receivable	0	77,783	77,783
Materials and Supplies Inventory	666,092	44,496	710,588
Accounts Receivable	287,726	275,764	563,490
Prepaid Items	3,250	3,250	6,500
Special Assessments Receivable	346,608	871,508	1,218,116
<i>Total Current Assets</i>	<u>11,019,968</u>	<u>2,960,810</u>	<u>13,980,778</u>
<i>Noncurrent Assets</i>			
Non-Depreciable Capital Assets	2,644,610	7,580	2,652,190
Depreciable Capital Assets, Net	12,711,530	18,286,841	30,998,371
<i>Total Noncurrent Assets</i>	<u>15,356,140</u>	<u>18,294,421</u>	<u>33,650,561</u>
<i>Total Assets</i>	<u>26,376,108</u>	<u>21,255,231</u>	<u>47,631,339</u>
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	35,863	19,270	55,133
Contracts Payable	236,261	35,835	272,096
Retainage Payable	251,783	0	251,783
Accrued Wages and Benefits	10,272	10,262	20,534
Intergovernmental Payable	19,813	270,650	290,463
Interfund Payable	161,000	0	161,000
Compensated Absences Payable	4,318	4,318	8,636
Accrued Interest Payable	95,210	85,800	181,010
Avon Lake Intergovernmental Payable	24,440	0	24,440
Notes Payable	500,000	0	500,000
Capital Lease Payable	0	45,472	45,472
Bonds Payable	12,175	32,919	45,094
<i>Total Current Liabilities</i>	<u>1,351,135</u>	<u>504,526</u>	<u>1,855,661</u>
<i>Long-Term Liabilities (net of current portion)</i>			
Compensated Absences Payable	58,556	58,556	117,112
Avon Lake Intergovernmental Payable	361,012	0	361,012
Notes Payable	9,300,000	0	9,300,000
Capital Lease Payable	0	202,848	202,848
Bonds Payable	1,556,962	3,202,575	4,759,537
<i>Total Long-Term Liabilities</i>	<u>11,276,530</u>	<u>3,463,979</u>	<u>14,740,509</u>
<i>Total Liabilities</i>	<u>12,627,665</u>	<u>3,968,505</u>	<u>16,596,170</u>
Net Position			
Net Investment in Capital Assets	9,814,254	14,810,607	24,624,861
Unrestricted	3,934,189	2,476,119	6,410,308
<i>Total Net Position</i>	<u>\$13,748,443</u>	<u>\$17,286,726</u>	<u>\$31,035,169</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
*Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2014*

	Business-Type Activities		
	Water	Sewer	Total
Operating Revenues			
Charges for Services	\$3,250,484	\$3,330,982	\$6,581,466
Other	81,929	6,563	88,492
<i>Total Operating Revenues</i>	<u>3,332,413</u>	<u>3,337,545</u>	<u>6,669,958</u>
Operating Expenses			
Personal Services	544,390	536,744	1,081,134
Materials and Supplies	1,540,250	1,758,646	3,298,896
Contractual Services	270,340	328,066	598,406
Other	8,110	8,085	16,195
Depreciation and Amortization	553,423	842,684	1,396,107
<i>Total Operating Expenses</i>	<u>2,916,513</u>	<u>3,474,225</u>	<u>6,390,738</u>
<i>Operating Income (Loss)</i>	<u>415,900</u>	<u>(136,680)</u>	<u>279,220</u>
Non-Operating Revenues (Expenses)			
Interest	19,561	0	19,561
Interest and Fiscal Charges	(179,522)	(81,100)	(260,622)
Other	(6,303)	0	(6,303)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(166,264)</u>	<u>(81,100)</u>	<u>(247,364)</u>
<i>Income (Loss) Before Contributions and Transfers</i>	249,636	(217,780)	31,856
Capital Contributions	0	111,193	111,193
Transfers In	0	4,622	4,622
<i>Change in Net Position</i>	249,636	(101,965)	147,671
<i>Net Position Beginning of Year</i>	<u>13,498,807</u>	<u>17,388,691</u>	<u>30,887,498</u>
<i>Net Position End of Year</i>	<u>\$13,748,443</u>	<u>\$17,286,726</u>	<u>\$31,035,169</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, 2014

	Business-Type Activities		
	Water	Sewer	Totals
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Customers	\$3,209,960	\$3,329,753	\$6,539,713
Cash Payments for Employee Services and Benefits	(553,950)	(545,259)	(1,099,209)
Cash Payments to Suppliers for Materials and Supplies	(1,710,944)	(1,796,945)	(3,507,889)
Cash Payments for Contractual Services	(206,240)	(85,260)	(291,500)
Other Operating Revenues	81,929	6,563	88,492
Other Operating Expenses	(8,110)	(8,085)	(16,195)
<i>Net Cash Provided by Operating Activities</i>	<u>812,645</u>	<u>900,767</u>	<u>1,713,412</u>
Cash Flows from Noncapital Financing Activities			
Advances In	300,000	0	300,000
Transfers In	0	180,758	180,758
Advances Out	(300,000)	0	(300,000)
Transfers Out	(6,303)	(187,061)	(193,364)
<i>Net Cash Used for Noncapital Financing Activities</i>	<u>(6,303)</u>	<u>(6,303)</u>	<u>(12,606)</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	(3,281,069)	(71,709)	(3,352,778)
Bond Anticipation Notes Issued	9,800,000	0	9,800,000
Principal Paid on General Obligation Bonds	(10,030)	(26,909)	(36,939)
Principal Paid on Special Assessment Bonds	(1,681)	(5,326)	(7,007)
Principal Paid on Intangible Asset	(120,388)	0	(120,388)
Principal Paid on Capital Lease	0	(52,549)	(52,549)
Interest Paid on General Obligation Bonds	(37,334)	(70,494)	(107,828)
Interest Paid on Special Assessment Bonds	(20,877)	(11,767)	(32,644)
Interest Paid on Intangible Asset	(27,974)	0	(27,974)
Payment on Manuscript Bonds	(8,000)	0	(8,000)
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>6,292,647</u>	<u>(238,754)</u>	<u>6,053,893</u>
Cash Flows from Investing Activities			
Interest on Investments	19,561	0	19,561
Net Increase in Cash and Cash Equivalents	<u>7,118,550</u>	<u>655,710</u>	<u>7,774,260</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,597,742</u>	<u>1,032,299</u>	<u>3,630,041</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$9,716,292</u>	<u>\$1,688,009</u>	<u>\$11,404,301</u>

(continued)

City of Avon, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2014

	Business-Type Activities		
	Water	Sewer	Totals
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$415,900	(\$136,680)	\$279,220
<i>Adjustments:</i>			
Depreciation and Amortization	553,423	842,684	1,396,107
<i>(Increase) Decrease in Assets:</i>			
Materials and Supplies Inventory	(87,097)	3,510	(83,587)
Accounts Receivable	(40,524)	(1,229)	(41,753)
<i>Increase (Decrease) in Liabilities:</i>			
Accounts Payable	(33,283)	12,466	(20,817)
Contracts Payable	99,134	35,835	134,969
Accrued Wages and Benefits	(1,094)	(413)	(1,507)
Intergovernmental Payable	(85,320)	153,088	67,768
Compensated Absences Payable	(8,494)	(8,494)	(16,988)
<i>Total Adjustments</i>	<u>396,745</u>	<u>1,037,447</u>	<u>1,434,192</u>
<i>Net Cash Provided by Operating Activities</i>	<u>\$812,645</u>	<u>\$900,767</u>	<u>\$1,713,412</u>

Noncash Capital Financing Activities

During 2014, the sewer enterprise fund received sewer lines from developers valued at \$111,193.

During 2014, governmental activities transferred \$4,622 to the sewer enterprise fund for capital assets.

During 2014, the sewer enterprise fund entered into a capital lease for a camera truck in the amount of \$300,869.

At December 31, 2014, the City had special assessments receivable related to the payments to the City of Avon Lake in the amount of \$33,331 in the water fund.

At December 31, 2014, the City had contracts payable related to the acquisition of capital assets of \$358,821 and (\$4,339) in the water and sewer enterprise funds, respectively.

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2014

Assets	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$2,312,824</u></u>
Liabilities	
Deposits Held and Due to Others	<u><u>\$2,312,824</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, 2014

Note 1 – Description of City and Reporting Entity

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

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

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

Reporting Entity

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

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

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

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

Note 2 – Summary of Significant Accounting Policies

The financial statements of the City of Avon have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described as follows.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

Basis of Presentation

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

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

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

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

Fund Accounting

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

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

General Fund This fund is the operating fund of the City and is used to account for and report all financial resources except those required to be accounted for and reported in another fund. The general fund balance is available to the City of Avon for any purpose provided it is expended or transferred according to the charter of the City of Avon and/or the general laws of Ohio.

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

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

City of Avon, Ohio
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For the Year Ended December 31, 2014

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

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

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

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

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

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

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

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

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

Measurement Focus

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

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

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

Basis of Accounting

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

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

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

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

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance year 2015 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within

City of Avon, Ohio
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For the Year Ended December 31, 2014

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

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

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

Budgetary Process

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

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

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

Cash and Cash Equivalents

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

During 2014, investments were made in federal home loan mortgage corporation notes, federal home loan bank notes, federal farm credit bonds, federal national mortgage association notes, and municipal notes. Investments are reported at fair value which is based on quoted market prices.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during fiscal year 2014 amounted to \$117,587, which includes \$104,189 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, 2014

Inventory

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2014 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

Restricted Assets

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

Capital Assets

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

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

All capital assets are depreciated or amortized except for land 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 and amortization is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	10 years
Building and Improvements	50 years
Machinery and Equipment	3 - 20 years
Vehicles	5 - 15 years
Infrastructure	10 - 50 years
Waterline Rights	50 years

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

Interfund Balances

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

Compensated Absences

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

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

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

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

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

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance or by State statute.

City Council assigned fund balance to cover a gap between estimated revenue and appropriations in the 2015 appropriated budget. City Council also assigned fund balance for City administration and engineering.

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

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

Net Position

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

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

Contributions of Capital

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

Internal Activity

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

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

Operating Revenues and Expenses

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

Deferred Charge on Refunding

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

Bond Premium

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

Estimates

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

Note 3 – Accountability and Compliance

Accountability

At December 31, 2014, the municipal swimming pool, park development, road and bridges, municipal buildings, and capital improvements funds had deficits of \$247,323, \$374,901, \$50,346, \$430,279, and \$9,516, respectively. The deficit in the park development fund is due to an interfund payable and the road and bridges deficit is due to contracts payable for various projects and an interfund payable. The capital improvements fund deficit is due to an account payable. The general fund is liable for any deficits in these funds and provides transfers when cash is required, rather than when accruals occur. The remaining funds are due to the issuance of short-term Bond Anticipation Notes which are used to finance the projects until Bonds are issued. Once the Notes are retired or Bonds are issued, the deficit will be eliminated.

Compliance

Contrary to Ohio Revised Code Section 5705.39, the park operating special revenue fund and the I-90 interchange capital projects fund had final appropriations in excess of certified available resources of \$15,615 and \$958,211, respectively.

Although the budgetary violations were not corrected by year end, management has indicated that these will be closely monitored to ensure no future violations.

Note 4 – 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. 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.
3. Investments are reported at cost (budget) rather than fair value (GAAP).
4. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
5. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
6. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP basis).

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

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

	Net Change in Fund Balance			
	General	Fire Department	Street Construction, Maintenance and Repair	Police
GAAP Basis	(\$722,937)	\$164,635	(\$527,412)	\$2,569
Net Adjustment for Revenue Accruals	8,235,535	(55,885)	15,762	(47,281)
Unrecorded Cash Beginning of Year	8,838	44,632	64	0
Unrecorded Cash End of Year	(23,495)	(35,061)	(12)	0
Beginning Fair Value Adjustment for Investments	(89,437)	0	0	0
Ending Fair Value Adjustment for Investments	38,821	0	0	0
Net Adjustment for Expenditure Accruals	(8,340,893)	48,958	(49,438)	54,059
Advances Out	(405,000)	0	0	0
Encumbrances	(98,847)	(27,880)	(4,242)	(22,372)
Budget Basis	<u>(\$1,397,415)</u>	<u>\$139,399</u>	<u>(\$565,278)</u>	<u>(\$13,025)</u>

Note 5 – Deposits and Investments

The City is a charter City and has adopted an investment policy through City Ordinance. The City has elected to follow the provisions of State statute. State Statutes classify monies held by the City into three categories.

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

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

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

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

City of Avon, Ohio
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3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

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

The City has passed an ordinance allowing the City to invest monies not required to be used for a period of six months or more in the following:

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

Deposits

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

At year-end, the carrying amount of the City's deposits was \$24,177,536 and the bank balance was \$24,573,627. Of the uninsured bank balance of \$23,046,613, all was collateralized with securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

Investments are reported at fair value. As of December 31, 2014, the City had the following investments:

Investment	Fair Value	Investment Maturities (in Years)		
		Less than 1	2-3	3-5
Federal Home Loan Mortgage Corporation Notes	\$990,440	\$0	\$990,440	\$0
Federal Home Loan Bank Notes	995,500	0	995,500	0
Federal Farm Credit Bonds	988,990	0	0	988,990
Federal National Mortgage Association Notes	1,001,490	0	0	1,001,490
Municipal Notes	1,002,030	1,002,030	0	0
Total	\$4,978,450	\$1,002,030	\$1,985,940	\$1,990,480

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

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

Concentration of Credit Risk The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2014:

Investment	Percentage of Investments
Federal Home Loan Mortgage Corporation Notes	19.89 %
Federal Home Loan Bank Notes	20.00
Federal Farm Credit Bonds	19.86
Federal National Mortgage Association Notes	20.12
Municipal Bonds	20.13
Total	100.00 %

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

Note 6 – Fund Balances

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

Fund Balances	General	Fire Department	Street Construction, Maintenance and Repair	Police
<u>Nonspendable:</u>				
Inventory	\$0	\$7,584	\$153,337	\$17,359
Prepays	29,504	15,000	6,500	20,000
Interfund Loans	161,000	0	0	0
Unclaimed Funds	11,544	0	0	0
<i>Total Nonspendable</i>	<u>202,048</u>	<u>22,584</u>	<u>159,837</u>	<u>37,359</u>
<u>Restricted for:</u>				
Fire Department	0	1,353,984	0	0
Street Maintenance	0	0	348,642	0
Police	0	0	0	189,799
Debt Retirement	0	0	0	0
Municipal Swimming Pool	0	0	0	0
Recycling	0	0	0	0
Mayor's Court	0	0	0	0
Park Operating	0	0	0	0
Equipment	0	0	0	0
Land Purchases	0	0	0	0
I-90 Interchange	0	0	0	0
<i>Total Restricted</i>	<u>0</u>	<u>1,353,984</u>	<u>348,642</u>	<u>189,799</u>
<u>Committed to:</u>				
Street Maintenance	0	0	0	0
Recreation	0	0	0	0
Stadium Marquee	0	0	0	0
K-9 and Memorial Programs	0	0	0	0
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Assigned to:</u>				
2015 Appropriations	770,121	0	0	0
City Administration	13,189	0	0	0
Engineering	80,405	0	0	0
Street Maintenance	0	0	49,386	0
Storm Water and Storm Sewer	0	0	0	0
French Creek Restoration	0	0	0	0
Sidewalk and Roads Programs	0	0	0	0
<i>Total Assigned</i>	<u>863,715</u>	<u>0</u>	<u>49,386</u>	<u>0</u>
Unassigned (Deficit)	<u>4,290,707</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances (Deficit)	<u><u>\$5,356,470</u></u>	<u><u>\$1,376,568</u></u>	<u><u>\$557,865</u></u>	<u><u>\$227,158</u></u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

Fund Balances	General Obligation Bond Retirement	Special Assessments Bond Retirement	Municipal Swimming Pool	Other Governmental	Total
<u>Nonspendable:</u>					
Inventory	\$0	\$0	\$0	\$3,358	\$181,638
Prepays	0	0	0	5,500	76,504
Interfund Loans	0	0	0	0	161,000
Unclaimed Funds	0	0	0	0	11,544
<i>Total Nonspendable</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,858</u>	<u>430,686</u>
<u>Restricted for:</u>					
Fire Department	0	0	0	0	1,353,984
Street Maintenance	0	0	0	357,576	706,218
Police	0	0	0	0	189,799
Debt Retirement	96,577	370,412	0	14,627	481,616
Recycling	0	0	0	104	104
Mayor's Court	0	0	0	84,056	84,056
Park Operating	0	0	0	122,738	122,738
Equipment	0	0	0	1,208,598	1,208,598
Land Purchases	0	0	0	1,466,597	1,466,597
I-90 Interchange	0	0	0	314,083	314,083
<i>Total Restricted</i>	<u>96,577</u>	<u>370,412</u>	<u>0</u>	<u>3,568,379</u>	<u>5,927,793</u>
<u>Committed to:</u>					
Street Maintenance	0	0	0	16	16
Recreation	0	0	0	586,635	586,635
Stadium Marquee	0	0	0	5,606	5,606
K-9 and Memorial Programs	0	0	0	2,547	2,547
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>594,804</u>	<u>594,804</u>
<u>Assigned to:</u>					
2015 Appropriations	0	0	0	0	770,121
City Administration	0	0	0	0	13,189
Engineering	0	0	0	0	80,405
Storm Water and Storm Sewer	0	0	0	178,772	228,158
French Creek Restoration	0	0	0	4,120	4,120
Sidewalk and Roads Programs	0	0	0	11,948	11,948
<i>Total Assigned</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>194,840</u>	<u>1,107,941</u>
Unassigned (Deficit)	<u>0</u>	<u>0</u>	<u>(247,323)</u>	<u>(2,328,346)</u>	<u>1,715,038</u>
Total Fund Balances (Deficit)	<u><u>\$96,577</u></u>	<u><u>\$370,412</u></u>	<u><u>(\$247,323)</u></u>	<u><u>\$2,038,535</u></u>	<u><u>\$9,776,262</u></u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

Note 7 – Receivables

Receivables at December 31, 2014, consisted primarily of municipal income taxes, property taxes, payment in lieu of taxes, special assessments, intergovernmental receivables arising from entitlements and shared revenues and accounts (billings for user charged services and court fines).

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables except for special assessments and delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$8,202,663 in the special assessment bond retirement fund. The amount of delinquent special assessments outstanding at year-end is \$120,428.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2014 for real and public utility property taxes represents collections of 2013 taxes.

2013 real property taxes were levied after October 1, 2014, on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2014 real property taxes are collected in and intended to finance 2015.

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. 2014 public utility property taxes which became a lien December 31, 2013, are levied after October 1, 2014, and are collected in 2015 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2014 was \$9.15 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2014 property tax receipts were based are as follows:

	Assessed Values
Real Property	
Residential/Agricultural	\$559,668,300
Commercial Industrial/Public Utility	170,425,410
Public Utility Property	12,652,910
Total Valuation	<u>\$742,746,620</u>

The Lorain County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Avon. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2014, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2014 operations is offset to deferred inflows of resources-property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources -unavailable revenue.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

Income Tax

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

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

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

Payments in Lieu of Taxes Receivables

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

Intergovernmental Receivables

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

	<u>Amount</u>
Homestead and Rollback	\$257,757
Gasoline Excise Tax	256,098
Gasoline Tax	133,074
Local Government	102,673
Motor Vehicle Registration	82,326
Permissive Tax	<u>57,049</u>
Total	<u><u>\$888,977</u></u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

Note 8 – Capital Assets

Capital asset activity for the year ended December 31, 2014, was as follows:

	Balance 12/31/13	Additions	Deletions	Transfers	Balance 12/31/14
Governmental Activities:					
<i>Capital Assets, Not Being Depreciated:</i>					
Land	\$5,926,955	\$25,000	\$0	\$0	\$5,951,955
<i>Capital Assets, Being Depreciated:</i>					
Land Improvements	1,072,713	10,000	0	0	1,082,713
Buildings and Improvements	44,996,495	17,830	0	0	45,014,325
Machinery and Equipment	2,940,678	775,837	(237,603)	0	3,478,912
Vehicles	4,700,055	358,457	(195,861)	(108,591)	4,754,060
Infrastructure:					
Park Improvements	1,158,693	0	0	0	1,158,693
Streets	59,771,057	1,983,881	0	0	61,754,938
Bridges and Culverts	2,143,634	904,622	0	0	3,048,256
Traffic Signals	3,927,676	152,863	0	0	4,080,539
Storm Sewer	24,447,230	407,670	0	0	24,854,900
Water Lines	2,066,621	485,738	0	0	2,552,359
<i>Total Capital Assets, Being Depreciated</i>	<u>147,224,852</u>	<u>5,096,898</u>	<u>(433,464)</u>	<u>(108,591)</u>	<u>151,779,695</u>
Less Accumulated Depreciation:					
Land Improvements	(621,912)	(81,797)	0	0	(703,709)
Buildings and Improvements	(5,190,841)	(956,589)	0	0	(6,147,430)
Machinery and Equipment	(1,293,379)	(288,151)	142,564	0	(1,438,966)
Vehicles	(2,468,566)	(439,157)	159,381	97,666	(2,650,676)
Infrastructure:					
Park Improvements	(421,473)	(38,623)	0	0	(460,096)
Streets	(32,400,205)	(2,201,308)	0	0	(34,601,513)
Bridges and Culverts	(550,490)	(74,170)	0	0	(624,660)
Traffic Signals	(1,236,805)	(207,551)	0	0	(1,444,356)
Storm Sewer	(6,003,737)	(609,725)	0	0	(6,613,462)
Water Lines	(491,421)	(57,737)	0	0	(549,158)
<i>Total Accumulated Depreciation</i>	<u>(50,678,829)</u>	<u>(4,954,808) *</u>	<u>301,945</u>	<u>97,666</u>	<u>(55,234,026)</u>
Total Capital Assets, Being Depreciated, Net	<u>96,546,023</u>	<u>142,090</u>	<u>(131,519)</u>	<u>(10,925)</u>	<u>96,545,669</u>
Governmental Activities Capital Assets, Net	<u>\$102,472,978</u>	<u>\$167,090</u>	<u>(\$131,519)</u>	<u>(\$10,925)</u>	<u>\$102,497,624</u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

* Depreciation expense was charged to governmental functions as follows:

General Government	\$747,520
Security of Persons and Property	593,724
Transportation	2,747,556
Community Environment	14,967
Basic Utility Services	667,463
Leisure Time Activities	<u>183,578</u>
Total Depreciation Expense	<u><u>\$4,954,808</u></u>

	Balance 12/31/13	Additions	Deletions	Transfers	Balance 12/31/14
Business-Type Activities:					
<i>Capital Assets, Not Being Depreciated:</i>					
Land	\$7,580	\$0	\$0	\$0	\$7,580
Construction in Progress	0	2,644,610	0	0	2,644,610
<i>Total Capital Assets Not Being Depreciated</i>	<u>7,580</u>	<u>2,644,610</u>	<u>0</u>	<u>0</u>	<u>2,652,190</u>
<i>Capital Assets, Being Depreciated:</i>					
Land Improvements	93,196	30,300	0	0	123,496
Buildings and Improvements	1,712,566	0	0	0	1,712,566
Machinery and Equipment	275,148	40,625	0	0	315,773
Vehicles	226,275	364,685	0	108,591	699,551
Waterline Rights	2,024,462	0	0	0	2,024,462
Infrastructure:					
Water Lines	19,078,076	927,909	0	0	20,005,985
Sewer Lines	24,779,963	111,193	0	0	24,891,156
<i>Total Capital Assets, Being Depreciated</i>	<u>48,189,686</u>	<u>1,474,712</u>	<u>0</u>	<u>108,591</u>	<u>49,772,989</u>
Less Accumulated Depreciation:					
Land Improvements	(93,196)	(1,515)	0	0	(94,711)
Buildings and Improvements	(767,153)	(35,769)	0	0	(802,922)
Machinery and Equipment	(149,475)	(19,831)	0	0	(169,306)
Vehicles	(98,944)	(39,625)	0	(97,666)	(236,235)
Waterline Rights	(691,842)	(41,016)	0	0	(732,858)
Infrastructure:					
Water Lines	(7,869,211)	(473,827)	0	0	(8,343,038)
Sewer Lines	(7,611,024)	(784,524)	0	0	(8,395,548)
<i>Total Accumulated Depreciation</i>	<u>(17,280,845)</u>	<u>(1,396,107)</u>	<u>0</u>	<u>(97,666)</u>	<u>(18,774,618)</u>
Total Capital Assets, Being Depreciated, Net	<u>30,908,841</u>	<u>78,605</u>	<u>0</u>	<u>10,925</u>	<u>30,998,371</u>
Business-Type Activities Capital Assets, Net	<u><u>\$30,916,421</u></u>	<u><u>\$2,723,215</u></u>	<u><u>\$0</u></u>	<u><u>\$10,925</u></u>	<u><u>\$33,650,561</u></u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

During 2014, the City received street improvements valued at \$502,842, traffic signals valued at \$150, storm sewer improvements valued at \$231,395, and water hydrants valued at \$189,315 from developers in governmental activities. The sewer enterprise fund received sewer lines from developers valued at \$111,193.

