

**CITY OF AVON LAKE  
LORAIN COUNTY, OHIO**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2014**

***James G. Zupka, CPA, Inc.***  
**Certified Public Accountants**





# Dave Yost • Auditor of State

City Council  
City of Avon Lake  
150 Avon Belden Road  
Avon Lake, OH 44012

We have reviewed the *Independent Auditor's Report* of the City of Avon Lake, Lorain County, prepared by James G. Zupka, CPA, 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 Lake is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

August 27, 2015

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**CITY OF AVON LAKE  
LORAIN COUNTY, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**JAMES G. ZUPKA, C.P.A., INC.**

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Ohio Society of Certified Public Accountants

**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**

To the Members of City Council  
City of Avon Lake, Ohio

The Honorable Dave Yost  
Auditor of State  
State of 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 Lake, Lorain County, 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 of Avon Lake, Ohio's basic financial statements, and have issued our report thereon dated June 12, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Avon Lake, Ohio'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 of Avon Lake, Ohio's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Avon Lake, Ohio'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.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Avon Lake, Ohio'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 of Avon Lake, Ohio'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 of Avon Lake, Ohio's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**James G. Zupka,**  
**CPA, President**

James G. Zupka, CPA, Inc.  
Certified Public Accountants

Digitally signed by James G. Zupka, CPA,  
President  
DN: cn=James G. Zupka, CPA, President,  
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Date: 2015.06.25 10:15:36 -04'00'

June 12, 2015



**CITY OF AVON LAKE  
LORAIN COUNTY, OHIO  
STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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The prior audit report, as of December 31, 2013, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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*City of Avon Lake, Ohio*

*Comprehensive Annual Financial Report*  
 For the Year Ended  
**December 31, 2014**



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# **CITY OF AVON LAKE, OHIO**



## **Comprehensive Annual Financial Report**

**For the Year Ended  
December 31, 2014**

*Issued by the Finance Department*

**Steven Presley  
Director of Finance**

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# **INTRODUCTORY SECTION**

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**City of Avon Lake, Ohio**  
*Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
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# CITY OF AVON LAKE, OHIO

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Clerk of Council  
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Council President  
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Engineering Department  
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Finance Department  
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Fire Department  
933-8305

Human Resources  
933-6141

Law Director  
930-4122

Mayor's Office  
930-4100

Municipal Court  
930-4103

Municipal Utilities  
933-6226

Planning Department  
930-4101

Police Department  
933-4567

Recreation Department  
930-4130

Service Department  
930-4126

Zoning Department  
930-4143

**June 12, 2015**

## **Members of City Council and Honorable Citizens of Avon Lake, Ohio**

We are pleased to submit the Comprehensive Annual Financial Report of the City of Avon Lake, Ohio 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 cities to file unaudited general purpose external financial statements with the Auditor of State within 150 days of year end.

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.

James G. Zupka, CPA, Inc., has issued an unmodified ("clean") opinion on the City of Avon Lake, Ohio's financial statements for the year ended December 31, 2014. The independent auditor's report is located at the front of the financial section of this report.

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 Lake is approximately 115 square miles and is located in Lorain County in northeastern Ohio, approximately 18 miles west of the City of Cleveland. The City split from Avon Township in 1915 and was formed as a new political division as the Township of Avon Lake shortly thereafter. Avon Lake became a city in 1961 under the laws of the State of Ohio. In 2010, the U.S. Census Bureau reported that Avon Lake has a population of 22,581.

Within a 30-minute drive from the City are the locations of the Rock and Roll Hall of Fame, Progressive Field, Quicken Loan Arena, FirstEnergy Stadium, the world-Class Cleveland Orchestra, The Cleveland Museum of Art, The Natural History Museum, The Western Reserve Historical Society, the Cleveland Playhouse and Karamu House, a multi-racial performing arts center and Cleveland Playhouse area Restaurants. These and other facilities in the area offer an extensive variety of cultural and educational programs to the residents of Avon Lake, as well as professional sports including baseball, basketball and football in the Cleveland area and Crushers Stadium housing a semi-professional baseball team in Avon, Ohio.

The City of Avon Lake is a suburb in an affluent metropolitan area and functions as a major commuter hub and suburban regional center. The City of Avon Lake is headquarters for several corporations. Major industries located within the government's boundaries or in close proximity include hospitals, shopping, large retail stores, Ford, PolyOne and NRG Energy. The school district and the City of Avon Lake also have a significant economic presence. The school system educates over 3,800 students with 525 contracted employees including teachers, professionals, and support staff working to offer quality educational opportunities. It issued 801 W-2 forms in 2013 due to the number of part time workers it employs. The School System has been recognized as Excellent by the Ohio Department of Education for the past 10 years. The City of Avon Lake has 145 full time employees on its payroll and benefits from many part time workers who fill various recreational and infrastructure maintenance jobs in the summer months.

The City of Avon Lake owns and manages 14 park areas that total 225.67 acres. Individual parks range in size from 0.05 acres to 79.1 acres, and as a result vary greatly in amenities. Nonetheless, all parks provide a variety of both active and passive recreational opportunities. To the greatest extent, the City's parks can be divided into three categories: Pocket Parks, Neighborhood Parks, and Community Parks.

Avon Lake's Pocket Parks include Wedgewood Park (1.0 acre) and Point Park (0.05 acres). Wedgewood Park is a green space that hosts one of the Recreation Department's Greenbox program, and Point Park features both detailed gardens and a memorial plaque describing the location's connection to the Interurban Railway.

Neighborhood Parks include Belle Park (3.0 acres), Russ Lynch Bicentennial Park (15.2 acres), Inwood Park (5.5 acres), Overlook Park (0.9 acres), Resatar Park (8.4 acres), Sunset Park (4.9 acres) and Ilg Family Park (5.04 acres). All of the Neighborhood Parks possess parking facilities or restrooms and most contain playgrounds. Many contain volleyball and basketball courts, picnic tables, and charcoal grills. Resatar Park has a Walking Trail, and Belle Park connects to an extensive walking/biking trail system contained in the adjacent Kopf Family Reservation, a 162 acre wooded park area managed by the Lorain County Metro Parks. Ilg Family Park is currently undeveloped.

The City of Avon Lake manages five parks considered Community Parks. These are generally the largest parks in the city, and they contain parking and restrooms that accommodates the diverse amenities of these parks, which include athletic fields (baseball, softball, and soccer), picnic areas and pavilions, hiking/biking trails, and drinking fountains. Miller Road Park and Veterans' Memorial Park are situated along the Lake Erie shoreline and contain beach areas and water access facilities (boat launches and fishing piers). Additionally, Veterans' Memorial Park hosts the semi-private Avon Lake Boat Club, the historic Folger Home, and the popular rental facility the Lake House. Miller Road Park contains the Peter Miller House Museum (c. 1830) and an adjoining wildflower garden. Both the Peter Miller House Museum and the Folger Home are listed both locally and nationally as places of historic importance. Walker Road Park contains a large retention basin that serves as a popular fishing pond (catch and release). Bleser Park contains the very large Avon Lake Place Space playground, lighted tennis and basketball courts, as well as the city's award winning seasonal waterpark - Ellen Trivanovich Aquatic Center. Weiss Field contains the unique features of a Dog Park, Horse Arena, Concession Stand, and a



Skate Park. Many of the Community Parks host large, and very popular, programs and festivals produced by both the City and outside entities.

The City of Avon Lake's legislative authority is vested in a seven member council. Three members are elected at-large, and four members are elected from wards. The Council fixes compensation of City officials and employee's, enacts ordinances and resolutions relating to City services, tax levies, appropriations, borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the President of Council, who is elected by Council for a two year term. The Charter establishes certain administrative departments and Council may establish additional departments and divisions within departments.

The City of Avon Lake's chief executive and administrative officer is the Mayor, who is elected by the voters for a four year term. The Mayor appoints, subject to approval of a majority of the members of Council, the Directors of the City's departments. The Mayor also acts as the Safety Director, oversees the enforcement of all laws and ordinances, and executes all contracts, conveyances, evidences of indebtedness, and all other instruments to which the municipality is a party.

The City provides its residents with a full range of municipal services. These services include, among other things, police, fire, emergency medical assistance, recreation and senior programs, building code enforcement and inspections, water and sewer services, street maintenance and repair, street lighting, traffic signalization, snow removal, refuse disposal, and the maintenance of all City lands, buildings and equipment.

The City of Avon Lake has an elected City Council, Mayor and Board of Municipal Utilities. The Board of Utilities oversees the Cities sanitary/combined sewers and waterlines including a sewage treatment plant and water filtration plant serving several communities with over 250,000 customers.

An annual appropriation budget is legally required by the City Charter to be prepared for all funds of the City other than agency funds. The City of Avon Lake maintains its legal level of budgetary control at the department level, separated into the categories of Personal Service and Other Expenditures, for all funds. Council must approve any revisions in the budget that alter the total fund and program appropriations.

### **Major Initiatives**

The City of Avon Lake has several ongoing initiatives to improve roadway conditions and water quality in Lake Erie. The road projects within the city rank all streets in order of priority needs. This ranking is updated yearly and provided the Mayor and Council with estimated budget amounts for current and future year needs. The City annually spends between \$1 million to \$1.5 million on road maintenance and upkeep every year. Supplementing the yearly street program are projects that the City pursues OPWC grant funding and ODOT LTIP funding. In 2014, the City improved two major intersections to improve traffic flow to the new Nagel Road interchange on I-90 in Avon, to our south. The Walker Road and Lear Road intersection project being built in the summer of 2014 is adding right turn lanes and new traffic signals with LED lights, emergency pre-emption and emergency batter power. The Lear Road and Krebs Road intersection project is scheduled to begin in 2015 adding new turn lanes and a new traffic signal to an existing intersection that saw a drastic increase in traffic due to the new interchange. Like the other intersection on Lear Road both projects received partial funding through OPWC and are major traffic improvements within our City.

The City continues to work on the sewer separation projects to meet our EPA obligation of 2020 to be fully separated. The Belmar Sewer Separation Project completed in 2014, was started in early 2013 as a joint project between Avon Lake Municipal Utilities and the City of Avon Lake. The next project that started its construction phase at the end of June 2014 has a two year completion date and is the Moorewood Sewer District Project at a total cost of \$9.1 million. This project impacts almost 400 homes and will install new sanitary and storm sewers as well as some new waterlines within the sewer district and will eliminate two Sanitary Sewer Overflows (SSO's) to Lake Erie once completed. As part of the City's full compliance with EPA regulations the City has three more separation projects in the works to comply with our 2020 mandate.

In addition to these other projects, the City continues to pursue grants. One such grant was received in 2014 to study and expand our Multi-Modal Transportation Plan, funded through NOACA, to link Avon Lake with the communities to our east, west and south. The major component of the plan will create a corridor within Avon Lake to connect to a proposed pathway in Avon that will provide access to the Cleveland Clinic. The Cleveland Clinic is a big supporter of this route and has committed to helping out in many ways since a large number of employees and patients to the facility live in Avon Lake. Another loan received by the City in 2014 is for the propane conversion of City vehicles. Several departments will be involved and will use these vehicles with the intent to save the taxpayers' money on fuel costs. The loan will be repaid through the fuel savings received.

### **Economic Development**

The city benefits from a solid industrial tax base with several major industries located in the southwest portion of the city as per the city's Comprehensive Master Plan developed many years ago. Several concentrations of small and large industries are located along Moore, Walker and Miller Roads. They include PolyOne Corporation, a Fortune 500 company; Ford Motor Company; a division of Lubrizol and many smaller businesses. These smaller but important companies include Thogus Enterprises, Phoenix Products, Inc, Western Enterprises, Catamaran and Watteredge Industries. The Master Plan has been modified regularly to accommodate changes in the economic climate. The total number of acres in our industrial areas is over 1,400 acres.

Running through the industrial area is Pin Oak Parkway. This industrial park was established in the 1950's with a B.F. Goodrich research facility serving as its anchor. The industrial campus of that facility now houses PolyOne, Lubrizol and Mexichem with all three dealing with polymer research or production. Pin Oak Parkway was expanded about 12 years ago and now can be accessed from State Route 83 as well as Moore Road, both of which provide easy access to Interstate 90 a short distance to the south. There are a number of parcels of industrial sites of various sizes available for industrial expansion. The approximate number of acres that make up Pin Oak Parkway is over 430 acres.

One of the oldest industrial residents is NRG, a coal powered power plant that has been in operation since the 1920's. The plant is located on the south shore of Lake Erie with over 2,600 linear feet of shoreline. The plant initially was scheduled to close under a previous owner as more strict environmental air quality regulation are scheduled to go into effect in April of 2015. The coal powered plant is scheduled to be converted to natural gas and, if successful, will begin operations in May of 2016 using the cleaner and more efficient fuel.

The commercial districts are primarily located along Walker Road as it intersects a number of north/south roads. The two biggest shopping areas are Learwood Square Shopping center and Town Center. Learwood Square is located at the intersection of Lear and Walker Roads and has benefitted from the completion of the Nagel (Lear) Road interchange at Interstate 90 earlier this year. Town Center sits at the northwest corner of Route 83 and Walker Road. It is about one and a half miles north of the Route 83 interchange of Interstate 90. It is the home to several medical offices and also a senior living complex that provides both independent living and assisted living along with a rehabilitation facility. Both shopping centers are the locations for restaurants and personal and commercial services. The Avon Lake Shopping Center is located just south of the NRG plant along Lake Road and is the home of the post office, restaurants and other retail services.

#### **Community Reinvestment Area (CRA) Program**

The City has established nineteen (19) Pre-1994 CRAs within and surrounding Avon Lake's Business Parks. Improvements within these CRAs are granted an exemption from real estate property taxes for 100% of the incremental increase in assessed value for a period of up to 15 years based on meeting certain goals in job creation and investment.

#### **Community Improvement Corporation**

The City created a Community Improvement Corporation which will operate as a 501(C)3 Non-Profit Organization. Their mission will be to provide advisory and financial support to the citizens and businesses of Avon Lake who need assistance in locating, expanding or improving their business ventures. Funds for any financial assistance provided will be generated from sources other than tax revenues.

#### **Jobs Growth Incentive Plan**

City Council approved a five year program that rewards businesses, both new and long standing, with a 25% rebate in the income taxes generated in the current year beyond what was paid the previous calendar year. While revenue to the city will be increasing, the city intends to reward the growth of all businesses that are not located at home with this incentive.

Because of its location in a region with a varied economic base, unemployment had been relatively stable until the effect of the current recession was felt during the current year. During the past ten years, the unemployment rate rose from an initial low of 3.1 percent (2007) to a decade high of 7.1 percent during the depths of the recession. Although unemployment rates have risen nationwide over the last year, the City of Avon Lake continues to experience unemployment rates consistently lower than national averages. Based on economic forecasts, a leveling off and subsequent decline in unemployment rates are anticipated in calendar year 2014. This is consistent with an increase in income tax revenues for the past three years.

Median household incomes within the City of Avon Lake are significantly higher than for the state as a whole. According to the year 2010 census, the median family income was \$77,060, while the state's was \$46,829. Housing prices in the vicinity of the City of Avon Lake continue to remain strong. At the end of the second quarter of 2013, the median price of a single family home in the vicinity of the City of Avon Lake was \$217,034 with a projected 2.6% increase in the coming year.

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

The City's bond rating is Aa2 according to Moody's Investors Service. This rating demonstrates the City's prudent fiscal management and strong economic health indices.

In the past six years, the City has reduced its workforce by 9 full-time positions and found innovative ways to reduce costs without a reduction in services provided to its residents. The City continues to pay down its debt and seeks opportunities to refinance its debt in order to take advantage of any cost savings for its residents.

On January 1, 2013, the City implemented the use of the City Force software system. This web based community development software suite provides 24/7 access for those who interact with the City's Building Department. Contractors and residents can obtain permits electronically from any computer, I-pad or smart phone saving both time and money. The City of Avon Lake is the only City in the State of Ohio and one of only 60 cities across the country that use this web based program.

It is the City's goal to maintain fund balances that would finance at least a minimum of three months (25 percent) of operations. The Finance Department reviews all transactions on an on-going basis, balances bank accounts daily, and works diligently to manage and monitor revenues and expenditures to ensure that adequate fund balances are maintained.

### **Awards and Acknowledgement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Avon Lake for its comprehensive annual financial report for the year ended December 31, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the first year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The successful completion of a report of this scope depends upon the dedicated contributions of many employees. The sincere appreciation of those primarily responsible for the completion of this CAFR is extended to all contributors, but especially those employees in the Department of Finance.

Respectfully submitted,



Gregory J. Zilka  
Mayor



Steven Presley  
Director of Finance



Government Finance Officers Association

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

Presented to

**City of Avon Lake  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

Executive Director/CEO

# City of Avon Lake, Ohio

*Directory of Officials*

*December 31, 2014*

## COUNCIL

### At-Large:

Daniel Bucci

John Shondel

Martin O'Donnell

### Wards:

Robert James (Ward I)

Jennifer Fenderbosch (Ward II)

Larry Meiners (Ward III)

David Kos (Ward IV)

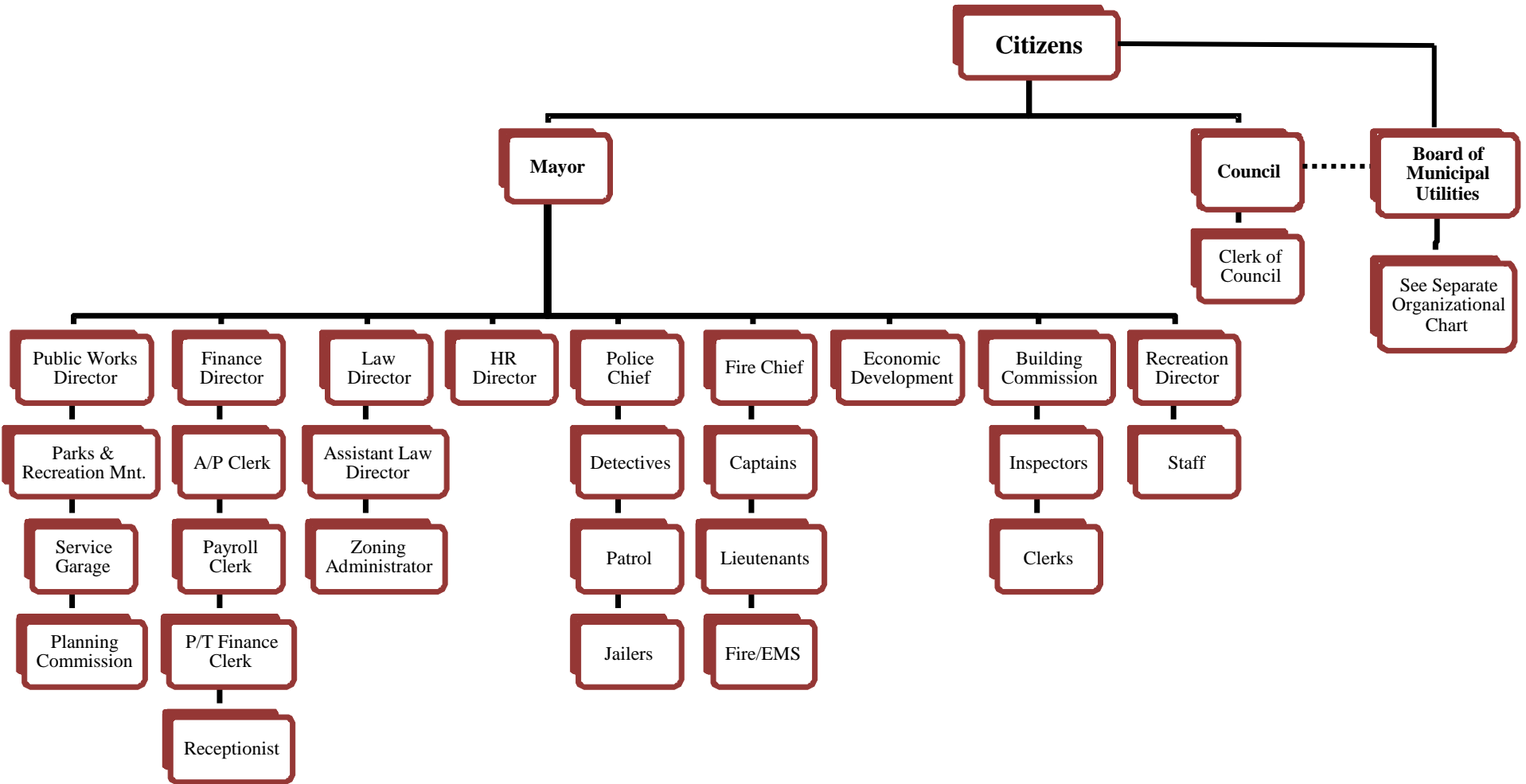
### Clerk of Council:

Barbara Dopp

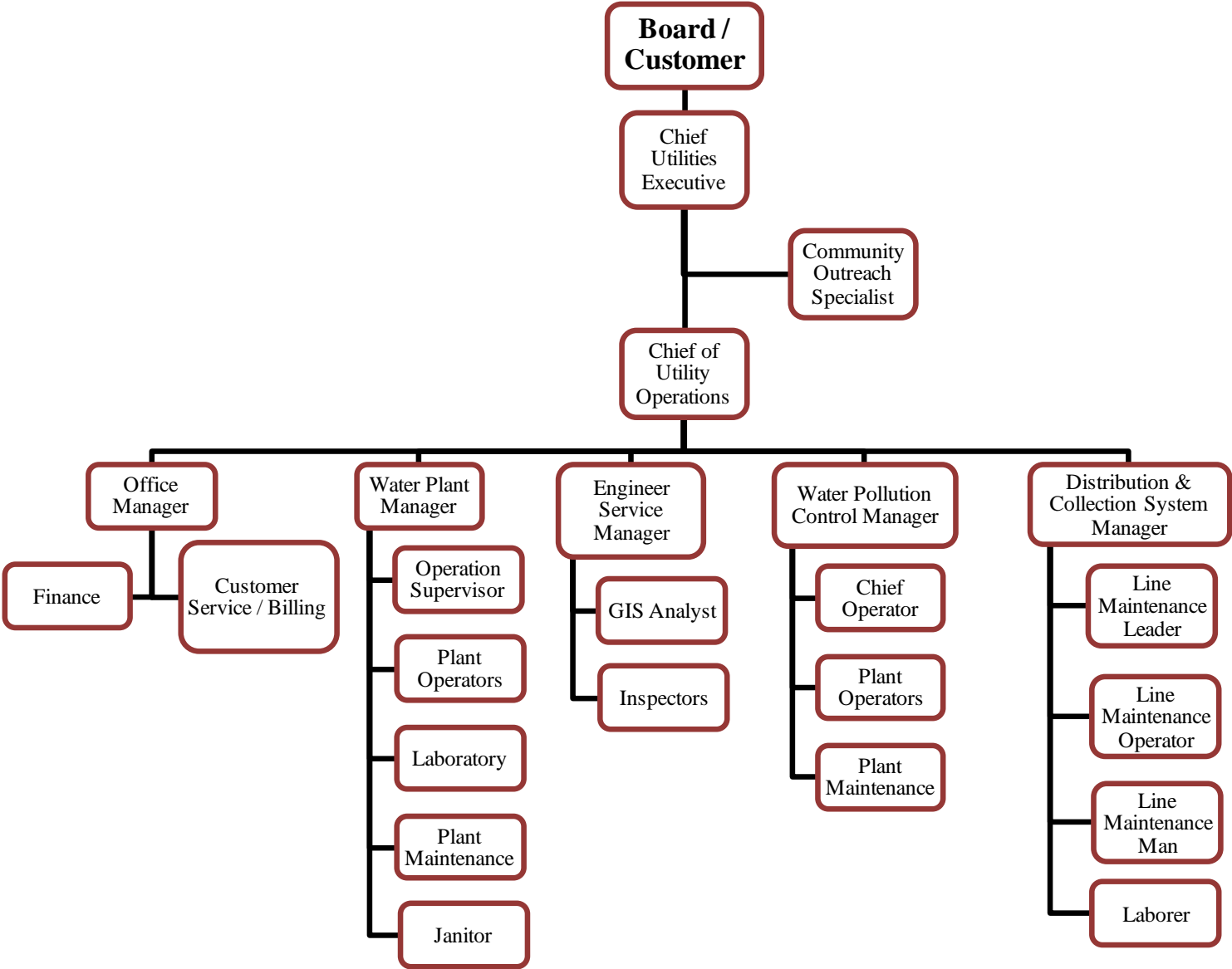
## OFFICIALS

Gregory J. Zilka	Mayor
Abraham Lieberman	Director of Law
Steven Presley	Director of Finance
Thomas Carleton	Building Official
Todd Danielson	Chief Utilities Executive
Gregory J. Zilka	Safety Director
Duane Streator	Police Chief
Christopher Huerner	Fire Chief
Gary Gerrone	Recreation Director
Darrel Bilancini	Judge of Municipal Court
Kathleen Novotny	Clerk of Courts

**City of Avon Lake, Ohio**  
*Organizational Chart – City*  
 December 31, 2014



**City of Avon Lake, Ohio**  
*Organizational Chart – Avon Lake Regional Water*  
 December 31, 2014





# **FINANCIAL SECTION**

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**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

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Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

To the Members of City Council  
City of Avon Lake, Ohio

The Honorable David Yost  
Auditor of State  
State of 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 Lake, Lorain County, Ohio, 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 involves 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 of Avon Lake, Ohio, 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 Fund 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 as listed in the table of contents 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 of Avon Lake, Ohio'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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2015, on our consideration of the City of Avon Lake, Ohio'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 of Avon Lake, Ohio's internal control over financial reporting and compliance.

  
James G. Zupka, CPA, Inc.  
Certified Public Accountants

June 12, 2015

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

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The discussion and analysis of the City of Avon Lake's financial performance provides an overall review of the City's financial activities for the fiscal 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 financial statement and notes to those respective statements to enhance their understanding of the City's financial performance.

**Financial Highlights**

Key financial highlights for 2014 are as follows:

- The City's economic condition continued to improve as municipal income tax revenue slightly increased by \$182,721 or 1.87% over 2013.
- Total Net Position increased \$701,811 in 2014 over 2013.
- Planning, engineering/design and construction continued on the Moorewood Avenue sewer separation project and the Belmar sewer separation project.
- In 2014, the City issued \$12,329,000 in bond anticipation notes, which were utilized to retire \$1,950,000 in 2013 bond anticipation notes and provide additional funding for various capital projects in the governmental activities and business-type activities.

**Overview of the Comprehensive Annual Financial Report (CAFR)**

This annual financial report consists of a series of financial statements, notes to the financial statements, and other information. The Statement of Net Position and the Statement of Activities (on pages 17 and 18) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements begin on page 20. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most financially significant funds.

**Government-wide Financial Statements**

Our analysis of the City as a whole begins on page 7. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question.

These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

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These two statements report the City's Net Position and changes in them. You can think of the City's Net Position as the difference between assets, what the citizens own, deferred outflows of resources and liabilities, what the citizens owe, and deferred inflows of resources as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's Net Position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base, income tax base, and the condition of the City's capital assets (land, roads, building, water and sewer lines, etc.) to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two types of activities:

*Governmental Activities:* Most of the City's basic services are reported here, including the police, fire, street and highway maintenance, capital improvement, vehicle acquisition, parks and recreation, and general administrative. Income taxes, property taxes, undivided local government, fees, licenses and permits, and state and federal grants finance most of these activities.

*Business-Type Activities:* The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water and sewer operations are reported here.

### **Fund Financial Statements**

Our analysis of the City's major funds begins on page 12. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law. However, City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (i.e. grants received from Federal and State agencies). The City's three fund types, governmental, proprietary and fiduciary, use different accounting approaches.

#### *Governmental Funds*

Most of the City's activities are reported in governmental funds, which are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental funds use the modified accrual method of accounting, which measures cash and other financial assets readily convertible to cash.

#### *Proprietary Funds*

Proprietary funds are generally used to account for activities for which the City will charge customers and users. Proprietary funds of the City consist of enterprise funds which are used to account for those functions reported as business-type activities in the government-wide financial statements. The City's enterprise funds account for water system operations and sanitary sewer system operations. Proprietary funds use the accrual basis of accounting.

#### *Fiduciary Funds*

Fiduciary funds are used to account for resources held for the benefit of parties outside the City and are not included in the government-wide financial statements since the resources held are not available to support City programs. The City uses only agency funds included under the fiduciary funds category. Agency funds are reported on a full accrual basis, for which only a statement of assets and liabilities is presented.



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

**Notes to the Basic Financial Statements**

Notes to the basic financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. These should be read in connection with those financial statements.

**Other Information**

In addition to the basic financial statements and the accompanying notes, this CAFR also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements, the combining statements are presented along with individual detailed budgetary schedules for all funds. This information can be found starting on page 75.

**The City of Avon Lake as a Whole**

**Analysis of Net Position**

The City's total Net Position changed from a year ago, increasing from \$115,273,298 to \$115,975,109.

Our analysis below focuses on the Net Position (Table 1) and changes in Net Position (Table 2) of the City's governmental and business-type activities.

Table 1- Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>ASSETS</b>						
Current and other assets	\$ 27,547,592	\$ 26,744,359	\$ 22,304,552	\$ 18,082,087	\$ 49,852,144	\$ 44,826,446
Capital assets, net	56,168,656	55,107,235	99,200,938	89,352,067	155,369,594	144,459,302
<b>Total Assets</b>	<b>83,716,248</b>	<b>81,851,594</b>	<b>121,505,490</b>	<b>107,434,154</b>	<b>205,221,738</b>	<b>189,285,748</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferral on Refunding	197,432	250,901	175,969	195,950	373,401	446,851
<b>LIABILITIES</b>						
Current and other liabilities	6,922,895	1,447,968	9,428,475	818,560	16,351,370	2,266,528
Long-term liabilities:						
Due within one year	1,786,788	3,534,982	2,549,559	2,880,833	4,336,347	6,415,815
Due in more than one year	9,960,581	11,150,909	53,544,658	49,184,866	63,505,239	60,335,775
<b>Total Liabilities</b>	<b>18,670,264</b>	<b>16,133,859</b>	<b>65,522,692</b>	<b>52,884,259</b>	<b>84,192,956</b>	<b>69,018,118</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Taxes	5,427,074	5,441,183	-	-	5,427,074	5,441,183
<b>NET POSITION</b>						
Net Investment in						
Capital Assets	47,692,149	44,445,366	43,880,621	38,036,092	91,572,770	82,481,458
Restricted	7,513,366	9,152,098	1,343,581	1,353,870	8,856,947	10,505,968
Unrestricted	4,610,827	6,929,989	10,934,565	15,355,883	15,545,392	22,285,872
<b>Total Net Position</b>	<b>\$ 59,816,342</b>	<b>\$ 60,527,453</b>	<b>\$ 56,158,767</b>	<b>\$ 54,745,845</b>	<b>\$ 115,975,109</b>	<b>\$ 115,273,298</b>

Total assets increased by \$15,935,990 in 2014. Capital assets are used to provide services to the City's citizens; however, they are not available for future spending. Total capital assets (net of depreciation) increased by \$10,910,292. This increase was mainly attributed to several new construction projects beginning in 2014 which were offset by current year depreciation expenses.

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

Current and other assets increased \$5,025,698 mainly from an increase in equity in pooled cash and cash equivalents as a result of the City receiving proceeds from bond anticipation notes issued in 2014. As of December 31, 2014, the City had not fully completed all of the capital projects funded by the bond anticipation notes. As a result, the unspent proceeds remained in the City's equity in pooled cash and cash equivalents at year end.

Total liabilities increased by \$15,174,838 in 2014 with current liabilities increasing \$14,084,842 and long-term liabilities increasing \$1,089,996. The increase in current liabilities was primarily due to the issuance of Water and Sewer notes in 2014 and the increase in long-term liabilities is due to the addition of OWDA loans, which were offset by principal payments.

Investments in capital assets (land, construction in progress, buildings and improvements, machinery and equipment, vehicles and infrastructure, net of depreciation) less any debt related to acquire those assets that is still outstanding represents the largest portion of net position which increased \$9,091,312 from 2013 to 2014. Restricted net position decreased \$1,649,021 due primarily to the capital project of Walker Road Widening being expended in 2014. Unrestricted net position decreased \$6,740,480.

Table 2 shows the changes in net position for governmental activities and business-type activities for the year ended December 31, 2014 compared to December 31, 2013.

Table 2- Changes in Net Position

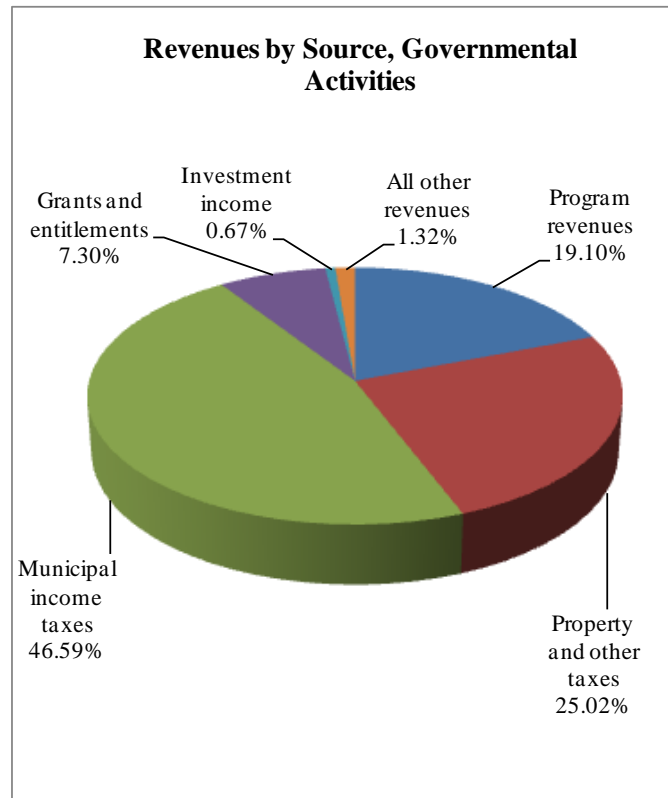
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>REVENUES</b>						
Program Revenues:						
Charges for services	\$ 1,991,990	\$ 1,978,386	\$ 15,296,799	\$ 15,928,903	\$ 17,288,789	\$ 17,907,289
Operating grants and contributions	899,116	999,229	314,822	329,942	1,213,938	1,329,171
Capital grants and contributions	1,179,656	397,755	515,837	145,350	1,695,493	543,105
<b>Total Program Revenues</b>	<b>4,070,762</b>	<b>3,375,370</b>	<b>16,127,458</b>	<b>16,404,195</b>	<b>20,198,220</b>	<b>19,779,565</b>
General Revenues:						
Property and other taxes	5,332,611	5,831,131	-	-	5,332,611	5,831,131
Municipal income taxes	9,929,219	9,746,498	214,650	512,524	10,143,869	10,259,022
Grants and entitlements	1,556,651	1,195,278	-	-	1,556,651	1,195,278
Investment income	143,406	58,145	18,659	7,034	162,065	65,179
All other revenues	281,684	265,394	436,561	230,639	718,245	496,033
<b>Total General Revenues</b>	<b>17,243,571</b>	<b>17,096,446</b>	<b>669,870</b>	<b>750,197</b>	<b>17,913,441</b>	<b>17,846,643</b>
<b>Total Revenues</b>	<b>21,314,333</b>	<b>20,471,816</b>	<b>16,797,328</b>	<b>17,154,392</b>	<b>38,111,661</b>	<b>37,626,208</b>
<b>EXPENSES</b>						
Program Expenses:						
Security of persons and property	8,933,432	8,465,633	-	-	8,933,432	8,465,633
Public health services	88,023	188,239	-	-	88,023	188,239
Leisure time activities	1,312,553	1,158,288	-	-	1,312,553	1,158,288
Community environment	461,484	487,654	-	-	461,484	487,654
Transportation	7,473,350	6,236,676	-	-	7,473,350	6,236,676
General government	3,325,069	3,391,591	-	-	3,325,069	3,391,591
Interest and fiscal charges	431,533	470,790	-	-	431,533	470,790
Water	-	-	9,325,575	9,109,859	9,325,575	9,109,859
Sewer	-	-	6,058,831	5,796,151	6,058,831	5,796,151
<b>Total Expenses</b>	<b>22,025,444</b>	<b>20,398,871</b>	<b>15,384,406</b>	<b>14,906,010</b>	<b>37,409,850</b>	<b>35,304,881</b>
Changes in Net Position before Transfers	(711,111)	72,945	1,412,922	2,248,382	701,811	2,321,327
Transfers	-	(13,159)	-	13,159	-	-
Changes in Net Position	(711,111)	59,786	1,412,922	2,261,541	701,811	2,321,327
Net Position - Beginning of Year	60,527,453	60,467,667	54,745,845	52,484,304	115,273,298	112,951,971
<b>Net Position - End of Year</b>	<b>\$ 59,816,342</b>	<b>\$ 60,527,453</b>	<b>\$ 56,158,767</b>	<b>\$ 54,745,845</b>	<b>\$ 115,975,109</b>	<b>\$ 115,273,298</b>

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

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**Governmental Activities**

Revenues by source of governmental activities for 2014 were comprised of:



**Revenues**

Total revenues increased by \$842,517 or 4.12%. The 1.5 percent municipal income tax is the largest revenue source totaling \$9,929,219 or 46.59%. Municipal income tax increased by 182,721 or 1.87%. The municipal income tax revenue is allocated by ordinance as follows: the Capital Improvement Fund receives 20.00%, the Sewer System Construction Fund receives 5.00% and the remaining 75.00% is allocated to the General Fund. The municipal income tax has remained stable for each of the last four years.

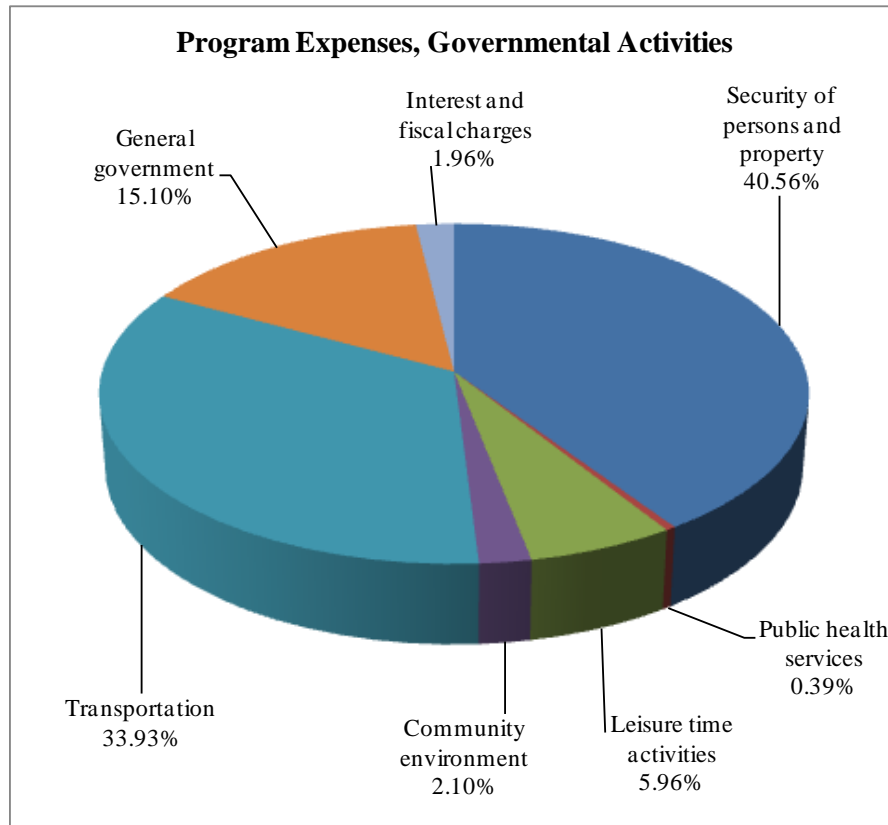
The next largest revenue source is property and other taxes totaling \$5,332,611 or 25.02%. Property and other taxes experienced the largest decrease within the government activities' revenues. This revenue source decreased \$498,520 or 8.55% from 2013 to 2014. Capital Grants and Contributions increased \$781,901 or 196.58% from 2013 to 2014 as a result of an OPWC Grant and capital contributions to infrastructure from developers. Grants and Entitlements increased \$361,373 or 30.23% from 2013 to 2014. The 2013 amounts were impacted more significantly than the 2014 amounts as a result of the timing of when accruals were recognized.

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

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*Expenses*

Program expenses of governmental activities for 2014 were comprised of:



Program expenses amounted to \$22,025,444 in 2014, of which only \$4,070,762 was supported by program revenues. Security of persons and property, which includes police, fire and paramedic services, represented \$8,933,432 or 40.56% of total program expenses. Transportation, which includes street maintenance, snow removal, etc., represents \$7,473,350 or 33.93% of program expenses. General government, which includes legislative and administrative services of council, mayor, law, finance, engineering, building services, and utilities and maintenance of the buildings that house these functions, represents \$3,325,069 or 15.10%. Leisure time activities represented \$1,312,553 or 5.96% of program expenses and includes recreation pool and special programs. Other program expenses consisting of public health and welfare, community environment, and interest and fiscal charges amounted to 4.45%. Program expenses increased in 2014 by \$1,626,573 or 7.97% from the 2013 program expenses due to the 2014 Asphalt and Concrete Road Programs in 2014.

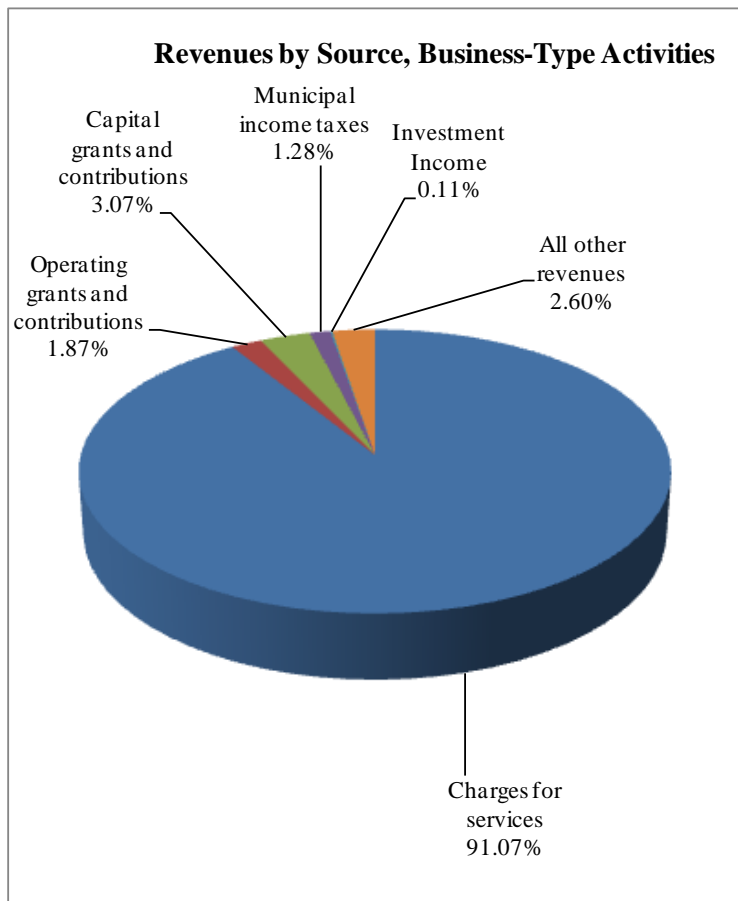
**City of Avon Lake, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2014*  
*(Unaudited)*

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***Business-Type Activities***

The City's major business-type activities consist of the water and sewer services. The Water Fund accounts for the treatment and distribution of water to residential customers, commercial users, and certain non-residential customers. The Sewer Fund accounts for sanitary sewer treatment services provided to residential and commercial users.

Revenues by source for business-type activities for 2014 were comprised of:



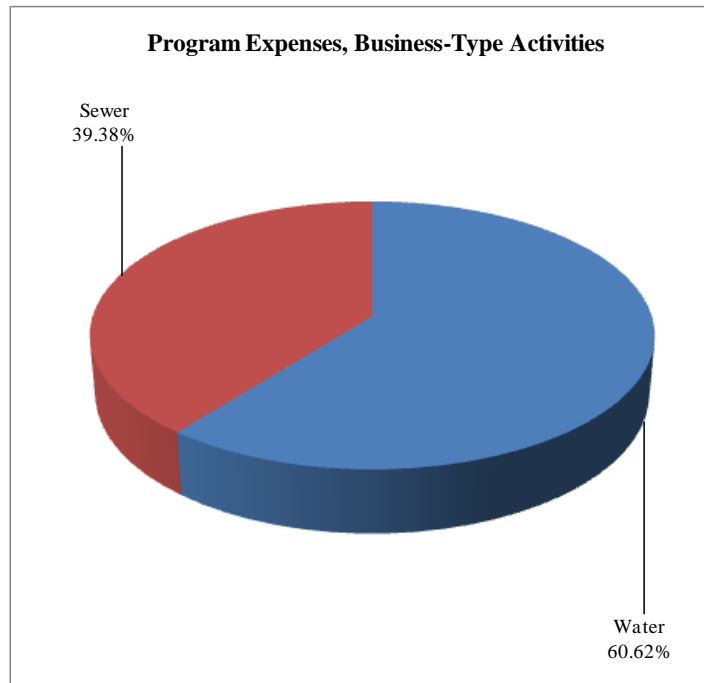
***Revenues***

Program revenue consisting of charges for services, operating and capital grants and contributions represented 96.01% of total revenues for the business-type activities in 2014. Charges for services for the business-type activities amounted to \$15,296,799 with 66.85% provided by water services and 33.15% from sanitary sewer services.

Water operations generate the fees charged for the sale of water within Avon Lake and several surrounding communities. Those fees are then used to maintain lines for delivery and to treat water for further consumption. Water operating revenues decreased \$706,380 or 6.38%.

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

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*Expenses*

Water operation expenses amounted to \$9,325,575 or 60.62% and sanitary sewer operation expenses amounted to \$6,058,831 or 39.38% of total program expenses for business-type activities in 2014.

Total expenses for business-type activities increased by \$478,396 due mainly to increases in additional supply and overtime expenses.

**The City's Funds**

Information about the City's major governmental funds begins on page 20. These funds are reported using the modified accrual basis of accounting. All governmental funds had total revenues of \$21,375,691 and expenditures of \$25,160,224 (not including other financing sources and uses). The General Fund's fund balance decreased by \$206,011. The City closely monitors its revenues and expenditures to maintain a sound fund balance.

**General Fund Analysis**

The General Fund is the chief operating fund of the City. At the beginning of the current year, total fund balance for the General Fund was \$3,068,320. General Fund expenditures (including transfers out) for the current year were \$13,821,034, with revenues and other financing sources of \$13,615,023, leaving a fund balance of \$2,862,309, and an unassigned balance of \$760,805 in the General Fund.

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

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As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (including transfers out). The General Fund's unassigned fund balance represents 5.50% of total General Fund expenditures while total fund balance represents 20.71% of that same amount. The fund balance of the City's General Fund balance decreased by \$206,011 in 2014 when compared to 2013, as a result of decreases in property taxes and municipal income taxes.

**Other Major Funds Analysis**

The City's General Bond Retirement (Unvoted) Fund experienced a decrease in fund balance due to the repayment of the 2013 bond anticipation notes. In 2014, the issuance of the 2014 bond anticipation notes were considered a short-term liability which contributed to the decrease in fund balance.

The City's Water Fund experienced an increase of \$1,591,473 in its 2014 net position compared to 2013. The main contributor to this is the City's efforts to maintain expenses lower than revenues.

The City's Sewer Fund experienced a decrease of \$178,551 in its net position compared to 2013. The main contributors to this decrease were higher operating expenses from depreciation on the completion of a major infrastructure project, as well as, increased interest and fiscal charges.

**General Fund Budgeting Highlights**

The City's budget is prepared according to the laws of the State of Ohio and is based on accounting for certain transactions on a cash basis for receipts, expenditures, and encumbrances. The most significant budgeted fund is the general fund. The legal level of budgetary control is at the personnel and other levels within the departments for the general fund and at the personnel and other levels for all other funds. Any budgetary modifications at these levels may only be made by an ordinance of City Council. During 2014, a number of supplemental appropriation measures were authorized by the City Council. Administrative control of the budget is maintained through the establishment of detailed line-item budgets. Transfers are contained in the annual appropriation measure and are permitted once the permanent appropriation measure has been passed by City Council.

Strong emphasis is placed on fund balances. The Finance Director reviews the fund balances on a daily basis. Special attention is paid to the City's most active funds, which are the general, water and sewer funds. All recommendations for a budget change come from the Finance Director to the Finance Committee of Council for review before going to the whole Council for ordinance enactment on the change. The Finance Committee receives a monthly report showing the beginning fund balance for all funds at the beginning of the year, month-to-date and year-to-date revenues and expenditures, and the current fund balance.

Line item reports are reviewed regularly by the Finance Director. The department heads also monitor their appropriations to ensure the entire operation of the City operates within the appropriations.

For the general fund, original budgeted revenues are \$13,468,548, final budgeted revenues are \$14,085,315 and actual revenue collections are \$13,705,409. The majority of the decrease in actual revenue over the final budgeted amounts is due to receiving less income and property tax revenue than expected. Actual general fund expenditures were \$14,430,580 or \$854,210 less than the final budget. The decrease in actual expenditures represents the City's proactive management and legislative action to control costs across the City's departments when practicable.

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

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

Capital assets, net of depreciation, at December 31, 2014 and 2013 consisted of:

Table 3- Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 5,283,340	\$ 5,283,340	\$ 1,601,738	\$ 1,601,738	\$ 6,885,078	\$ 6,885,078
Construction in progress	3,557,704	392,128	14,623,203	22,079,427	18,180,907	22,471,555
Buildings and improvements	15,095,199	15,633,305	17,464,882	18,071,927	32,560,081	33,705,232
Machinery and equipment	942,244	1,065,621	1,641,404	1,714,029	2,583,648	2,779,650
Vehicles	1,464,446	1,499,730	299,918	260,669	1,764,364	1,760,399
Infrastructure	29,825,723	31,233,111	63,569,793	45,624,277	93,395,516	76,857,388
Total Capital Assets, Net of Depreciation	<u>\$ 56,168,656</u>	<u>\$ 55,107,235</u>	<u>\$ 99,200,938</u>	<u>\$ 89,352,067</u>	<u>\$ 155,369,594</u>	<u>\$ 144,459,302</u>

Capital assets are major assets that are used in operations and have useful lives of more than one year. As of December 31, 2014, total capital assets for the City were \$155,369,594 which reflects an increase of \$10,910,292 from the 2013 ending balance of \$144,459,302. Governmental activities' capital assets, net of depreciation, increased \$1,061,421 from 2013 as a result of the Walker/Lear Roads project in 2014. Business-type capital assets, net of depreciation, increased \$9,848,871 as a result of several new construction projects beginning in 2014 and the continuing projects from 2013, which were offset by current year depreciation expenses.

For more information about the City's capital assets see Note 8 of the Notes to the Basic Financial Statements.

**Debt**

The outstanding debt and other long-term obligations for the City as of December 31, 2014, was \$65,124,441 which consisted of \$9,628,155 for governmental activities and \$55,496,286 for business-type activities. The City-wide balance reflects an increase of \$1,129,460 from the previous year's balance of \$63,994,981.

The City's debt and other long-term obligations consisted of the following:

Table 4- Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds	\$ 7,009,404	\$ 7,807,179	\$ 3,218,282	\$ 4,225,645	\$ 10,227,686	\$ 12,032,824
Special Assessment Bonds	1,415,685	1,675,983	-	-	1,415,685	1,675,983
Long-term Notes Payable	626,784	2,510,728	-	-	626,784	2,510,728
OWDA Loans	232,081	237,675	46,068,004	40,682,410	46,300,085	40,920,085
OPWC Loans	188,333	70,000	-	-	188,333	70,000
Mortgage Revenue Bonds	-	-	6,210,000	6,595,000	6,210,000	6,595,000
Equipment Loan	69,000	92,000	-	-	69,000	92,000
Police Pension Liability	86,868	89,491	-	-	86,868	89,491
Capital Leases	-	-	-	8,870	-	8,870
Total Outstanding Debt	<u>\$ 9,628,155</u>	<u>\$ 12,483,056</u>	<u>\$ 55,496,286</u>	<u>\$ 51,511,925</u>	<u>\$ 65,124,441</u>	<u>\$ 63,994,981</u>



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

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During 2014, the City continued two sewer projects and water plant expansion project which were all funded by the Ohio Water Development Authority (OWDA). The City received \$7,230,853 in loan proceeds from OWDA.

During 2014, the City issued bond anticipation notes for the retirement of the 2013 bond anticipation notes as well as to provide funding for various construction projects within the governmental activities and the Water and Sewer Funds. The notes were issued with an annual interest rate of 1.00 percent and will mature in July 2015.

The City's last general obligation bond rating from Moody's was Aa2. Other obligations include accrued leave benefits and landfill post-closure costs. For more information about the City's debt obligations, see Notes 9, 10, and 11 of the Notes to the Basic Financial Statements.

#### **CURRENT FINANCIAL RELATED ACTIVITIES**

The City's governmental activities continued to struggle with many of the same economic issues as other communities including unfunded capital costs, increased operating costs, and decreasing revenue sources. On a positive note, GenOn Energy Incorporated has indicated that it is pursuing the conversion to natural gas and has filed the necessary permits to make this change and install a natural gas pipeline to feed its facility.

On a cash basis, the property tax revenue remained relatively flat in 2014 while municipal income tax revenue increased \$717,401 or 7.16%; however, the elimination of the Estate Taxes were the main reason intergovernmental revenues decreased.

The City is nearing completion on the Walker/Lear Road intersection improvement project at a cost of \$1,596,312. This improvement widened the intersection to 4 lanes in each direction while changing the overall elevation of the intersection to improve drainage. The City received an OPWC Grant in the amount of \$252,288 and an OPWC interest free loan of \$125,000 to aid in the funding of the project.

Avon Lake Municipal Utilities (ALMU) began several projects in 2013 that carried over into 2014. The ALMU expended \$643,057 of an approximately \$4.8 million project to expand the water filtration plant from 40 million gallons per day (mgd) peak capacity to 50 mgd peak capacity. Initial work was also performed at the water pollution control center, where \$565,544 was expended to repair roofs and install an aeration blower as the first steps in a \$25 million rehabilitation project that is anticipated to be bid in 2014. Finally, ALMU initiated a combined sewer separation project. The project is the 13<sup>th</sup> of 17 combined sewers that will be separated, and \$1,601,699 of the \$4.8 million project was completed in 2013.

#### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This report is intended to provide the citizens and anyone interested in the financial aspects of the City of Avon Lake a general overview of the financial operations. If there are any questions, please feel free to contact Finance Director Steven Presley, City of Avon Lake, 150 Avon Belden Road, Avon Lake, Ohio 44012, Telephone (440) 930-4124.

# **Basic Financial Statements**

# City of Avon Lake, Ohio

## Statement of Net Position

December 31, 2014

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 15,685,671	\$ 14,738,419	\$ 30,424,090
Cash and Cash Equivalents:			
With Escrow Agents	10,984	-	10,984
Materials and Supplies Inventory	241,986	161,425	403,411
Accounts Receivable	168,673	1,509,832	1,678,505
Accrued Interest Receivable	58,867	5,156	64,023
Intergovernmental Receivable	1,144,297	1,910,627	3,054,924
Prepaid Items	64,503	54,453	118,956
Municipal Income Taxes Receivable	3,043,075	160,162	3,203,237
Property and Other Taxes Receivable	5,739,385	-	5,739,385
Special Assessments Receivable	1,390,151	89,901	1,480,052
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	-	1,343,581	1,343,581
Investment In Joint Venture	-	2,330,996	2,330,996
Nondepreciable Capital Assets	8,841,044	16,224,941	25,065,985
Depreciable Capital Assets	47,327,612	82,975,997	130,303,609
<b>Total Assets</b>	<u>83,716,248</u>	<u>121,505,490</u>	<u>205,221,738</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferral on Refunding	197,432	175,969	373,401
<b>Total Deferred Outflows of Resources</b>	<u>197,432</u>	<u>175,969</u>	<u>373,401</u>
<b>LIABILITIES</b>			
Accounts Payable	601,556	1,539,377	2,140,933
Accrued Wages and Benefits	424,110	174,620	598,730
Intergovernmental Payable	328,900	238,126	567,026
Matured Compensated Absences Payable	40,891	47,000	87,891
Accrued Interest Payable	60,355	112,365	172,720
Retainage Payable	117,127	289,460	406,587
Notes Payable	5,349,956	7,027,527	12,377,483
Long-term Liabilities:			
Due within one year	1,786,788	2,549,559	4,336,347
Due in more than one year	9,960,581	53,544,658	63,505,239
<b>Total Liabilities</b>	<u>18,670,264</u>	<u>65,522,692</u>	<u>84,192,956</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	5,427,074	-	5,427,074
<b>Total Deferred Inflows of Resources</b>	<u>5,427,074</u>	<u>-</u>	<u>5,427,074</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	47,692,149	43,880,621	91,572,770
Restricted for:			
Debt Service	1,790,431	1,304,490	3,094,921
Capital Projects	2,938,727	-	2,938,727
Public Safety	1,204,451	-	1,204,451
Parks and Recreation	312,196	-	312,196
Streets and Highways	1,265,870	-	1,265,870
Other Purposes	1,691	39,091	40,782
Unrestricted	4,610,827	10,934,565	15,545,392
<b>Total Net Position</b>	<u>\$ 59,816,342</u>	<u>\$ 56,158,767</u>	<u>\$ 115,975,109</u>

The notes to the basic financial statements are an integral part of this statement.

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

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary Government:</b>				
<b>Governmental activities:</b>				
Security of Persons and Property	\$ 8,933,432	\$ 618,555	\$ 1,327	\$ -
Public Health Services	88,023	-	-	-
Leisure Time Activities	1,312,553	493,336	8,646	-
Community Environment	461,484	3,812	-	-
Transportation	7,473,350	300,721	875,929	1,179,656
General Government	3,325,069	575,566	13,214	-
Interest and Fiscal Charges	431,533	-	-	-
<b>Total Governmental activities</b>	<u>22,025,444</u>	<u>1,991,990</u>	<u>899,116</u>	<u>1,179,656</u>
<b>Business-type activities:</b>				
Water	9,325,575	10,225,815	314,822	224,212
Sewer	6,058,831	5,070,984	-	291,625
<b>Total Business-type activities</b>	<u>15,384,406</u>	<u>15,296,799</u>	<u>314,822</u>	<u>515,837</u>
<b>Total Primary Government</b>	<u>\$ 37,409,850</u>	<u>\$ 17,288,789</u>	<u>\$ 1,213,938</u>	<u>\$ 1,695,493</u>

**General Revenues:**

Property and Other Taxes levied for:

General Purposes

Debt Service Purpose

Other Purposes

Municipal Income Taxes levied for:

General Purposes

Sewer

Grants & Entitlements not restricted to specific programs

Investment Income

Gain on Sale of Capital Assets

All Other Revenues

Total General Revenues and Transfers

Changes in Net Position

Net Position - Beginning of Year

**Net Position - End of Year**

The notes to the basic financial statements are an integral part of this statement.