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

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

Note 9 – Contingencies

Grants

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

Litigation

In January 2015, it was brought to the attention of the Finance Department that members of the City's Fire Department were receiving overtime pay pursuant to a formula that was contrary to existing City policy. When the City corrected the formula making it consistent with existing City policy, the firefighters' union (IAFF Local #4310) filed a grievance on February 11, 2015. The matter is now scheduled for arbitration on June 10, 2015. Since the amount of overtime being contested is relatively small, the City believes that the outcome of the arbitration will not have a material effect on the financial condition of the City.

Note 10 – Compensated Absences

The criteria for determining the vacation and sick leave liabilities are derived from negotiated agreements and City ordinances. Full-time employees earn 10 to 25 vacation days per year, depending upon length of service. All employees other than police and fire department employees may carry over 80 hours into the following year. Police employees may carry over 80 hours and fire department employees may carry over 120 hours or five tours. In addition, police employees may carry over a maximum of 90 hours of compensatory time, fire department employees may accumulate and/or use a maximum of 120 hours of compensatory time per year and unused time can be carried over or paid up to 50 hours per year in June or December. Accumulated, unused vacation, compensatory time, and holidays are paid upon termination of employment.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

All full-time employees of the City, excluding full-time fire employees, earn sick leave at the rate of 10 hours per month. Sick leave accumulation is unlimited. Full-time fire employees earn 13 hours of sick leave per month. Sick leave accumulation for fire employees is 2,400 hours maximum. Upon retirement, payment is made for one-half of total sick leave accumulation up to a maximum of 960 hours for all full-time employees, excluding full-time fire employees, who have a cap of 1,200 hours. To be eligible for retirement, the employee shall have worked full-time for the City at least ten years and shall have attained normal retirement age under the pension system.

For all employees, excluding full-time fire employees, accumulated sick leave in excess of 90 days may be converted to vacation leave at the rate of one sick leave day for one vacation day to a maximum of five days for a calendar year. Full-time fire employees who have accumulated more than 2,400 hours may convert up to 104 hours of sick leave to cash at the rate of two hours sick leave to one hour of pay to a maximum of 52 hours of pay per calendar year.

Note 11 – Note Debt

A summary of note transactions for the year ended December 31, 2014 follows:

	Balance 12/31/13	Additions	Deletions	Balance 12/31/14
Governmental Activities:				
Storm Sewers Fund	\$395,000	\$0	\$395,000	\$0
I-90 Interchange Fund	7,785,000	0	7,785,000	0
Municipal Buildings Fund	0	2,650,000	0	2,650,000
Municipal Swimming Pool Fund	0	4,850,000	0	4,850,000
<i>Total Governmental Funds</i>	<u>\$8,180,000</u>	<u>\$7,500,000</u>	<u>\$8,180,000</u>	<u>\$7,500,000</u>
Business-Type Activities:				
Water Fund	\$0	\$500,000	\$0	\$500,000

In 2014, the City issued \$6,400,000 and \$1,100,000 in bond anticipation notes to help finance municipal buildings and recreation facilities. Both notes mature on September 9, 2015, and have interest rates of 1 percent.

In 2014, the City issued \$500,000 in short-term bond anticipation notes and \$9,300,000 in long-term bond anticipation notes to help finance water system improvements. The notes mature on February 5, 2015 and February 4, 2016, respectively, and have interest rates of 1 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. At December 31, 2014, the City had unspent proceeds of \$6,791,667 for governmental activities and \$6,601,613 for business-type activities related to the notes.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

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
Governmental Activities:			
<i>General Obligation Bonds:</i>			
Service Garage Term - 2004	2.00-5.00 %	\$2,500,000	December 1, 2024
Detroit Road Park Refunding - 2006	3.45-4.25	163,000	December 1, 2016
Library Improvement Refunding - 2006	3.45-4.25	600,000	December 1, 2014
Northgate Sewer Improvement Refunding - 2006	3.45-4.25	271,000	December 1, 2016
New City Hall Refunding - 2006	3.45-4.25	626,000	December 1, 2017
Schneider Court Improvements Serial - 2006	3.45-4.25	111,132	December 1, 2026
Various Purpose Bonds - 2008	3.00-5.25	6,910,000	December 1, 2027
Various Purpose Bonds - 2009A	4.573-5.784	4,190,000	December 1, 2023
Various Purpose Bonds - 2009B	2.00-5.00	28,700,000	December 1, 2038
YMCA Bonds - 2011	2.00-4.50	5,760,000	December 1, 2031
Refunding Bonds - 2011	1.50-4.00	604,477	December 1, 2021
Various Purpose Bonds - 2012A	1.00-3.625	2,448,725	December 1, 2037
Various Purpose Bonds - 2012B	1.00-3.50	6,591,667	December 1, 2037
Refunding Bonds - 2012C	2.00-4.00	2,535,000	December 1, 2024
Various Purpose Bonds - 2013	3.00-5.25	8,735,028	December 1, 2038
Nagel Road Interchange Bonds - 2014	1.00-4.00	5,235,000	December 1, 2039
<i>Special Assessment Bonds:</i>			
Route 83 Sewer Improvements - 1995	4.20-6.50	520,000	December 1, 2015
Schneider Court Improvements - 2006	3.45-4.25	903,868	December 1, 2026
Refunding Bonds - 2011	1.50-4.00	2,015,523	December 1, 2021
Various Purpose Bonds - 2012A	1.00-3.625	1,606,275	December 1, 2037
Various Purpose Bonds - 2012B	1.00-3.50	2,128,333	December 1, 2037
Various Purpose Bonds - 2013	3.00-5.25	3,084,972	December 1, 2038
<i>Ohio Public Works Commission Loans:</i>			
Center Road Extension - 2007	0.00	92,152	December 1, 2017
Jaycox Road/Center Improvements	0.00	145,194	December 1, 2027
Detroit Road Improvement - Phase I	0.00	97,167	December 1, 2037
Detroit Road Improvement - Phase II	0.00	32,423	December 1, 2037
Reigelsberger-Jaycox Bridge	0.00	114,014	Not Finalized
Business-Type Activities:			
<i>General Obligation Bonds:</i>			
Various Purpose Bonds - 2012A - Water	1.00-3.625	863,981	December 1, 2037
Various Purpose Bonds - 2012B - Water	1.00-3.50	425,000	December 1, 2037
Various Purpose Bonds - 2008 - Sewer	3.00-5.25	330,000	December 1, 2027
Various Purpose Bonds - 2012A - Sewer	1.00-3.625	2,141,257	December 1, 2037
<i>Special Assessment Bonds:</i>			
Various Purpose Bonds - 2012A - Water	1.00-3.625	297,864	December 1, 2037
Various Purpose Bonds - 2012A - Sewer	1.00-3.625	876,898	December 1, 2037
<i>Long-Term Note:</i>			
Water System Improvements - Water	1.00	9,300,000	February 5, 2015

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

Changes in bonds and other long-term obligations of the City during 2014 were as follows:

	Principal Outstanding 12/31/13	Additions	Deletions	Principal Outstanding 12/31/14	Due Within One Year
Governmental Activities:					
<i>General Obligation Bonds:</i>					
Service Garage - 2004 - Term	\$120,000	\$0	\$120,000	\$0	\$0
Unamortized Premium	519	0	519	0	0
Detroit Road Park Refunding - 2006	59,000	0	20,000	39,000	20,000
Unamortized Premium	79	0	26	53	0
Library Improvement Refunding - 2006	70,000	0	70,000	0	0
Unamortized Premium	3,047	0	3,047	0	0
Northgate Sewer Improvement Refunding - 2006	89,000	0	30,000	59,000	30,000
Unamortized Premium	130	0	43	87	0
New City Hall Refunding - 2006	267,000	0	65,000	202,000	65,000
Schneider Court Improvements - 2006 - Serial	82,116	0	4,927	77,189	4,927
Unamortized Premium	316	0	25	291	0
Various Purpose Bonds - 2008	5,392,473	0	291,098	5,101,375	305,414
Various Purpose Bonds - 2009A	3,210,000	0	260,000	2,950,000	270,000
Various Purpose Bonds - 2009B	25,870,000	0	850,000	25,020,000	865,000
Unamortized Premium	313,898	0	12,556	301,342	0
YMCA Bonds Series - 2011 - Serial	2,915,000	0	220,000	2,695,000	225,000
YMCA Bonds Series - 2011 - Term	2,420,000	0	0	2,420,000	0
Unamortized Premium	64,302	0	3,573	60,729	0
Refunding Bonds - 2011	379,958	0	78,477	301,481	79,631
Unamortized Premium	10,421	0	1,421	9,000	0
Various Purpose Bonds - 2012A	2,441,508	0	14,869	2,426,639	14,869
Unamortized Premium	200,023	0	8,335	191,688	0
Various Purpose Bonds - 2012B - Serial	6,090,714	0	72,079	6,018,635	79,287
Various Purpose Bonds - 2012B - Term	439,685	0	0	439,685	0
Unamortized Premium	147,478	0	6,145	141,333	0
Refunding Bonds - 2012C	2,490,000	0	105,000	2,385,000	225,000
Unamortized Premium	160,309	0	14,573	145,736	0
Various Purpose Bonds - 2013 - Serial	1,367,150	0	3,695	1,363,455	3,695
Various Purpose Bonds - 2013 - Term	7,367,878	0	0	7,367,878	0
Unamortized Premium	410,907	0	16,436	394,471	0
Nagel Road Interchange Bonds - 2014 - Serial	0	630,000	0	630,000	25,000
Nagel Road Interchange Bonds - 2014 - Term	0	4,605,000	0	4,605,000	0
Unamortized Premium	0	211,786	0	211,786	0
<i>Total General Obligation Bonds</i>	<u>62,382,911</u>	<u>5,446,786</u>	<u>2,271,844</u>	<u>65,557,853</u>	<u>2,212,823</u>
<i>Special Assessment Bonds:</i>					
Route 83 Sewer Improvements - 1995	85,000	0	40,000	45,000	45,000
Schneider Court Improvements - 2006	667,884	0	40,073	627,811	40,073
Refunding Bonds - 2011	1,265,042	0	261,523	1,003,519	265,369
Unamortized Premium	34,745	0	4,738	30,007	0
Various Purpose Bonds - 2012A	1,598,492	0	9,735	1,588,757	9,735
Various Purpose Bonds - 2012B - Serial	1,966,585	0	23,273	1,943,312	25,601
Various Purpose Bonds - 2012B - Term	141,966	0	0	141,966	0
Various Purpose Bonds - 2013 - Serial	482,850	0	1,305	481,545	1,305
Various Purpose Bonds - 2013 - Term	2,602,122	0	0	2,602,122	0
Unamortized Premium	145,124	0	5,805	139,319	0
<i>Total Special Assessment Bonds</i>	<u>\$8,989,810</u>	<u>\$0</u>	<u>\$386,452</u>	<u>\$8,603,358</u>	<u>\$387,083</u>

(continued)

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

	Principal Outstanding 12/31/13	Additions	Deletions	Principal Outstanding 12/31/14	Due Within One Year
Governmental Activities (continued):					
<i>OPWC Loans:</i>					
Center Road Extension - 2007	\$36,861	\$0	\$9,216	\$27,645	\$9,215
Jaycox Road/Chester Improvements	112,525	0	7,260	105,265	7,260
Detroit Road Improvement - Phase I	93,280	0	3,886	89,394	3,887
Detroit Road Improvement - Phase II	31,775	0	1,297	30,478	1,297
Reigelsberger-Jaycox Bridge	0	114,014	0	114,014	0
<i>Total OPWC Loans</i>	<u>274,441</u>	<u>114,014</u>	<u>21,659</u>	<u>366,796</u>	<u>21,659</u>
<i>Other Long-Term Obligation:</i>					
Compensated Absences	2,105,976	0	334,498	1,771,478	114,975
<i>Total Governmental Activities</i>	<u>\$73,753,138</u>	<u>\$5,562,800</u>	<u>\$3,014,453</u>	<u>\$76,299,485</u>	<u>\$2,736,540</u>
Business-Type Activities:					
<i>General Obligation Bonds:</i>					
Various Purpose Bonds - 2012A - Water	\$862,460	\$0	\$5,382	\$857,078	\$5,252
Various Purpose Bonds - 2012B - Serial - Water	392,701	0	4,648	388,053	5,112
Various Purpose Bonds - 2012B - Term - Water	28,349	0	0	28,349	0
Various Purpose Bonds - 2008 - Sewer	257,527	0	13,902	243,625	14,586
Various Purpose Bonds - 2012A - Sewer	2,135,727	0	13,007	2,122,720	13,007
<i>Total General Obligation Bonds</i>	<u>3,676,764</u>	<u>0</u>	<u>36,939</u>	<u>3,639,825</u>	<u>37,957</u>
<i>Special Assessment Bonds:</i>					
Water Various Purpose Bonds - 2012A - Water	297,338	0	1,681	295,657	1,811
Sewer Various Purpose Bonds - 2012A - Sewer	874,475	0	5,326	869,149	5,326
<i>Total Special Assessment Bonds</i>	<u>1,171,813</u>	<u>0</u>	<u>7,007</u>	<u>1,164,806</u>	<u>7,137</u>
<i>Intergovernmental Payable:</i>					
Avon Lake Waterline - 1994	132,002	0	131,277	725	725
Avon Lake Waterline - 2009	407,169	0	22,442	384,727	23,715
<i>Total Intergovernmental Payable</i>	<u>539,171</u>	<u>0</u>	<u>153,719</u>	<u>385,452</u>	<u>24,440</u>
<i>Other Long-Term Obligations:</i>					
Water System Improvements Notes	0	9,300,000	0	9,300,000	0
Capital Lease	0	300,869	52,549	248,320	45,472
Compensated Absences	142,736	930	17,918	125,748	8,636
<i>Total Other Long-Term Obligations</i>	<u>142,736</u>	<u>9,601,799</u>	<u>70,467</u>	<u>9,674,068</u>	<u>54,108</u>
<i>Total Business-Type Activities</i>	<u>\$5,530,484</u>	<u>\$9,601,799</u>	<u>\$268,132</u>	<u>\$14,864,151</u>	<u>\$123,642</u>

General obligation bonds, except as listed below, will be paid from the general obligation bond retirement debt service fund. A portion of the Detroit Road Park and the 2012C refunding bonds will be paid from the park development special revenue fund. The Library Improvement General Obligation Bond will be paid from the library bond retirement debt service fund. The Ohio Public Works Commission Loans will be paid from the special assessment bond retirement fund and the general obligation debt service fund. General Obligation Bonds reported in the enterprise funds will be paid from charges for services revenue in the respective enterprise funds.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

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

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

On September 15, 2004, the City issued \$570,000 in general obligation refunding bonds and \$2,500,000 in service garage construction term bonds at interest rates varying from 2 percent to 5 percent. Proceeds were used to refund \$600,000 of the outstanding 1992 water and sewer construction bonds.

On April 12, 2006, the City issued \$1,660,000 in general obligation refunding bonds and \$1,015,000 in Schneider Court Improvement serial bonds at interest rates varying from 3.4 percent to 4 percent. Proceeds were used to refund \$1,565,000 of the outstanding 1996 bonds and 1997 New City Hall Bonds. As a result, \$1,565,000 of these bonds were considered defeased and the liability for the refunded bonds had been removed from the basic financial statements. The amount still outstanding at December 31, 2014 is \$303,674.

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

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

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

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

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

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

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

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

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

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

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

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

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

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

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

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

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

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

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

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

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

On June 26, 2013, the City issued \$11,820,000 in governmental various purpose general obligation and special assessment bonds with a maturity date of December 1, 2038, and interest rates varying from 3 to 5.25 percent. The bonds were issued for construction relating to an interchange at Nagel Road and I-90. As of December 31, 2014, the City had \$365,193 in unspent proceeds.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

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

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

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

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

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

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

On June 18, 2014, the City issued \$5,235,000 in Nagel Road Interchange general obligation bonds with a maturity date of December 1, 2039, and interest rates varying from 1 to 4 percent. The purpose of the bonds was to retire outstanding notes that were issued for the purpose of paying the costs of construction of an interchange at Nagel Road on Interstate 90.

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

Mandatory Sinking Fund Redemption The 2014 Nagel Road Interchange term bonds maturing on or after December 1, 2023, 2025, 2027, 2030, 2032, 2034, 2036 and 2039, respectively, are subject to mandatory redemption, pursuant to mandatory sinking fund requirements at a redemption price of 100 percent of the principal amount redeemed plus interest accrued to the redemption date, on December 1 in each of the years and in the principal amounts set forth as follows:

Year	Issue							
	\$375,000	\$400,000	\$430,000	\$705,000	\$520,000	\$560,000	\$610,000	\$1,005,000
2022	\$185,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2024	0	195,000	0	0	0	0	0	0
2026	0	0	210,000	0	0	0	0	0
2028	0	0	0	225,000	0	0	0	0
2029	0	0	0	235,000	0	0	0	0
2031	0	0	0	0	255,000	0	0	0
2033	0	0	0	0	0	275,000	0	0
2035	0	0	0	0	0	0	300,000	0
2037	0	0	0	0	0	0	0	320,000
2038	0	0	0	0	0	0	0	335,000
	<u>\$185,000</u>	<u>\$195,000</u>	<u>\$210,000</u>	<u>\$460,000</u>	<u>\$255,000</u>	<u>\$275,000</u>	<u>\$300,000</u>	<u>\$655,000</u>
<i>Stated Maturity</i>	<i>12/1/2023</i>	<i>12/1/2025</i>	<i>12/1/2027</i>	<i>12/1/2030</i>	<i>12/1/2032</i>	<i>12/1/2034</i>	<i>12/1/2036</i>	<i>12/1/2039</i>

The remaining principal amount of the term bonds (\$190,000, \$205,000, \$220,000, \$245,000, \$265,000, \$285,000, \$310,000 and \$350,000) will mature at the stated maturity.

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

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

The City has entered into contractual agreements for construction loans from the Ohio Public Works Commission (OPWC). Under the terms of these agreements, the OPWC will reimburse, advance or directly pay the construction costs of approved projects. The OPWC loans are interest free.

During 1994, the City of Avon entered into a contractual agreement with the City of Avon Lake for the construction and future maintenance of a water trunk line that runs through Avon. Avon purchased waterline rights allowing residents to tap into the line. The project was financed mainly by General Obligation Bonds which were issued in 1994 by the City of Avon Lake. All proceeds were received by the City of Avon Lake and the City of Avon Lake is responsible for the debt retirement and maintenance. The line is a capital asset of the City of Avon Lake. The total amount owed to the City of Avon Lake as of December 31, 2014 is \$725. 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.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

A corresponding amount was recorded as an intangible asset in the water enterprise fund. This amount will be amortized over the life of the waterline. In 2014, a payment was made to the City of Avon Lake in the amount of \$131,277; \$33,331 from the special assessment debt service fund and \$97,946 from the enterprise water fund. The current year capital payment related to this debt is \$33,331. The remainder owed to Avon Lake will be repaid from special assessments levied against property owners.

During 2009, the City of Avon entered into another contractual agreement with the City of Avon Lake for the construction and future maintenance of a water trunk line that runs through Avon. Avon purchased waterline rights allowing residents to tap into the line. All proceeds were received by the City of Avon Lake and the City of Avon Lake is responsible for the debt retirement and maintenance. The line will be a capital asset of the City of Avon Lake. In 2014, \$22,442 was paid from the water enterprise fund. The total amount owed to the City of Avon Lake as of December 31, 2014 is \$384,727. This amount has been recorded on Avon's books as a long-term liability in the water enterprise fund. The annual interest rate of this obligation is 5.672 percent. A corresponding amount was recorded as an intangible asset in the water enterprise fund. This amount will be amortized over the life of the waterline.

In 2014, the City issued \$9,300,000 in bond anticipation notes to help finance water system improvements. The notes mature on February 5, 2015, and have interest rates of 1 percent. At December 31, 2014, the City had unspent proceeds of \$6,601,613 for business-type activities related to the notes.

A line of credit has been established with the Ohio Public Works Commission in the amount of \$125,000, for the Reigelsberger-Jaycox Bridge project, which has an outstanding balance of \$114,014. Since the loan repayment schedule has not yet been finalized, a repayment schedule is not included in the schedule of debt service requirements. Until a final repayment schedule is available, the City will pay based on estimates.

The City's overall legal debt margin was \$51,093,395 and an unvoted debt margin of \$13,956,064 at December 31, 2014. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2014 are as follows:

Governmental Activities:

Years	General Obligation Bonds		Special Assessment Bonds		OPWC Loans	Total Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2015	\$2,212,823	\$2,652,605	\$387,083	\$309,589	\$21,659	\$2,621,565	\$2,962,194
2016	2,274,603	2,590,462	359,843	298,660	21,659	2,656,105	2,889,122
2017	2,281,579	2,523,164	284,713	288,938	21,657	2,587,949	2,812,102
2018	2,277,972	2,451,877	242,405	280,458	12,444	2,532,821	2,732,335
2019	2,515,407	2,376,380	191,351	271,682	12,443	2,719,201	2,648,062
2020-2024	14,557,429	10,188,368	1,077,127	1,274,727	62,218	15,696,774	11,463,095
2025-2029	15,468,772	6,751,225	2,012,473	998,095	58,582	17,539,827	7,749,320
2030-2034	12,170,913	3,751,967	2,191,327	585,171	25,918	14,388,158	4,337,138
2035-2039	10,341,839	1,158,053	1,687,710	155,017	16,202	12,045,751	1,313,070
Total	<u>\$64,101,337</u>	<u>\$34,444,101</u>	<u>\$8,434,032</u>	<u>\$4,462,337</u>	<u>\$252,782</u>	<u>\$72,788,151</u>	<u>\$38,906,438</u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

Business-Type Activities:

Years	General Obligation Bonds		Special Assessment Bonds		Avon Lake		Total Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$37,957	\$121,907	\$7,137	\$38,187	\$24,440	\$21,873	\$69,534	\$181,967
2016	38,417	121,059	7,136	38,081	25,060	20,528	70,613	179,668
2017	48,003	120,179	10,705	37,973	26,481	19,106	85,189	177,258
2018	48,919	119,082	10,705	37,799	27,983	17,604	87,607	174,485
2019	58,969	117,785	14,273	37,585	29,570	16,017	102,812	171,387
2020-2024	512,714	555,584	142,730	181,233	174,995	52,942	830,439	789,759
2025-2029	1,071,917	415,087	341,838	141,094	76,923	17,145	1,490,678	573,326
2030-2034	1,121,675	228,582	386,085	79,357	0	0	1,507,760	307,939
2035-2039	701,254	50,191	244,197	17,505	0	0	945,451	67,696
Total	<u>\$3,639,825</u>	<u>\$1,849,456</u>	<u>\$1,164,806</u>	<u>\$608,814</u>	<u>\$385,452</u>	<u>\$165,215</u>	<u>\$5,190,083</u>	<u>\$2,623,485</u>

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

Note 13 – 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 2014, the City negotiated with Custis Insurance Company for commercial insurance coverage relating to general liability, police professional, public officials, employment practices liability, property, fire, auto and employee bonds and public official bonds.

This coverage includes a \$1,000,000/\$2,000,000 general liability insurance policy, a \$1,000,000 police professional liability policy with a \$10,000 deductible, a \$1,000,000 public officials policy with a \$7,500 deductible, a \$1,000,000 employment practice liability policy with a \$7,500 deductible, a \$63,946,077 blanket building and contents policy, an inland marine coverage of \$4,567,159, 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

Prior to January 1, 2014, the City participated in the Lorain County Health Care Program, which is a shared risk pool that provided insurance benefits for the employees of the City. Effective January 1, 2014, the City was fully insured with Aetna for medical and prescription drugs and with Delta Dental and Anthem Vision. Employees who choose to enroll are enrolled in all three plans. Enrolled individuals pay monthly premiums of \$129.68 for single coverage and \$348.92 for family coverage.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

Note 14 – 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 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 plan benefit. Member contributions, the investment of which is self-directed by the member, 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 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 that may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 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 earnable salaries for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of earnable salaries. For the year ended December 31, 2014, members in state and local classifications contributed 10 percent of earnable salaries. For 2014, member and employer contribution rates were consistent across all three plans.