**Net (Expense) Revenue and Changes in Net  
Position**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (8,313,550)	\$ -	\$ (8,313,550)
(88,023)	-	(88,023)
(810,571)	-	(810,571)
(457,672)	-	(457,672)
(5,117,044)	-	(5,117,044)
(2,736,289)	-	(2,736,289)
(431,533)	-	(431,533)
<u>(17,954,682)</u>	<u>-</u>	<u>(17,954,682)</u>
-	1,439,274	1,439,274
-	(696,222)	(696,222)
<u>-</u>	<u>743,052</u>	<u>743,052</u>
<u>(17,954,682)</u>	<u>743,052</u>	<u>(17,211,630)</u>
3,272,816	-	3,272,816
285,751	-	285,751
1,774,044	-	1,774,044
9,929,219	-	9,929,219
-	214,650	214,650
1,556,651	-	1,556,651
143,406	18,659	162,065
2,731	-	2,731
278,953	436,561	715,514
<u>17,243,571</u>	<u>669,870</u>	<u>17,913,441</u>
(711,111)	1,412,922	701,811
<u>60,527,453</u>	<u>54,745,845</u>	<u>115,273,298</u>
<u>\$ 59,816,342</u>	<u>\$56,158,767</u>	<u>\$ 115,975,109</u>

**City of Avon Lake, Ohio**  
*Balance Sheet*  
**Governmental Funds**  
*December 31, 2014*

	<u>General Fund</u>	<u>General Bond Retirement (Unvoted)</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 2,101,737	\$ 148,399	\$ 13,435,535	\$ 15,685,671
Cash and Cash Equivalents:				
With Escrow Agents	-	-	10,984	10,984
Materials and Supplies Inventory	18,085	-	223,901	241,986
Accrued Interest Receivable	-	-	58,867	58,867
Accounts Receivable	140,940	-	27,733	168,673
Interfund Receivable	40,000	-	204,395	244,395
Intergovernmental Receivable	448,479	-	695,818	1,144,297
Prepaid Items	54,234	-	10,269	64,503
Municipal Income Taxes Receivable	2,402,428	-	640,647	3,043,075
Property and Other Taxes Receivable	3,561,327	-	2,178,058	5,739,385
Special Assessments Receivable	-	-	1,390,151	1,390,151
<b>Total Assets</b>	<u>\$ 8,767,230</u>	<u>\$ 148,399</u>	<u>\$ 18,876,358</u>	<u>\$ 27,791,987</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 107,578	\$ -	\$ 493,978	\$ 601,556
Accrued Wages and Benefits	347,116	-	76,994	424,110
Intergovernmental Payable	209,572	-	119,328	328,900
Matured Compensated Absences Payable	40,891	-	-	40,891
Retainage Payable	-	-	117,127	117,127
Interfund Payable	-	-	244,395	244,395
Notes Payable	-	1,763,956	3,586,000	5,349,956
<i>Total Liabilities</i>	<u>705,157</u>	<u>1,763,956</u>	<u>4,637,822</u>	<u>7,106,935</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	3,332,340	-	2,094,734	5,427,074
Unavailable Revenue - Delinquent Property Taxes	132,274	-	83,324	215,598
Unavailable Revenue - Municipal Income Taxes	1,318,944	-	351,718	1,670,662
Unavailable Revenue - Other	416,206	-	1,891,249	2,307,455
<i>Total Deferred Inflows of Resources</i>	<u>5,199,764</u>	<u>-</u>	<u>4,421,025</u>	<u>9,620,789</u>
<b>FUND BALANCES</b>				
Nonspendable	112,319	-	234,170	346,489
Restricted	-	-	3,302,014	3,302,014
Committed	278,633	-	6,698,389	6,977,022
Assigned	1,710,552	-	87,921	1,798,473
Unassigned (Deficits)	760,805	(1,615,557)	(504,983)	(1,359,735)
<i>Total Fund Balances</i>	<u>2,862,309</u>	<u>(1,615,557)</u>	<u>9,817,511</u>	<u>11,064,263</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 8,767,230</u>	<u>\$ 148,399</u>	<u>\$ 18,876,358</u>	<u>\$ 27,791,987</u>

The notes to the basic financial statements are an integral part of this statement.

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

**Total Governmental Funds Balance** \$ 11,064,263

*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 56,168,656

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

Delinquent property taxes	\$	215,598	
Municipal income taxes		1,670,662	
Special assessments		1,390,151	
Intergovernmental		866,232	
Charges for services		51,072	
Total			4,193,715

In the Statement of Activities, interest is accrued on outstanding  
 bonds, whereas in Governmental funds, an interest expenditure  
 is reported when due. (60,355)

Long-term liabilities, including bonds payable, are not due and payable in the  
 current period and therefore are not reported in the funds:

General obligation bonds		(6,974,659)	
Special assessment bonds		(1,400,341)	
OPWC loans		(188,333)	
OWDA loan		(232,081)	
Long-term notes payable		(625,914)	
Deferral on refunding		197,432	
Unamortized bond premium		(50,959)	
Other long-term obligations		(687,998)	
Compensated absences		(1,587,084)	
Total			(11,549,937)

**Net Position of Governmental Activities** \$ 59,816,342

The notes to the basic financial statements are an integral part of this statement.

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

	<b>General Fund</b>	<b>General Bond Retirement (Unvoted)</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Property and Other Taxes	\$ 3,311,434	\$ -	\$ 2,081,937	\$ 5,393,371
Municipal Income Taxes	7,266,780	-	3,157,422	10,424,202
Intergovernmental	1,262,033	-	1,713,517	2,975,550
Interest	-	-	143,406	143,406
Fees, Licenses, and Permits	279,684	-	3,812	283,496
Fines and Forfeitures	268,083	-	111,463	379,546
Rentals	74,287	-	-	74,287
Charges for Services	944,257	-	144,458	1,088,715
Contributions and Donations	1,584	8,421	-	10,005
Special Assessments	-	-	398,003	398,003
All Other Revenues	204,560	-	550	205,110
<b>Total Revenues</b>	<b>13,612,702</b>	<b>8,421</b>	<b>7,754,568</b>	<b>21,375,691</b>
<b>EXPENDITURES</b>				
Current:				
Security of Persons and Property	6,335,257	-	1,948,855	8,284,112
Public Health Services	80,000	-	-	80,000
Leisure Time Activities	879,401	-	19,359	898,760
Community Environment	423,831	-	28,695	452,526
Transportation	2,771,421	-	1,208,767	3,980,188
General Government	2,837,570	-	22,498	2,860,068
Capital Outlay	-	-	5,255,871	5,255,871
Debt Service:				
Principal Retirement	-	2,478,775	480,223	2,958,998
Interest and Fiscal Charges	2,831	140,926	235,989	379,746
Debt Issuance Costs	-	9,955	-	9,955
<b>Total Expenditures</b>	<b>13,330,311</b>	<b>2,629,656</b>	<b>9,200,257</b>	<b>25,160,224</b>
Excess of Revenues (Under) Expenditures	282,391	(2,621,235)	(1,445,689)	(3,784,533)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	2,321	-	410	2,731
Loans Issued	-	-	125,000	125,000
Transfers In	-	1,150,636	660,348	1,810,984
Transfers Out	(490,723)	(207,000)	(1,113,261)	(1,810,984)
<b>Total Other Financing Sources (Uses)</b>	<b>(488,402)</b>	<b>943,636</b>	<b>(327,503)</b>	<b>127,731</b>
Net Change in Fund Balances	(206,011)	(1,677,599)	(1,773,192)	(3,656,802)
Fund Balances - Beginning of Year	3,068,320	62,042	11,590,703	14,721,065
<b>Fund Balances - End of Year</b>	<b>\$ 2,862,309</b>	<b>\$ (1,615,557)</b>	<b>\$ 9,817,511</b>	<b>\$ 11,064,263</b>

The notes to the basic financial statements are an integral part of this statement.



**City of Avon Lake, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
 In Fund Balance of Governmental Funds to the Statement of Activities  
 For the Year Ended December 31, 2014*

**Net Change in Fund Balances-Total Governmental Funds** \$ (3,656,802)

*Amounts reported for Governmental Activities in the Statement of Activities  
 are different because:*

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital outlay	\$	3,426,331	
Capital contributions		927,428	
Depreciation		<u>(3,292,338)</u>	
Total			1,061,421

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Delinquent property taxes		(60,760)	
Municipal income taxes		(494,983)	
Special assessments		(398,002)	
Intergovernmental		(29,137)	
Charges for services		<u>(8,635)</u>	
Total			(991,517)

Other financing sources in the Governmental funds increase long-term liabilities in the Statement of Net Position. These sources were attributed to the issuance of an OPWC loan. (125,000)

Repayment of bond principal, loans and notes payable, and other long-term liabilities are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 2,958,998

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.

Compensated absences		25,370	
Landfill postclosure costs		58,251	
Accrued interest on bonds		(9,266)	
Amortization of bond premium		20,903	
Amortization of deferral on refunding		<u>(53,469)</u>	
Total			<u>41,789</u>

**Change in Net Position of Governmental Activities** \$ (711,111)

The notes to the basic financial statements are an integral part of this statement.

**City of Avon Lake, 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	Final		
<b>Revenues:</b>				
Property Taxes	\$ 3,526,193	\$ 3,524,210	\$ 3,323,450	\$ (200,760)
Municipal Income Taxes	7,312,500	7,931,250	7,312,500	(618,750)
Other Taxes	350,000	350,000	365,925	15,925
Intergovernmental	761,405	761,405	864,039	102,634
Fees, Licenses, and Permits	228,550	228,550	301,038	72,488
Fines and Forfeitures	266,700	266,700	288,648	21,948
Charges for Services	887,950	887,950	979,001	91,051
Rentals	80,000	80,000	74,287	(5,713)
Contributions and Donations	3,000	3,000	2,281	(719)
All Other Revenues	42,250	42,250	191,919	149,669
<b>Total Revenues</b>	<u>13,458,548</u>	<u>14,075,315</u>	<u>13,703,088</u>	<u>(372,227)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	6,811,192	6,785,134	6,468,565	316,569
Public Health Services	80,000	100,000	100,000	-
Leisure Time Activities	874,373	865,043	763,073	101,970
Community Environment	442,586	435,899	387,696	48,203
Transportation	3,098,844	3,119,381	2,966,483	152,898
General Government	3,350,291	3,321,237	3,086,667	234,570
<b>Total Expenditures</b>	<u>14,657,286</u>	<u>14,626,694</u>	<u>13,772,484</u>	<u>854,210</u>
Excess of Revenues Over (Under) Expenditures	(1,198,738)	(551,379)	(69,396)	481,983
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	5,000	5,000	2,321	(2,679)
Advances In	5,000	5,000	-	(5,000)
Transfers Out	(1,197,379)	(658,096)	(658,096)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(1,187,379)</u>	<u>(648,096)</u>	<u>(655,775)</u>	<u>(7,679)</u>
Net Change in Fund Balance	(2,386,117)	(1,199,475)	(725,171)	474,304
Fund Balance - Beginning of Year	1,350,712	1,350,712	1,350,712	-
Prior Year Encumbrances Appropriated	593,820	593,820	593,820	-
<b>Fund Balance - End of Year</b>	<u>\$ (441,585)</u>	<u>\$ 745,057</u>	<u>\$ 1,219,361</u>	<u>\$ 474,304</u>

The notes to the basic financial statements are an integral part of this statement.

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

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 9,351,508	\$ 5,386,911	\$ 14,738,419
Materials and Supplies Inventory	137,209	24,216	161,425
Accrued Interest Receivable	4,373	783	5,156
Accounts Receivable	783,884	725,948	1,509,832
Intergovernmental Receivable	1,040,365	870,262	1,910,627
Prepaid Items	35,844	18,609	54,453
Municipal Income Taxes Receivable	-	160,162	160,162
Special Assessments Receivable	-	89,901	89,901
<i>Total Current Assets</i>	<u>11,353,183</u>	<u>7,276,792</u>	<u>18,629,975</u>
<b>Noncurrent Assets:</b>			
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	1,304,490	39,091	1,343,581
Investment in Joint Venture	2,330,996	-	2,330,996
Capital Assets:			
Land	621,716	980,022	1,601,738
Construction in Progress	5,092,851	9,530,352	14,623,203
Depreciable Assets, Net of Depreciation	32,542,541	50,433,456	82,975,997
<i>Total Noncurrent Assets</i>	<u>41,892,594</u>	<u>60,982,921</u>	<u>102,875,515</u>
<b>Total Assets</b>	<u>53,245,777</u>	<u>68,259,713</u>	<u>121,505,490</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferral on Refunding	-	175,969	175,969
<b>Total Deferred Outflows of Resources</b>	<u>-</u>	<u>175,969</u>	<u>175,969</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	299,982	1,239,395	1,539,377
Accrued Wages and Benefits	98,950	75,670	174,620
Matured Compensated Absences Payable	40,565	6,435	47,000
Retainage Payable	23,150	266,310	289,460
Intergovernmental Payable	167,096	71,030	238,126
Accrued Interest Payable	74,873	37,492	112,365
Compensated Absences Payable	89,713	88,042	177,755
General Obligation Bonds Payable	-	210,000	210,000
Notes Payable	1,003,932	6,023,595	7,027,527
Revenue Bonds Payable	395,000	-	395,000
OWDA Loans Payable	952,321	814,483	1,766,804
<i>Total Current Liabilities</i>	<u>3,145,582</u>	<u>8,832,452</u>	<u>11,978,034</u>
<b>Noncurrent Liabilities:</b>			
Compensated Absences Payable	225,208	194,968	420,176
General Obligation Bonds Payable	-	3,008,282	3,008,282
Revenue Bonds Payable	5,815,000	-	5,815,000
OWDA Loans Payable	8,114,786	36,186,414	44,301,200
<i>Total Noncurrent Liabilities</i>	<u>14,154,994</u>	<u>39,389,664</u>	<u>53,544,658</u>
<b>Total Liabilities</b>	<u>17,300,576</u>	<u>48,222,116</u>	<u>65,522,692</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	22,980,001	20,900,620	43,880,621
Restricted for:			
Debt Service	1,304,490	-	1,304,490
LORCO	-	39,091	39,091
Unrestricted	11,660,710	(726,145)	10,934,565
<b>Total Net Position</b>	<u>\$ 35,945,201</u>	<u>\$ 20,213,566</u>	<u>\$ 56,158,767</u>

The notes to the basic financial statements are an integral part of this statement.

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

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$10,225,815	\$ 5,070,984	\$15,296,799
Miscellaneous	137,313	299,248	436,561
<b>Total Operating Revenues</b>	<u>10,363,128</u>	<u>5,370,232</u>	<u>15,733,360</u>
<b>OPERATING EXPENSES</b>			
Salaries	2,491,371	2,264,944	4,756,315
Purchased Services	2,886,408	313,516	3,199,924
Materials and Supplies	1,784,399	455,102	2,239,501
Depreciation	1,119,150	1,409,195	2,528,345
Other	810	26,565	27,375
<b>Total Operating Expense</b>	<u>8,282,138</u>	<u>4,469,322</u>	<u>12,751,460</u>
Operating Income	<u>2,080,990</u>	<u>900,910</u>	<u>2,981,900</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Municipal Income Taxes	-	214,650	214,650
Interest	14,886	3,773	18,659
Interest and Fiscal Charges	(988,398)	(1,589,509)	(2,577,907)
Intergovernmental	314,822	-	314,822
Loss on Investment in Joint Venture	(55,039)	-	(55,039)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(713,729)</u>	<u>(1,371,086)</u>	<u>(2,084,815)</u>
Capital Contributions from Developers	<u>224,212</u>	<u>291,625</u>	<u>515,837</u>
Changes in Net Position	1,591,473	(178,551)	1,412,922
Net Position - Beginning of Year	<u>34,353,728</u>	<u>20,392,117</u>	<u>54,745,845</u>
<b>Net Position - End of Year</b>	<u><u>\$35,945,201</u></u>	<u><u>\$20,213,566</u></u>	<u><u>\$56,158,767</u></u>

The notes to the basic financial statements are an integral part of this statement.

**City of Avon Lake, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2014

	<b>Business-Type Activities-Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers and Users	\$10,229,879	\$ 5,313,715	\$15,543,594
Other Cash Receipts	137,313	299,248	436,561
Cash Payments to Employees for Services	(2,417,798)	(2,245,850)	(4,663,648)
Cash Payments for Goods and Services	(4,581,289)	(812,444)	(5,393,733)
Other Cash Payments	(810)	(26,862)	(27,672)
Net Cash Provided by Operating Activities	<u>3,367,295</u>	<u>2,527,807</u>	<u>5,895,102</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Intergovernmental Revenue	496,400	-	496,400
Income Taxes	-	243,750	243,750
Advances In	705,000	-	705,000
Advances Out	-	(705,000)	(705,000)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>1,201,400</u>	<u>(461,250)</u>	<u>740,150</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from OWDA Loans	4,180,567	3,050,286	7,230,853
Proceeds from Notes	1,007,260	6,043,560	7,050,820
Principal Paid on G.O. Bonds	(637,312)	(363,632)	(1,000,944)
Principal Paid on Revenue Bonds	(385,000)	-	(385,000)
Principal Paid on OWDA Loans	(999,142)	(846,117)	(1,845,259)
Principal Paid on Capital Leases	(4,435)	(4,435)	(8,870)
Interest Payments	(997,614)	(1,569,814)	(2,567,428)
Payments for Capital Acquisitions	(4,473,062)	(5,920,672)	(10,393,734)
Special Assessments	-	29,593	29,593
Net Cash Provided by (Used) in Capital and Related Financing Activities	<u>(2,308,738)</u>	<u>418,769</u>	<u>(1,889,969)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on Investments	26,124	6,743	32,867
Net Cash Provided by Investing Activities	<u>26,124</u>	<u>6,743</u>	<u>32,867</u>
Net Increase in Cash and Cash Equivalents	2,286,081	2,492,069	4,778,150
Cash and Cash Equivalents - Beginning of Year	8,369,917	2,933,933	11,303,850
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$10,655,998</u></u>	<u><u>\$ 5,426,002</u></u>	<u><u>\$16,082,000</u></u>

(Continued)

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

	<u>Business-Type Activities-Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>RECONCILIATION OF OPERATING INCOME</b>			
<b>TO NET CASH PROVIDED BY OPERATING</b>			
<b>ACTIVITIES</b>			
Operating Income	\$ 2,080,990	\$ 900,910	\$ 2,981,900
Adjustments:			
Depreciation	1,119,150	1,409,195	2,528,345
(Increase) Decrease in Assets:			
Accounts Receivable	4,064	242,731	246,795
Materials and Supplies Inventory	12,698	(6,086)	6,612
Prepaid Items	(8,846)	2,489	(6,357)
Increase (Decrease) in Liabilities:			
Accounts Payable	65,245	(37,178)	28,067
Accrued Wages and Benefits	8,165	12,301	20,466
Matured Compensated Absences Payable	36,879	(1,059)	35,820
Intergovernmental Payable	15,045	(5,748)	9,297
Compensated Absences Payable	33,905	10,252	44,157
Net Cash Provided by Operating Activities	<u>\$ 3,367,295</u>	<u>\$ 2,527,807</u>	<u>\$ 5,895,102</u>

**NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES**

Payables impacting capital outlays	\$ (118,000)	\$ (1,349,645)	\$ (1,467,645)
Capital contribution from developers	224,212	291,625	515,837

The notes to the basic financial statements are an integral part of this statement.

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

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	<u>Agency Funds</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,196,019</u>
Total Assets	<u><u>\$1,196,019</u></u>
<b>Liabilities</b>	
Due to Other Governments	\$ 584,958
Deposits Held and Due to Others	<u>611,061</u>
Total Liabilities	<u><u>\$1,196,019</u></u>

The notes to the basic financial statements are an integral part of this statement.

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

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**NOTE 1: DESCRIPTION OF THE CITY AND REPORTING ENTITY**

The City of Avon Lake (the City) is a municipal corporation established under the laws of the State of Ohio which operates under its own charter. The City was incorporated in 1950 and operates under a Council/Mayor form of government. The Mayor and the Council are elected by separate ballots from the municipality for four-year terms. The Mayor appoints the Finance Director. The Council approves and hires all department managers and employees of the City. The administrative authority over municipally owned utilities, water and sewer, are vested in a Board of five members elected at large.

**Reporting Entity**

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Avon Lake, this includes police and fire, parks and recreation, building inspection services, street maintenance and repairs, water and sewer. Council and the Mayor have direct responsibility for these activities, except the Board of Utilities has direct responsibility over the water and sewer activities.

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 for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget. There are no component units included as part of this report.

The City is associated with the Lorain County Community Alliance Council of Governments and the Northeast Ohio Public Energy Council (NOPEC) as jointly governed organizations. The City is also a member of the Medina-Lorain Water Consortium, a joint venture (See Note 16).

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Basis of Presentation**

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

A. **Basis of Presentation** (Continued)

*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. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function 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. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. **Fund Accounting**

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

*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 compared to liabilities and deferred inflows of resources is reported as fund balance.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
*(Continued)*

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**B. Fund Accounting**

The following are the City's major governmental funds:

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

General Bond Retirement (Unvoted) - This fund accounts for transfers from various funds to retire the City's unvoted debt obligations.

The other governmental funds of the City account for grants and other resources whose use is restricted, committed, or assigned.

Proprietary Funds

Proprietary fund reporting focuses on changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise.

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 – The water fund accounts for the provision of water treatment and distribution to its residential customers located within the City and commercial users and certain non-residential customers.

Sewer Fund – The sewer fund accounts for the provision of sanitary sewer service to the residents located within the City and commercial users.

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 agency funds account for fees and deposits collected on behalf of others, municipal court collections that are distributed to various local governments, and performance bonds pledged by contractors. In addition, the City serves as the fiscal agent for the Medina-Lorain Water Consortium.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**C. Measurement Focus**

*Government-wide Financial Statements*

The government-wide financial statements are prepared 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) to 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.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Net Position. The Statement of Changes in Fund Net Position presents 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.

**D. Basis of Accounting**

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

*Revenues - Exchange and Non-exchange 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 fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of year-end.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
*(Continued)*

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. **Basis of Accounting** (Continued)

*Revenues - Exchange and Non-exchange Transactions* (Continued)

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 a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

*Deferred 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 deferral on refunding reported in the government-wide statement of net position. A deferral on refunding results from the difference in the carrying value of the refunding 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 and unavailable revenues. Property 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 deferred inflows 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 the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, intergovernmental revenues, special assessments, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
*(Continued)*

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. **Basis of Accounting** (Continued)

*Expenses/Expenditures*

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

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

E. **Budgetary Process**

An annual appropriated budget is legally required by the City Charter to be prepared for all funds of the City other than agency funds. The legal level of budgetary control has been established by City Council at the personal service and other expenditure level for all funds.

Council must approve any revisions in the budget that alter total fund and program appropriations. The following are the procedures used by the City in establishing the budgetary data reported in the basic financial statements.

*Tax Budget*

A tax budget of estimated revenues and expenditures for all funds other than agency funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

*Estimated Resources*

The County Budget Commission determines if the tax budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by October 1. As part of this certification, the City receives the official certificate of estimated resources that states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate of estimated resources can be further amended during the year if the fiscal officer determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported in the budgetary statements as original represent the amounts in the official certificate of estimated resources when the original appropriations were adopted. The amounts reported in the budgetary statements as final reflect the amounts in the final amended official certificate of estimated resources issued during 2014.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

E. **Budgetary Process** (Continued)

*Appropriations*

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year, for the period January 1 to December 31. The appropriation ordinance may be supplemented during the year by action of Council, as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. During the year, four supplemental appropriation measures were passed. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriated budget for each fund that covered the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

*Lapsing of Appropriations*

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding year and is not re-appropriated.

*Encumbrances*

As part of formal budgetary, control purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to constrain that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year-end are reported as a part of restricted, committed, or assigned fund balances for subsequent year expenditures of governmental funds.

F. **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 City records. Each fund's interest in the pool is presented as "cash and cash equivalents" on the balance sheet.

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating repurchase agreements, which are reported at cost. For investments in open-end mutual funds, fair value is determined by the fund's share price. During the year, investments were limited to money market mutual funds, U.S. agencies, U.S. Treasury notes, and STAR Ohio, an investment pool managed by the State Treasurer's Office.

STAR Ohio allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2014.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
*(Continued)*

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

F. **Cash Equivalents** (Continued)

Following Ohio statutes, the City has, by ordinance, specified the Capital Improvement Fund to receive an allocation of interest earnings. Interest receipts credited to the Capital Improvement Fund (non-major governmental fund) during 2014 amounted to \$130,957 which includes \$126,681 assigned from other City funds.

The cash of the Municipal Court is included in the “equity in pooled cash and cash equivalents” line item on the Statement of Fiduciary Assets and Liabilities. The balances of these accounts are presented on the balance sheet as “equity in pooled cash and cash equivalents” and represent checking accounts.

The City presents “Cash and Cash Equivalents with Escrow Agents” on its Statement of Net Position. In governmental activities, the \$10,984 represents cash held by escrow agent for contractor retainage. During 2014, this amount was invested in money market savings interest bearing accounts.

In business-type activities, the restricted cash of \$1,304,490 in the Water Fund represents cash segregated by the City from funds held by trustees in accordance with the trust agreement associated with the water system mortgage revenue refunding bonds issued on April 22, 2005. During 2014, this restricted cash was invested in a U.S. Treasury obligations money market mutual fund. The restricted cash of \$39,091 in the Sewer Fund represents cash segregated by the City from funds related to construction projects with the Lorain County Rural Wastewater District (LORCO). See Note 9 for additional information regarding these bonds and related segregated assets.

For purposes of the Statement of Cash Flows and for presentation on the Statement of Net position/balance sheet, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

G. **Inventories**

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

H. **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. A current asset for the period amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

I. **Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These 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.



**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

I. **Capital Assets** (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of ten thousand dollars. The City’s infrastructure consists of parking lots, storm sewers and manholes, streets, and water and sewer lines. 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, if significant.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City’s historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Useful Lives	Business-Type Activities Useful Lives
Buildings and Improvements	15 to 70 years	15 to 70 years
Machinery and Equipment	3 to 20 years	3 to 20 years
Vehicles	3 to 20 years	3 to 25 years
Infrastructure	10 to 75 years	10 to 75 years

J. **Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables”. These amounts are eliminated in the Statement of Net Position; except for any net residual amounts due between the governmental and business-type activities, which are presented as internal balances.

K. **Capitalization of Interest**

The City’s policy is to delay capitalizing net interest on proprietary funds’ construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax exempt borrowing used to finance the project and the interest earned from temporary investment of the debt proceeds. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 2014, proprietary funds did capitalize interest costs related to the on-going OWDA projects.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**L. 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.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at fiscal yearend taking into consideration any limits specified in the City's termination policy. The City records a liability for all accumulated unused vacation time when earned for all employees. The City records a liability for accumulated unused sick leave for all employees ages thirty-eight or older with eight or more years of accumulated service. The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. If material, these amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

**M. 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, capital leases and long-term loans are recognized as a liability on the fund financial statements when due.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

N. **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 classification includes amounts that cannot be spent because they are not spendable in 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 loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

*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.

*Committed* – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of the City’s Council. Those committed amounts cannot be used for any other purpose unless the City’s Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

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

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**O. Net Position**

Net Position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position 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. The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The government-wide statement of net position reports a total of \$8,856,947 for the restricted component of net position, none of which is restricted by enabling legislation. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted components of net position are available.

**P. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for waste water treatment and water services. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as non-operating.

**Q. Contributions of Capital**

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

**R. Interfund Activity**

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

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**S. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2014.

**T. Use of Estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

NOTE 3: **CHANGES IN ACCOUNTING PRINCIPLES**

GASB Statement Number 67, *Financial Reporting for Pension Plans-an amendment of GASB Statement No. 25*. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2013 and have been implemented by the City.

GASB Statement Number 69, *Government Combinations and Disposals of Government Operations*. The objective of this Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2013 and have been implemented by the City.

GASB Statement Number 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve the recognition, measurement, and disclosure guidance for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2013 and have been implemented by the City.

These GASB Statements did not have an effect on the City's financial statements.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

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NOTE 4: **BUDGETARY BASIS OF ACCOUNTING**

While the City is reporting financial position, results of operations and changes in fund balance on the basis of GAAP, the budgetary basis as provided by law is based upon accounting for certain 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 Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

- Revenues are recorded when received in cash (budget) as opposed to when susceptible accrual (GAAP);
- Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP);
- Encumbrances are treated as expenditures (budget basis) rather than as a part of restricted, committed, and assigned fund balances (GAAP basis); and
- Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

	General
GAAP Basis- Net Change in Fund Balance	\$ (206,011)
<u>Increase (Decrease) Due to:</u>	
Revenue Accruals	91,022
Expenditure Accruals	(147,106)
Outstanding Encumbrances	(566,489)
Funds with Separate Legally Adopted Budgets	103,413
Budgetary Basis-Net Change in Fund Balance	\$ (725,171)

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

NOTE 5: **ACCOUNTABILITY AND COMPLIANCE**

A. **Accountability**

At December 31, 2014, the General Bond Retirement (Unvoted) (major government fund), Sewer Separation Projects Fund, Troy School Driveway and Cove Avenue Improvements funds (non-major governmental funds) had deficit fund balances of \$1,615,557, \$300,682, \$35,000 and \$169,301, respectively. These deficit fund balances are the result of adjustments for accrued liabilities in these funds. The General Fund is liable for any deficits in these funds and previous transfers when cash is needed, not when accruals occur.

B. **Compliance**

At December 31, 2014, the following funds had actual expenditures in excess of total appropriations, which is contrary to Ohio Revised Code Section 5705.41(B):

	<u>Final Appropriations</u>	<u>Actual Expenditures</u>	<u>Variance</u>
<i>Street Construction, Maintenance, and Repair Fund</i>			
Transportation			
Street Construction, Maint., and Repair			
Other	\$ 529,758	\$ 560,671	\$ (30,913)
 <i>Court Security Fund</i>			
Security of Persons and Property			
Police			
Other			
	123	7,476	(7,353)
 <i>Cove Avenue Improvement Fund</i>			
General Government			
Other			
	-	2,073	(2,073)

At December 31, 2014, the following funds had final appropriations in excess of final estimated resources, which is contrary to Ohio Revised Code Section 5705.39:

	<u>Final Estimated Resources</u>	<u>Final Appropriations</u>	<u>Variance</u>
<i>General Bond Retirement (Unvoted) Fund</i>	\$ 2,251,685	\$ 2,909,410	\$ (657,725)
 <i>Sewer Fund</i>	 16,570,892	 16,607,468	 (36,576)

Management is aware of these noncompliance issues and will make all efforts possible to ensure that they are not reported in subsequent years.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
*(Continued)*

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NOTE 6: **DEPOSITS AND INVESTMENTS**

A. **Legal Requirements**

Deposits and investments are restricted by provisions of the Ohio Revised Code. Statutes require the classification of monies held by the City into three categories.

One category consists of “active” monies; those monies required to be kept in a “cash” or “near cash” status for immediate use by the City. Such monies must be maintained either as cash in the treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

A second category consists of “inactive” monies; those monies not required for use within the current five-year period of designation of depositories. Inactive monies may be deposited or invested only as certificates of deposit maturing no 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.

A third category consists of “interim” monies; those monies which are not needed for immediate use but which will be needed before the end of the current period 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 may be invested in the following obligations provided they mature or are redeemable within five years from the date of purchase.

1. Bonds, notes, or other obligations of, or guaranteed by, the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality.
3. Written repurchase agreements for a period not to exceed thirty days in securities listed above that mature within five years from the date of purchase.
4. Bonds and other obligations of the State of Ohio.
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
6. The State Treasurer’s investment pool (STAR Ohio).

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

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



**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

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NOTE 6: **DEPOSITS AND INVESTMENTS** (Continued)

A. **Legal Requirements** (Continued)

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

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 Director of Finance or, if the securities are not represented by a certificate, upon receipts of confirmation of transfer from the custodian.

B. **Deposits**

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, the carrying amount of the City's deposits was \$12,865,428 and \$2,645 in petty cash with the bank balance at \$13,060,940. The City's bank balance of \$823,437 was covered by federal depository insurance with the remaining amount of \$12,237,503 uninsured and collateralized.

The City has no deposit policy for custodial risk beyond the requirements of the State Statute. Ohio law requires the deposits to be either insured or be protected by the eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by collateral pool of eligible securities deposited with a qualified trustee and pledged to secure 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 all deposits being secured.

C. **Investments**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Bank Bonds, Freddie Mac Bonds, Fannie Mae Bonds are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the City's name. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in the State statute that prohibits payments for investments prior to the delivery of the securities representing such investments to the finance director or qualified trustee.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

NOTE 6: **DEPOSITS AND INVESTMENTS** (Continued)

**C. Investments** (Continued)

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturities</u>
Federal Home Loan Bank	\$ 651,982	09/11/2015-11/17/2017
Freddie Mac	3,497,832	02/09/2015-06/13/2018
Fannie Mae	5,133,721	05/27/2015-02/19/2019
United States Treasury Notes	4,339,730	04/15/2015-11/15/2019
Money Market Mutual Funds	2,119,577	n/a
STAR Ohio	4,363,759	n/a
Total Investments	<u>\$ 20,106,601</u>	
Carrying Amount of Deposits	12,865,428	
Petty Cash	2,645	
Total Cash and Investments	<u>\$ 32,974,674</u>	

**D. 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 five years 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/of long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. Currently, no investments have been purchased with a life greater than five years.

**E. Credit Risk**

All of the City's investments in United States debt securities carry a rating of AA+ by Standard & Poor's. STAR Ohio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

The City has no investment policy that addresses credit risk.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

NOTE 6: **DEPOSITS AND INVESTMENTS** (Continued)

**F. Concentration of Credit Risk**

The following is the City's allocation as of December 31, 2014:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment</u>
Federal Home Loan Bank	\$ 651,982	3.24%
Freddie Mac	3,497,832	17.40%
Fannie Mae	5,133,721	25.53%
United States Treasury Notes	4,339,730	21.58%
Money Market Mutual Funds	2,119,577	10.54%
STAR Ohio	4,363,759	21.71%
Total Investments	<u>\$ 20,106,601</u>	<u>100.00%</u>

To avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions, dealers, or maturities, the Finance Director will diversify the Active Portfolio per the City's investment policy to not exceed the allowable percentages of each investment as follows:

<u>Investment Type</u>	<u>Percentage of Investments</u>
United States Treasury Obligations	100.00%
Authorized U.S. Federal Agency Securities	50.00%
Certificates of Deposit	25.00%
STAR Ohio	90.00%
Repurchase Agreement	40.00%
Commercial Paper or Bankers Acceptances	25.00%

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

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NOTE 7: **RECEIVABLES**

Receivables at December 31, 2014, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, accrued interest on investments, and accounts (billings for utility service) receivable.

No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

**A. Property Taxes**

Property taxes include amounts levied annually on all real and public utility property which is located within the City. The Lorain County Auditor is responsible for assessing and remitting these property taxes to the City. The Lorain County Treasurer is responsible for collecting property taxes.

Real property taxes collected were based on assessed value equal to thirty-five percent (35%) of appraised value. The Lorain County Auditor reappraises real property every six years, with a triennial update, which was last completed for 2012. Real property taxes are levied on assessed valuations as of December 31, which is the lien date. Real property taxes, billed one year in arrears, are payable annually or semiannually. The first payment is due January 20, and the remainder is payable by June 20.

Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the City prior to June 30.

Public utility real tangible personal property taxes collected in one calendar year are levied in the preceding year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 88 percent of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The full tax rate for all City operations for the year ended December 31, 2014 was \$8.13 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:

Real Property - 2014:	
Residential/Agriculture	\$ 647,831,640
Other Real Estate	91,423,030
Tangible Personal Property - 2014:	
Public Utilities	38,214,330
Total Valuation	\$ 777,469,000

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

NOTE 7: **RECEIVABLES** (Continued)

**B. Income Taxes**

The City levies a municipal income tax of 1.50 percent on all salaries, wages, commission and other compensation, and net profits earned within the City as well as incomes of residents earned outside of the City. In the latter case, the City allows a credit of one hundred percent of the tax paid to another municipality to a maximum of the total amount assessed. Ohio law requires all City income tax rates above one percent to be voted by the residents of the City.

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

By City ordinance, effective December 13, 1993, 75 percent of the income tax proceeds were credited to the General Fund, 20 percent of the income tax proceeds were credited to the Capital Improvement Fund (a capital projects fund) and 5 percent of the income tax proceeds were credited to the Sewer Fund (an enterprise fund).

**C. Intergovernmental Revenues**

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Homestead and Rollback	\$ 357,002
Gasoline Tax	388,852
Local Government	181,761
Auto Registration	104,539
Avon Lake City School District	35,000
Miscellaneous	77,143
Total Governmental Activities	1,144,297
Business-Type Activities	
Water	1,040,365
Sewer	870,262
Total Business-Type Activities	1,910,627
Total Intergovernmental Receivable	\$ 3,054,924

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

NOTE 7: **RECEIVABLES** (Continued)

**C. Intergovernmental Revenues** (Continued)

Per a cooperative agreement between Lorain County Rural Wastewater District (LORCO) and Avon Lake Municipal Utilities (ALMU) dated December 7, 2009, LORCO shall pay a tap fee of \$775,000 to ALMU contingent upon the certification of the system. This agreement was amended on September 15, 2011 and the project certification date was November 18, 2011. Therefore, the repayment of the tap fees will be \$100,000 on each of the fourth, fifth, sixth, seventh, eighth, ninth and tenth anniversaries of the certification date and \$75,000 on the eleventh anniversary. In the agreement amended on September 15, 2011, LORCO shall pay to ALMU an amount equal to \$31,754 on each of the fourth, fifth, and sixth anniversaries of the certification date, in respect of the accumulated interest for deferring the tap fee by three years. The City has recorded the intergovernmental receivable in the Sewer Fund.