The City's 2014 contribution rate was 14 percent. The portion of the City's contribution used to fund pension benefits is net of postemployment health care benefits. The portion of the City's contribution allocated to health care for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of the employer contribution allocated to health care remained at 2 percent. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2014, 2013, and 2012 were \$576,728, \$595,586, and \$432,481, respectively. For 2014, 89.57 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012. Contributions to the member-directed Plan for 2014 were \$23,050 made by the City and \$16,464 made by plan members.

Ohio Police and Fire Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan. OPF provides retirement and disability pension 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. OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

Funding Policy – Employer and employee contribution rates are set by the Ohio Revised Code. From January 1, 2014, through July 1, 2014, plan members were required to contribute 10.75 percent of their annual covered salary. From July 2, 2014, through December 31, 2014, plan members were required to contribute 11.5 percent of their annual covered salary. Throughout 2014, employers were required to contribute 19.5 percent for police officers and 24 percent for firefighters.

The OPF pension fund is authorized by the Ohio Revised Code to allocate a portion of the employer contribution to retiree health care benefits. For 2014, the portion of the City’s contribution used to fund pension benefits was 19 percent of covered payroll for police officers and 23.5 percent of covered payroll for firefighters. The City’s contributions to OPF for police and firefighters pension were \$536,209 and \$634,297 for the year ended December 31, 2014, \$428,863 and \$515,963 for the year ended December 31, 2013, and \$315,161 and \$405,854 for the year ended December 31, 2012, respectively. For 2014, 88.56 percent for police and 86.41 percent for firefighters has been contributed with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

Note 15 – Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional 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 postemployment health care plan for qualifying members of both the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment health care coverage. The plan includes a medical plan, a prescription drug program, and Medicare Part B premium reimbursement.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2014, state and local employers contributed 14 percent of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment health care benefits. The portion of the employer contribution allocated to health care for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of the employer contribution allocated to health care remained at 2 percent for both plans as recommended by the OPERS actuary.

The OPERS retirement board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the postemployment health care plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2014, 2013, and 2012 were \$96,121, \$45,814, and \$172,992, respectively. For 2014, 89.57 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 9, 2012, with a transition plan commencing on January 1, 2014. With the passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contribution toward the health care fund after the end of the transition period.

Ohio Police and Fire Pension Fund

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

OPF provides access to postretirement 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 OPF meets the definition of an Other Postemployment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

The Ohio Revised Code allows, but does not mandate, OPF to provide OPEB benefits. Authority for the OPF 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.

OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

OPF 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 premium reimbursements administered 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 OPF Board of Trustees.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

The Board of Trustees is authorized to allocate a portion of the total employer contribution made to the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2014, the employer contribution allocated to the health care plan was .5 percent of covered payroll. The amount of employer contribution 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 OPF Board of Trustees is also 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 OPF which were allocated to fund post-employment health care benefits for police and firefighters were \$14,111 and \$13,496 for the year ended December 31, 2014, \$97,763 and \$91,648 for the year ended December 31, 2013, and \$166,850 and \$158,812 for the year ended December 31, 2012. For 2014, 88.56 percent has been contributed for police and 86.41 percent has been contributed for firefighters with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

Note 16 – Jointly Governed Organizations

Lorain County General Health District

The City participates in the Lorain County General Health District (Health District), a jointly governed organization, which provides health services to the citizens within the Health District. The Health District is governed by the Board of Health which represents the area served by the Health District and oversees the operation of the Health District. The Health District's Board exercises total control over the operations of the organization including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Board. The Board of Health members are appointed to staggered five-year terms. One member is appointed by the City of North Ridgeville, one member is jointly appointed by the cities of Avon and Sheffield Lake and one member is appointed jointly by the cities of Amherst and Oberlin. The remaining five members are appointed by the various mayors of villages, chairmen of the township trustees and the County Commissioners. The City contributed \$102,746 during 2014 for the operation of the Health District. Financial information can be obtained by contacting the Lorain County General Health District, 9880 S. Murray Ridge Road, Elyria, Ohio, 44035.

Northeast Ohio Public Energy Council

The City is a member of The Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC's Board exercises total control over the operations of the organization including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Board. NOPEC is currently comprised of over 134 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

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 2014. Financial information can be obtained by contacting Ron McVoy, Board Chairman, 31320 Solon Road, Suite 20 Solon, Ohio 44139 or at the website www.nopecinfo.org.

Note 17 – Interfund Transfers and Balances

Interfund Transfers

Transfers are primarily from the general fund to various funds within the City. 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. Funds from the general fund are also transferred to the police fund to cover the shortfall of income tax collections and to cover the cost of street improvement projects within the capital improvements fund.

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

Transfers made during the year ended December 31, 2014, were as follows:

<u>Transfers To</u>	<u>Transfers From</u>		
	General	Other Governmental Funds	Total
Police	\$3,525,000	\$0	\$3,525,000
General Obligation Bond Retirement	1,667,920	0	1,667,920
Other Governmental Funds	2,632,894	875,000	3,507,894
Total	<u>\$7,825,814</u>	<u>\$875,000</u>	<u>\$8,700,814</u>

Interfund Balances

On the fund financial statements interfund balances at December 31, 2014, were:

	<u>Receivables</u>		<u>Payable</u>	
	Manuscript Bonds	Advances To Other Funds	Manuscript Bonds	Advances From Other Funds
General	\$161,000	\$1,533,100	\$0	\$0
Municipal Swimming Pool	0	0	0	279,180
Other Governmental Funds	0	279,180	0	1,533,100
Water	0	0	161,000	0
Total	<u>\$161,000</u>	<u>\$1,812,280</u>	<u>\$161,000</u>	<u>\$1,812,280</u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

The general fund had \$1,533,100 interfund receivable due to the timing of the receipt of grant monies. Once the grant monies are received, the interfund balances are anticipated to be repaid within one year. The other governmental funds interfund receivable is due to the recreation complex fund advancing monies to the municipal swimming pool fund for preliminary costs associated with building a pool.

The Jaycox Road Watermain Improvement interfund balance of \$161,000 represents a manuscript bond that was issued on September 2, 2008, at 5.10 percent. This bond matures on December 1, 2028 and was used for the purpose of the cost of construction of a watermain extension on Jaycox Road. A repayment schedule for the remaining outstanding balance is as follows:

Years	Jaycox Road Watermain Improvement		
	Principal	Interest	Total
2015	\$8,000	\$8,185	\$16,185
2016	9,000	7,185	16,185
2017	9,000	7,185	16,185
2018	9,000	7,185	16,185
2019	10,000	6,185	16,185
2020-2024	58,000	22,925	80,925
2025-2028	58,000	6,740	64,740
Total	\$161,000	\$65,590	\$226,590

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 sewer line. 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 2014, the City has pledged tap-in-fees in the amount of \$12,826 to repay the Jaycox Road Sewer Line Improvement manuscript bonds. The bonds are payable solely from and to the extent tap-in-fees are received by the City in connection with the improvement for which the bonds were issued and are payable through 2027. Currently; the City is unable to determine the amount of revenue to be collected from tap-in fees because a large portion of the land is undeveloped and it is not known who will purchase the land and when it will be connected to the sewer. Accordingly, because of such unknowns, an accurate debt repayment schedule has not been established.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

Note 18 – Significant Commitments

Contractual Commitments

At December 31, 2014, the various projects within the City had contractual commitments consisting of the following:

Project	Contract Amount	Amount Paid	Remaining on Contract
2014 Road Program	\$871,758	\$627,295	\$244,463
Municipal Swimming Pool	253,800	208,116	45,684
Jaycox Road Improvements	89,500	29,100	60,400
Municipal Complex Infrastructure	2,400,812	414,458	1,986,354
Elizabeth/Puth/Joseph Sewer	115,000	40,302	74,698
Riegelsberger/Jaycox Bridge	651,222	588,195	63,027
Mills Road Water Tower	7,549,826	3,039,626	4,510,200
Schwartz/Nagel Intersection	21,225	20,725	500
Chester Road Relocation	239,617	187,366	52,251
Total	\$12,192,760	\$5,155,183	\$7,037,577

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

Encumbrances

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

General	\$98,847
Fire Department	27,880
Street Construction, Maintenance and Repair	4,242
Police	22,372
Municipal Swimming Pool	46,216
Other Governmental Funds	2,570,614
Water	4,642,708
Sewer	40,586
Total	\$7,453,465

Note 19 – Capital Lease

During 2014, the City entered into a capital lease with Key Government Finance, Incorporated, for a sewer camera truck, which will end in 2019. The lease meets the criteria of a capital lease. The asset was capitalized at the present value of the minimum lease payments at the time the lease was entered into.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2014

The asset acquired through capital leases is as follows:

	Business-Type Activities
Asset:	
Sewer Camera Truck	\$300,869
Less: Accumulated depreciation	(15,043)
Total	\$285,826

Such agreements provide for minimum, annual lease payments as follows:

		Business-Type Activities
2015		\$52,549
2016		52,549
2017		52,549
2018		52,549
2019		60,174
Total Minimum Lease Payment		270,370
Less: Amount Representing Interest		(22,050)
Present Value of Minimum Lease Payments		\$248,320

Note 20 – Operating Leases

During 2008, the City entered into an operating lease with the United States Postal Service, for the period of February 1, 2008 to January 31, 2023, for the rental of the space located at 36225 Detroit Road. The terms of the lease require payment in monthly installments in the amount of \$10,833. The cost of the building was \$1,607,697. As of December 31, 2014, the accumulated depreciation is \$168,808, leaving a carrying amount of \$1,438,889.

During 2009, the City entered into an operating lease with Avon Baseball, LLC, for the period of 15 years, to be primarily used for professional baseball events located at the baseball stadium at the corner of Interstate 90 and State Route 611. Avon Baseball, LLC is responsible for all operating costs and the City will be responsible for capital item replacements. The terms of the lease require payment in annual installments in the amount of \$250,000. The cost of the building was \$13,773,746. As of December 31, 2014, the accumulated depreciation is \$1,446,243, leaving a carrying amount of \$12,327,503.

Note 21 – Subsequent Events

In January 2015, it was brought to the attention of the Finance Department that members of the City’s Fire Department were receiving overtime pay pursuant to a formula that was contrary to existing City policy. When the City corrected the formula making it consistent with existing City policy, the firefighters’ union (IAFF Local #4310) filed a grievance on February 11, 2015. The matter is now scheduled for arbitration on June 10, 2015. Since the amount of overtime being contested is relatively small, the City believes that the outcome of the arbitration will not have a material effect on the financial condition of the City.

On February 4, 2015, the City rolled over \$9,300,000 in Water Revenue Notes for the purpose of constructing a 3,000,000-gallon elevated water storage tank and 16 inch water transmission line.

On April 30, 2015, the City issued \$3,000,000 in Water Revenue Notes for the purpose of the installation of new water meters and related meter reading software.

Combining and Individual Fund Statements and Schedules

Fund Descriptions – Nonmajor Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

Nonmajor Debt Service Funds

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

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

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

(continued)

Fund Descriptions – Nonmajor Funds (continued)

Nonmajor Capital Projects Funds

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

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

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

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

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

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

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

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

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

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

Recreation Complex Fund – This fund accounts for and reports municipal income tax revenue committed to the cost of constructing a recreation facility in conjunction with the Greater Cleveland YMCA.

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

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

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$794,025	\$14,627	\$4,936,221	\$5,744,873
Materials and Supplies Inventory	3,358	0	0	3,358
Interfund Receivable	0	0	279,180	279,180
Intergovernmental Receivable	110,101	3,620	39,785	153,506
Prepaid Items	5,500	0	0	5,500
Municipal Income Taxes Receivable	155,169	0	465,508	620,677
Property Taxes Receivable	288,745	62,851	690,604	1,042,200
Payments in Lieu of Taxes Receivable	0	910,934	0	910,934
<i>Total Assets</i>	<u>\$1,356,898</u>	<u>\$992,032</u>	<u>\$6,411,298</u>	<u>\$8,760,228</u>
Liabilities				
Accounts Payable	\$17,984	\$0	\$51,910	\$69,894
Contracts Payable	4,944	0	20,024	24,968
Accrued Wages and Benefits	10,489	0	219	10,708
Interfund Payable	622,500	0	910,600	1,533,100
Intergovernmental Payable	18,539	0	288	18,827
Accrued Interest Payable	0	0	8,222	8,222
Notes Payable	0	0	2,650,000	2,650,000
<i>Total Liabilities</i>	<u>674,456</u>	<u>0</u>	<u>3,641,263</u>	<u>4,315,719</u>
Deferred Inflows of Resources				
Property Taxes	277,679	60,458	664,307	1,002,444
Payments in Lieu of Taxes	0	866,808	0	866,808
Unavailable Revenue	172,898	50,139	313,685	536,722
<i>Total Deferred Inflows of Resources</i>	<u>450,577</u>	<u>977,405</u>	<u>977,992</u>	<u>2,405,974</u>
Fund Balances				
Nonspendable	8,858	0	0	8,858
Restricted	564,474	14,627	2,989,278	3,568,379
Committed	36,792	0	558,012	594,804
Assigned	0	0	194,840	194,840
Unassigned (Deficit)	(378,259)	0	(1,950,087)	(2,328,346)
<i>Total Fund Balances</i>	<u>231,865</u>	<u>14,627</u>	<u>1,792,043</u>	<u>2,038,535</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,356,898</u>	<u>\$992,032</u>	<u>\$6,411,298</u>	<u>\$8,760,228</u>

City of Avon, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$280,498	\$61,071	\$558,018	\$899,587
Payment in Lieu of Taxes	0	2,535,911	0	2,535,911
Municipal Income Taxes	535,314	0	1,321,525	1,856,839
Charges for Services	118,974	0	87,182	206,156
Licenses and Permits	211,018	0	0	211,018
Fines and Forfeitures	7,955	0	0	7,955
Intergovernmental	239,300	7,241	271,093	517,634
Interest	449	0	2,010	2,459
Contributions and Donations	4,350	0	0	4,350
Rentals	0	0	414,425	414,425
Miscellaneous	18,335	11,206	28,065	57,606
<i>Total Revenues</i>	<u>1,416,193</u>	<u>2,615,429</u>	<u>2,682,318</u>	<u>6,713,940</u>
Expenditures				
Current:				
General Government	0	1,651,942	0	1,651,942
Security of Persons and Property	4,135	0	0	4,135
Transportation	263,001	0	0	263,001
Community Environment	116,051	0	0	116,051
Leisure Time Activities	1,103,769	0	0	1,103,769
Capital Outlay	0	0	4,076,604	4,076,604
Debt Service:				
Principal Retirement	59,024	391,997	644,786	1,095,807
Interest and Fiscal Charges	27,790	578,217	1,059,490	1,665,497
Bond Issuance Costs	0	0	106,786	106,786
<i>Total Expenditures</i>	<u>1,573,770</u>	<u>2,622,156</u>	<u>5,887,666</u>	<u>10,083,592</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(157,577)</u>	<u>(6,727)</u>	<u>(3,205,348)</u>	<u>(3,369,652)</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	0	5,235,000	5,235,000
Premium on General Obligation Bonds Issued	0	0	211,786	211,786
OPWC Loans Issued	0	0	114,014	114,014
Transfers In	367,000	0	3,140,894	3,507,894
Transfers Out	0	0	(875,000)	(875,000)
<i>Total Other Financing Sources (Uses)</i>	<u>367,000</u>	<u>0</u>	<u>7,826,694</u>	<u>8,193,694</u>
<i>Net Change in Fund Balances</i>	209,423	(6,727)	4,621,346	4,824,042
<i>Fund Balances Beginning of Year</i>	<u>22,442</u>	<u>21,354</u>	<u>(2,829,303)</u>	<u>(2,785,507)</u>
<i>Fund Balances End of Year</i>	<u>\$231,865</u>	<u>\$14,627</u>	<u>\$1,792,043</u>	<u>\$2,038,535</u>

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014

	Recycling	ADA Parking Violations	State Highway	Permissive Tax
Assets				
Equity in Pooled Cash and Cash Equivalents	\$314	\$16	\$239,512	\$99,755
Materials and Supplies Inventory	0	0	0	0
Intergovernmental Receivable	0	0	35,362	57,049
Prepaid Items	0	0	0	0
Municipal Income Taxes Receivable	0	0	0	0
Property Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$314</u>	<u>\$16</u>	<u>\$274,874</u>	<u>\$156,804</u>
Liabilities				
Accounts Payable	\$0	\$0	\$1,037	\$11,457
Contracts Payable	0	0	0	0
Accrued Wages and Benefits	180	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	30	0	0	0
<i>Total Liabilities</i>	<u>210</u>	<u>0</u>	<u>1,037</u>	<u>11,457</u>
Deferred Inflows of Resources				
Property Taxes	0	0	0	0
Unavailable Revenue	0	0	23,575	38,033
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>23,575</u>	<u>38,033</u>
Fund Balances				
Nonspendable	0	0	0	0
Restricted	104	0	250,262	107,314
Committed	0	16	0	0
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>104</u>	<u>16</u>	<u>250,262</u>	<u>107,314</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$314</u>	<u>\$16</u>	<u>\$274,874</u>	<u>\$156,804</u>

Mayor's Court Computer	Recreation	Park Operating	Park Development	Donations	Total Nonmajor Special Revenue Funds
\$84,056	\$36,969	\$86,615	\$244,241	\$2,547	\$794,025
0	0	0	3,358	0	3,358
0	0	17,690	0	0	110,101
0	0	5,500	0	0	5,500
0	0	155,169	0	0	155,169
0	0	288,745	0	0	288,745
<u>\$84,056</u>	<u>\$36,969</u>	<u>\$553,719</u>	<u>\$247,599</u>	<u>\$2,547</u>	<u>\$1,356,898</u>
\$0	\$1,351	\$4,139	\$0	\$0	\$17,984
0	0	4,944	0	0	4,944
0	912	9,397	0	0	10,489
0	0	0	622,500	0	622,500
0	477	18,032	0	0	18,539
0	2,740	36,512	622,500	0	674,456
0	0	277,679	0	0	277,679
0	0	111,290	0	0	172,898
0	0	388,969	0	0	450,577
0	0	5,500	3,358	0	8,858
84,056	0	122,738	0	0	564,474
0	34,229	0	0	2,547	36,792
0	0	0	(378,259)	0	(378,259)
<u>84,056</u>	<u>34,229</u>	<u>128,238</u>	<u>(374,901)</u>	<u>2,547</u>	<u>231,865</u>
<u>\$84,056</u>	<u>\$36,969</u>	<u>\$553,719</u>	<u>\$247,599</u>	<u>\$2,547</u>	<u>\$1,356,898</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, 2014

	Recycling	ADA Parking Violations	State Highway	Permissive Tax
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Municipal Income 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	0
Intergovernmental	0	0	70,488	108,888
Interest	0	0	449	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>70,937</u>	<u>108,888</u>
Expenditures				
Current:				
Security of Persons and Property	0	0	0	0
Transportation	0	0	70,239	192,762
Community Environment	113,500	0	0	0
Leisure Time Activities	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>113,500</u>	<u>0</u>	<u>70,239</u>	<u>192,762</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(113,500)	0	698	(83,874)
Other Financing Sources				
Transfers In	107,000	0	0	100,000
<i>Net Change in Fund Balances</i>	(6,500)	0	698	16,126
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>6,604</u>	<u>16</u>	<u>249,564</u>	<u>91,188</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$104</u>	<u>\$16</u>	<u>\$250,262</u>	<u>\$107,314</u>

Mayor's Court Computer	Recreation	Park Operating	Park Development	Donations	Total Nonmajor Special Revenue Funds
\$0	\$0	\$280,498	\$0	\$0	\$280,498
0	0	535,314	0	0	535,314
0	118,974	0	0	0	118,974
0	0	5,055	205,963	0	211,018
7,955	0	0	0	0	7,955
0	0	59,924	0	0	239,300
0	0	0	0	0	449
0	0	4,350	0	0	4,350
0	0	17,635	0	700	18,335
<u>7,955</u>	<u>118,974</u>	<u>902,776</u>	<u>205,963</u>	<u>700</u>	<u>1,416,193</u>
0	0	0	0	4,135	4,135
0	0	0	0	0	263,001
2,551	0	0	0	0	116,051
0	151,757	952,012	0	0	1,103,769
0	0	0	59,024	0	59,024
0	0	0	27,790	0	27,790
<u>2,551</u>	<u>151,757</u>	<u>952,012</u>	<u>86,814</u>	<u>4,135</u>	<u>1,573,770</u>
5,404	(32,783)	(49,236)	119,149	(3,435)	(157,577)
0	35,000	125,000	0	0	367,000
5,404	2,217	75,764	119,149	(3,435)	209,423
<u>78,652</u>	<u>32,012</u>	<u>52,474</u>	<u>(494,050)</u>	<u>5,982</u>	<u>22,442</u>
<u>\$84,056</u>	<u>\$34,229</u>	<u>\$128,238</u>	<u>(\$374,901)</u>	<u>\$2,547</u>	<u>\$231,865</u>

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2014

	Library Bond Retirement	Tax Increment Financing	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,762	\$12,865	\$14,627
Intergovernmental Receivable	3,620	0	3,620
Property Taxes Receivable	62,851	0	62,851
Payments in Lieu of Taxes Receivable	0	910,934	910,934
<i>Total Assets</i>	<u>\$68,233</u>	<u>\$923,799</u>	<u>\$992,032</u>
Deferred Inflows of Resources			
Property Taxes	\$60,458	\$0	\$60,458
Payments in Lieu of Taxes	0	866,808	866,808
Unavailable Revenue	6,013	44,126	50,139
<i>Total Deferred Inflows of Resources</i>	66,471	910,934	977,405
Fund Balances			
Restricted	1,762	12,865	14,627
<i>Total Deferred Inflows of Resources and Fund Balances</i>	<u>\$68,233</u>	<u>\$923,799</u>	<u>\$992,032</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, 2014

	Library Bond Retirement	Tax Increment Financing	Total Nonmajor Debt Service Funds
Revenues			
Property Taxes	\$61,071	\$0	\$61,071
Payment in Lieu of Taxes	0	2,535,911	2,535,911
Intergovernmental	7,241	0	7,241
Miscellaneous	219	10,987	11,206
<i>Total Revenues</i>	<u>68,531</u>	<u>2,546,898</u>	<u>2,615,429</u>
Expenditures			
Current:			
General Government	978	1,650,964	1,651,942
Debt Service:			
Principal Retirement	70,000	321,997	391,997
Interest and Fiscal Charges	3,763	574,454	578,217
<i>Total Expenditures</i>	<u>74,741</u>	<u>2,547,415</u>	<u>2,622,156</u>
<i>Net Change in Fund Balances</i>	(6,210)	(517)	(6,727)
<i>Fund Balances Beginning of Year</i>	<u>7,972</u>	<u>13,382</u>	<u>21,354</u>
<i>Fund Balances End of Year</i>	<u>\$1,762</u>	<u>\$12,865</u>	<u>\$14,627</u>

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2014

	Equipment	Storm Water Detention	Road and Bridges	Land Purchases
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,216,562	\$91,330	\$838,966	\$6,651
Interfund Receivable	0	0	0	0
Intergovernmental Receivable	39,785	0	0	0
Municipal Income Taxes Receivable	0	0	0	0
Property Taxes Receivable	690,604	0	0	0
<i>Total Assets</i>	<u>\$1,946,951</u>	<u>\$91,330</u>	<u>\$838,966</u>	<u>\$6,651</u>
Liabilities				
Accounts Payable	\$7,964	\$0	\$9,539	\$0
Contracts Payable	0	0	19,173	0
Accrued Wages and Benefits	0	0	0	0
Interfund Payable	0	0	860,600	0
Intergovernmental Receivable	0	0	0	0
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
<i>Total Liabilities</i>	<u>7,964</u>	<u>0</u>	<u>889,312</u>	<u>0</u>
Deferred Inflows of Resources				
Property Taxes	664,307	0	0	0
Unavailable Revenue	66,082	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>730,389</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted	1,208,598	0	0	1,466,597
Committed	0	0	0	0
Assigned	0	91,330	0	0
Unassigned (Deficit)	0	0	(50,346)	(1,459,946)
<i>Total Fund Balances (Deficit)</i>	<u>1,208,598</u>	<u>91,330</u>	<u>(50,346)</u>	<u>6,651</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,946,951</u>	<u>\$91,330</u>	<u>\$838,966</u>	<u>\$6,651</u>