NOTE 8: **CAPITAL ASSETS**

	Balances 12/31/2013	Additions	Disposals	Balances 12/31/2014
<b>Governmental Activities</b>				
Nondepreciable Assets:				
Land	\$ 5,283,340	\$ -	\$ -	\$ 5,283,340
Construction in progress	392,128	3,165,576	-	3,557,704
Total Nondepreciable Assets	<u>5,675,468</u>	<u>3,165,576</u>	<u>-</u>	<u>8,841,044</u>
Depreciable Assets:				
Buildings and Improvements	21,169,920	-	-	21,169,920
Machinery and Equipment	3,682,892	30,226	(17,234)	3,695,884
Vehicles	4,193,624	230,529	(5,900)	4,418,253
Infrastructure	68,136,049	927,428	-	69,063,477
Total Depreciable Assets	<u>97,182,485</u>	<u>1,188,183</u>	<u>(23,134)</u>	<u>98,347,534</u>
Less Accumulated Depreciation				
Buildings and Improvements	(5,536,615)	(538,106)	-	(6,074,721)
Machinery and Equipment	(2,617,271)	(153,603)	17,234	(2,753,640)
Vehicles	(2,693,894)	(265,813)	5,900	(2,953,807)
Infrastructure	(36,902,938)	(2,334,816)	-	(39,237,754)
Total Accumulated Depreciation	<u>(47,750,718)</u>	<u>(3,292,338)</u>	<u>23,134</u>	<u>(51,019,922)</u>
Total Depreciable Assets, Net	<u>49,431,767</u>	<u>(2,104,155)</u>	<u>-</u>	<u>47,327,612</u>
Governmental Activities Capital Assets, Net	<u>\$ 55,107,235</u>	<u>\$ 1,061,421</u>	<u>\$ -</u>	<u>\$ 56,168,656</u>

Depreciation expense was charged to governmental functions as follows:

Security of Persons and Property	\$ 222,027
Leisure Time Activities	324,452
Transportation	2,289,560
Community Environment	297
General Government	456,002
Total Depreciation Expense	<u>\$3,292,338</u>

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

NOTE 8: **CAPITAL ASSETS** (Continued)

	Balances 12/31/2013	Additions	Disposals	Balances 12/31/2014
<b>Business-Type Activities</b>				
Nondepreciable Assets:				
Land	\$ 1,601,738	\$ -	\$ -	\$ 1,601,738
Construction in progress	22,079,427	11,711,648	(19,167,872)	14,623,203
Total Nondepreciable Assets	<u>23,681,165</u>	<u>11,711,648</u>	<u>(19,167,872)</u>	<u>16,224,941</u>
Depreciable Assets:				
Buildings and Improvements	37,401,188	19,000	-	37,420,188
Machinery and Equipment	3,147,553	56,501	-	3,204,054
Vehicles	697,918	74,230	(200)	771,948
Infrastructure	64,982,192	19,683,709	-	84,665,901
Total Depreciable Assets	<u>106,228,851</u>	<u>19,833,440</u>	<u>(200)</u>	<u>126,062,091</u>
Less Accumulated Depreciation				
Buildings and Improvements	(19,329,261)	(626,045)	-	(19,955,306)
Machinery and Equipment	(1,433,524)	(129,126)	-	(1,562,650)
Vehicles	(437,249)	(34,981)	200	(472,030)
Infrastructure	(19,357,915)	(1,738,193)	-	(21,096,108)
Total Accumulated Depreciation	<u>(40,557,949)</u>	<u>(2,528,345)</u>	<u>200</u>	<u>(43,086,094)</u>
Total Depreciable Assets, Net	<u>65,670,902</u>	<u>17,305,095</u>	<u>-</u>	<u>82,975,997</u>
Business-Type Activities Capital Assets, Net	<u>\$ 89,352,067</u>	<u>\$ 29,016,743</u>	<u>\$ (19,167,872)</u>	<u>\$ 99,200,938</u>

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**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

**NOTE 9: LONG-TERM OBLIGATIONS**

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<b>Governmental Activities</b>				
General Obligation Bonds				
Refunding	2001	2014	3.3% - 5.5%	\$ 525,160
Pin Oak Parkway	2001	2020	2.75% - 4.75%	498,659
LTGO Various Purpose	2009	2017	2.0% - 3.5%	1,430,000
Recreational Facility	2009	2028	3.0% - 5.0%	4,500,000
Refunding	2010	2020	2.0% - 3.75%	3,110,000
Refunding	2012	2028	1.0% - 2.75%	765,000
Special Assessment Bonds				
Pin Oak Parkway	2001	2020	2.75% - 4.75%	886,341
Refunding	2010	2020	2.0% - 3.75%	1,870,000
Street Improvement Notes				
Canterbury Road	2011	2016	2.95%	925,000
Webber Road	2011	2016	2.95%	146,000
Ohio Public Works Commission Loan				
Walker Road/Bike Lane	2009	2024	0.00%	100,000
Walker Road/Lear Road Intersection	2014	2034	0.00%	125,000
Ohio Water Development Authority Loan				
Jaycox Sewer Separation	2010	2041	3.27%	253,409
Equipment Loan	2012	2017	0.00%	115,000
<b>Business-Type Activities</b>				
General Obligation Bonds				
Refunding	2001	2014	3.3% - 5.5%	6,499,726
Refunding	2001	2014	3.3% - 5.5%	1,727,775
Wastewater Collection System	2003	2028	3.0% - 5.0%	4,500,000
Refunding	2010	2014	2.0% - 2.35%	425,000
Refunding	2012	2028	1.0% - 2.75%	3,430,000
Mortgage Revenue Bonds				
Water System Refunding	2005	2026	3.0% - 5.0%	14,075,000
Ohio Water Development Authority Loans				
Water Plant Expansion	1991	2017	7.84%	9,084,095
Wastewater Improvements	1998	2018	5.76%	638,031
Water System Improvements	2003	2025	4.51%	4,764,656
Fay/Vineyard Sanitary Sewer	2008	2029	4.15%	1,548,287
Center Road Pump Station	2008	2029	4.28%	1,356,266
LORCO Force Main	2009	2041	3.68%	9,718,470
LORCO Collection Systems	2009	2041	4.08%	19,167,873
Sewer Separation	2010	2041	3.27%	2,764,620
Water Plant Expansion (*)	2013	2044	2.84%	5,086,137
Belmar Sewer Separation (*)	2013	2044	2.94%	6,041,988

\* - OWDA project remains open as of December 31, 2014



**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

**NOTE 9: LONG-TERM OBLIGATIONS (Continued)**

Changes in the City's long-term obligations during 2014 were as follows:

	Outstanding 12/31/2013	Additions	Reductions	Outstanding 12/31/2014	Amount Due in One Year
<b>Governmental activities</b>					
General obligation bonds					
Refunding bonds (2001)					
various % through 2014	\$ 49,056	\$ -	\$ 49,056	\$ -	\$ -
Pin Oak Parkway (2001)					
various % through 2020	124,259	-	39,600	84,659	41,400
Various purpose (2009)					
various % through 2017	760,000	-	170,000	590,000	185,000
Recreational facility (2009)					
various % through 2028	3,720,000	-	170,000	3,550,000	185,000
Refunding bonds (2010)					
various through 2020	2,360,000	-	315,000	2,045,000	320,000
Unamortized premium	33,396	-	8,134	25,262	-
Refunding bonds (2012)					
various through 2028	750,000	-	45,000	705,000	45,000
Unamortized premium	10,468	-	985	9,483	-
Total general obligation bonds	<u>7,807,179</u>	<u>-</u>	<u>797,775</u>	<u>7,009,404</u>	<u>776,400</u>
Special assessment bonds					
Pin Oak Parkway (2001)					
various % through 2020	220,741	-	70,400	150,341	73,600
Refunding bonds (2010)					
various % through 2020	1,435,000	-	185,000	1,250,000	190,000
Unamortized premium	20,242	-	4,898	15,344	-
Total special assessment bonds	<u>1,675,983</u>	<u>-</u>	<u>260,298</u>	<u>1,415,685</u>	<u>263,600</u>
Long-Term Notes Payable					
Street Improvement Notes (2011)					
2.9 % through 2016	759,972	-	134,058	625,914	134,058
Unamortized premium	1,450	-	580	870	-
Various Purpose Improvement					
Notes (2013) 1.00% through 2014	1,743,000	-	1,743,000	-	-
Unamortized premium	6,306	-	6,306	-	-
Total long-term notes payable	<u>2,510,728</u>	<u>-</u>	<u>1,883,944</u>	<u>626,784</u>	<u>134,058</u>
OPWC loan- Walker Rd/Bike Lane					
0.0% through 2024	70,000	-	6,667	63,333	6,667
OPWC loan- Walker Rd/Lear Rd Intersection					
Upgrade, 0.0% through 2034	-	125,000	-	125,000	6,250
OWDA loan - Jaycox Sewer					
Separation, 3.27% through 2041	237,675	-	5,594	232,081	5,779
Total loans	<u>307,675</u>	<u>125,000</u>	<u>12,261</u>	<u>420,414</u>	<u>18,696</u>
Equipment loan	92,000	-	23,000	69,000	23,000
Landfill postclosure costs	590,381	7,347	65,598	532,130	66,516
Police pension liability	89,491	-	2,623	86,868	2,736
Compensated absences	1,612,454	478,710	504,080	1,587,084	501,782
Total Governmental activities	<u>\$ 14,685,891</u>	<u>\$ 611,057</u>	<u>\$ 3,549,579</u>	<u>\$ 11,747,369</u>	<u>\$ 1,786,788</u>

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

**NOTE 9: LONG-TERM OBLIGATIONS (Continued)**

	Outstanding 12/31/2013	Additions	Reductions	Outstanding 12/31/2014	Amount Due in One Year
<b>Business-type activities</b>					
General obligation bonds					
Refunding bonds (2001)					
various % through 2014	\$ 400,944	\$ -	\$ 400,944	\$ -	\$ -
Refunding bonds (2012)					
various % through 2028	3,375,000	-	200,000	3,175,000	210,000
Unamortized premium	47,755	-	4,473	43,282	-
Refunding bonds (2010)					
various % through 2014	400,000	-	400,000	-	-
Unamortized premium	1,946	-	1,946	-	-
Total general obligation bonds	<u>4,225,645</u>	<u>-</u>	<u>1,007,363</u>	<u>3,218,282</u>	<u>210,000</u>
Mortgage revenue bonds					
Water system refunding (2005)					
various % through 2026	6,595,000	-	385,000	6,210,000	395,000
OWDA					
Water plant expansion (1991)					
7.84% through 2017	2,169,334	-	669,313	1,500,021	721,787
Wastewater improvements (1998)					
5.76% through 2018	210,669	-	42,413	168,256	44,856
Water system improvements (2003)					
4.51% through 2025	3,239,401	-	220,478	3,018,923	230,534
Fay/Vineyard sanitary sewer (2008)					
4.15% through 2029	1,271,198	-	62,580	1,208,618	65,204
Center Road pump station (2008)					
4.28% through 2029	1,116,242	-	54,410	1,061,832	56,764
LORCO force main (2009)					
3.68% through 2041	9,526,401	-	199,202	9,327,199	206,601
LORCO collection system (2009)					
4.08% through 2041	18,446,438	37,872	363,054	18,121,256	378,017
Sewer separation (2010)					
3.27% through 2041	2,592,973	-	61,029	2,531,944	63,041
Water Plant Expansion (2013)					
2.84% through 2044	476,947	4,180,567	109,351	4,548,163	-
Belmar Sewer Separation (2013)					
2.94% through 2044	1,632,807	3,012,414	63,429	4,581,792	-
Total OWDA	<u>40,682,410</u>	<u>7,230,853</u>	<u>1,845,259</u>	<u>46,068,004</u>	<u>1,766,804</u>
Capital lease obligations	8,870	-	8,870	-	-
Compensated absences	553,774	220,751	176,594	597,931	177,755
Total business-type activities	<u>\$ 52,065,699</u>	<u>\$ 7,451,604</u>	<u>\$ 3,423,086</u>	<u>\$ 56,094,217</u>	<u>\$ 2,549,559</u>

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
*(Continued)*

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NOTE 9: **LONG-TERM OBLIGATIONS** (Continued)

General obligation bonds, other than the enterprise general obligation and mortgage revenue bonds, along with the Ohio Public Works Commission Loans will be paid from the General Bond Retirement Debt Service Fund from income taxes. Ohio Water Development Authority loans will be repaid from resources within the Water and Sewer Funds. 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. The equipment loan will be paid from the Paramedic Fund. The police pension liability will be paid from taxes received in the Police Pension Special Revenue Fund. Landfill post-closure costs are based on estimates as of December 31, 2014. The actual costs may be higher due to inflation, changes in technology, or changes in regulations and they will be paid from the General Fund. Compensated absences will be paid from the fund which the employees' salaries are paid.

On March 28, 2001, the City issued \$16,746,758 in total Various Purpose Improvement and Refunding Bonds, Series 2001. These bonds are unvoted general obligations of the City, issued to finance the permanent improvements described in the Bonds, and to advance refund existing 1994 Various Purpose General Obligation Bonds debt at a more favorable borrowing rate. \$8,752,661 of the proceeds were used to refund all of the Series 1994 outstanding in the amount of \$8,465,000. Enterprise funds are responsible for \$8,227,501, and \$525,160 is the responsibility of the governmental debt service fund. The original bonds were issued for the purpose of paying the costs of (a) constructing improvements, additions or extensions to the City's water distribution system within and without the City, including acquiring real estate and easements therefore; (b) construction improvements to the City's sewage system; (c) widening and resurfacing portions of Walker Road; and (d) issuing the bonds. All the reissued debt consists of serial bonds with final maturity in 2014, with the exception of 2010 which were capital appreciation bonds in the amount of \$695,000.

A portion of the bonds mentioned above, \$4,994,101 were used to retire \$5,000,000 in 2000 Series Notes, maturity date March 29, 2001, to pay a portion of the construction, furnishing and equipping a new City safety center along with renovations to the adjacent City fire station. Also, \$2,999,996 of bonds were issued to retire \$3,000,000 in 2000 Series Notes, maturing on March 29, 2001 to pay for the construction of a trunk storm sewer (CALDP 2001).

These bonds consisted of serial, term, and capital appreciation bonds. The capital appreciation bonds are not subject to prior redemption. The term bonds have annual mandatory sinking fund redemption requirements, and there are optional redemption provisions for the serial bonds. The term bonds mature on December 1, 2020 in the amount of \$3,270,000, at a redemption price equal to 100 percent of the principal plus accrued interest to the redemption date. The serial bonds maturing on or after December 1, 2012 are subject to redemption, by and at the sole option of the City in whole at any time or in part on any interest payment date on or after December 1, 2011 in multiples of \$5,000 at the redemption price or 100 percent of the amount to be redeemed plus accrued interest to the date of redemption.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

NOTE 9: **LONG-TERM OBLIGATIONS** (Continued)

Mandatory Sinking Fund Redemption - The bonds maturing on December 1, 2020 are subject to mandatory redemption, pursuant to Sinking Fund Requirements, at a redemption price of 100% of the principal amount redeemed plus interest accrued to the redemption date, on December 1 in each of the years and in the principal amounts set forth below:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
2015	\$ 480,000
2016	505,000
2017	530,000
2018	560,000
2019	585,000

On May 20, 2010, the City issued \$5,405,000 in Various Purpose Improvement Refunding Bonds, Series 2010 to partially refund the aforementioned bonds previously issued in 2001 for the Safety Center, CALDP and Water improvements. The bonds were issued with interest rates ranging from 2.00 percent to 3.75 percent. The bonds were issued for a ten year period with final maturity during fiscal year 2020. These bonds will be retired through the City's Debt Service Fund and Water Fund.

Proceeds were deposited in an irrevocable trust with an escrow agent to provide for future debt payments on the refunded 2001 Various Improvement Bonds. As a result, \$4,955,000 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. The amount still outstanding as December 31, 2014 is \$3,660,000.

On June 8, 2011, The City issued \$1,071,000 in Street Improvement Notes, Series 2011. \$925,000 will be used to pay for the Improvement of Canterbury Road and \$146,000 will be used to pay for the improvement of Webber Road. These notes will be retired though the City's Capital Improvement Fund.

On July 12, 2012, the City issued \$4,195,000 in Various Purpose Improvement Refunding Bonds, Series 2012 to partially refund bonds previously issued in 2003 for the Recreational facility and Wastewater collection systems. The bonds were issued with interest rates ranging from 1.00 percent to 2.75 percent. The bonds were issued for a sixteen year period with final maturity during fiscal year 2028. These bonds will be retired through the City's Debt Service Fund and Sewer Fund.

Proceeds were deposited in an irrevocable trust with an escrow agent to provide for future debt payments on the refunded 2003 Various Improvement Bonds. As a result, \$3,895,000 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. As of December 31, 2014, the full amount of the defeased debt has been called.

On September 12, 2001, the City issued \$1,385,000 in new bonds to cover the cost of retiring \$1,000,000 in 2001 Notes, maturing on October 4, 2001. In anticipation of Bonds, \$2,000,000 in notes were originally issued in 1999 to pay for property owners' portion of the construction cost to extend Pine Oak Parkway approximately 5,000 feet easterly paving, storm and sanitary sewers along with waterlines. The City anticipates debt service of \$886,341 to be paid through special assessments levied to the property owners. The Bonds are not subject to redemption prior to their stated maturities.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

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NOTE 9: **LONG-TERM OBLIGATIONS** (Continued)

On October 7, 2003, the City issued \$5,500,000 in Various Purpose Improvement Bonds, Series 2003. These bonds are unvoted General Obligations of the City, issued to finance the permanent improvements described in the Bonds. \$4,500,000 of the proceeds will be used to pay for improvements to the wastewater collection system. \$1,000,000 of the proceeds will be used to pay for constructing outdoor recreational facilities.

All bonds are Serial Bonds. The Bonds maturing on or after December 1, 2014 shall be subject to redemption, by and at the option of the City, in whole at any time, or in part on any Interest Payment Date, on or after December 1, 2003, in multiples of \$5,000 at the redemption price of 100% of the principal amount redeemed plus, in each case, accrued interest to the redemption date. During 2012, the City refunded a portion of these bonds as mentioned above.

On December 29, 2009, the City issued \$ 1,430,000 in LTGO Various Purpose Bonds, Series 2009. These bonds were used to improve Moore Road by reconstructing storm sewers and storm water drainage facilities, the construction of a storage facility for use by the service department and the purchase of a fire truck.

On July 21, 2009, the City issued \$4,500,000 in Recreational Facilities Improvement Bonds, Series 2009. These bonds were used for the reconstruction of the City's pool facility.

On June 28, 1990, the City entered into a loan agreement with OWDA for \$8,810,070 (capitalized interest of \$274,025 was added at the end of the construction period for a total of \$9,084,095). These funds were used to expand the existing Avon Lake Water Treatment Plant from 9,000,000 gallons per day designed plant to 22,000,000 gallons per day. This debt has a fixed rate of 7.84 percent interest over a twenty-five year period beginning July 1, 1992 through January 1, 2017.

On March 26, 1998, the City entered into a loan agreement with OWDA for \$638,031. These funds were used to repair 2 digesters at the Wastewater facility. This debt has a fixed rate of 5.76 percent interest over a twenty-year period beginning January 1, 1999 through July 1, 2018.

On May 29, 2003, the Ohio Water Development Board approved a resolution establishing an Interest Rate Subsidy program. Under the program, OWDA pays for any interest above 7.0%, effectively reducing all loans with rates higher than 7.0 percent to 7.0 percent. This rate subsidy went into effect with January 1, 2004 payments. The City has 4 outstanding loans falling into these parameters.

On December 11, 2003, an OWDA loan agreement for \$4,585,637 was entered into by the City (capitalized interest of \$179,019 was added at the end of the construction period for a total of \$4,764,656). These funds were used to increase its capacity to 40 million gallons per day ensuring the necessary capacity for the City and surrounding communities well into the future. This debt has a fixed rate of 4.51 percent interest over a twenty-year period beginning January 1, 2006 through July 1, 2025.

During 2008, the City entered into a loan agreement in the amount of \$1,548,287 with OWDA for the Fay Avenue and Vineyard Road sanitary sewer replacement project. This debt has a fixed rate of 4.15 percent interest over a twenty-year period beginning July 1, 2009 through January 1, 2029.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
*(Continued)*

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NOTE 9: **LONG-TERM OBLIGATIONS** (Continued)

During 2008, the City entered into a loan agreement in the amount of \$1,356,266 with OWDA for the Center Road pump station improvement project. This debt has a fixed rate of 4.28 percent interest over a twenty-year period beginning July 1, 2009 through November 1, 2029.

During 2009, the City entered into a loan agreement in the amount of \$9,718,470 with OWDA for the LORCO force main project. This debt has a fixed rate of 3.68 percent interest over a thirty year period beginning July 1, 2012 through January 1, 2042.

During 2009, the City entered into a loan agreement in the amount of \$19,167,873 with OWDA for the LORCO collection system. The loan has a fixed rate of 4.08 percent interest over a twenty-nine year period beginning January 1, 2012 through January 1, 2041.

During 2010, the City entered into a loan agreement in the amount of \$3,018,029 with OWDA for the Sewer separation project. The loan has a fixed rate of 3.27 percent interest over a thirty year period beginning January 1, 2011 through January 1, 2041.

During 2013, the City entered into a loan agreement with OWDA for the water plant expansion project. The loan has a fixed rate of 2.84 percent interest over a thirty year period beginning July 1, 2014 through January 1, 2044. As of December 2014, the loan balance for the portion of the project completed was \$4,548,163. An amortization schedule has not been prepared by OWDA since the project is still ongoing.