French Creek Restoration	Sidewalk Programs	Storm Sewers	Municipal Buildings	I-90 Interchange	Recreation Complex
\$4,120	\$11,948	\$88,293	\$2,230,030	\$365,193	\$55,321
0	0	0	0	0	279,180
0	0	0	0	0	0
0	0	0	0	0	465,508
0	0	0	0	0	0
<u>\$4,120</u>	<u>\$11,948</u>	<u>\$88,293</u>	<u>\$2,230,030</u>	<u>\$365,193</u>	<u>\$800,009</u>
\$0	\$0	\$0	\$1,580	\$1,110	\$0
0	0	851	0	0	0
0	0	0	219	0	0
0	0	0	0	50,000	0
0	0	0	288	0	0
0	0	0	8,222	0	0
0	0	0	2,650,000	0	0
<u>0</u>	<u>0</u>	<u>851</u>	<u>2,660,309</u>	<u>51,110</u>	<u>0</u>
0	0	0	0	0	0
0	0	0	0	0	247,603
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>247,603</u>
0	0	0	0	314,083	0
0	0	0	0	0	552,406
4,120	11,948	87,442	0	0	0
0	0	0	(430,279)	0	0
<u>4,120</u>	<u>11,948</u>	<u>87,442</u>	<u>(430,279)</u>	<u>314,083</u>	<u>552,406</u>
<u>\$4,120</u>	<u>\$11,948</u>	<u>\$88,293</u>	<u>\$2,230,030</u>	<u>\$365,193</u>	<u>\$800,009</u>

(continued)

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds (continued)
December 31, 2014

	Stadium Marquee	Capital Improvements	Total Nonmajor Capital Projects Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$5,606	\$22,201	\$4,936,221
Interfund Receivable	0	0	279,180
Intergovernmental Receivable	0	0	39,785
Municipal Income Taxes Receivable	0	0	465,508
Property Taxes Receivable	0	0	690,604
<i>Total Assets</i>	<u>\$5,606</u>	<u>\$22,201</u>	<u>\$6,411,298</u>
Liabilities			
Accounts Payable	\$0	\$31,717	\$51,910
Contracts Payable	0	0	20,024
Accrued Wages and Benefits	0	0	219
Interfund Payable	0	0	910,600
Intergovernmental Receivable	0	0	288
Accrued Interest Payable	0	0	8,222
Notes Payable	0	0	2,650,000
<i>Total Liabilities</i>	<u>0</u>	<u>31,717</u>	<u>3,641,263</u>
Deferred Inflows of Resources			
Property Taxes	0	0	664,307
Unavailable Revenue	0	0	313,685
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>977,992</u>
Fund Balances			
Restricted	0	0	2,989,278
Committed	5,606	0	558,012
Assigned	0	0	194,840
Unassigned (Deficit)	0	(9,516)	(1,950,087)
<i>Total Fund Balances (Deficit)</i>	<u>5,606</u>	<u>(9,516)</u>	<u>1,792,043</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$5,606</u>	<u>\$22,201</u>	<u>\$6,411,298</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, 2014

	Equipment	Storm Water Detention	Road and Bridges	Land Purchases
Revenues				
Property Taxes	\$558,018	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0
Charges for Services	0	87,182	0	0
Intergovernmental	73,036	0	196,644	0
Interest	0	0	0	0
Rentals	0	0	0	0
Miscellaneous	27,593	0	360	0
<i>Total Revenues</i>	<u>658,647</u>	<u>87,182</u>	<u>197,004</u>	<u>0</u>
Expenditures				
Capital Outlay	610,641	50,102	2,248,388	1,011
Debt Service:				
Principal Retirement	94,786	0	0	0
Interest and Fiscal Charges	80,227	0	0	0
Bond Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>785,654</u>	<u>50,102</u>	<u>2,248,388</u>	<u>1,011</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(127,007)</u>	<u>37,080</u>	<u>(2,051,384)</u>	<u>(1,011)</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	0	0	0
Premium on General Obligation Bonds Issued	0	0	0	0
OPWC Loans Issued	0	0	114,014	0
Transfers In	0	0	2,319,119	0
Transfers Out	0	0	(350,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>2,083,133</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(127,007)</u>	<u>37,080</u>	<u>31,749</u>	<u>(1,011)</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,335,605</u>	<u>54,250</u>	<u>(82,095)</u>	<u>7,662</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,208,598</u>	<u>\$91,330</u>	<u>(\$50,346)</u>	<u>\$6,651</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, 2014

	French Creek Restoration	Sidewalk Programs	Storm Sewers	Municipal Buildings
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0
Charges for Services	0	0	0	0
Intergovernmental	0	1,413	0	0
Interest	0	0	0	1,938
Rentals	0	0	0	414,425
Miscellaneous	0	0	0	25
<i>Total Revenues</i>	<u>0</u>	<u>1,413</u>	<u>0</u>	<u>416,388</u>
Expenditures				
Capital Outlay	0	18,764	38,854	504,708
Debt Service:				
Principal Retirement	0	0	0	255,000
Interest and Fiscal Charges	0	0	847	152,518
Bond Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>18,764</u>	<u>39,701</u>	<u>912,226</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>(17,351)</u>	<u>(39,701)</u>	<u>(495,838)</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	0	0	0
Premium on General Obligation Bonds Issued	0	0	0	0
OPWC Loans Issued	0	0	0	0
Transfers In	0	25,000	396,775	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>25,000</u>	<u>396,775</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	7,649	357,074	(495,838)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>4,120</u>	<u>4,299</u>	<u>(269,632)</u>	<u>65,559</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$4,120</u></u>	<u><u>\$11,948</u></u>	<u><u>\$87,442</u></u>	<u><u>(\$430,279)</u></u>

I-90 Interchange	Recreation Complex	Stadium Marquee	Capital Improvements	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$558,018
0	1,321,525	0	0	1,321,525
0	0	0	0	87,182
0	0	0	0	271,093
72	0	0	0	2,010
0	0	0	0	414,425
87	0	0	0	28,065
159	1,321,525	0	0	2,682,318
474,302	49,632	0	80,202	4,076,604
0	295,000	0	0	644,786
28,007	797,891	0	0	1,059,490
106,786	0	0	0	106,786
609,095	1,142,523	0	80,202	5,887,666
(608,936)	179,002	0	(80,202)	(3,205,348)
5,235,000	0	0	0	5,235,000
211,786	0	0	0	211,786
0	0	0	0	114,014
0	0	0	400,000	3,140,894
0	0	0	(525,000)	(875,000)
5,446,786	0	0	(125,000)	7,826,694
4,837,850	179,002	0	(205,202)	4,621,346
(4,523,767)	373,404	5,606	195,686	(2,829,303)
\$314,083	\$552,406	\$5,606	(\$9,516)	\$1,792,043

Fiduciary Funds

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

Agency Funds

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

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

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

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

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

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

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

City of Avon, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2014

	Beginning Balance 12/31/13	Additions	Deductions	Ending Balance 12/31/14
Deposits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$408,926	\$1,234,975	\$1,013,051	\$630,850
Liabilities				
Deposits Held and Due to Others	\$408,926	\$1,234,975	\$1,013,051	\$630,850
 Lorain Public Library				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$438,541	\$438,541	\$0
Liabilities				
Intergovernmental Payable	\$0	\$438,541	\$438,541	\$0
 North Ridgeville Sewer				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$74,514	\$108,239	\$182,753	\$0
Liabilities				
Intergovernmental Payable	\$74,514	\$108,239	\$182,753	\$0
 Avon Lake Sanitary Sewer Trunk Fees				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$28,451	\$179,316	\$25,715	\$182,052
Liabilities				
Deposits Held and Due to Others	\$28,451	\$179,316	\$25,715	\$182,052

(continued)

City of Avon, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds (continued)
For the Year Ended December 31, 2014

	Beginning Balance 12/31/13	Additions	Deductions	Ending Balance 12/31/14
Clearing Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$6	\$350,908	\$347,703	\$3,211
Liabilities				
Deposits Held and Due to Others	\$6	\$350,908	\$347,703	\$3,211
Subdivisions				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,288,820	\$664,411	\$456,520	\$1,496,711
Liabilities				
Deposits Held and Due to Others	\$1,288,820	\$664,411	\$456,520	\$1,496,711
Mayor's Court				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$0	\$245,500	\$245,500	\$0
Liabilities				
Deposits Held and Due to Others	\$0	\$245,500	\$245,500	\$0
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,800,717	\$2,976,390	\$2,464,283	\$2,312,824
Cash and Cash Equivalents in Segregated Accounts	0	245,500	245,500	0
<i>Total Assets</i>	<u>\$1,800,717</u>	<u>\$3,221,890</u>	<u>\$2,709,783</u>	<u>\$2,312,824</u>
Liabilities				
Deposits Held and Due to Others	\$1,726,203	\$2,675,110	\$2,088,489	\$2,312,824
Intergovernmental Payable	74,514	546,780	621,294	0
<i>Total Liabilities</i>	<u>\$1,800,717</u>	<u>\$3,221,890</u>	<u>\$2,709,783</u>	<u>\$2,312,824</u>

**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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Property Taxes	\$1,245,195	\$1,526,786	\$1,526,786	\$0
Municipal Income Taxes	5,772,903	7,078,400	7,102,984	24,584
Charges for Services	302,812	371,290	378,122	6,832
Licenses and Permits	1,032,264	1,265,703	1,263,957	(1,746)
Fines and Forfeitures	197,408	242,050	252,229	10,179
Intergovernmental	463,296	568,067	591,848	23,781
Interest	41,047	50,330	49,333	(997)
Contributions and Donations	130	150	150	0
Rentals	5,960	6,893	7,735	842
Miscellaneous	353,968	429,792	421,736	(8,056)
<i>Total Revenues</i>	<u>9,414,983</u>	<u>11,539,461</u>	<u>11,594,880</u>	<u>55,419</u>
Expenditures				
Current:				
General Government:				
Mayor:				
Personal Services	130,931	272,080	250,532	21,548
Materials and Supplies	4,894	10,170	9,261	909
Contractual Services	58,805	122,200	100,884	21,316
Total Mayor	<u>194,630</u>	<u>404,450</u>	<u>360,677</u>	<u>43,773</u>
Finance:				
Personal Services	269,495	560,022	504,790	55,232
Materials and Supplies	5,945	12,353	9,182	3,171
Contractual Services	39,880	82,872	46,229	36,643
Capital Outlay	6,857	14,250	3,000	11,250
Total Finance	<u>322,177</u>	<u>669,497</u>	<u>563,201</u>	<u>106,296</u>
Treasurer:				
Personal Services	9,852	20,472	19,954	518
Materials and Supplies	587	1,220	1,220	0
Contractual Services	436	905	884	21
Total Treasurer	<u>10,875</u>	<u>22,597</u>	<u>22,058</u>	<u>539</u>
Law Director:				
Personal Services	81,214	168,766	165,492	3,274
Materials and Supplies	1,684	3,500	2,338	1,162
Contractual Services	129,208	268,500	262,219	6,281
Total Law Director	<u>\$212,106</u>	<u>\$440,766</u>	<u>\$430,049</u>	<u>\$10,717</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Council:				
Personal Services	\$98,351	\$204,377	\$189,874	\$14,503
Materials and Supplies	6,191	12,866	11,882	984
Contractual Services	15,279	31,750	25,692	6,058
Total Council	119,821	248,993	227,448	21,545
City Hall:				
Personal Services	18,128	37,670	26,164	11,506
Materials and Supplies	31,295	65,032	59,982	5,050
Contractual Services	111,327	231,342	213,162	18,180
Capital Outlay	26,467	55,000	51,741	3,259
Other	2,406	5,000	2,585	2,415
Total City Hall	189,623	394,044	353,634	40,410
Civil Service:				
Personal Services	2,566	5,333	4,284	1,049
Materials and Supplies	38	80	0	80
Contractual Services	7,218	15,000	1,858	13,142
Other	58	120	120	0
Total Civil Service	9,880	20,533	6,262	14,271
Records:				
Personal Services	4,556	9,467	8,264	1,203
Materials and Supplies	481	1,000	0	1,000
Contractual Services	962	2,000	0	2,000
Total Records	5,999	12,467	8,264	4,203
Statutory Accounts:				
Personal Services	144,780	300,860	245,838	55,022
Material and Supplies	152,204	316,286	222,735	93,551
Total Statutory Accounts	296,984	617,146	468,573	148,573
Legal:				
Personal Services	1,673	3,477	3,439	38
Materials and Supplies	289	600	500	100
Contractual Services	1,909	3,967	3,767	200
Total Legal	\$3,871	\$8,044	\$7,706	\$338

(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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Engineer:				
Personal Services	\$104,784	\$217,746	\$127,567	\$90,179
Materials and Supplies	3,079	6,399	4,074	2,325
Contractual Services	232,574	483,300	249,667	233,633
Capital Outlay	9,624	20,000	1,154	18,846
Total Engineer	350,061	727,445	382,462	344,983
Human Resources:				
Personal Services	25,037	52,027	40,723	11,304
Materials and Supplies	481	1,000	465	535
Contractual Services	1,203	2,500	1,765	735
Total Human Resources	26,721	55,527	42,953	12,574
Grant Coordinator:				
Contractual Services	12,031	25,000	24,258	742
Project Coordinator:				
Personal Services	8,351	17,353	14,999	2,354
Income Tax Department:				
Contractual Services	112,606	234,000	229,690	4,310
Unclaimed Monies:				
Unclaimed Monies	0	0	925	(925)
Total General Government	1,875,736	3,897,862	3,143,159	754,703
Community Environment:				
Avon Seniors:				
Personal Services	214,698	214,698	187,584	27,114
Materials and Supplies	30,500	30,500	19,841	10,659
Contractual Services	38,000	38,000	32,124	5,876
Capital Outlay	35,000	35,000	19,494	15,506
Other	100	100	0	100
Total Avon Seniors	318,298	318,298	259,043	59,255
Planning Commission:				
Personal Services	133,243	276,885	218,141	58,744
Materials and Supplies	2,047	4,254	4,148	106
Contractual Services	25,324	52,625	48,705	3,920
Other	481	1,000	607	393
Total Planning Commission	\$161,095	\$334,764	\$271,601	\$63,163

(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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Cemetery:				
Contractual Services	\$1,000	\$1,000	\$0	\$1,000
Building Inspector:				
Personal Services	383,481	796,890	779,262	17,628
Materials and Supplies	22,207	46,147	29,915	16,232
Contractual Services	111,422	231,539	171,313	60,226
Capital Outlay	22,617	47,000	25,099	21,901
Other	2,406	5,000	5,000	0
Total Building Inspector	542,133	1,126,576	1,010,589	115,987
Safety Director/Zoning Officer:				
Personal Services	29,812	61,950	61,884	66
Materials and Supplies	120	250	150	100
Contractual Services	770	1,600	100	1,500
Total Safety Director/Zoning Officer	30,702	63,800	62,134	1,666
Total Community Environment	1,053,228	1,844,438	1,603,367	241,071
Leisure Time Activities:				
Community Center:				
Personal Services	11,213	16,032	13,192	2,840
Materials and Supplies	1,049	1,500	1,063	437
Contractual Services	3,147	4,500	1,634	2,866
Other	350	500	130	370
Total Leisure Time Activities	15,759	22,532	16,019	6,513
<i>Total Expenditures</i>	2,944,723	5,764,832	4,762,545	1,002,287
<i>Excess of Revenues Over Expenditures</i>	6,470,260	5,774,629	6,832,335	1,057,706
Other Financing Sources (Uses)				
Sale of Capital Assets	1,064	1,064	1,064	0
Advances Out	(405,000)	(405,000)	(405,000)	0
Transfers In	8,350,273	8,350,273	8,225,273	(125,000)
Transfers Out	(15,150,814)	(15,150,814)	(16,051,087)	(900,273)
<i>Total Other Financing Sources (Uses)</i>	(7,204,477)	(7,204,477)	(8,229,750)	(1,025,273)
<i>Net Change in Fund Balance</i>	(734,217)	(1,429,848)	(1,397,415)	32,433
<i>Fund Balance Beginning of Year</i>	3,989,265	3,989,265	3,989,265	0
Prior Year Encumbrances Appropriated	188,284	188,284	188,284	0
<i>Fund Balance End of Year</i>	\$3,443,332	\$2,747,701	\$2,780,134	\$32,433

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Municipal Income Taxes	\$4,141,820	\$4,141,820	\$4,177,596	\$35,776
Charges for Services	435,000	435,000	442,863	7,863
Intergovernmental	0	0	2,731	2,731
Miscellaneous	5,500	5,500	4,402	(1,098)
<i>Total Revenues</i>	<u>4,582,320</u>	<u>4,582,320</u>	<u>4,627,592</u>	<u>45,272</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire Department:				
Personal Services	4,158,362	4,165,452	3,994,453	170,999
Materials and Supplies	212,166	212,528	195,416	17,112
Contractual Services	321,836	322,385	298,324	24,061
<i>Total Expenditures</i>	<u>4,692,364</u>	<u>4,700,365</u>	<u>4,488,193</u>	<u>212,172</u>
<i>Net Change in Fund Balance</i>	(110,044)	(118,045)	139,399	257,444
<i>Fund Balance Beginning of Year</i>	773,072	773,072	773,072	0
Prior Year Encumbrances Appropriated	30,099	30,099	30,099	0
<i>Fund Balance End of Year</i>	<u>\$693,127</u>	<u>\$685,126</u>	<u>\$942,570</u>	<u>\$257,444</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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property Taxes	\$1,168,716	\$1,184,327	\$1,184,327	\$0
Intergovernmental	935,716	948,214	1,027,179	78,965
Interest	1,362	1,380	1,370	(10)
Miscellaneous	20,227	20,608	20,608	0
<i>Total Revenues</i>	<u>2,126,021</u>	<u>2,154,529</u>	<u>2,233,484</u>	<u>78,955</u>
Expenditures				
Current:				
Transportation:				
Street Department:				
Personal Services	1,316,769	1,336,569	1,272,684	63,885
Materials and Supplies	746,032	757,250	679,634	77,616
Contractual Services	276,988	281,153	241,231	39,922
Capital Outlay	405,178	411,270	381,342	29,928
<i>Total Transportation</i>	<u>2,744,967</u>	<u>2,786,242</u>	<u>2,574,891</u>	<u>211,351</u>
Debt Service:				
Principal Retirement	184,575	184,575	184,575	0
Interest and Fiscal Charges	47,600	47,600	47,575	25
<i>Total Debt Service</i>	<u>232,175</u>	<u>232,175</u>	<u>232,150</u>	<u>25</u>
<i>Total Expenditures</i>	<u>2,977,142</u>	<u>3,018,417</u>	<u>2,807,041</u>	<u>211,376</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(851,121)</u>	<u>(863,888)</u>	<u>(573,557)</u>	<u>290,331</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	8,279	8,279	8,279	0
Transfers In	25,000	25,000	25,000	0
Transfers Out	(25,000)	(25,000)	(25,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>8,279</u>	<u>8,279</u>	<u>8,279</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(842,842)	(855,609)	(565,278)	290,331
<i>Fund Balance Beginning of Year</i>	686,762	686,762	686,762	0
Prior Year Encumbrances Appropriated	211,739	211,739	211,739	0
<i>Fund Balance End of Year</i>	<u>\$55,659</u>	<u>\$42,892</u>	<u>\$333,223</u>	<u>\$290,331</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Property Taxes	\$669,338	\$623,845	\$623,845	\$0
Municipal Income Taxes	974,407	908,180	893,598	(14,582)
Licenses and Permits	161	150	150	0
Fines and Forfeitures	3,863	3,600	2,333	(1,267)
Intergovernmental	96,607	90,041	105,177	15,136
Contributions and Donations	114	106	106	0
Miscellaneous	37,560	34,125	31,439	(2,686)
<i>Total Revenues</i>	<u>1,782,050</u>	<u>1,660,047</u>	<u>1,656,648</u>	<u>(3,399)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Personal Services	4,904,297	4,780,806	4,609,534	171,272
Materials and Supplies	305,552	297,858	232,805	65,053
Contractual Services	429,504	418,689	365,313	53,376
<i>Total Expenditures</i>	<u>5,639,353</u>	<u>5,497,353</u>	<u>5,207,652</u>	<u>289,701</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,857,303)</u>	<u>(3,837,306)</u>	<u>(3,551,004)</u>	<u>286,302</u>
Other Financing Sources				
Sale of Capital Assets	12,979	12,979	12,979	0
Transfers In	3,525,000	3,525,000	3,525,000	0
<i>Total Other Financing Sources</i>	<u>3,537,979</u>	<u>3,537,979</u>	<u>3,537,979</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(319,324)	(299,327)	(13,025)	286,302
<i>Fund Balance Beginning of Year</i>	326,719	326,719	326,719	0
Prior Year Encumbrances Appropriated	64,185	64,185	64,185	0
<i>Fund Balance End of Year</i>	<u>\$71,580</u>	<u>\$91,577</u>	<u>\$377,879</u>	<u>\$286,302</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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for Services	\$1,662,845	\$440,597	\$369,884	(\$70,713)
Miscellaneous	26,552	26,552	26,552	0
<i>Total Revenues</i>	<u>1,689,397</u>	<u>467,149</u>	<u>396,436</u>	<u>(70,713)</u>
Expenditures				
Debt Service:				
Principal Retirement	1,528,917	949,674	949,667	7
Interest and Fiscal Charges	1,747,174	1,085,243	1,080,113	5,130
<i>Total Expenditures</i>	<u>3,276,091</u>	<u>2,034,917</u>	<u>2,029,780</u>	<u>5,137</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,586,694)</u>	<u>(1,567,768)</u>	<u>(1,633,344)</u>	<u>(65,576)</u>
Other Financing Sources (Uses)				
Transfers In	2,734,565	2,734,565	2,734,565	0
Transfers Out	(1,136,645)	(1,136,645)	(1,066,645)	70,000
<i>Total Other Financing Sources (Uses)</i>	<u>1,597,920</u>	<u>1,597,920</u>	<u>1,667,920</u>	<u>70,000</u>
<i>Net Change in Fund Balance</i>	11,226	30,152	34,576	4,424
<i>Fund Balance Beginning of Year</i>	<u>63,560</u>	<u>63,560</u>	<u>63,560</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$74,786</u></u>	<u><u>\$93,712</u></u>	<u><u>\$98,136</u></u>	<u><u>\$4,424</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Special Assessments	\$986,545	\$839,998	\$839,998	\$0
Expenditures				
Current:				
General Government:				
Special Assessment Bond Retirement:				
Contractual Services	5,295	41,695	29,044	12,651
Debt Service:				
Principal Retirement	411,196	411,196	404,196	7,000
Interest and Fiscal Charges	431,746	431,746	421,504	10,242
Total Debt Service	842,942	842,942	825,700	17,242
<i>Total Expenditures</i>	848,237	884,637	854,744	29,893
<i>Net Change in Fund Balance</i>	138,308	(44,639)	(14,746)	29,893
<i>Fund Balance Beginning of Year</i>	264,730	264,730	264,730	0
<i>Fund Balance End of Year</i>	\$403,038	\$220,091	\$249,984	\$29,893

City of Avon, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Swimming Pool Fund
For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Interest	\$0	\$2,500	\$2,616	\$116
Expenditures				
Capital Outlay:				
Municipal Swimming Pool:				
Capital Outlay	50,000	329,180	329,032	148
<i>Excess of Revenues Under Expenditures</i>	(50,000)	(326,680)	(326,416)	264
Other Financing Sources				
Note Proceeds	0	4,850,000	4,850,000	0
Advances In	279,180	279,180	279,180	0
<i>Total Other Financing Sources</i>	279,180	5,129,180	5,129,180	0
<i>Net Change in Fund Balance</i>	229,180	4,802,500	4,802,764	264
<i>Fund Balance Beginning of Year</i>	50,000	50,000	50,000	0
<i>Fund Balance End of Year</i>	\$279,180	\$4,852,500	\$4,852,764	\$264

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for Services	\$2,875,924	\$3,003,964	\$3,222,763	\$218,799
Special Assessments	1,799	1,799	1,799	0
Interest	17,104	17,865	18,144	279
Other Operating Revenues	67,894	70,109	81,929	11,820
Bond Anticipation Notes Issued	9,800,000	9,800,000	9,800,000	0
<i>Total Revenues</i>	<i>12,762,721</i>	<i>12,893,737</i>	<i>13,124,635</i>	<i>230,898</i>
Expenses				
Personal Services	160,369	584,821	554,110	30,711
Materials and Supplies	677,916	1,893,330	1,796,332	96,998
Contractual Services	67,762	247,110	220,224	26,886
Other	4,113	15,000	8,110	6,890
Capital Outlay	2,015,373	7,928,340	7,824,245	104,095
Debt Service:				
Principal Retirement	146,701	146,701	146,701	0
Interest and Fiscal Charges	86,606	86,606	86,185	421
<i>Total Expenses</i>	<i>3,158,840</i>	<i>10,901,908</i>	<i>10,635,907</i>	<i>266,001</i>
<i>Excess of Revenues Over Expenses</i> <i> Before Advances and Transfers</i>	<i>9,603,881</i>	<i>1,991,829</i>	<i>2,488,728</i>	<i>496,899</i>
Advances In	300,000	300,000	300,000	0
Advances Out	(300,000)	(300,000)	(300,000)	0
Transfers Out	(6,303)	(6,303)	(6,303)	0
<i>Net Change in Fund Equity</i>	<i>9,597,578</i>	<i>1,985,526</i>	<i>2,482,425</i>	<i>496,899</i>
<i>Fund Equity Beginning of Year</i>	<i>2,338,389</i>	<i>2,338,389</i>	<i>2,338,389</i>	<i>0</i>
Prior Year Encumbrances Appropriated	290,353	290,353	290,353	0
<i>Fund Equity End of Year</i>	<i>\$12,226,320</i>	<i>\$4,614,268</i>	<i>\$5,111,167</i>	<i>\$496,899</i>

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for Services	\$3,498,303	\$3,100,628	\$3,316,950	\$216,322
Other Operating Revenues	7,405	6,563	6,563	0
<i>Total Revenues</i>	3,505,708	3,107,191	3,323,513	216,322
Expenses				
Personal Services	548,905	572,662	545,409	27,253
Materials and Supplies	2,108,060	2,198,706	1,805,229	393,477
Contractual Services	116,337	121,372	89,505	31,867
Other	10,064	10,500	8,085	2,415
Capital Outlay	106,542	114,020	99,616	14,404
Debt Service:				
Principal Retirement	71,981	71,981	71,981	0
Interest and Fiscal Charges	82,280	82,280	82,261	19
<i>Total Expenses</i>	3,044,169	3,171,521	2,702,086	469,435
<i>Excess of Revenues Over (Under) Expenses Before Transfers</i>	461,539	(64,330)	621,427	685,757
Transfers In	180,758	180,758	180,758	0
Transfers Out	(187,061)	(187,061)	(187,061)	0
<i>Net Change in Fund Equity</i>	455,236	(70,633)	615,124	685,757
<i>Fund Equity Beginning of Year</i>	1,014,812	1,014,812	1,014,812	0
Prior Year Encumbrances Appropriated	17,487	17,487	17,487	0
<i>Fund Equity End of Year</i>	\$1,487,535	\$961,666	\$1,647,423	\$685,757

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Current:				
Community Environment:				
Recycling:				
Personal Services	6,441	6,000	5,841	159
Material and Supplies	5,489	5,113	5,052	61
Contractual Services	<u>120,130</u>	<u>111,905</u>	<u>111,905</u>	<u>0</u>
<i>Total Expenditures</i>	<u>132,060</u>	<u>123,018</u>	<u>122,798</u>	<u>220</u>
<i>Excess of Revenues Under Expenditures</i>	(132,060)	(123,018)	(122,798)	220
Other Financing Sources				
Transfers In	<u>130,000</u>	<u>107,000</u>	<u>107,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(2,060)	(16,018)	(15,798)	220
<i>Fund Balance Beginning of Year</i>	16,044	16,044	16,044	0
Prior Year Encumbrances Appropriated	<u>60</u>	<u>60</u>	<u>60</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$14,044</u></u>	<u><u>\$86</u></u>	<u><u>\$306</u></u>	<u><u>\$220</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
ADA Parking Violations Fund
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	16	16	16	0
<i>Fund Balance End of Year</i>	\$16	\$16	\$16	\$0

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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Intergovernmental	\$63,960	\$63,960	\$69,740	\$5,780
Interest	500	500	459	(41)
<i>Total Revenues</i>	64,460	64,460	70,199	5,739
Expenditures				
Current:				
Transportation:				
State Highway:				
Material and Supplies	50,000	50,000	19,709	30,291
Contractual Services	80,000	80,000	57,534	22,466
<i>Total Expenditures</i>	130,000	130,000	77,243	52,757
<i>Net Change in Fund Balance</i>	(65,540)	(65,540)	(7,044)	58,496
<i>Fund Balance Beginning of Year</i>	246,156	246,156	246,156	0
<i>Fund Balance End of Year</i>	\$180,616	\$180,616	\$239,112	\$58,496

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, 2014*

	<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	\$97,900	\$105,900	\$107,985	\$2,085
Expenditures				
Current:				
Transportation:				
Permissive Tax:				
Contractual Services	<u>204,750</u>	<u>204,750</u>	<u>192,484</u>	<u>12,266</u>
<i>Excess of Revenues Under Expenditures</i>	(106,850)	(98,850)	(84,499)	14,351
Other Financing Sources				
Transfers In	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(6,850)	1,150	15,501	14,351
<i>Fund Balance Beginning of Year</i>	<u>84,254</u>	<u>84,254</u>	<u>84,254</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$77,404</u></u>	<u><u>\$85,404</u></u>	<u><u>\$99,755</u></u>	<u><u>\$14,351</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Mayor's Court Computer Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Fines and Forfeitures	\$3,000	\$8,000	\$7,955	(\$45)
Expenditures				
Current:				
Community Environment:				
Mayor's Court Computer:				
Capital Outlay	15,600	15,600	3,151	12,449
<i>Net Change in Fund Balance</i>	(12,600)	(7,600)	4,804	12,404
<i>Fund Balance Beginning of Year</i>	78,652	78,652	78,652	0
Prior Year Encumbrances Appropriated	600	600	600	0
<i>Fund Balance End of Year</i>	<u>\$66,652</u>	<u>\$71,652</u>	<u>\$84,056</u>	<u>\$12,404</u>

City of Avon, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2014*

	<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	\$105,200	\$116,199	\$118,974	\$2,775
Expenditures				
Current:				
Leisure Time Activities:				
Recreation Department:				
Personal Services	52,027	56,819	48,064	8,755
Materials and Supplies	3,205	3,500	2,799	701
Contractual Services	8,470	9,250	8,570	680
Other	916	1,000	0	1,000
Total Recreation Department	64,618	70,569	59,433	11,136
Tennis Camp:				
Materials and Supplies	5,952	6,500	6,448	52
Adult Volleyball:				
Materials and Supplies	1,831	2,000	1,484	516
Men's Basketball:				
Materials and Supplies	458	500	250	250
Youth Basketball:				
Materials and Supplies	13,735	15,000	14,988	12
Adult Softball:				
Materials and Supplies	2,747	3,000	2,821	179
T-Ball:				
Materials and Supplies	1,831	2,000	1,731	269
Flag Football:				
Materials and Supplies	9,157	10,000	5,345	4,655
Safety Town:				
Materials and Supplies	5,036	5,500	4,445	1,055
Little Eagles:				
Materials and Supplies	10,988	12,000	11,015	985
Fishing:				
Materials and Supplies	\$1,099	\$1,200	\$1,200	\$0

(continued)

City of Avon, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund (continued)
For the Year Ended December 31, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Theater:				
Materials and Supplies	\$2,747	\$3,000	\$2,860	\$140
Youth Wrestling:				
Materials and Supplies	4,578	5,000	3,430	1,570
Youth Football:				
Materials and Supplies	13,735	15,000	14,960	40
Running Club:				
Materials and Supplies	5,494	6,000	5,350	650
Fitness Camp:				
Materials and Supplies	4,578	5,000	4,935	65
Educational:				
Materials and Supplies	3,663	4,000	3,590	410
Youth Baseball:				
Materials and Supplies	5,494	6,000	6,000	0
<i>Total Expenditures</i>	<u>157,741</u>	<u>172,269</u>	<u>150,285</u>	<u>21,984</u>
<i>Excess of Revenues Under Expenditures</i>	(52,541)	(56,070)	(31,311)	24,759
Other Financing Sources				
Transfers In	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(17,541)	(21,070)	3,689	24,759
<i>Fund Balance Beginning of Year</i>	<u>33,280</u>	<u>33,280</u>	<u>33,280</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$15,739</u></u>	<u><u>\$12,210</u></u>	<u><u>\$36,969</u></u>	<u><u>\$24,759</u></u>

City of Avon, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Park Operating Fund
For the Year Ended December 31, 2014*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$234,771	\$280,498	\$280,498	\$0
Municipal Income Taxes	385,144	460,160	462,679	2,519
Licenses and Permits	4,231	5,055	5,055	0
Intergovernmental	50,155	59,924	59,924	0
Contributions and Donations	4,185	5,000	4,350	(650)
Miscellaneous	14,958	17,872	17,635	(237)
<i>Total Revenues</i>	<u>693,444</u>	<u>828,509</u>	<u>830,141</u>	<u>1,632</u>
Expenditures				
Current:				
Leisure Time Activities:				
Park Operating:				
Personal Services	494,603	615,795	583,931	31,864
Materials and Supplies	69,215	86,175	80,530	5,645
Contractual Services	181,923	226,499	197,175	29,324
Capital Outlay	94,175	117,250	117,250	0
Other	803	1,000	115	885
<i>Total Expenditures</i>	<u>840,719</u>	<u>1,046,719</u>	<u>979,001</u>	<u>67,718</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(147,275)</u>	<u>(218,210)</u>	<u>(148,860)</u>	<u>69,350</u>
Other Financing Sources (Uses)				
Transfers In	350,000	350,000	350,000	0
Transfers Out	(225,000)	(225,000)	(225,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(22,275)	(93,210)	(23,860)	69,350
<i>Fund Balance Beginning of Year</i>	63,272	63,272	63,272	0
Prior Year Encumbrances Appropriated	<u>14,323</u>	<u>14,323</u>	<u>14,323</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$55,320</u></u>	<u><u>(\$15,615)</u></u>	<u><u>\$53,735</u></u>	<u><u>\$69,350</u></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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Licenses and Permits	\$168,950	\$200,950	\$205,963	\$5,013
Expenditures				
Current:				
Leisure Time Activities:				
Park Development:				
Contractual Services	48,393	6,522	6,522	0
Capital Outlay	8,904	1,200	0	1,200
Total Leisure Time Activities	57,297	7,722	6,522	1,200
Debt Service:				
Principal Retirement	59,025	59,025	59,024	1
Interest and Fiscal Charges	27,800	27,800	27,790	10
Total Debt Service	86,825	86,825	86,814	11
<i>Total Expenditures</i>	144,122	94,547	93,336	1,211
<i>Net Change in Fund Balance</i>	24,828	106,403	112,627	6,224
<i>Fund Balance Beginning of Year</i>	120,647	120,647	120,647	0
Prior Year Encumbrances Appropriated	7,722	7,722	7,722	0
<i>Fund Balance End of Year</i>	\$153,197	\$234,772	\$240,996	\$6,224

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Miscellaneous	\$1,000	\$700	\$700	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Donations:				
Contractual Services	<u>3,700</u>	<u>4,200</u>	<u>4,135</u>	<u>65</u>
<i>Net Change in Fund Balance</i>	(2,700)	(3,500)	(3,435)	65
<i>Fund Balance Beginning of Year</i>	4,782	4,782	4,782	0
Prior Year Encumbrances Appropriated	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,282</u></u>	<u><u>\$2,482</u></u>	<u><u>\$2,547</u></u>	<u><u>\$65</u></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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Property Taxes	\$60,894	\$61,071	\$61,071	\$0
Intergovernmental	7,220	7,241	7,241	0
Miscellaneous	218	219	219	0
<i>Total Revenues</i>	<u>68,332</u>	<u>68,531</u>	<u>68,531</u>	<u>0</u>
Expenditures				
Current:				
General Government:				
Contractual Services	600	1,200	978	222
Debt Service:				
Principal Retirement	70,000	70,000	70,000	0
Interest and Fiscal Charges	3,765	3,765	3,763	2
<i>Total Debt Service</i>	<u>73,765</u>	<u>73,765</u>	<u>73,763</u>	<u>2</u>
<i>Total Expenditures</i>	<u>74,365</u>	<u>74,965</u>	<u>74,741</u>	<u>224</u>
<i>Net Change in Fund Balance</i>	(6,033)	(6,434)	(6,210)	224
<i>Fund Balance Beginning of Year</i>	<u>7,972</u>	<u>7,972</u>	<u>7,972</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,939</u>	<u>\$1,538</u>	<u>\$1,762</u>	<u>\$224</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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Payment in Lieu of Taxes	\$2,548,956	\$2,535,911	\$2,535,911	\$0
Miscellaneous	11,044	10,987	10,987	0
<i>Total Revenues</i>	<u>2,560,000</u>	<u>2,546,898</u>	<u>2,546,898</u>	<u>0</u>
Expenditures				
Current:				
General Government:				
Contractual Services	1,673,640	1,650,964	1,650,964	0
Debt Service:				
Principal Retirement	322,528	322,528	321,997	531
Interest and Fiscal Charges	574,454	574,454	574,454	0
<i>Total Debt Service</i>	<u>896,982</u>	<u>896,982</u>	<u>896,451</u>	<u>531</u>
<i>Total Expenditures</i>	<u>2,570,622</u>	<u>2,547,946</u>	<u>2,547,415</u>	<u>531</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(10,622)</u>	<u>(1,048)</u>	<u>(517)</u>	<u>531</u>
Other Financing Sources (Uses)				
Transfers In	450,000	450,000	450,000	0
Transfers Out	(450,000)	(450,000)	(450,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(10,622)</u>	<u>(1,048)</u>	<u>(517)</u>	<u>531</u>
<i>Fund Balance Beginning of Year</i>	<u>13,382</u>	<u>13,382</u>	<u>13,382</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,760</u>	<u>\$12,334</u>	<u>\$12,865</u>	<u>\$531</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Property Taxes	\$535,992	\$558,018	\$558,018	\$0
Intergovernmental	70,153	73,036	73,036	0
Miscellaneous	14,395	14,987	14,987	0
<i>Total Revenues</i>	<u>620,540</u>	<u>646,041</u>	<u>646,041</u>	<u>0</u>
Expenditures				
Capital Outlay:				
Equipment:				
Materials and Supplies	14,449	16,200	8,980	7,220
Capital Outlay	645,587	723,836	625,384	98,452
Total Capital Outlay	<u>660,036</u>	<u>740,036</u>	<u>634,364</u>	<u>105,672</u>
Debt Service:				
Principal Retirement	94,786	94,786	94,786	0
Interest and Fiscal Charges	80,230	80,230	80,227	3
Total Debt Service	<u>175,016</u>	<u>175,016</u>	<u>175,013</u>	<u>3</u>
<i>Total Expenditures</i>	<u>835,052</u>	<u>915,052</u>	<u>809,377</u>	<u>105,675</u>
<i>Excess of Revenues Under Expenditures</i>	(214,512)	(269,011)	(163,336)	105,675
Other Financing Sources				
Transfers In	12,606	12,606	12,606	0
<i>Net Change in Fund Balance</i>	(201,906)	(256,405)	(150,730)	105,675
<i>Fund Balance Beginning of Year</i>	1,310,886	1,310,886	1,310,886	0
Prior Year Encumbrances Appropriated	31,336	31,336	31,336	0
<i>Fund Balance End of Year</i>	<u>\$1,140,316</u>	<u>\$1,085,817</u>	<u>\$1,191,492</u>	<u>\$105,675</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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for Services	\$30,000	\$81,120	\$87,182	\$6,062
Expenditures				
Capital Outlay:				
Storm Water Detention:				
Contractual Services	15,000	60,000	50,102	9,898
<i>Net Change in Fund Balance</i>	15,000	21,120	37,080	15,960
<i>Fund Balance Beginning of Year</i>	54,250	54,250	54,250	0
<i>Fund Balance End of Year</i>	\$69,250	\$75,370	\$91,330	\$15,960

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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Intergovernmental	\$0	\$196,644	\$196,644	\$0
Miscellaneous	0	360	360	0
<i>Total Revenues</i>	0	197,004	197,004	0
Expenditures				
Capital Outlay:				
Road and Bridge Programs:				
Capital Outlay	1,322,875	3,340,671	3,133,506	207,165
<i>Excess of Revenues Under Expenditures</i>	(1,322,875)	(3,143,667)	(2,936,502)	207,165
Other Financing Sources (Uses)				
OPWC Loans Issued	0	114,014	114,014	0
Advances In	0	405,000	405,000	0
Transfers In	2,044,119	2,219,119	2,319,119	100,000
Transfers Out	(350,000)	(350,000)	(350,000)	0
<i>Total Other Financing Sources (Uses)</i>	1,694,119	2,388,133	2,488,133	100,000
<i>Net Change in Fund Balance</i>	371,244	(755,534)	(448,369)	307,165
<i>Fund Balance Beginning of Year</i>	185,195	185,195	185,195	0
Prior Year Encumbrances Appropriated	666,814	666,814	666,814	0
<i>Fund Balance End of Year</i>	<u>\$1,223,253</u>	<u>\$96,475</u>	<u>\$403,640</u>	<u>\$307,165</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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Land Purchases:				
Capital Outlay	3,277	3,277	1,011	2,266
<i>Net Change in Fund Balance</i>	(3,277)	(3,277)	(1,011)	2,266
<i>Fund Balance Beginning of Year</i>	7,662	7,662	7,662	0
<i>Fund Balance End of Year</i>	\$4,385	\$4,385	\$6,651	\$2,266

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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	4,120	4,120	4,120	0
<i>Fund Balance End of Year</i>	<u>\$4,120</u>	<u>\$4,120</u>	<u>\$4,120</u>	<u>\$0</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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Intergovernmental	\$706	\$1,413	\$1,413	\$0
Expenditures				
Capital Outlay:				
Sidewalk Programs:				
Capital Outlay	4,500	29,500	21,206	8,294
<i>Excess of Revenues Under Expenditures</i>	(3,794)	(28,087)	(19,793)	8,294
Other Financing Sources				
Transfers In	0	25,000	25,000	0
<i>Net Change in Fund Balance</i>	(3,794)	(3,087)	5,207	8,294
<i>Fund Balance Beginning of Year</i>	4,299	4,299	4,299	0
<i>Fund Balance End of Year</i>	<u>\$505</u>	<u>\$1,212</u>	<u>\$9,506</u>	<u>\$8,294</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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Storm Sewers:				
Capital Outlay	205	115,205	115,205	0
Debt Service:				
Principal Retirement	395,000	395,000	395,000	0
Interest and Fiscal Charges	1,775	1,775	1,775	0
Total Debt Service	396,775	396,775	396,775	0
<i>Total Expenditures</i>	396,980	511,980	511,980	0
<i>Excess of Revenues Under Expenditures</i>	(396,980)	(511,980)	(511,980)	0
Other Financing Sources				
Transfers In	396,775	396,775	396,775	0
<i>Net Change in Fund Balance</i>	(205)	(115,205)	(115,205)	0
<i>Fund Balance Beginning of Year</i>	128,595	128,595	128,595	0
Prior Year Encumbrances Appropriated	205	205	205	0
<i>Fund Balance End of Year</i>	<u>\$128,595</u>	<u>\$13,595</u>	<u>\$13,595</u>	<u>\$0</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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Interest	\$1,105	\$1,500	\$1,471	(\$29)
Rentals	302,232	410,330	414,425	4,095
Miscellaneous	18	25	25	0
<i>Total Revenues</i>	<u>303,355</u>	<u>411,855</u>	<u>415,921</u>	<u>4,066</u>
Expenditures				
Capital Outlay:				
Municipal Buildings:				
Personal Services	12,243	12,919	12,575	344
Materials and Supplies	3,601	3,800	2,012	1,788
Contractual Services	21,158	22,325	9,679	12,646
Capital Outlay	2,502,786	2,640,893	2,465,957	174,936
Other	948	1,000	255	745
<i>Total Capital Outlay</i>	<u>2,540,736</u>	<u>2,680,937</u>	<u>2,490,478</u>	<u>190,459</u>
Debt Service:				
Principal Retirement	255,000	255,000	255,000	0
Interest and Fiscal Charges	144,296	144,296	144,296	0
<i>Total Debt Service</i>	<u>399,296</u>	<u>399,296</u>	<u>399,296</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,940,032</u>	<u>3,080,233</u>	<u>2,889,774</u>	<u>190,459</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,636,677)</u>	<u>(2,668,378)</u>	<u>(2,473,853)</u>	<u>194,525</u>
Other Financing Sources (Uses)				
Bond Anticipation Notes Issued	2,650,000	2,650,000	2,650,000	0
Advances Out	(47)	(47)	0	47
Transfers In	116,645	116,645	116,645	0
Transfers Out	(116,645)	(116,645)	(116,645)	0
<i>Total Other Financing Sources (Uses)</i>	<u>2,649,953</u>	<u>2,649,953</u>	<u>2,650,000</u>	<u>47</u>
<i>Net Change in Fund Balance</i>	13,276	(18,425)	176,147	194,572
<i>Fund Balance Beginning of Year</i>	<u>66,862</u>	<u>66,862</u>	<u>66,862</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$80,138</u>	<u>\$48,437</u>	<u>\$243,009</u>	<u>\$194,572</u>

City of Avon, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
I-90 Interchange Fund
For the Year Ended December 31, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Interest	\$0	\$88	\$88	\$0
Miscellaneous	0	87	87	0
<i>Total Revenues</i>	<u>0</u>	<u>175</u>	<u>175</u>	<u>0</u>
Expenditures				
Capital Outlay:				
I-90 Interchange:				
Capital Outlay	1,659,839	1,759,839	485,083	1,274,756
Debt Service:				
Principal Retirement	7,785,000	7,785,000	7,785,000	0
Interest and Fiscal Charges	84,950	84,950	46,302	38,648
Bond Issuance Costs	106,786	106,786	106,786	0
<i>Total Debt Service</i>	<u>7,976,736</u>	<u>7,976,736</u>	<u>7,938,088</u>	<u>38,648</u>
<i>Total Expenditures</i>	<u>9,636,575</u>	<u>9,736,575</u>	<u>8,423,171</u>	<u>1,313,404</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(9,636,575)</u>	<u>(9,736,400)</u>	<u>(8,422,996)</u>	<u>1,313,404</u>
Other Financing Sources				
General Obligation Bonds Issued	6,165,000	5,235,000	5,235,000	0
Premium on General Obligation Bonds	211,786	211,786	211,786	0
<i>Total Other Financing Sources</i>	<u>6,376,786</u>	<u>5,446,786</u>	<u>5,446,786</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(3,259,789)</u>	<u>(4,289,614)</u>	<u>(2,976,210)</u>	<u>1,313,404</u>
<i>Fund Balance Beginning of Year</i>	1,621,564	1,621,564	1,621,564	0
Prior Year Encumbrances Appropriated	1,709,839	1,709,839	1,709,839	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$71,614</u>	<u>(\$958,211)</u>	<u>\$355,193</u>	<u>\$1,313,404</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Municipal Income Taxes	\$1,211,932	\$1,425,600	\$1,388,036	(\$37,564)
Expenditures				
Current:				
General Government:				
Contractual Services	62,318	68,641	49,632	19,009
Debt Service:				
Principal Retirement	295,000	295,000	295,000	0
Interest and Fiscal Charges	797,891	797,891	797,891	0
Total Debt Service	1,092,891	1,092,891	1,092,891	0
<i>Total Expenditures</i>	1,155,209	1,161,532	1,142,523	19,009
<i>Excess of Revenues Over Expenditures</i>	56,723	264,068	245,513	(18,555)
Other Financing Sources (Uses)				
Advances Out	0	(279,180)	(279,180)	0
Transfers In	725,000	725,000	725,000	0
Transfers Out	(725,000)	(725,000)	(725,000)	0
<i>Total Other Financing Sources (Uses)</i>	0	(279,180)	(279,180)	0
<i>Net Change in Fund Balance</i>	56,723	(15,112)	(33,667)	(18,555)
<i>Fund Balance Beginning of Year</i>	88,988	88,988	88,988	0
<i>Fund Balance End of Year</i>	\$145,711	\$73,876	\$55,321	(\$18,555)

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Intergovernmental	\$12,500	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Stadium Marquee:				
Capital Outlay	12,500	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	5,606	5,606	5,606	0
<i>Fund Balance End of Year</i>	\$5,606	\$5,606	\$5,606	\$0