During 2013, the City entered into a loan agreement with OWDA for the Belmar sewer separation project. The loan has a fixed rate of 2.94 percent interest over a thirty year period beginning January 1, 2015 through July 1, 2044. As of December 2014, the loan balance for the portion of the project completed was \$4,581,792. An amortization schedule has not been prepared by OWDA since the project is still ongoing.

In June 2009, the City entered into a loan agreement with OPWC for \$100,000. These funds were used for the paving of Walker Road and a bike lane. The debt is a zero percent interest loan over fourteen years beginning January 1, 2010 through July 1, 2024.

In 2014, the City entered into a loan agreement with OPWC for \$125,000. These funds were used for the Walker Road/Lear Road Intersection project. The debt is a zero percent interest loan over twenty years beginning January 1, 2015 through July 1, 2034.

On April 22, 2005, the City issued \$14,075,000 water system mortgage revenue refunding serial bonds series 2005. The bonds were issued in order to (i) currently refund certain Water System Mortgage Revenue Refunding Bonds, Series 1993A of the City, dated March 1, 1993 with aggregate outstanding principal amount of \$4,250,000, (ii) advance refund certain Water System Mortgage Revenue Refunding Bonds, Series 2000A of the City, dated July 1, 2000 with aggregate outstanding principal amount of \$9,115,000. The present value of these to refunding issues will save approximately \$502,300 in interest combined.

The serial bonds maturing on or after October 1, 2016 are subject to early redemption, by and at the option of the City in whole at any time or in part on any interest payment date on or after April 1, 2015 in multiples of \$5,000 at the redemption price of 100 percent of the principal amount redeemed plus accrued interest to the redemption date.



**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

NOTE 9: **LONG-TERM OBLIGATIONS** (Continued)

Year Ended	Governmental Activities					
	Notes		OPWC Loan		Total Principal	Total Interest
	Principal	Interest	Principal			
2015	\$ 134,058	\$ 19,730	\$ 12,917	\$ 1,192,754	\$ 331,935	
2016	491,856	15,776	12,917	1,590,742	296,467	
2017	-	-	12,917	1,229,083	268,944	
2018	-	-	12,917	1,079,286	213,440	
2019	-	-	12,917	644,496	164,506	
2020-2024	-	-	61,248	1,997,543	523,300	
2025-2029	-	-	31,250	1,533,935	176,392	
2030-2034	-	-	31,250	81,450	16,403	
2035-2039	-	-	-	59,039	7,564	
2040	-	-	-	13,000	320	
	<u>\$ 625,914</u>	<u>\$ 35,506</u>	<u>\$ 188,333</u>	<u>\$ 9,421,328</u>	<u>\$ 1,999,271</u>	

Year Ended	Business-Type Activities			
	General Obligation Bonds		Mortgage Revenue Bond	
	Principal	Interest	Principal	Interest
2015	\$ 210,000	\$ 70,813	\$ 395,000	\$ 299,490
2016	210,000	66,613	415,000	283,690
2017	210,000	62,413	430,000	266,675
2018	215,000	58,213	450,000	245,175
2019	215,000	53,913	475,000	222,675
2020-2024	1,130,000	203,077	2,745,000	733,875
2025-2028	985,000	65,703	1,300,000	91,600
	<u>\$ 3,175,000</u>	<u>580,745</u>	<u>\$ 6,210,000</u>	<u>\$ 2,143,180</u>

Year Ended	Business-Type Activities			
	OWDA Loans		Total Principal	Total Interest
	Principal	Interest		
2015	\$ 1,766,804	\$ 1,499,703	\$ 2,371,804	\$ 1,870,006
2016	1,866,869	1,405,630	2,491,869	1,755,933
2017	1,134,098	1,305,480	1,774,098	1,634,568
2018	1,154,214	1,258,018	1,819,214	1,561,406
2019	1,174,764	1,210,118	1,864,764	1,486,706
2020-2024	6,638,843	5,284,346	10,513,843	6,221,298
2025-2029	6,108,441	3,957,623	8,393,441	4,114,926
2030-2034	6,232,052	2,784,045	6,232,052	2,784,045
2035-2039	7,554,838	1,458,081	7,554,838	1,458,081
2040-2041	3,307,126	157,723	3,307,126	157,723
	<u>\$ 36,938,049</u>	<u>\$ 20,320,767</u>	<u>\$ 46,323,049</u>	<u>\$ 23,044,692</u>



**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

NOTE 9: **LONG-TERM OBLIGATIONS** (Continued)

There are two OWDA loans where the final amortization schedules have not been completed as of December 31, 2014, due to them being in the construction phase. Therefore, the previous table does not include outstanding principal and interest payments for those OWDA loans. This information will be provided once final amortization schedules are available.

NOTE 10: **SHORT-TERM OBLIGATIONS**

Changes in the City's short-term obligations during 2014 were as follows:

	<u>Outstanding 12/31/2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding 12/31/2014</u>
<b>Short-Term Notes Payable</b>				
<i>Governmental Activities</i>				
Various Purpose Improvement Notes (2013) 1.00% through 2014	\$ 207,000	\$ -	\$ 207,000	\$ -
Various Purpose Improvement Notes (2014) 1.00% through 2015	-	5,329,000	-	5,329,000
Unamortized premium	-	38,688	17,732	20,956
<b>Total Governmental Activities</b>	<u>207,000</u>	<u>5,367,688</u>	<u>224,732</u>	<u>5,349,956</u>
<i>Water</i>				
Various Purpose Improvement Notes (2014) 1.00% through 2015	-	1,000,000	-	1,000,000
Unamortized premium	-	7,260	3,328	3,932
<b>Total Water</b>	<u>-</u>	<u>1,007,260</u>	<u>3,328</u>	<u>1,003,932</u>
<i>Sewer</i>				
Various Purpose Improvement Notes (2014) 1.00% through 2015	-	6,000,000	-	6,000,000
Unamortized premium	-	43,560	19,965	23,595
<b>Total Sewer</b>	<u>-</u>	<u>6,043,560</u>	<u>19,965</u>	<u>6,023,595</u>
<b>Total Business-Type Activities</b>	<u>-</u>	<u>7,050,820</u>	<u>23,293</u>	<u>7,027,527</u>
<b>Total Short-Term Notes Payable</b>	<u>\$ 207,000</u>	<u>\$ 12,418,508</u>	<u>\$ 248,025</u>	<u>\$ 12,377,483</u>

On July 15, 2014, the City issued various purpose bond anticipation notes in the amount of \$12,329,000. These bond anticipation notes will mature on July 15, 2015 and carry an annual interest rate of 1.00 percent. The 2014 bond anticipation notes were issued to retire \$1,950,000 from the 2013 bond anticipation notes (of which \$207,000 was recorded as short term) and also to provide \$10,586,000 in new proceeds for additional capital projects in both the Governmental and Business-type Activities.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

**NOTE 11: CAPITAL LEASES**

In prior years, the City entered into a capital lease for an Atomic Spectrophotometer. This lease met the criteria of a capital lease pursuant to generally accepted accounting principles. Capital lease payments are reflected as a reduction of the liability in the enterprise fund statements. Capital assets were recorded in the amount of \$51,028 for the Atomic Spectrophotometer. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the long-term liabilities section of the enterprise fund statements. Principal payments in 2014 totaled \$8,870 in the business-type activities. As of December 31, 2014, this capital lease has fully matured.

Equipment and related accumulated depreciation under capital leases are as follows:

	Business-Type Activities
Equipment	\$ 51,028
Less:	
Accumulated Depreciation	(14,458)
	\$ 36,570

**NOTE 12: OPERATING LEASES**

The City is obligated under leases accounted for as operating leases. Total lease expense for the year ended December 31, 2014, was \$18,495 for Governmental Activities and \$6,076 for Business-type Activities. The following is a schedule of future minimum lease payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of December 31, 2014.

Year Ending December 31,	Governmental Activities	Business-Type Activities
2015	\$ 14,217	\$ 5,557
2016	10,971	4,000
2017	4,581	4,000
2018	-	4,000
thereafter	-	356,000
Total Minimum Lease Payments	\$ 29,769	\$ 373,557

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

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**NOTE 13: DEFINED BENEFIT PENSION PLANS**

**A. Ohio Public Employees Retirement System**

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting [www.opers.org/investments/cafr.shtml](http://www.opers.org/investments/cafr.shtml), by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2014, the members of all three plans were required to contribute 10.00 percent of their earnable salaries. The City's contribution rate was 14.00 percent of earnable salary. The pension allocation for the Traditional and Combined Plans was 12.00 percent during calendar year 2014. The City's required pension contributions for the Traditional Pension and Combined Plans for the years ended December 31, 2014, 2013, and 2012 were \$889,374, \$914,710, and \$728,777, respectively; 91.64 percent has been contributed for 2014 and 100 percent has been contributed for 2013 and 2012.

**B. Ohio Police and Fire Pension Fund**

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan. The OP&F 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. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at [www.op-f.org](http://www.op-f.org).

From January 1, 2014 thru July 1, 2014, Plan members were required to contribute 10.75 percent of their annual covered salary. From July 2, 2014 thru December 31, 2014, Plan members were required to contribute 11.50 percent of their annual covered salary. Throughout 2014, the City was required to contribute 19.50 percent and 24.00 percent for police officers and firefighters, respectively.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

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NOTE 13: **DEFINED BENEFIT PENSION PLANS** (Continued)

**B. Ohio Police and Fire Pension Fund** (Continued)

The portion of the City's contributions to fund pension obligations from January 1, 2014 thru December 31, 2014 for police officers and firefighters was 19.00 percent and 23.50 percent, respectively. The City's contributions for pension obligations to the OP&F for police and firefighters were \$418,646 and \$557,711 for the year ended December 31, 2014, \$364,145 and \$475,121 for the year ended December 31, 2013, and \$304,719 and \$419,600 for the year ended December 31, 2012. For 2014, 92.30 percent for police and 92.20 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.

In addition to the current contributions, the City pays installments on the accrued liability incurred within the State of Ohio established pension system for police and firefighters in 1967. As of December 31, 2014, the outstanding liability of the City was \$86,868 payable in semi-annual payments through the year 2035. This is an accounting liability of the City which will not vary. The liability is reported as "long-term liabilities" in the governmental activities column on the Statement of Net Position.

NOTE 14: **POST-EMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System**

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

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

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension 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 health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 CAFR for details.

The Ohio Revised Code permits, but does not mandate, OPERS to provide the OPEB Plan to its eligible benefit recipients. Authority to establish and amend health care coverage is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting [www.opers.org/investments/cafr.shtml](http://www.opers.org/investments/cafr.shtml), by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

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NOTE 14: **POST-EMPLOYMENT BENEFITS** (Continued)

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

*Funding Policy* - The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care coverage. The 2014 local government employer contribution rate was 14.00 percent of earnable salary. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of earnable salaries for local government employers. Active members do not fund the OPEB Plan.

OPERS' Post-employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.00 percent during calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to health care remains at 2.00 percent for both plans, as recommended by OPERS actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The City's actual employer contributions for December 31, 2014, 2013 and 2012 which were used to fund post-employment benefits were \$148,229, \$70,362, and \$291,511, respectively. For 2014, 91.64 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 19, 2012, with a transition plan commencing 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 4.00 percent of the employer contributions toward the health care fund after the end of the transition period.

B. **Ohio Police and Fire Pension Fund**

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

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NOTE 14: **POST-EMPLOYMENT BENEFITS** (Continued)

**B. Ohio Police and Fire Pension Fund** (Continued)

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, OH 43215-5164. That report is also available on OP&F's website at [www.op-f.org](http://www.op-f.org).

*Funding Policy* - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50 percent and 24.00 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50 percent of covered payroll for police employer units and 24.00 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements 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 OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 Trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 0.50 percent of covered payroll from January 1, 2014 thru December 31, 2014. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of the Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$11,017 and \$11,866 for the year ended December 31, 2014, \$80,444 and \$81,910 for the year ended December 31, 2013, and \$157,023 and \$160,567 for the year ended December 31, 2012, respectively. For 2014, 92.30 percent has been contributed for police and 92.20 percent has been contributed for firefighters with the balance for both police and firefighters are being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

NOTE 15: **RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2014, the City contracted with U.S. Specialty Insurance Company for the following types of insurance:

Company	Type	Coverage
U.S. Specialty Insurance Company	Blanket Building and Content Replacement	\$ 59,328,686
	Miscellaneous Equipment	5,484,682
	Earthquake Coverage	1,000,000
	Flood Coverage	1,000,000
	Hazardous Substance	250,000
	Public Employee Dishonesty	100,000
	Faithful Performance of Duty	100,000
	Money and Securities In/Out Coverage	100,000
	Forgery and Alteration	25,000
	General Liability - Each Occurrence	1,000,000
	Employee Benefits Liability	1,000,000
	Law Enforcement Liability - Each Occurrence	1,000,000
	Public Official Liability - Each Occurrence	1,000,000
	Employment Practice - Each Occurrence	1,000,000
	Automobile Liability	1,000,000
	Excess Liability - Each Occurrence	5,000,000
	Terrorism Insurance	Included

There have not been any significant reductions in insurance coverage from coverage in the prior year and the amounts of settlements have not exceeded coverage for any of the prior three years.

The City participates in the State of Ohio's workers' compensation program. The City pays the Ohio Bureau of Workers' Compensation a premium based on a rate per \$100 of salaries. Accident history and administrative costs form the basis for the rate.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

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**NOTE 16: JOINTLY GOVERNED ORGANIZATIONS AND JOINT VENTURE**

**A. Lorain County Community Alliance Council of Governments**

The City is a member of the Lorain County Community Alliance (Alliance) which is a council of governments formed under Ohio Revised Code Section 167. The Alliance is comprised of public members that have voting privileges and other citizen, business, and agency members that have no voting privileges. The Alliance includes nine city, four village, and nine township members along with 38 associate members.

The Alliance was formed to serve as an opportunity for both the public and private sector, including citizen representatives to develop long-term plans that deal with cross-boundary issues and community interests.

Member cities, villages, and townships are eligible to cast votes equivalent to the total population of the member jurisdictions which they represent and Lorain County members are eligible to cast votes equivalent to twenty-five percent of the total population of Lorain County. Financial information can be obtained by contacting Virginia Haynes, 226 Middle Avenue, 5<sup>th</sup> Floor, Elyria, Ohio 44035, who serves as fiscal agent.

**B. Northeast Ohio Public Energy Council (NOPEC)**

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 126 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each community then elect one person to serve on the eight-member NOPEC Board of Directors. In 2014, the City made no contributions to NOPEC. 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. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, at 31360 Solon Road, Suite 33, Solon, Ohio 44139 or at the website [www.nopecinfo.org](http://www.nopecinfo.org).



**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

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NOTE 16: **JOINTLY GOVERNED ORGANIZATIONS AND JOINT VENTURE** (Continued)

C. **Medina-Lorain Water Consortium**

The City is a member of the Medina-Lorain Water Consortium (the Consortium), which is a joint venture between the City of Avon Lake, the Rural Lorain County Water Authority, Medina County, and the City of Medina. The Consortium was created in 1999 for the purpose of construction, operation and maintenance of a water transmission line to serve the members of the Consortium, and for the purpose of bulk water delivery from the City of Avon Lake. There is an ongoing financial responsibility for all parties for the maintenance and repair of the project. The Consortium is governed by representatives of the member parties. The City of Avon Lake serves as the fiscal agent for the Consortium. As of December 31, 2014, the City's equity interest in the Consortium was \$2,330,996. Financial information can be obtained from the City of Avon Lake Finance Director, 150 Avon Belden Road, Avon Lake, Ohio 44012.

NOTE 17: **CONTINGENT LIABILITIES**

A. **Grants**

The City received financial assistance in the form of grants from the State and Federal agencies. The grant agreements specify the terms and conditions under which the grant funds may be received and disbursed and also give the grantor agencies the authority to audit the grant activity. If the audit resulted in a claim for reimbursement of the grant funds, the claim could result in a liability to the affected funds.

B. **Litigation**

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

NOTE 18: **INTERFUND TRANSFERS AND BALANCES**

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
*(Continued)*

NOTE 18: **INTERFUND TRANSFERS AND BALANCES** (Continued)

Interfund transfers for the year ended December 31, 2014, consisted of the following:

Transfer To	Transfer From			Total
	General Fund	General Bond Retirement (Unvoted)	Nonmajor Governmental Funds	
Governmental Funds:				
General Bond Retirement (Unvoted)	\$ 77,496	\$ -	\$ 1,073,140	\$ 1,150,636
Non-Major Governmental Funds	413,227	207,000	40,121	660,348
	\$ 490,723	\$ 207,000	\$ 1,113,261	\$ 1,810,984

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

Interfund balances for the year ended December 31, 2014 consisted of the following:

	Interfund Receivable	Interfund Payable
Governmental Funds:		
General Fund	\$ 40,000	\$ -
Non-Major Governmental Funds	204,395	244,395
Total	\$ 244,395	\$ 244,395

Interfund balances at December 31, 2014 consisted of \$40,000 due to the General Fund from the Troy School Driveway Capital Projects Fund, a non-major governmental fund, and \$204,395 due to the Debt Service Fund from the Cove Avenue Improvement Fund. The General Fund advanced monies to the non-major governmental fund to cover project expenditures in anticipation of payments of \$5,000 per year for ten years from the Avon Lake City School District. The Debt Service Fund issued manuscript debt for Cove Avenue improvements in anticipation of the collection of special assessments. For 2014, \$10,413 in principal payments were paid back to reduce the manuscript debt.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

**NOTE 19: 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 governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

<u>Fund Balances</u>	<u>General</u>	<u>General Bond Retirement (Unvoted)</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>Nonspendable</i>				
Prepaid Items	\$ 54,234	\$ -	\$ 10,269	\$ 64,503
Materials and Supplies Inventory	18,085	-	223,901	241,986
Long-term Interfund Balances	40,000	-	-	40,000
<i>Total Nonspendable</i>	<u>112,319</u>	<u>-</u>	<u>234,170</u>	<u>346,489</u>
<i>Restricted for</i>				
Police Pension	-	-	12,154	12,154
Fire Pension	-	-	25,372	25,372
Paramedic Services	-	-	556,445	556,445
Other Law Enforcement	-	-	107,945	107,945
Streets and Highways	-	-	714,342	714,342
Courts	-	-	372,662	372,662
Debt Service - Voted	-	-	121,877	121,877
Debt Service - Special Assessments	-	-	539,496	539,496
Capital Projects	-	-	849,598	849,598
Other Purposes	-	-	2,123	2,123
<i>Total Restricted</i>	<u>-</u>	<u>-</u>	<u>3,302,014</u>	<u>3,302,014</u>
<i>Committed to</i>				
Termination Benefits	219,971	-	-	219,971
Dial-A-Bus Program	45,567	-	-	45,567
Cable TV	10,473	-	-	10,473
Office on Aging	2,622	-	-	2,622
Income Tax Allocation	-	-	4,866,060	4,866,060
Street Trees	-	-	130,410	130,410
Recreation	-	-	181,354	181,354
Capital Improvements	-	-	1,520,565	1,520,565
<i>Total Committed</i>	<u>278,633</u>	<u>-</u>	<u>6,698,389</u>	<u>6,977,022</u>
<i>Assigned to</i>				
Fiscal Year 2015 Appropriations	1,227,671	-	-	1,227,671
Police/Court Facility	-	-	79,997	79,997
Other Capital Projects	-	-	7,924	7,924
Purchases on Order	482,881	-	-	482,881
<i>Total Assigned</i>	<u>1,710,552</u>	<u>-</u>	<u>87,921</u>	<u>1,798,473</u>
<i>Unassigned (Deficit)</i>	<u>760,805</u>	<u>(1,615,557)</u>	<u>(504,983)</u>	<u>(1,359,735)</u>
<b>Total Fund Balances</b>	<u>\$ 2,862,309</u>	<u>\$ (1,615,557)</u>	<u>\$ 9,817,511</u>	<u>\$ 11,064,263</u>