City of Avon, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvements Fund
For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Capital Improvements:				
Capital Outlay	49,150	49,150	48,485	665
<i>Excess of Revenues Under Expenditures</i>	(49,150)	(49,150)	(48,485)	665
Other Financing Sources (Uses)				
Transfers In	152,356	400,000	400,000	0
Transfers Out	(175,000)	(525,000)	(525,000)	0
<i>Total Other Financing Sources (Uses)</i>	(22,644)	(125,000)	(125,000)	0
<i>Net Change in Fund Balance</i>	(71,794)	(174,150)	(173,485)	665
<i>Fund Balance Beginning of Year</i>	146,536	146,536	146,536	0
Prior Year Encumbrances Appropriated	49,150	49,150	49,150	0
<i>Fund Balance End of Year</i>	\$123,892	\$21,536	\$22,201	\$665

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Around Avon



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-S13
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 tax.	S14-S25
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.	S26-S31
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.	S33-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-S43

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

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

	2014	2013	2012	2011
Governmental Activities:				
Net Investment in Capital Assets	\$29,363,504	\$35,478,485	\$42,052,213	\$48,907,059
Restricted:				
Capital Projects	0	0	2,865,172	1,890,372
Debt Service	7,274,056	7,431,775	5,139,122	2,015,083
Fire Department	1,763,116	1,487,099	1,035,146	710,228
Street Construction, Maintenance and Repair	758,676	1,294,404	1,471,867	1,440,649
Other Purposes	709,230	478,438	665,960	44,024
Unrestricted (Deficit)	7,976,066	894,802	(7,415,865)	(8,747,905)
<i>Total Governmental Activities Net Position</i>	<u>47,844,648</u>	<u>47,065,003</u>	<u>45,813,615</u>	<u>46,259,510</u>
Business Type - Activities:				
Net Investment in Capital Assets	24,624,861	25,528,673	25,871,513	29,636,176
Unrestricted (Deficit)	6,410,308	5,358,825	5,481,758	(182,452)
<i>Total Business-Type Activities Net Position</i>	<u>31,035,169</u>	<u>30,887,498</u>	<u>31,353,271</u>	<u>29,453,724</u>
Primary Government:				
Net Investment in Capital Assets	53,988,365	61,007,158	67,923,726	78,543,235
Restricted	10,505,078	10,691,716	11,177,267	6,100,356
Unrestricted (Deficit)	14,386,374	6,253,627	(1,934,107)	(8,930,357)
<i>Total Primary Government Net Position</i>	<u>\$78,879,817</u>	<u>\$77,952,501</u>	<u>\$77,166,886</u>	<u>\$75,713,234</u>

2010	2009	2008	2007	2006	2005
\$54,276,654	\$46,612,947	\$47,659,906	\$50,184,764	\$50,319,254	\$48,545,323
0	1,129,478	0	2,474,044	2,213,629	3,231,787
1,347,716	1,445,051	1,714,977	2,255,097	1,407,892	1,444,688
376,263	1,297,579	1,876,277	3,369,930	2,613,979	1,884,793
1,760,913	1,368,224	1,072,610	836,575	734,079	752,640
488,915	849,084	936,764	884,183	1,034,770	1,235,143
(1,799,650)	6,779,793	5,976,457	2,488,208	2,805,147	771,107
56,450,811	59,482,156	59,236,991	62,492,801	61,128,750	57,865,481
26,368,440	27,616,704	27,306,773	25,494,999	24,570,995	23,504,509
3,170,654	3,559,010	3,980,420	5,272,777	6,414,575	6,767,325
29,539,094	31,175,714	31,287,193	30,767,776	30,985,570	30,271,834
80,645,094	74,229,651	74,966,679	75,679,763	74,890,249	72,049,832
3,973,807	6,089,416	5,600,628	9,819,829	8,004,349	8,549,051
1,371,004	10,338,803	9,956,877	7,760,985	9,219,722	7,538,432
\$85,989,905	\$90,657,870	\$90,524,184	\$93,260,577	\$92,114,320	\$88,137,315

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

	2014	2013	2012	2011
Program Revenues				
Governmental Activities				
Charges for Services and Operating Assessments:				
General Government	\$2,016,543	\$6,309,922	\$6,766,870	\$1,628,202
Security of Persons and Property	435,775	440,527	488,240	1,816
Transportation	0	1,251,613	95,000	0
Community Environment	1,092,889	779,557	885,991	394,643
Basic Utility Services	87,182	34,791	18,911	0
Leisure Time Activities	336,570	277,233	234,889	221,838
Subtotal - Charges for Services	<u>3,968,959</u>	<u>9,093,643</u>	<u>8,489,901</u>	<u>2,246,499</u>
Operating Grants and Contributions:				
General Government	7,778	5,168	7,851	9,033
Security of Persons and Property	108,650	89,373	75,479	10,448
Transportation	1,239,055	1,178,946	1,177,492	1,112,132
Community Environment	0	0	0	11,955
Basic Utility Services	0	0	0	0
Leisure Time Activities	64,625	70,213	24,594	21,675
Subtotal - Operating Grants and Contributions	<u>1,420,108</u>	<u>1,343,700</u>	<u>1,285,416</u>	<u>1,165,243</u>
Capital Grants and Contributions:				
General Government	75,239	108,822	74,772	325,251
Transportation	699,636	628,713	110,124	246,075
Community Environment	420,710	364,393	0	0
Basic Utility Services	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>1,195,585</u>	<u>1,101,928</u>	<u>184,896</u>	<u>571,326</u>
<i>Total Governmental Activities Program Revenues</i>	<u>6,584,652</u>	<u>11,539,271</u>	<u>9,960,213</u>	<u>3,983,068</u>
Business-Type Activities:				
Charges for Services:				
Water	3,250,484	2,561,315	3,170,442	2,105,969
Sewer	3,330,982	1,788,695	2,738,682	1,644,692
Subtotal - Charges for Services	<u>6,581,466</u>	<u>4,350,010</u>	<u>5,909,124</u>	<u>3,750,661</u>
Capital Grants and Contributions				
Water	0	318,715	87,805	77,010
Sewer	111,193	230,520	185,721	63,408
Subtotal - Capital Grants and Contributions	<u>111,193</u>	<u>549,235</u>	<u>273,526</u>	<u>140,418</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>6,692,659</u>	<u>4,899,245</u>	<u>6,182,650</u>	<u>3,891,079</u>
<i>Total Primary Government Program Revenues</i>	<u>\$13,277,311</u>	<u>\$16,438,516</u>	<u>\$16,142,863</u>	<u>\$7,874,147</u>

2010	2009	2008	2007	2006	2005
\$1,122,652	\$1,420,788	\$1,109,333	\$2,058,970	\$367,172	\$1,186,202
2,340	1,771	88,885	11,871	10,213	10,036
0	0	0	0	50	750
457,238	429,764	470,431	555,772	1,272,496	681,953
0	20,052	30,219	450	16,828	32,247
272,808	219,656	296,925	333,573	365,727	454,726
<u>1,855,038</u>	<u>2,092,031</u>	<u>1,995,793</u>	<u>2,960,636</u>	<u>2,032,486</u>	<u>2,365,914</u>
150,827	8,810	131,238	51,326	0	0
230,744	150,203	175,872	101,026	0	32,081
1,239,397	1,178,652	1,382,026	1,017,795	991,097	860,389
87,280	81,575	163,341	70,429	70,429	68,001
0	0	150,000	0	0	0
65,314	56,530	56,496	20,246	42,815	13,893
<u>1,773,562</u>	<u>1,475,770</u>	<u>2,058,973</u>	<u>1,260,822</u>	<u>1,104,341</u>	<u>974,364</u>
0	105,407	0	0	0	22,480
0	1,142,925	0	0	1,816,365	3,988,681
0	0	0	0	0	217,267
0	0	0	0	0	573,019
<u>0</u>	<u>1,248,332</u>	<u>0</u>	<u>0</u>	<u>1,816,365</u>	<u>4,801,447</u>
3,628,600	4,816,133	4,054,766	4,221,458	4,953,192	8,141,725
2,613,627	2,007,943	2,144,366	2,350,121	2,137,300	2,258,379
1,356,918	1,628,898	1,322,418	1,267,601	1,143,598	1,021,487
<u>3,970,545</u>	<u>3,636,841</u>	<u>3,466,784</u>	<u>3,617,722</u>	<u>3,280,898</u>	<u>3,279,866</u>
0	0	507,811	121,800	276,477	1,540,005
310,925	453,148	587,409	242,036	406,870	2,012,709
<u>310,925</u>	<u>453,148</u>	<u>1,095,220</u>	<u>363,836</u>	<u>683,347</u>	<u>3,552,714</u>
4,281,470	4,089,989	4,562,004	3,981,558	3,964,245	6,832,580
<u>\$7,910,070</u>	<u>\$8,906,122</u>	<u>\$8,616,770</u>	<u>\$8,203,016</u>	<u>\$8,917,437</u>	<u>\$14,974,305</u>

(continued)

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses				
Governmental Activities:				
General Government	\$5,326,980	\$6,098,761	\$5,244,263	\$4,525,898
Security of Persons and Property	10,094,196	10,444,993	9,315,052	8,769,685
Transportation	5,862,901	6,538,774	6,284,978	4,150,279
Community Environment	1,728,765	1,544,542	1,521,616	1,320,973
Basic Utility Services	688,440	996,170	618,381	682,667
Leisure Time Activities	1,302,661	1,888,391	1,432,240	1,464,779
Interest and Fiscal Charges	<u>2,976,565</u>	<u>2,822,762</u>	<u>2,688,373</u>	<u>2,300,130</u>
<i>Total Governmental Activities Expenses</i>	<u>27,980,508</u>	<u>30,334,393</u>	<u>27,104,903</u>	<u>23,214,411</u>
Business-Type Activities				
Water	3,102,338	3,063,812	3,239,898	2,338,775
Sewer	<u>3,555,325</u>	<u>2,311,111</u>	<u>1,142,172</u>	<u>1,662,416</u>
<i>Total Business-Type Activities Expenses</i>	<u>6,657,663</u>	<u>5,374,923</u>	<u>4,382,070</u>	<u>4,001,191</u>
<i>Total Primary Government Program Expenses</i>	<u>34,638,171</u>	<u>35,709,316</u>	<u>31,486,973</u>	<u>27,215,602</u>
Net (Expense)/Revenue				
Governmental Activities	(21,395,856)	(18,795,122)	(17,144,690)	(19,231,343)
Business-Type Activities	<u>34,996</u>	<u>(475,678)</u>	<u>1,800,580</u>	<u>(110,112)</u>
<i>Total Primary Government Net Expense</i>	<u>(\$21,360,860)</u>	<u>(\$19,270,800)</u>	<u>(\$15,344,110)</u>	<u>(\$19,341,455)</u>

2010	2009	2008	2007	2006	2005
\$4,349,901	\$3,042,622	\$2,968,222	\$2,269,262	\$2,739,914	\$1,919,159
8,611,264	7,948,875	7,572,725	6,789,884	5,739,141	5,462,030
6,025,615	5,140,893	6,638,018	4,449,451	3,824,122	5,285,670
1,236,395	1,406,060	1,680,851	1,256,537	1,272,107	1,395,945
862,479	495,523	848,296	430,858	419,887	379,953
1,104,319	1,130,300	1,217,094	829,313	1,173,141	811,918
2,211,663	1,669,318	1,761,494	757,830	671,474	619,472
<u>24,401,636</u>	<u>20,833,591</u>	<u>22,686,700</u>	<u>16,783,135</u>	<u>15,839,786</u>	<u>15,874,147</u>
3,924,685	2,392,503	2,594,517	2,757,452	1,505,362	2,235,003
1,871,978	2,127,598	1,725,241	2,008,071	2,224,019	1,548,860
<u>5,796,663</u>	<u>4,520,101</u>	<u>4,319,758</u>	<u>4,765,523</u>	<u>3,729,381</u>	<u>3,783,863</u>
<u>30,198,299</u>	<u>25,353,692</u>	<u>27,006,458</u>	<u>21,548,658</u>	<u>19,569,167</u>	<u>19,658,010</u>
(20,773,036)	(16,017,458)	(18,631,934)	(12,561,677)	(10,886,594)	(7,732,422)
(1,515,193)	(430,112)	242,246	(783,965)	234,864	3,048,717
<u>(\$22,288,229)</u>	<u>(\$16,447,570)</u>	<u>(\$18,389,688)</u>	<u>(\$13,345,642)</u>	<u>(\$10,651,730)</u>	<u>(\$4,683,705)</u>

(continued)

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

	2014	2013	2012	2011
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For				
General Purposes	\$1,532,142	\$1,455,757	\$1,612,249	\$1,566,237
Streets	1,188,229	1,136,911	1,268,453	1,228,341
Police	625,571	593,648	637,761	629,793
Police Pension	0	0	0	0
Park Operating	281,422	269,269	300,430	293,924
Library Bond Retirement	61,569	50,171	69,927	74,421
Equipment	560,244	540,442	580,310	568,618
Municipal Income Taxes levied for				
General Purposes	7,018,713	7,177,133	6,336,213	5,478,107
Fire Department	4,229,098	4,406,655	3,839,955	4,164,144
Police	983,874	660,266	564,936	143,118
Park Operating	617,848	0	0	0
Recreation Complex	1,225,308	1,907,862	1,613,687	1,413,615
Grants and Entitlements not Restricted to				
Specific Programs	588,601	983,110	1,537,673	1,223,337
Unrestricted Contributions	150	0	0	0
Investment Earnings	124,974	(17,879)	154,534	64,712
Payment in Lieu of Taxes	2,580,037	2,373,141	2,150,075	1,701,068
Net Gain on the Loss of Impaired Asset	0	0	0	0
Miscellaneous	562,343	258,370	302,223	453,527
<i>Total Governmental Activities</i>	<u>22,180,123</u>	<u>21,794,856</u>	<u>20,968,426</u>	<u>19,002,962</u>
Business-Type Activities				
Investment Earnings	19,561	0	1,714	3,818
Miscellaneous	88,492	34,879	123,264	2,696
<i>Total Business-Type Activities</i>	<u>108,053</u>	<u>34,879</u>	<u>124,978</u>	<u>6,514</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>22,288,176</u>	<u>21,829,735</u>	<u>21,093,404</u>	<u>19,009,476</u>
Transfers				
Governmental Activities	(4,622)	24,974	26,011	(18,228)
Business-Type Activities	4,622	(24,974)	(26,011)	18,228
Special Item				
I-90 Interchange Project	0	(1,773,320)	(4,295,642)	(9,944,692)
Change in Net Position				
Governmental Activities	779,645	1,251,388	(445,895)	(10,191,301)
Business-Type Activities	147,671	(465,773)	1,899,547	(85,370)
<i>Total Primary Government Change in Net Position</i>	<u>\$927,316</u>	<u>\$785,615</u>	<u>\$1,453,652</u>	<u>(\$10,276,671)</u>

2010	2009	2008	2007	2006	2005
\$1,496,579	\$1,520,272	\$1,520,015	\$1,543,962	\$1,333,155	\$1,217,503
1,223,635	1,268,806	776,504	806,201	788,160	725,131
613,253	411,556	433,011	464,321	461,994	431,013
0	198,297	198,262	201,386	173,609	153,362
289,808	297,378	244,631	251,185	244,487	222,397
78,640	72,822	71,874	86,093	98,426	85,628
559,583	559,752	575,854	414,954	405,525	372,103
4,692,358	4,726,399	4,639,884	4,326,837	4,933,050	4,278,546
3,386,770	3,343,630	3,519,526	3,466,344	3,155,090	3,204,104
0	0	0	0	0	0
0	0	0	0	0	0
1,179,680	1,172,927	1,256,991	0	0	0
1,837,467	979,590	1,139,985	940,842	1,257,304	404,963
0	0	0	0	0	0
293,374	315,399	865,425	1,151,966	1,001,612	541,233
1,319,031	668,139	0	0	0	0
0	0	0	0	0	203,748
607,322	1,165,347	185,009	501,637	297,451	218,412
17,577,500	16,700,314	15,426,971	14,155,728	14,149,863	12,058,143
8,309	7,499	49,163	261,204	423,066	109,830
34,455	16,746	33,858	74,967	55,806	53,921
42,764	24,245	83,021	336,171	478,872	163,751
17,620,264	16,724,559	15,509,992	14,491,899	14,628,735	12,221,894
164,191	(294,388)	(194,150)	(230,000)	0	18,533
(164,191)	294,388	194,150	230,000	0	(18,533)
0	0	0	0	0	0
(3,031,345)	388,468	(3,399,113)	1,364,051	3,263,269	4,344,254
(1,636,620)	(111,479)	519,417	(217,794)	713,736	3,193,935
(\$4,667,965)	\$276,989	(\$2,879,696)	\$1,146,257	\$3,977,005	\$7,538,189

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

	2014	2013	2012	2011
General Fund				
Nonspendable	\$202,048	\$1,168,421	\$1,170,558	\$1,250,272
Restricted	0	0	0	0
Assigned	863,715	341,665	1,742,480	107,024
Unassigned	4,290,707	4,569,321	6,058,076	7,509,648
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Total General Fund	5,356,470	6,079,407	8,971,114	8,866,944
All Other Governmental Funds				
Nonspendable	228,638	242,741	201,058	178,349
Restricted	5,927,793	6,055,705	6,180,850	4,539,257
Committed	594,804	417,020	497,513	565,102
Assigned	244,226	307,741	683,639	39,389
Unassigned (Deficit)	(2,575,669)	(6,832,098)	(18,792,013)	(18,668,420)
Reserved	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:				
Special Revenue funds	N/A	N/A	N/A	N/A
Debt Service funds	N/A	N/A	N/A	N/A
Capital Projects funds	N/A	N/A	N/A	N/A
Total All Other Governmental Funds (Deficit)	4,419,792	191,109	(11,228,953)	(13,346,323)
Total Governmental Funds (Deficit)	\$9,776,262	\$6,270,516	(\$2,257,839)	(\$4,479,379)

Note: During 2010, the City implemented GASB 54.

2010	2009	2008	2007	2006	2005
\$25,615	\$23,773	N/A	N/A	N/A	N/A
974,616	973,798	N/A	N/A	N/A	N/A
83,948	50,844	N/A	N/A	N/A	N/A
8,632,072	6,854,374	N/A	N/A	N/A	N/A
N/A	N/A	\$178,261	\$189,529	\$170,059	\$27,802
N/A	N/A	6,319,932	6,577,416	6,558,172	5,556,819
9,716,251	7,902,789	6,498,193	6,766,945	6,728,231	5,584,621
166,340	151,638	N/A	N/A	N/A	N/A
8,171,553	8,058,375	N/A	N/A	N/A	N/A
186,029	598,223	N/A	N/A	N/A	N/A
86,605	214,528	N/A	N/A	N/A	N/A
(10,782,800)	(159,044)	N/A	N/A	N/A	N/A
N/A	N/A	25,344,685	3,799,554	1,171,829	1,001,146
N/A	N/A	3,083,916	3,990,801	3,579,484	3,096,126
N/A	N/A	643,228	531,928	371,855	369,923
N/A	N/A	1,684,436	(347,899)	986,929	(320,766)
(2,172,273)	8,863,720	30,756,265	7,974,384	6,110,097	4,146,429
\$7,543,978	\$16,766,509	\$37,254,458	\$14,741,329	\$12,838,328	\$9,731,050

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

	2014	2013	2012	2011
Revenues				
Property Taxes	\$4,234,545	\$4,043,296	\$4,388,175	\$4,506,378
Payment in Lieu of Taxes	2,535,911	2,373,141	2,150,075	1,701,068
Municipal Income Taxes	14,129,864	13,227,628	12,036,712	10,555,273
Charges for Services	1,383,468	2,563,870	3,018,040	811,160
Licenses and Permits	1,472,885	1,110,765	770,884	742,571
Fines and Forfeitures	262,517	188,494	399,610	203,505
Intergovernmental	2,247,864	2,612,270	2,953,599	3,286,920
Special Assessments	837,217	2,026,513	481,394	410,752
Interest	124,974	(17,879)	154,534	64,712
Contributions and Donations	4,606	1,803	0	625
Rentals	422,160	411,833	391,088	380,000
Miscellaneous	562,343	258,330	302,223	453,527
<i>Total Revenues</i>	<u>28,218,354</u>	<u>28,800,064</u>	<u>27,046,334</u>	<u>23,116,491</u>
Expenditures				
Current:				
General Government	4,585,168	4,795,581	4,528,308	3,644,554
Security of Persons and Property	9,752,745	9,457,216	8,751,701	8,403,805
Transportation	2,809,212	2,382,597	2,235,594	2,474,040
Community Environment	1,742,815	1,510,405	1,439,019	1,268,823
Basic Utility Services	0	0	8,587	46,497
Leisure Time Activities	1,119,428	1,614,582	1,272,269	1,350,087
Capital Outlay	4,350,175	5,836,420	10,969,183	3,816,253
Debt Service:				
Principal Retirement	2,602,713	2,443,614	2,051,057	7,530,941
Interest and Fiscal Charges	3,226,688	2,740,512	2,380,527	2,363,849
Bond Issuance Costs	106,786	176,031	206,242	178,073
Payment to Refunded Bond Escrow Agent	0	0	0	0
<i>Total Expenditures</i>	<u>30,295,730</u>	<u>30,956,958</u>	<u>33,842,487</u>	<u>31,076,922</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,077,376)</u>	<u>(2,156,894)</u>	<u>(6,796,153)</u>	<u>(7,960,431)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	22,322	25,141	0	0
Insurance Recovery	0	0	0	0
General Obligation Bonds Issued	5,235,000	8,735,028	11,575,392	5,760,000
Special Assessment Bonds Issued	0	3,084,972	3,734,608	0
Current Refunding Bonds Issued	0	0	0	2,620,000
Bond Premium	211,786	556,031	536,863	133,036
Notes Issued	0	0	0	0
Refunding Notes Issued	0	0	0	0
Note Premium	0	0	0	0
Loans Issued	114,014	32,423	97,167	0
Payment to Refunded Bond Escrow Agent	0	0	(2,656,706)	(2,613,042)
Refunding Principal	0	0	0	0
Payment to Refund Notes	0	0	0	0
Transfers In	8,700,814	11,872,993	8,410,863	9,652,720
Transfers Out	(8,700,814)	(11,848,019)	(8,384,852)	(9,670,948)
<i>Total Other Financing Sources (Uses)</i>	<u>5,583,122</u>	<u>12,458,569</u>	<u>13,313,335</u>	<u>5,881,766</u>
Special Item	0	(1,773,320)	(4,295,642)	(9,944,692)
<i>Net Change in Fund Balances</i>	<u>\$3,505,746</u>	<u>\$8,528,355</u>	<u>\$2,221,540</u>	<u>(\$12,023,357)</u>
Debt Service as a Percentage of Noncapital Expenditures	22.3%	18.7%	17.9%	37.1%

2010	2009	2008	2007	2006	2005
\$4,248,951	\$4,330,690	\$3,854,146	\$3,702,610	\$3,451,462	\$3,214,250
1,319,031	668,139	0	0	0	0
9,710,548	9,378,759	9,294,659	7,681,269	7,688,999	7,437,862
617,297	903,298	814,606	832,369	711,413	383,550
1,090,059	745,232	974,480	1,068,752	1,268,486	1,640,246
147,987	115,165	206,707	212,817	183,256	335,448
3,296,064	3,672,996	3,581,433	2,137,538	2,293,477	2,117,906
249,816	240,379	243,986	227,188	202,342	196,332
293,374	315,399	853,783	1,151,966	1,001,612	541,233
5,000	6,575	40,650	0	0	230
380,000	328,361	0	0	0	0
227,322	1,165,347	185,009	501,637	297,451	218,412
<u>21,585,449</u>	<u>21,870,340</u>	<u>20,049,459</u>	<u>17,516,146</u>	<u>17,098,498</u>	<u>16,085,469</u>
3,451,160	2,824,337	2,664,209	2,169,720	2,247,763	1,830,143
7,834,770	7,526,545	7,134,465	6,268,041	5,513,657	5,197,175
2,035,160	1,982,203	1,632,598	1,649,383	1,649,507	1,650,577
1,204,080	1,386,408	1,282,138	1,239,252	1,275,204	1,321,262
15,286	14,838	99,491	22,410	24,473	19,997
840,942	986,909	1,071,323	1,134,764	1,058,069	609,671
11,799,587	23,767,231	20,549,738	7,163,756	3,566,729	4,853,222
7,326,169	40,432,357	7,729,043	1,205,994	575,200	524,442
2,191,887	2,009,751	1,354,369	581,977	575,686	645,962
0	0	0	0	59,145	0
0	0	0	0	585	0
<u>36,699,041</u>	<u>80,930,579</u>	<u>43,517,374</u>	<u>21,435,297</u>	<u>16,546,018</u>	<u>16,652,451</u>
<u>(15,113,592)</u>	<u>(59,060,239)</u>	<u>(23,467,915)</u>	<u>(3,919,151)</u>	<u>552,480</u>	<u>(566,982)</u>
0	0	0	0	0	0
0	0	0	0	0	203,748
0	32,890,000	6,910,000	0	2,675,000	0
0	0	0	0	0	0
0	0	0	0	0	0
0	376,678	0	0	27,558	0
5,675,000	5,600,000	39,120,000	6,910,000	1,700,000	0
0	0	0	0	0	200,000
51,870	0	0	0	0	0
0	0	145,194	242,152	0	0
0	0	0	0	(1,647,760)	0
0	0	0	(1,100,000)	(200,000)	0
0	0	0	0	0	(2,250,000)
11,341,838	8,676,343	14,475,111	6,912,643	6,110,550	6,125,523
<u>(11,177,647)</u>	<u>(8,970,731)</u>	<u>(14,669,261)</u>	<u>(7,142,643)</u>	<u>(6,110,550)</u>	<u>(6,106,990)</u>
<u>5,891,061</u>	<u>38,572,290</u>	<u>45,981,044</u>	<u>5,822,152</u>	<u>2,554,798</u>	<u>(1,827,719)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(\$9,222,531)</u>	<u>(\$20,487,949)</u>	<u>\$22,513,129</u>	<u>\$1,903,001</u>	<u>\$3,107,278</u>	<u>(\$2,394,701)</u>
33.4%	73.2%	33.8%	11.5%	9.9%	11.9%

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
2014	\$559,668,300	\$170,425,410	\$2,085,982,029	\$12,652,910	\$14,378,307
2013	550,176,210	169,038,370	2,054,898,800	11,582,520	13,161,955
2012	591,340,020	170,542,580	2,176,807,429	10,591,870	12,036,216
2011	577,927,270	191,542,460	2,198,484,943	10,293,520	11,697,182
2010	567,702,900	176,422,410	2,126,072,314	9,888,710	11,237,170
2009	578,232,900	170,637,860	2,139,630,743	9,597,120	10,905,818
2008	560,820,750	173,342,630	2,097,609,657	8,051,870	9,149,852
2007	534,209,880	167,992,780	2,006,293,314	10,155,460	11,540,295
2006	453,889,000	138,900,170	1,693,683,343	10,162,370	11,548,148
2005	408,693,210	115,980,310	1,499,067,200	10,714,700	12,175,795

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

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

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

Source: Lorain County, Ohio; County Auditor

<u>Tangible Personal Property</u>						
<u>General Business</u>		<u>Total</u>		<u>Ratio</u>	<u>Total Tax Rate (mills)</u>	<u>Weighted Average (mills)</u>
<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>			
\$0	\$0	\$742,746,620	\$2,100,360,335	35.36 %	\$9.15	\$6.98
0	0	730,797,100	2,068,060,755	35.34	9.24	6.98
0	0	772,474,470	2,188,843,645	35.29	9.23	6.99
0	0	779,763,250	2,210,182,125	35.28	9.25	6.93
388,577	3,108,616	754,402,597	2,140,418,101	35.25	9.27	7.12
407,606	3,260,848	758,875,486	2,153,797,409	35.23	9.26	7.07
11,458,960	91,671,680	753,674,210	2,198,431,189	34.28	9.41	6.33
34,724,120	277,792,960	747,082,240	2,295,626,569	32.54	9.47	6.67
37,150,490	198,135,947	640,102,030	1,903,367,436	33.63	9.47	6.83
34,856,395	151,549,543	570,244,615	1,662,792,538	34.29	9.48	6.97

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

	2014	2013	2012	2011
Unvoted Millage				
Operating	\$2.30000	\$2.30000	\$2.30000	\$2.30000
Police Pension	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>
Voted Millage - by levy				
1984 Police				
General Business and Public Utility Personal	2.00000	2.00000	2.00000	2.00000
Residential/Agricultural Real	0.59993	0.60160	0.60220	0.55225
Commercial/Industrial and Public Utility Real	0.63809	0.65150	0.66340	0.69723
1994 Bond	0.00000	0.09200	0.08000	0.10000
1996 Library				
General Business and Public Utility Personal	1.20000	1.20000	1.20000	1.20000
Residential/Agricultural Real	0.60904	0.61070	0.61130	0.56064
Commercial/Industrial and Public Utility Real	0.46939	0.47920	0.48800	0.51289
2002 Fire - 5 years (2)				
General Business and Public Utility Personal	0.50000	0.50000	0.50000	0.50000
Residential/Agricultural Real	0.40833	0.40940	0.40980	0.37588
Commercial/Industrial and Public Utility Real	0.24620	0.25140	0.26000	0.26901
2007 Police - 10 years (4)				
General Business and Public Utility Personal	0.50000	0.50000	0.50000	0.50000
Residential/Agricultural Real	0.49815	0.49950	0.50000	0.49837
Commercial/Industrial and Public Utility Real	0.37301	0.38090	0.38780	0.40758
2008 Park & Recreation - 5 years (3)				
General Business and Public Utility Personal	0.45000	0.45000	0.45000	0.45000
Residential/Agricultural Real	0.44833	0.44950	0.45000	0.44853
Commercial/Industrial and Public Utility Real	0.33571	0.34280	0.34900	0.36682
2008 Street Improvement - 10 years (5)				
General Business and Public Utility Personal	1.90000	1.90000	1.90000	1.90000
Residential/Agricultural Real	1.89296	1.89810	1.90000	1.89380
Commercial/Industrial and Public Utility Real	<u>1.41743</u>	<u>1.44730</u>	<u>1.47360</u>	<u>1.54880</u>
<i>Total Voted Millage by Type of Property</i>				
General Business and Public Utility Personal	\$6.55000	\$6.64200	\$6.63000	\$6.65000
Residential/Agricultural Real	4.45673	4.56080	4.55330	4.42947
Commercial/Industrial and Public Utility Real	3.47981	3.64510	3.70180	3.90234
<i>Total Millage by Type of Property</i>				
General Business and Public Utility Personal	\$9.15000	\$9.24200	\$9.23000	\$9.25000
Residential/Agricultural Real	7.05673	7.16080	7.15330	7.02947
Commercial/Industrial and Public Utility Real	6.07981	6.24510	6.30180	6.50234
<i>Total Weighted Average Tax Rate</i>	<u>\$6.98054</u>	<u>\$6.98198</u>	<u>\$6.99379</u>	<u>\$6.92929</u>

2010	2009	2008	2007	2006	2005
\$2.30000	\$2.30000	\$2.30000	\$2.30000	\$2.30000	\$2.30000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
2.60000	2.60000	2.60000	2.60000	2.60000	2.60000
2.00000	2.00000	2.00000	2.00000	2.00000	2.00000
0.55410	0.53226	0.53285	0.60280	0.61950	0.63890
0.81900	0.82591	0.85532	0.97680	1.03290	1.07110
0.12000	0.11000	0.11000	0.17000	0.17000	0.18000
1.20000	1.20000	1.20000	1.20000	1.20000	1.20000
0.56250	0.54034	0.54090	0.61190	0.62890	0.64860
0.60250	0.60760	0.62919	0.71860	0.75990	0.78790
0.50000	0.50000	0.50000	0.50000	0.50000	0.50000
0.37710	0.36220	0.36268	0.41030	0.42170	0.43490
0.31600	0.31870	0.33001	0.37690	0.39850	0.41330
0.50000	0.50000	0.50000	0.50000	0.50000	0.50000
0.50000	0.49570	0.49630	0.26300	0.27040	0.27880
0.47880	0.48280	0.50000	0.29940	0.31660	0.32830
0.45000	0.45000	0.50000	0.50000	0.50000	0.50000
0.45000	0.44950	0.37191	0.42070	0.43240	0.44590
0.43090	0.43450	0.34928	0.39890	0.42180	0.43740
1.90000	1.90000	2.00000	2.00000	2.00000	2.00000
1.90000	1.89790	1.18352	1.33880	1.37600	1.41910
1.81930	1.83470	1.04860	1.19760	1.26640	1.31320
\$6.67000	\$6.66000	\$6.81000	\$6.87000	\$6.87000	\$6.88000
4.46370	4.38790	3.59816	3.81750	3.91890	4.04620
4.58650	4.61421	3.82240	4.13820	4.36610	4.53120
\$9.27000	\$9.26000	\$9.41000	\$9.47000	\$9.47000	\$9.48000
7.06370	6.98790	6.19816	6.41750	6.51890	6.64620
7.18650	7.21421	6.42240	6.73820	6.96610	7.13120
\$7.12247	\$7.06874	\$6.33288	\$6.67299	\$6.83407	\$6.97131

(continued)

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

	2014	2013	2012	2011
Overlapping Rates by Taxing District				
Avon Local School District				
General Business and Public Utility Personal	\$56.83000	\$57.03000	\$57.28000	\$56.57000
Residential/Agricultural Real	41.45910	41.70590	41.97290	39.83377
Commercial/Industrial and Public Utility Real	39.22470	39.44030	39.70420	39.03372
Lorain County Voted Millage				
General Business and Public Utility Personal	14.48200	14.48200	13.65500	13.69000
Residential/Agricultural Real	14.08570	14.09270	12.85340	12.22255
Commercial/Industrial and Public Utility Real	13.77480	13.71860	12.51930	12.48408
Special Taxing Districts (1)				
General Business and Public Utility Personal	3.45000	3.45000	3.45000	3.45000
Residential/Agricultural Real	3.31090	3.31370	3.31610	3.11836
Commercial/Industrial and Public Utility Real	3.01670	2.98580	2.98470	2.97790

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.

Rate: Debt Service levies are designed to raise a fixed amount of revenue each year. A rate is set each year so that when it is applied to the total assessed value, the fixed amount is generated.

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

2010	2009	2008	2007	2006	2005
\$50.49000	\$50.44000	\$50.49000	\$43.70000	\$42.10000	\$37.22000
33.80550	33.13120	33.18246	26.52920	24.96200	20.12000
33.09590	33.05389	33.20530	26.49000	24.95550	20.12000
13.39000	13.39000	13.39000	13.49000	13.19000	12.89000
11.53460	10.93800	10.96180	12.17460	10.75970	10.12120
11.97180	11.84360	11.90610	12.77980	12.03060	11.66760
3.45000	3.45000	3.45000	3.45000	3.45000	3.45000
3.11540	2.99490	2.99750	2.60800	2.61480	2.62220
3.01200	2.98470	3.00560	2.76750	2.78310	2.79670

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

Tax Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collection to Current Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)
2013	\$4,750,344	\$4,694,267	98.82%	\$54,351	\$4,748,618
2012	4,674,336	4,565,633	97.67	76,128	4,641,760
2011	4,931,999	4,858,738	98.51	93,250	4,951,988
2010	5,208,709	5,509,845	105.78	35,867	5,545,712
2009	4,935,250	4,667,972	94.58	94,251	4,762,223
2008	4,936,187	4,675,241	94.71	144,098	4,819,339
2007	4,311,718	3,851,783	89.33	140,881	3,992,664
2006	4,118,715	3,697,890	89.78	127,526	3,825,416
2005	3,550,966	3,495,653	98.44	65,689	3,561,342
2004	3,216,199	3,127,969	97.26	49,128	3,177,097

Source: Lorain County, Ohio; County Auditor

Note: We are aware of the requirement to report delinquent tax collections by levy year rather than by collection year. However, the County's current computer system tracks levy amounts by current levy and delinquent levy. Once amounts become part of the delinquent levy, the ability to track information by levy year is lost. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. We are looking at options to improve the presentation.

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

Percent of Total Tax Collection to Current Tax Levy	Accumulated Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Total Tax Levy
99.96%	\$181,775	3.83%
99.30	165,855	3.55
100.41	148,792	3.02
106.47	73,805	1.42
96.49	231,539	4.69
97.63	190,617	3.86
92.60	268,151	6.22
92.88	309,555	7.52
100.29	121,001	3.41
98.78	129,729	4.03

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

Taxpayer	2014	
	Real Property Assessed Valuation (1)	Percentage
First Interstate Avon, LTD	\$18,383,630	2.52 %
Sir Properties Trust	9,818,630	1.34
Cleveland Electric Illuminating Company	8,777,190	1.20
AERC Avon, LLC	6,822,430	0.93
Orion Properties	5,839,170	0.80
Wal Mart Real Estate Business Trust	4,654,480	0.64
Chester Properties, LTD	4,531,270	0.62
First Interstate Commons East, LLC	4,193,720	0.57
Comprehensive Healthcare of Ohio	4,001,350	0.56
Lowe's Home Centers, Incorporated	3,952,890	0.54
Total	\$70,974,760	9.72 %
Total Real Property Assessed Valuation	\$730,093,710	

Taxpayer	2005	
	Real Property Assessed Valuation (1)	Percentage
First Interstate Avon, LTD	\$16,524,270	3.15 %
AERC Avon, LLC	6,919,500	1.32
Manco, Incorporated	6,515,050	1.24
Timberlake Apartments	5,530,000	1.05
Avon Board of Education	4,650,770	0.89
Wal Mart Real Estate Business Trust	4,457,640	0.85
Chester Properties, LTD	4,395,870	0.84
First Interstate Avon	3,932,730	0.75
Comprehensive Healthcare of Ohio	3,926,340	0.75
BJ Avon Portfolio	3,413,110	0.65
Total	\$60,265,280	11.49 %
Total Real Property Assessed Valuation	\$524,673,520	

Source: Lorain County, Ohio; County Auditor

(1) The amounts presented represent the assessed values upon which 2014 and 2005 collections were based.

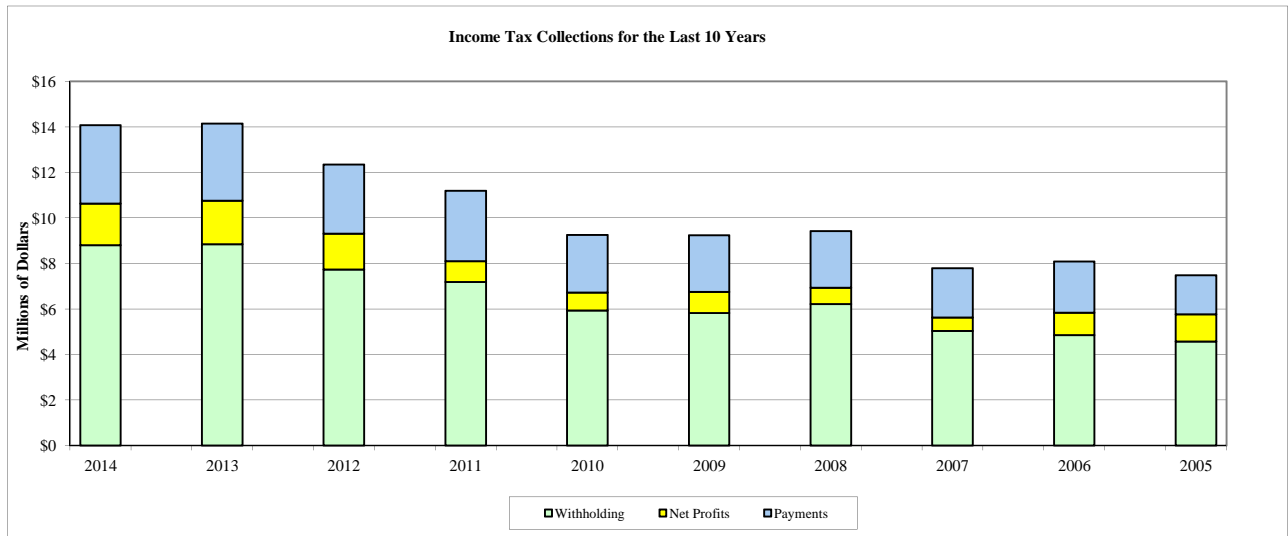
City of Avon, Ohio
Income Tax Revenue Base and Collections
Last Ten Years

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
2014	1.75%	\$14,074,841	\$8,803,814	62.55%	\$1,833,952	13.03%	\$3,437,076	24.42%
2013	1.75	14,151,916	8,844,948	62.50	1,916,169	13.54	3,390,799	23.96
2012	1.75	12,354,791	7,731,628	62.58	1,581,413	12.80	3,041,750	24.62
2011	1.75	11,198,984	7,184,484	64.15	916,189	8.18	3,098,311	27.67
2010	1.75	9,258,808	5,932,674	64.08	784,221	8.47	2,541,913	27.45
2009	1.75	9,242,956	5,822,877	63.00	935,017	10.12	2,485,061	26.88
2008	1.75	9,416,401	6,214,542	66.00	717,436	7.62	2,484,423	26.38
2007	1.50	7,793,181	5,037,200	64.64	588,775	7.55	2,167,206	27.81
2006	1.50	8,088,140	4,853,127	60.00	990,878	12.25	2,244,135	27.75
2005	1.50	7,482,650	4,577,137	61.17	1,192,660	15.94	1,712,853	22.89

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

(1) Accrual Basis

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



City of Avon, Ohio
Income Tax Statistics
Last Ten Years

Tax Year	Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
2013	\$0 - 24,999	1,824	24.94 %	\$17,314,080	2.27 %
2013	25,000 - 49,999	967	13.22	36,038,652	4.73
2013	50,000 - 74,999	842	11.51	52,691,022	6.91
2013	75,000 - 99,999	776	10.61	67,801,465	8.89
2013	Over 100,000	2,906	39.72	588,594,129	77.20
	Total	7,315		\$762,439,348	
2012	\$0 - 24,999	1,759	25.02 %	\$16,842,101	2.33 %
2012	25,000 - 49,999	924	13.14	34,254,980	4.74
2012	50,000 - 74,999	844	12.01	53,186,130	7.36
2012	75,000 - 99,999	784	11.15	68,562,392	9.49
2012	Over 100,000	2,719	38.68	549,889,680	76.08
	Total	7,030		\$722,735,283	
2011	\$0 - 24,999	1,700	24.85 %	\$16,127,434	2.42 %
2011	25,000 - 49,999	917	13.41	33,904,856	5.09
2011	50,000 - 74,999	840	12.28	52,554,531	7.89
2011	75,000 - 99,999	787	11.51	68,587,179	10.30
2011	Over 100,000	2,596	37.95	494,819,519	74.30
	Total	6,840		\$665,993,519	
2010	\$0 - 24,999	1,722	25.59 %	\$16,658,792	2.69 %
2010	25,000 - 49,999	912	13.55	33,707,542	5.45
2010	50,000 - 74,999	932	13.85	58,240,162	9.41
2010	75,000 - 99,999	794	11.80	69,330,417	11.20
2010	Over 100,000	2,370	35.21	440,989,347	71.25
	Total	6,730		\$618,926,260	
2009	\$0 - 24,999	1,727	25.88 %	\$16,838,135	2.90 %
2009	25,000 - 49,999	973	14.58	36,223,361	6.23
2009	50,000 - 74,999	897	13.44	56,187,628	9.67
2009	75,000 - 99,999	826	12.38	71,685,920	12.34
2009	Over 100,000	2,251	33.72	400,195,682	68.86
	Total	6,674		\$581,130,726	
2008	\$0 - 24,999	1,739	26.11 %	\$17,229,483	3.09 %
2008	25,000 - 49,999	967	14.52	35,954,446	6.43
2008	50,000 - 74,999	976	14.65	60,897,408	10.90
2008	75,000 - 99,999	776	11.65	67,571,451	12.09
2008	Over 100,000	2,203	33.07	377,157,371	67.49
	Total	6,661		\$558,810,159	

(continued)

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

Tax Year	Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
2007	\$0 - 24,999	1,748	26.67 %	\$16,916,794	3.19 %
2007	25,000 - 49,999	1,032	15.74	38,442,879	7.25
2007	50,000 - 74,999	936	14.28	58,398,823	11.02
2007	75,000 - 99,999	777	11.85	67,801,989	12.79
2007	Over 100,000	2,062	31.46	348,394,384	65.75
	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	1,878	30.49	326,560,796	65.56
	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	1,577	26.91	292,492,967	62.26
	Total	<u>5,861</u>		<u>\$469,825,626</u>	
2004	\$0 - 24,999	1,636	29.15 %	\$14,815,608	3.91 %
2004	25,000 - 49,999	900	16.03	31,741,150	8.38
2004	50,000 - 74,999	857	15.27	51,278,424	13.53
2004	75,000 - 99,999	795	14.16	66,822,259	17.63
2004	Over 100,000	1,425	25.39	214,276,863	56.55
	Total	<u>5,613</u>		<u>\$378,934,304</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, 2014, year 2014 information has not been compiled.

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

Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)	Governmental Activities Debt		
				General Obligation Bonds	Special Assessment Bonds	OPWC Loans
2014	\$69,197,678	3.29 %	\$3,265.12	\$65,557,853	\$8,603,358	\$366,796
2013	66,059,675	3.19	3,117.05	62,382,911	8,989,810	274,441
2012	59,049,585	2.70	2,786.28	55,348,374	6,125,921	263,028
2011	47,759,093	2.16	2,253.53	47,407,470	2,720,771	182,336
2010	43,406,999	2.03	2,048.18	42,987,841	2,959,042	198,811
2009	44,931,915	2.09	2,496.22	44,441,334	3,208,858	215,286
2008	12,809,258	0.58	1,117.15	12,251,682	3,449,237	223,523
2007	7,008,741	0.31	611.26	6,717,363	2,866,244	242,044
2006	7,438,804	0.39	648.77	7,096,708	3,073,713	13,500
2005	6,809,227	0.41	593.86	6,412,213	3,263,227	22,500

Year	Business-Type Activities Debt					
	General Obligation Bonds	Special Assessment Bonds	Avon Lake Debt	Bond Anticipation Notes	OWDA Loans	Capital Lease
2014	\$3,639,825	\$1,164,806	\$385,452	\$9,300,000	\$0	\$248,320
2013	3,676,764	1,171,813	539,171	0	0	0
2012	3,701,211	1,174,762	684,008	0	38,610	0
2011	351,623	0	821,698	0	173,081	0
2010	419,158	0	952,191	0	301,923	0
2009	490,581	0	1,074,817	0	425,464	0
2008	557,576	0	683,979	0	544,006	0
2007	291,378	0	776,103	730,000	657,830	0
2006	342,096	0	863,621	0	767,198	0
2005	397,014	0	946,533	991,350	872,356	0

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

- (1) See S14-15 for taxable property value data.
- (2) See S32 for population and personal income data.
- (3) Includes general bonded debt, other governmental debt and business-type activities debt.
- (4) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

Bond
Anticipation
Notes

\$0
0
0
0
5,726,870
5,600,000
39,120,000
6,910,000
1,700,000
2,873,650

<u>Total Debt (3)</u>	<u>Percentage of Personal Income (2)</u>	<u>Per Capita (2)</u>
\$89,266,410	12.20 %	\$4,212
77,034,910	10.52	3,635
67,335,914	9.20	3,177
51,656,979	7.06	2,437
53,545,836	7.32	2,527
55,456,340	10.87	3,081
56,830,003	17.52	4,956
19,190,962	5.92	1,674
13,856,836	4.27	1,209
15,778,843	4.87	1,379

City of Avon, Ohio
Legal Debt Margin
Last Ten Years

	2014	2013	2012	2011
Total Assessed Property Value	<u>\$742,746,620</u>	<u>\$730,797,100</u>	<u>\$772,474,470</u>	<u>\$779,763,250</u>
General Bonded Debt Outstanding:				
General Obligation Notes/Bonds	\$77,041,162	\$72,928,246	\$58,098,800	\$47,348,171
General Obligation Revenue Notes/Bonds	0	0	0	67,200
Special Assessment Bonds	9,598,838	9,981,754	7,261,200	2,657,553
Bond Anticipation Notes	0	0	0	0
Bond Anticipation Notes Enterprise	0	0	0	0
OPWC Loans	366,796	274,441	263,028	182,336
OWDA Loans	0	0	38,610	173,081
Contractual Debt Obligation	<u>385,452</u>	<u>539,171</u>	<u>684,008</u>	<u>821,698</u>
Total Gross Indebtedness	87,392,248	83,723,612	66,345,646	51,250,039
Less:				
General Obligation Bonds	(50,416,381)	(54,490,082)	(40,484,768)	(30,865,000)
General Obligation Revenue Notes/Bonds	0	0	0	(67,200)
Special Assessment Bonds	(9,598,838)	(9,981,754)	(7,261,200)	(2,657,553)
Bond Anticipation Notes	0	0	0	0
Bond Anticipation Notes Enterprise	0	0	0	0
OWDA Loans	0	0	(38,610)	(173,081)
Contractual Debt Obligation	(385,452)	(539,171)	(684,008)	(821,698)
General Obligation Bond Retirement Fund Balance	<u>(96,577)</u>	<u>(63,560)</u>	<u>(102,117)</u>	<u>(44,968)</u>
Total Net Debt Applicable to Debt Limit	<u>26,895,000</u>	<u>18,649,045</u>	<u>17,774,943</u>	<u>16,620,539</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>77,988,395</u>	<u>76,733,696</u>	<u>81,109,819</u>	<u>81,875,141</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$51,093,395</u>	<u>\$58,084,651</u>	<u>\$63,334,876</u>	<u>\$65,254,602</u>
Legal Debt Margin as a Percentage of the Debt Limit	65.51%	75.70%	78.09%	79.70%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$40,851,064</u>	<u>\$40,193,841</u>	<u>\$42,486,096</u>	<u>\$42,886,979</u>
Total Gross Indebtedness	87,392,248	83,723,612	66,345,646	51,250,039
Less:				
General Obligation Bonds	(50,416,381)	(54,490,082)	(40,484,768)	(30,865,000)
General Obligation Revenue Notes/Bonds	0	0	0	(67,200)
Special Assessment Bonds	(9,598,838)	(9,981,754)	(7,261,200)	(2,657,553)
Bond Anticipation Notes	0	0	0	0
Bond Anticipation Notes Enterprise	0	0	0	0
OWDA Loans	0	0	(38,610)	(173,081)
Contractual Debt Obligation	(385,452)	(539,171)	(684,008)	(821,698)
General Obligation Bond Retirement Fund Balance	<u>(96,577)</u>	<u>(63,560)</u>	<u>(102,117)</u>	<u>(44,968)</u>
Net Debt Within 5 ½ % Limitations	<u>26,895,000</u>	<u>18,649,045</u>	<u>17,774,943</u>	<u>16,620,539</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$13,956,064</u>	<u>\$21,544,796</u>	<u>\$24,711,153</u>	<u>\$26,266,440</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	34.16%	53.60%	58.16%	61.25%

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

2010	2009	2008	2007	2006	2005
<u>\$754,402,597</u>	<u>\$758,875,486</u>	<u>\$753,674,210</u>	<u>\$747,082,240</u>	<u>\$640,102,030</u>	<u>\$570,244,615</u>
\$42,987,841	\$44,441,334	\$12,251,682	\$6,780,967	\$7,165,884	\$6,286,816
130,200	193,200	252,000	310,800	365,400	424,200
2,959,042	3,208,858	3,449,237	2,866,244	3,073,713	3,263,227
5,675,000	5,600,000	39,120,000	6,910,000	2,110,000	2,873,650
0	0	0	1,530,000	1,150,000	991,350
198,811	215,286	223,523	242,044	13,500	22,500
301,923	425,464	544,006	657,830	767,198	872,356
952,191	1,074,817	683,979	776,103	863,621	946,533
<u>53,205,008</u>	<u>55,158,959</u>	<u>56,524,427</u>	<u>20,073,988</u>	<u>15,509,316</u>	<u>15,680,632</u>
(31,675,000)	(32,970,000)	0	0	0	0
(130,200)	(193,200)	(252,000)	(310,800)	(365,400)	(424,200)
(2,959,042)	(3,208,858)	(3,449,237)	(2,866,244)	(3,073,713)	(3,406,724)
(5,675,000)	(5,600,000)	(39,120,000)	0	0	0
0	0	0	(1,530,000)	(1,150,000)	(991,350)
(301,923)	(425,464)	(544,006)	(657,830)	(767,198)	(872,356)
(952,191)	(1,074,817)	(683,979)	(776,103)	(863,621)	(946,533)
(64,469)	(52,292)	(48,136)	(168,549)	(26,725)	(23,992)
<u>11,447,183</u>	<u>11,634,328</u>	<u>12,427,069</u>	<u>13,764,462</u>	<u>9,262,659</u>	<u>9,015,477</u>
<u>79,212,273</u>	<u>79,681,926</u>	<u>79,135,792</u>	<u>78,443,635</u>	<u>67,210,713</u>	<u>59,875,685</u>
<u>\$67,765,090</u>	<u>\$68,047,598</u>	<u>\$66,708,723</u>	<u>\$64,679,173</u>	<u>\$57,948,054</u>	<u>\$50,860,208</u>
85.55%	85.40%	84.30%	82.45%	86.22%	84.94%
<u>\$41,492,143</u>	<u>\$41,738,152</u>	<u>\$41,452,082</u>	<u>\$41,089,523</u>	<u>\$35,205,612</u>	<u>\$31,363,454</u>
53,205,008	55,158,959	56,524,427	20,073,988	15,509,316	15,680,632
(31,675,000)	(32,970,000)	0	0	0	0
(130,200)	(193,200)	(252,000)	(310,800)	(365,400)	(424,200)
(2,959,042)	(3,208,858)	(3,449,237)	(2,866,244)	(3,073,713)	(3,406,724)
(5,675,000)	(5,600,000)	(39,120,000)	0	0	0
0	0	0	(1,530,000)	(1,150,000)	(991,350)
(301,923)	(425,464)	(544,006)	(657,830)	(767,198)	(872,356)
(952,191)	(1,074,817)	(683,979)	(776,103)	(863,621)	(946,533)
(64,469)	(52,292)	(48,136)	(168,549)	(26,725)	(23,992)
<u>11,447,183</u>	<u>11,634,328</u>	<u>12,427,069</u>	<u>13,764,462</u>	<u>9,262,659</u>	<u>9,015,477</u>
<u>\$30,044,960</u>	<u>\$30,103,824</u>	<u>\$29,025,013</u>	<u>\$27,325,061</u>	<u>\$25,942,953</u>	<u>\$22,347,977</u>
72.41%	72.13%	70.02%	66.50%	73.69%	71.25%

City of Avon, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2014

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to the City of Avon
Direct - City of Avon			
General Obligation Bonds	\$65,557,853	100.00%	\$65,557,853
Special Assessment Bonds	8,603,358	100.00%	8,603,358
OPWC Loans	366,796	100.00%	366,796
<i>Total Direct Debt</i>	<u>74,528,007</u>		<u>74,528,007</u>
Overlapping			
Avon Local School District			
General Obligation Bonds	65,790,409	100.00%	65,790,409
Lorain County			
General Obligation Bonds	24,385,000	11.99%	2,923,762
<i>Total Overlapping Debt</i>	<u>90,175,409</u>		<u>68,714,171</u>
Total	<u><u>\$164,703,416</u></u>		<u><u>\$143,242,178</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.

* \$50,416,381 of the total \$77,041,162 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
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	
2014	\$0	\$0	\$0	\$0	\$0	0.00
2013	1,794,967	1,526,056	268,911	38,610	752	6.83
2012	1,865,750	956,508	909,242	134,471	13,692	6.14
2011	1,646,944	1,028,665	618,279	128,842	16,612	4.25
2010	1,360,364	1,240,708	119,656	123,541	16,612	0.85
2009	1,629,741	1,526,181	103,560	118,542	21,447	0.74
2008	1,333,487	1,102,775	230,712	113,824	25,745	1.65
2007	1,405,083	1,496,430	(91,347)	109,368	31,839	(0.65)
2006	1,396,730	1,028,961	367,769	105,158	33,908	2.64
2005	1,098,603	1,007,297	91,306	101,176	37,665	0.66

Note: During 2013, the City paid down the outstanding OWDA debt in the sewer fund; therefore, the City has no pledged revenue in 2014.

(1) Revenues include interest and operating grants.

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

Source: City Financial Records

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City of Avon, Ohio
Principal Employers
Current and Nine Years Ago

2014		
Employer	Employees	Percentage of Total City Employment
Cleveland Clinic Foundation	475	3.39 %
ShurTech Brands, LLC	425	3.04
Avon Local School District	395	2.82
Willoway Nurseries, Incorporated	350	2.50
Walmart	250	1.79
A.J. Rose Manufacturing Company	220	1.57
Costco Wholesale	217	1.55
City of Avon	186	1.32
Technifab	173	1.24
All Pro Freight Systems, Incorporated	150	1.07
Total	2,841	20.29 %
Total Estimated Employment within the City	<u>14,000</u>	

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

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

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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita	Median Household Income (1)	Median Age (1)
2014	21,193	\$731,963,834	\$34,538	\$75,951	38
2013	21,193	731,963,834	34,538	75,951	38
2012	21,193	731,963,834	34,538	75,951	38
2011	21,193	731,963,834	34,538	75,951	38
2010	21,193	731,963,834	34,538	75,951	38
2009	18,000	510,012,000	28,334	66,747	38
2008	11,466	324,877,644	28,334	66,747	38
2007	11,466	324,877,644	28,334	66,747	38
2006	11,466	324,877,644	28,334	66,747	38
2005	11,466	324,877,644	28,334	66,747	38

(1) Source: U. S. Census

(a) Years 2005 through 2008 - 2000 Federal Census; 2009 estimated

(b) Years 2010 through 2014 - 2010 Federal Census

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

(3) Ohio Department of Job and Family Services

(4) Source: Lorain County Auditor

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

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%	4,102	5.7%	\$260,000	\$742,746,620
32.3	4,153	9.3	260,000	730,797,100
32.3	4,076	7.0	260,000	772,474,470
32.3	4,078	7.7	260,000	779,763,250
32.3	3,976	8.8	260,000	754,402,597
32.3	3,580	9.4	245,000	758,875,486
32.3	3,136	7.0	251,011	753,674,210
32.3	3,128	6.2	239,730	747,082,240
32.3	2,988	5.5	213,590	640,102,030
32.3	2,962	5.8	213,590	570,244,615

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

Function/Program	2014	2013	2012	2011
General Government				
Council	5.50	5.50	5.50	5.50
Finance	4.00	4.00	4.00	4.00
Finance Director	1.00	1.00	1.00	1.00
Law	1.00	1.00	1.00	1.00
Mayor's Office	2.00	2.00	2.00	2.00
Planning	3.50	3.50	3.50	3.50
Civil Service	1.50	1.50	1.50	1.50
Court	1.50	1.50	1.50	1.50
Zoning	3.50	3.50	3.50	3.50
Information Technology	0.00	1.00	1.00	1.00
Senior Center	4.00	3.50	3.50	3.50
Engineering	1.00	1.00	1.00	1.00
Project Manager	1.00	1.00	1.00	1.00
Security of Persons and Property				
Police	32.50	31.00	32.00	31.00
Police - Dispatchers/Office/Other	10.50	10.50	10.50	9.00
Safety Director	0.00	0.00	0.00	0.00
Fire	32.50	32.00	32.00	33.00
Fire - Dispatchers/Office/Other	1.00	1.00	1.00	1.00
Leisure Time Activities				
Recreation and Parks	12.00	12.50	12.50	14.00
Landmarks Preservation	2.00	2.00	2.00	2.00
Community Development				
Building	7.00	7.00	7.00	7.50
Transportation				
Service/Street M&R	15.50	18.00	16.00	15.00
Basic Utility Services				
Water and Sewer	12.00	11.00	12.00	10.50
Totals:	<u>154.50</u>	<u>155.00</u>	<u>155.00</u>	<u>153.00</u>

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

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

Note: Some employees work in two different departments.

2010	2009	2008	2007	2006	2005
5.50	5.50	5.50	5.00	4.00	4.00
4.00	4.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.50	0.50	0.50
2.00	2.00	2.00	2.00	2.00	2.00
3.50	3.50	3.50	4.50	4.50	4.50
1.50	1.50	1.50	1.50	1.50	0.00
1.50	1.50	1.50	1.50	1.50	1.50
3.50	3.50	3.50	3.50	3.50	3.50
0.00	0.00	0.00	0.00	0.00	0.00
3.00	3.00	2.50	1.00	1.00	1.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	1.00	1.00	0.00	0.00	0.00
34.00	34.00	30.00	30.00	28.00	26.00
10.50	10.50	8.00	8.00	6.00	6.00
0.00	0.50	0.50	0.50	0.50	0.50
32.00	30.00	28.00	28.00	25.50	24.50
1.00	1.00	1.00	1.00	1.00	1.00
14.50	15.50	13.50	12.00	10.50	10.50
2.00	2.00	2.00	2.00	2.00	2.00
7.50	6.50	9.50	8.50	10.00	10.00
15.50	15.00	13.00	12.50	12.00	12.00
9.50	10.50	11.00	10.50	11.50	11.50
153.00	153.00	143.50	138.50	130.50	126.00

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

Function/Program	2014	2013	2012
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	142	137	134
Number of Resolutions Passed	23	35	33
<i>Planning Commission/Zoning Board of Appeals</i>			
Number of Planning Commission docket items	111	131	78
Zoning Board of Appeals docket items	23	26	14
<i>Finance Department</i>			
Amount of checks written	\$49,976,640	\$59,114,557	\$79,149,951
Interest earnings for fiscal year (cash basis)	\$73,481	\$71,310	\$80,715
Number of Receipts issued	4,684	4,306	3,584
Number of Budget Adjustments issued	22	29	22
Agency Ratings - Moody's Financial Services	Aa1	Aa1	Aa1
General Fund Receipts (cash basis in thousands)	\$12,542	\$12,554	\$11,224
General Fund Expenditures (cash basis in thousands)	\$12,885	\$13,269	\$10,739
General Fund Cash Balances including Income Tax (in thousands)	\$2,769	\$3,113	\$3,828
<i>Income Tax Department</i>			
Number of Annual withholding forms processed	20,184	19,813	14,357
Number of Business net profit forms processed	4,076	3,465	1,517
Number of Individual forms processed	19,000	11,167	10,923
Amount of Penalties and Interest Collected	N/A	N/A	N/A
Annual number of balance due/estimated payment forms processed	N/A	N/A	N/A
Annual number of reconciliations of withholdings processec	2,184	1,957	1,917
<i>Engineer Contracted Services</i>			
Dollar amount of Construction overseen by Engineer	\$5,415,017	\$2,107,283	\$4,022,623
<i>Mayor's Court</i>			
Number of Traffic cases	2,260	1,233	784
Number of Criminal cases	59	40	41
<i>Civil Service</i>			
Number of police entry tests administered	0	0	2
Number of fire entry tests administered	0	0	1
Number of police promotional tests administered	0	0	2
Number of fire promotional tests administered	0	0	1
Number of hires of Police Officers from certified lists	1	1	4
Number of hires of Fire/Medics from certified lists	0	1	2
Number of promotions from police certified lists	0	1	3
Number of promotions from fire certified lists	0	0	0
<i>Building Department Indicators</i>			
Single Family Permits Issued	128	122	96
Commercial Permits Issued	270	217	131
Estimated Value of Construction	\$190,769,916	\$88,664,341	\$72,114,502
Number of permits issued (all types)	1,540	1,142	1,112
Amount of Revenue generated from permits	\$2,451,429	\$1,199,584	\$847,201
Number of contractor registrations issued	788	862	810

2011	2010	2009	2008	2007	2006	2005
116	113	132	168	142	151	175
22	39	18	44	41	31	23
76	60	74	121	149	105	183
17	17	20	26	29	37	41
\$53,594,606	\$42,389,310	\$37,724,785	\$30,942,350	\$32,987,641	\$37,732,774	\$28,632,549
\$95,029	\$112,699	\$231,386	\$665,519	\$1,181,222	\$1,177,582	\$428,468
3,687	4,018	3,658	3,661	3,704	4,090	6,543
35	32	26	44	51	31	35
Aa1	Aa1	Aa2	Aa2	Aa2	Aa2	Aa2
\$12,821	\$13,284	\$9,254	\$7,555	\$9,728	\$7,800	\$9,400
\$15,015	\$11,466	\$9,029	\$9,887	\$3,334	\$8,600	\$8,100
\$3,343	\$5,570	\$3,752	\$3,527	\$5,668	\$5,450	\$4,600
14,273	13,275	11,009	11,066	10,697	10,357	9,727
2,079	2,075	1,882	1,559	1,437	1,272	1,405
8,745	8,883	12,204	8,616	8,205	7,346	7,186
N/A	\$125,422	\$88,437	\$63,898	\$61,456	\$60,813	\$41,506
8,874	10,195	11,165	9,234	9,926	9,048	8,742
1,862	N/A	1,251	1,215	1,124	1,529	1,315
\$9,550,735	\$1,899,519	\$2,471,597	\$7,854,087	\$4,880,288	\$3,997,969	\$8,139,674
1,103	982	880	867	2,079	1,508	1,617
40	62	44	50	82	77	92
0	0	1	0	0	1	0
0	0	0	1	0	1	0
1	0	0	0	0	2	2
0	0	0	2	0	2	2
0	1	5	0	2	5	1
0	1	1	0	1	4	2
1	0	0	0	0	2	4
0	5	2	0	2	9	2
113	146	115	142	179	222	350
228	137	109	210	249	183	316
\$40,702,895	\$113,771,043	\$47,821,980	\$67,973,353	\$84,863,809	\$81,389,840	\$123,988,313
1,199	1,112	1,022	1,124	1,269	2,085	2,311
\$972,849	\$1,464,343	\$506,654	\$1,281,070	\$1,478,453	\$1,225,686	\$1,158,571
769	932	609	694	1,086	1,096	1,170

(continued)

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

Function/Program	2014	2013	2012
Security of Persons and Property			
<i>Police</i>			
Total Calls for Services	20,204	17,748	18,789
Number of traffic citations issued	2,178	1,770	1,495
Number of parking citations issued	513	384	475
Number of criminal arrests	369	466	579
Number of accident reports completed	653	598	569
Part 1 Offenses (major offenses)	389	494	481
DUI Arrests	72	85	100
Prisoners	375	461	358
Prisoner meal costs	\$0	\$0	\$0
Motor Vehicle Accidents	1,123	1,073	911
Fatalities from Motor Vehicle Accidents	1	0	2
Gasoline costs of fleet	\$114,883	\$105,400	\$99,212
<i>Fire</i>			
EMS Calls	1,657	1,737	1,666
Ambulance Billing Collections (net)	\$398,467	\$418,414	\$458,386
Fire Calls	635	623	589
Fires with Loss	10	14	16
Fires with Losses exceeding \$10K	3	1	4
Fire Losses	\$258,052	\$186,450	\$240,550
Fire Safety Inspections	832	727	682
Number of times Mutual Aid given to Fire and EMS and Auto Aid	99	73	67
Number of times Mutual Aid received for Fire and EMS and Auto Aid	85	54	86
Leisure Time Activities			
Recreation Men's and Women's Leagues receipts	\$4,993	\$5,056	\$4,041
Recreation Youth Activities receipts	\$113,981	\$94,373	\$87,527
Transportation			
Street Improvements - asphalt overlay (linear feet)	N/A	N/A	N/A
Crackseal Coating Program (Miles)	N/A	N/A	N/A
Street Repair (Curbs, aprons, berms, asphalt) (hours)	N/A	N/A	N/A
Guardrail Repair (hours)	N/A	N/A	N/A
Paint Striping (hours)	N/A	N/A	N/A
Cold Patch (hours)	N/A	N/A	N/A
Snow and Ice Removal overtime hours	N/A	N/A	N/A
Street Improvements Cost	\$137,092	\$186,735	\$139,421
Street Improvements Cost per mile	\$1,063	\$1,503	\$1,134
Miles of City Streets	129	124	123
Tons of snow melting salt purchased (November - May - winter season)	5,961	3,850	4,083
Cost of salt purchased	\$205,480	\$177,714	\$188,538
Water Department			
Water Rates per 1st 6,000 gallons of water used (per thousand)	\$3.51	\$3.05	\$2.94
Average gallons of water billed monthly (in thousands)	66,366	63,206	71,913
Total Water Collections Annually (Including P&I) (in thousands)	\$2,594	\$2,183	\$2,316
Wastewater Department			
Sewer Rates per 1,000 gallons of water used	\$5.79	\$5.79	\$5.79
Average gallons of sewer billed monthly (in thousands)	43,065	41,409	42,831
Total Sewer Collections Annually (Including P&I) (in thousands)	\$2,979	\$1,630	\$1,630

(1) Information for some years is not available.

Source: City of Avon Records

2011	2010	2009	2008	2007	2006	2005
16,208	15,817	15,268	15,367	25,812	25,995	20,992
2,018	1,733	1,446	1,267	2,371	1,240	2,361
306	294	441	104	637	392	58
565	677	682	725	638	622	608
581	507	488	575	545	544	555
313	303	325	283	385	232	262
82	90	67	76	97	193	184
363	399	380	363	484	523	480
\$5	\$0	\$0	\$35	\$60	\$350	\$90
705	780	488	575	545	544	555
0	0	1	2	1	1	1
\$102,384	\$84,013	\$64,291	\$83,693	\$62,186	\$52,814	\$45,365
1,530	1,511	1,557	1,516	1,413	1,341	1,204
\$372,867	\$346,078	\$367,927	\$331,076	\$297,996	\$337,213	\$29,521
567	536	490	459	460	466	440
17	18	25	22	15	40	32
3	6	5	0	4	5	8
\$220,700	\$1,107,750	\$719,120	\$571,215	\$319,400	\$328,830	\$916,625
640	859	608	619	619	454	415
143	54	61	45	8	24	4
75	29	16	4	4	22	11
\$3,381	\$6,375	\$5,822	\$5,405	\$1,435	\$6,330	\$3,619
\$81,460	\$83,125	\$62,899	\$121,872	\$125,794	\$119,491	\$89,347
N/A	10,685	21,375	6,012	4,000	9,434	23,420
N/A	40	20	20	25	40	30
N/A	200	150	150	160	120	150
N/A	20	40	40	40	60	40
N/A	900	400	400	400	400	80
N/A	550	400	400	420	360	150
N/A	850	350	350	350	312	349
\$138,295	\$129,301	\$151,940	N/A	N/A	N/A	N/A
\$1,143	\$1,078	\$1,266	N/A	N/A	N/A	N/A
121	120	120	N/A	N/A	N/A	N/A
5,135	5,291	5,323	4,700	4,056	4,000	3,900
\$239,792	\$240,733	\$242,204	\$194,854	\$182,556	\$132,345	\$119,965
\$2.63	\$2.33	\$2.33	\$2.33	\$2.33	\$2.33	\$2.33
69,692	65,571	63,672	62,494	78,635	101,087	40,400
\$1,822	\$1,809	\$1,674	\$1,689	\$1,847	\$1,591	\$1,600
\$5.59	\$4.98	\$4.98	\$4.23	\$4.23	\$4.01	\$4.01
40,103	40,145	41,419	37,227	39,081	67,864	26,400
\$1,445	\$1,327	\$1,137	\$1,081	\$1,048	\$950	\$900

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

Function/Program	2014	2013	2012	2011
General Government				
Inspection Vehicles	8	8	8	8
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	34	34	35	33
Fire				
Stations	1	1	1	1
Vehicles	15	15	15	15
Leisure Time Activities				
Recreation				
Number of Parks	7	7	7	7
Number of Ice Rinks	1	1	1	1
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	12	12	12	12
Number of Tot Lots	4	4	4	4
Number of Soccer Fields	16	16	16	14
Vehicles	9	8	8	8
Transportation				
Service				
Buildings	1	1	1	1
Service Vehicles	20	20	23	22
Streets (miles)	128.91	123.00	123.00	121.00
Water and Sewer				
Buildings	10	10	10	9
Water Lines (miles)	118.70	117.80	117.30	115.80
Sanitary Sewers (miles)	97.10	96.70	96.30	95.20
Vehicles	14	9	7	7

Source: City of Avon Records

2010	2009	2008	2007	2006	2005
7	8	9	9	9	9
1 37	1 34	1 27	1 27	1 27	1 24
1 14	1 15	1 16	1 16	1 16	1 15
7 1 1 12 4 14 9	7 1 1 12 4 14 10	7 1 1 11 4 14 6	6 1 1 11 3 14 6	6 3 1 11 3 10 5	6 3 1 11 3 10 5
1 21 120.00	1 17 120.00	1 16 120.00	1 16 120.00	1 16 120.00	1 14 120.00
9 114.10 93.30 10	9 113.58 92.97 9	9 111.55 91.34 9	9 108.38 89.06 9	9 106.50 84.50 8	9 106.50 84.50 8

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CITY OF AVON
EST 1814

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

Bryan K. Jensen, Mayor

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

Members of the City Council
City of Avon, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Avon (the "City"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 29, 2015.

Internal Control over Financial Reporting

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

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

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

Members of the City Council
City of Avon, Ohio

Compliance and Other Matters

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

Purpose of this Report

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

Cini & Paricki, Inc.

Cleveland, Ohio
June 29, 2015



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
SEPTEMBER 29, 2015**