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

**NOTE 20: LANDFILL POSTCLOSURE COSTS**

State and federal laws and regulations required the City to place a final cover on the municipal landfill when it stopped accepting waste and perform certain maintenance and monitoring functions at the site for 30 years after closure. The City closed the landfill on December 31, 1990. The Landfill Post-closure Costs liability reflects an estimate of the remaining costs to perform the required maintenance and monitoring functions for approximately 15 years. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**NOTE 21: CONSTRUCTION COMMITMENTS**

As of December 31, 2014, the City had the following significant contractual commitments:

Contractor	Total Contractor Amount	Amount Paid as of 12/31/2014	Remaining on the Contract
<i><u>Governmental Activities</u></i>			
<i><b>Walker/Lear Roads Turn Lane</b></i>			
Underground Utilities, Inc.	\$ 1,646,312	\$ 1,538,098	\$ 108,214
<i><b>Moorewood Area Storm Sewer</b></i>			
Underground Utilities, Inc.	2,494,890	1,081,042	1,413,848
<i><b>Total Governmental Activities</b></i>	<u>4,141,202</u>	<u>2,619,140</u>	<u>1,522,062</u>
<i><u>Business-Type Activities</u></i>			
<i><b>Water Plant Improvements:</b></i>			
Bay Mechanical	4,979,274	4,747,583	231,691
<i><b>Belmar Sewer Separation:</b></i>			
Underground Utilities, Inc.	4,873,685	4,748,850	124,835
<i><b>WPCC Roofing Project:</b></i>			
WTI (Tremco)	469,286	429,755	39,531
<i><b>Harvey, Yoder, Midway Water Line</b></i>			
Underground Utilities	479,290	-	479,290
<i><b>Moorewood Area Sewer Separation</b></i>			
Underground Utilities	6,431,379	4,635,267	1,796,112
<i><b>Moorewood Area Water Line</b></i>			
Underground Utilities	614,420	171,595	442,825
<i><b>WPCC Blower Replacement Project:</b></i>			
Bay Mechanical	879,600	763,124	116,476
<i><b>Digester Cleaning Project</b></i>			
Gullett Sanitation	153,930	-	153,930
<i><b>Total Business-Type Activities</b></i>	<u>18,880,864</u>	<u>15,496,174</u>	<u>3,384,690</u>
<i><b>Total All Projects</b></i>	<u>\$ 23,022,066</u>	<u>\$ 18,115,314</u>	<u>\$ 4,906,752</u>

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*  
(Continued)

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**NOTE 22: OTHER COMMITMENTS**

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are components of fund balance for subsequent year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. As of December 31, 2014, the City's commitments for encumbrances in the governmental and proprietary funds were as follows:

	Outstanding Encumbrances
<i>Governmental Funds</i>	
General	\$ 579,944
All Other Governmental Funds	2,526,466
<i>Total Governmental Funds</i>	3,106,410
 <i>Proprietary Funds</i>	
Water	566,005
Sewer	1,047,516
<i>Total Proprietary Funds</i>	1,613,521
<i>Total All Funds</i>	\$ 4,719,931

**NOTE 23: SUBSEQUENT EVENTS**

In March 2015, the City issued debt in the amount of \$4,820,000 to refund the outstanding principal of the 2005 water system mortgage revenue bonds. This debt was issued with varying interest rates ranging from 2.00% to 2.25% and the final maturity of December 1, 2024.

In June 2015, the City issued debt in the amount of \$2,964,998 to refund the pool portion of the outstanding principal of the 2009 recreational facility general obligation bonds. The refunding debt was comprised of current interest serial bonds with varying interest rates ranging from 2.00% to 3.00% and final maturity of December 1, 2028 and capital appreciation bonds were issued with an interest rate of 18.629% and final maturity dates of December 1, 2018 and December 1, 2019.

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## Combining Statements



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## ***Fund Descriptions – Nonmajor Governmental Funds***

### ***Non-Major Special Revenue Funds***

Special Revenue funds are established to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. A description of the City's special revenue funds follows:

*Street Construction, Maintenance, and Repair Fund* - This fund is required by the Ohio Revised Code to account for revenue from the state gasoline tax and motor vehicle registration fees. The Ohio Revised Code requires that 92.50% of these revenues be used for the maintenance and repair of streets within the City.

*State Highway Fund* - This fund accounts for a percentage of the revenue from the City's share of State gasoline taxes and motor vehicle registration fees. State law requires that these taxes be used for maintenance and repair of the state highways within the City.

*Income Tax Transfer Fund* - This fund is used to account for the collection of the City's municipal income tax. This fund also accounts for the administration of the municipal income tax collection and the distribution of that tax to the General Fund, Capital Improvement Fund, and the Sewer Fund based on the City's income tax allocations approved in the City's codified ordinances.

*Paramedic Fund* - This fund is used to account for the proceeds of a property tax levy approved for the purpose of providing and maintaining paramedic services.

*Office on Aging Fund* - This fund accounts for transfers from the General Fund to provide various programs to senior citizens within the City. Due to the implementation of GASB Statement No. 54, this fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a separate legally adopted budget.

*Dial-A-Bus Fund* - This fund accounts for transfers from the General Fund to provide transportation services to citizens within the City. Due to the implementation of GASB Statement No. 54, this fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a separate legally adopted budget.

*Cable TV Fund* - This fund accounts for transfers from the General Fund to provide public and government access channels to citizens within the City. Due to the implementation of GASB Statement No. 54, this fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a separate legally adopted budget.

*Law Enforcement Trust Fund* - This fund accounts for the revenue and/or property seized in the commitment of a felony and awarded to the City.

*Law Enforcement and Education Fund* - This fund accounts for fines imposed by the Courts which are used for programs aimed at further education and enforcement of D.U.I. laws.

*Indigent Drivers Alcohol Treatment Fund* - This fund accounts for fines from persons convicted of D.U.I.

*Municipal Court Computer Fund* - This fund accounts for fines imposed by the Courts which are restricted to provide computerized research services and maintenance of the Court's computer system.

*COPS Fund* - This fund accounts for grant revenues received restricted for the hiring and retention of the City's police force.

## ***Fund Descriptions – Nonmajor Governmental Funds***

### ***Non-Major Special Revenue Funds (Continued)***

*Avon Lake/Bay Park Fund* - This fund accounts for revenues received that are committed for the City's park.

*Board of Building Standards Fund* - This fund accounts for fees and assessments restricted by state statute to ensure building standards are maintained.

*Employee Sick Time Buy Back Fund* - This fund accounts for transfers from the General Fund committed for the payment of accumulated sick time upon the termination of employment by employees of the City. Due to the implementation of GASB Statement No. 54, this fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a separate legally adopted budget.

*Street Tree Fund* - This fund accounts for various fees and permits charged pursuant to City Ordinances for the purpose of planting, replacing, maintaining, protecting and promoting trees within the City.

*Continuing Professional Training - Police Fund* - This fund accounts for restricted funds to provide for the training of the City's police force.

*Court Security Fund* - This fund accounts for fines imposed by the Courts which are restricted to provide security to the Courts.

*Court Interlock Fund* - This fund accounts for fines imposed by the Courts which are restricted to provide resources for ignition interlock devices for persons deemed by the Courts to be indigent.

*Police Pension Fund* - This fund is used to account for the proceeds of a property tax levy approved for the purpose of providing resources for the City's share (19.5 percent) of the current police pension liability to the Ohio Police & Fire Pension Fund.

*Fire Pension Fund* - This fund is used to account for the proceeds of a property tax levy approved for the purpose of providing resources for the City's share (24.0 percent) of the current fire pension liability to the Ohio Police & Fire Pension Fund.

*Recreation Trust Fund* - This fund accounts for charges for services pursuant to City Ordinances for the purpose of providing and maintaining recreation facilities within the City.

## ***Fund Descriptions – Nonmajor Governmental Funds***

### ***Non-Major Debt Service Funds***

Debt Service funds are established to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest and to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. A description of the City's debt service fund follows:

*General Bond Retirement (Voted) Fund* – This fund is used to account for the proceeds of a property tax levy approved for the purpose retiring the City's voted debt obligations.

*Special Assessment Bond Retirement Fund* – This fund is used to account for the collection of special assessments restricted for the purpose of retiring the City's special assessment debt obligations.

### ***Non-Major Capital Project Funds***

Capital Project funds are established to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. A description of the City's capital project funds follows:

*Capital Improvement Fund* – This fund accounts for the portion of municipal income tax committed by the City's codified ordinances for the purpose of improving, constructing, maintaining, and purchasing those items necessary to enhance the operation of the City.

*Lear/Kerbs Intersection Fund* – This fund accounts for the grant revenues construction and improvements to the Lear/Kerbs intersection.

*Walker/Moore Rd. Intersection Fund* – This fund accounts for the grant revenues construction and improvements to the Walker/Moore Road intersection. This fund did not have a budget in 2014 and therefore now budgetary schedule has been provided.

*Sewer Separation Fund* – This fund accounts for the proceeds received from debt issuance for the purpose of sewer separation projects of the City.

*Curtis Sewer Fund* – This fund accounts for the resources provided through transfers from various funds assigned for the construction and improvement to the Curtis sewer project. This fund did not have a budget in 2014 and therefore now budgetary schedule has been provided.

*Miller Rd. Breakwall Fund* – This fund accounts for the resources provided through transfers from various funds assigned for the construction and improvement to the Miller Rd. breakwall project. This fund did not have a budget in 2014 and therefore now budgetary schedule has been provided.

*Police/Court Facility Fund* – This fund accounts for revenues assigned by the City for capital improvements to the City's Police/Court Facility.

*Canterbury Road Improvement Fund* – This fund accounts for the proceeds received from debt issuance for the purpose of improvements to Canterbury Road.

## ***Fund Descriptions – Nonmajor Governmental Funds***

### ***Non-Major Capital Project Funds (Continued)***

*Troy School Driveway Fund* – This fund accounts for the proceeds received from the Avon Lake City School District for the capital improvements made by the City to the Troy School Driveway.

*Bike Trails Fund* – This fund accounts for donations received that are committed for bike trail construction and improvements.

*Walker Rd. Widening Fund* – This fund accounts for funding received from the Ohio Public Works Commission along with transfers provided by the General Fund and the Capital Improvement Fund for the purpose of widening Walker Rd.

*City Wide Signalization Fund* – This fund accounts for the resources provided through transfers from various funds assigned for the construction and improvement to the city-wide signalization project. This fund did not have a budget in 2014 and therefore now budgetary schedule has been provided.

*North Point Erosion Fund* – This fund accounts for the resources provided through transfers from various funds assigned for the construction and improvement to the North Point erosion project.

*Pool Renovation Fund* – This fund accounts for the proceeds received from debt issuance for the purpose of renovations to the City's pool.

*Walker Rd. Sewer/Lear Rd. East Fund* – This fund accounts for the assessments levied for improvements made to the Walker Rd. Sewer/Lear Rd. East area of the City.

*Titus-Pitts-Hill Ditch Fund* – This fund accounts for the assessments levied for improvements made to the Titus-Pitts-Hill ditch with the City.

*Sidewalk/Street Lighting Fund* – This fund accounts for the assessments levied for improvements and maintenance of the City's sidewalks and street lighting.

*Cove Ave. Improvements Fund* – This fund accounts for the assessments levied for improvements made to the Cove Ave. Improvements area of the City.



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

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$6,980,213	\$ 456,838	\$5,998,484	\$ 13,435,535
Cash and Cash Equivalents:				
With Escrow Agents	-	-	10,984	10,984
Materials and Supplies Inventory	223,901	-	-	223,901
Accrued Interest Receivable	170	140	58,557	58,867
Accounts Receivable	6,277	-	21,456	27,733
Interfund Receivable	-	204,395	-	204,395
Intergovernmental Receivable	641,039	19,779	35,000	695,818
Prepaid Items	8,473	-	1,796	10,269
Municipal Income Taxes Receivable	-	-	640,647	640,647
Property and Other Taxes Receivable	1,875,140	302,918	-	2,178,058
Special Assessments Receivable	-	1,158,018	232,133	1,390,151
<b>Total Assets</b>	<u>\$9,735,213</u>	<u>\$2,142,088</u>	<u>\$6,999,057</u>	<u>\$ 18,876,358</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 16,191	\$ -	\$ 477,787	\$ 493,978
Accrued Wages and Benefits	76,994	-	-	76,994
Intergovernmental Payable	119,328	-	-	119,328
Retainage Payable	-	-	117,127	117,127
Interfund Payable	-	-	244,395	244,395
Notes Payable	-	-	3,586,000	3,586,000
<i>Total Liabilities</i>	<u>212,513</u>	<u>-</u>	<u>4,425,309</u>	<u>4,637,822</u>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	1,803,432	291,302	-	2,094,734
Unavailable Revenue - Delinquent Property Taxes	71,708	11,616	-	83,324
Unavailable Revenue - Municipal Income Taxes	-	-	351,718	351,718
Unavailable Revenue - Other	446,319	1,177,797	267,133	1,891,249
<i>Total Deferred Inflows of Resources</i>	<u>2,321,459</u>	<u>1,480,715</u>	<u>618,851</u>	<u>4,421,025</u>
<b>Fund Balances:</b>				
Nonspendable	232,374	-	1,796	234,170
Restricted	1,791,043	661,373	849,598	3,302,014
Committed	5,177,824	-	1,520,565	6,698,389
Assigned	-	-	87,921	87,921
Unassigned (Deficits)	-	-	(504,983)	(504,983)
<i>Total Fund Balances</i>	<u>7,201,241</u>	<u>661,373</u>	<u>1,954,897</u>	<u>9,817,511</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$9,735,213</u>	<u>\$2,142,088</u>	<u>\$6,999,057</u>	<u>\$ 18,876,358</u>

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

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>				
Property and Other Taxes	\$1,792,724	\$ 289,213	\$ -	\$ 2,081,937
Municipal Income Taxes	1,219,614	-	1,937,808	3,157,422
Intergovernmental	1,413,816	47,473	252,228	1,713,517
Interest	818	11,622	130,966	143,406
Fees, Licenses, and Permits	3,812	-	-	3,812
Fines and Forfeitures	111,463	-	-	111,463
Charges for Services	42,815	-	101,643	144,458
Special Assessments	-	338,987	59,016	398,003
All Other Revenues	535	-	15	550
<b>Total Revenues</b>	<u>4,585,597</u>	<u>687,295</u>	<u>2,481,676</u>	<u>7,754,568</u>
<b>EXPENDITURES</b>				
Current:				
Security of Persons and Property	1,948,039	-	816	1,948,855
Leisure Time Activities	19,359	-	-	19,359
Community Environment	28,695	-	-	28,695
Transportation	1,208,767	-	-	1,208,767
General Government	-	19,010	3,488	22,498
Capital Outlay	-	-	5,255,871	5,255,871
Debt Service:				
Principal Retirement	25,623	425,400	29,200	480,223
Interest and Fiscal Charges	3,776	223,008	9,205	235,989
<b>Total Expenditures</b>	<u>3,234,259</u>	<u>667,418</u>	<u>5,298,580</u>	<u>9,200,257</u>
Excess of Revenues Over (Under) Expenditures	<u>1,351,338</u>	<u>19,877</u>	<u>(2,816,904)</u>	<u>(1,445,689)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	410	-	-	410
OPWC Loans Issued	-	-	125,000	125,000
Transfers In	405,951	40,121	214,276	660,348
Transfers Out	(243,750)	-	(869,511)	(1,113,261)
<b>Total Other Financing Sources (Uses)</b>	<u>162,611</u>	<u>40,121</u>	<u>(530,235)</u>	<u>(327,503)</u>
Net Change in Fund Balances	1,513,949	59,998	(3,347,139)	(1,773,192)
Fund Balances - Beginning of Year	5,687,292	601,375	5,302,036	11,590,703
<b>Fund Balances - End of Year</b>	<u>\$7,201,241</u>	<u>\$ 661,373</u>	<u>\$1,954,897</u>	<u>\$ 9,817,511</u>

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

	<b>Street Construction Maintenance and Repair</b>	<b>State Highway</b>	<b>Income Tax Transfer</b>	<b>Paramedic</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 493,982	\$ 91,445	\$ 4,863,770	\$ 650,682
Materials and Supplies Inventory	223,901	-	-	-
Accrued Interest Receivable	127	35	-	-
Accounts Receivable	-	-	-	-
Intergovernmental Receivable	466,414	36,933	2,290	91,946
Prepaid Items	852	-	-	2,525
Property Taxes Receivable	-	-	-	1,441,086
<b>Total Assets</b>	<b><u>\$ 1,185,276</u></b>	<b><u>\$ 128,413</u></b>	<b><u>\$ 4,866,060</u></b>	<b><u>\$ 2,186,239</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 2,199	\$ -	\$ -	\$ 13,389
Accrued Wages and Benefits	28,896	-	-	43,594
Intergovernmental Payable	16,724	-	-	37,254
<i>Total Liabilities</i>	<u>47,819</u>	<u>-</u>	<u>-</u>	<u>94,237</u>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	-	-	-	1,385,972
Unavailable Revenue - Delinquent Property Taxes	-	-	-	55,114
Unavailable Revenue - Other	302,338	24,437	-	91,946
<i>Total Deferred Inflows of Resources</i>	<u>302,338</u>	<u>24,437</u>	<u>-</u>	<u>1,533,032</u>
<b>Fund Balances:</b>				
Nonspendable	224,753	-	-	2,525
Restricted	610,366	103,976	-	556,445
Committed	-	-	4,866,060	-
<i>Total Fund Balances</i>	<u>835,119</u>	<u>103,976</u>	<u>4,866,060</u>	<u>558,970</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 1,185,276</u></b>	<b><u>\$ 128,413</u></b>	<b><u>\$ 4,866,060</u></b>	<b><u>\$ 2,186,239</u></b>



<b>Law Enforcement Trust</b>	<b>Law Enforcement Education</b>	<b>Indigent Drivers Alcohol Treatment</b>	<b>Municipal Court Computer</b>	<b>COPS</b>	<b>Avon Lake Bay Park</b>	<b>Board of Building Standards</b>	<b>Street Tree</b>
\$ 55,847	\$ 27,409	\$ 69,949	\$ 139,613	\$ 6,000	\$ 432	\$ 2,771	\$ 130,410
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
75	100	639	2,469	-	-	-	-
-	-	-	-	13,218	-	-	-
-	-	-	2,703	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 55,922</u>	<u>\$ 27,509</u>	<u>\$ 70,588</u>	<u>\$ 144,785</u>	<u>\$ 19,218</u>	<u>\$ 432</u>	<u>\$ 2,771</u>	<u>\$ 130,410</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	3,268	-	-	-
-	-	1,580	-	2,661	-	1,080	-
-	-	1,580	-	5,929	-	1,080	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	2,703	-	-	-	-
55,922	27,509	69,008	142,082	13,289	432	1,691	-
-	-	-	-	-	-	-	130,410
<u>55,922</u>	<u>27,509</u>	<u>69,008</u>	<u>144,785</u>	<u>13,289</u>	<u>432</u>	<u>1,691</u>	<u>130,410</u>
<u>\$ 55,922</u>	<u>\$ 27,509</u>	<u>\$ 70,588</u>	<u>\$ 144,785</u>	<u>\$ 19,218</u>	<u>\$ 432</u>	<u>\$ 2,771</u>	<u>\$ 130,410</u>

(Continued)

**City of Avon Lake, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2014*  
*(Continued)*

	<b>Continued Professional Training</b>	<b>Court Security</b>	<b>Court Interlock</b>
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 8,585	\$ 87,143	\$ 73,317
Materials and Supplies Inventory	-	-	-
Accrued Interest Receivable	-	-	-
Accounts Receivable	-	2,492	502
Intergovernmental Receivable	2,640	-	-
Prepaid Items	-	2,393	-
Property Taxes Receivable	-	-	-
<b>Total Assets</b>	<b>\$ 11,225</b>	<b>\$ 92,028</b>	<b>\$ 73,819</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ -	\$ 603	\$ -
Accrued Wages and Benefits	-	1,236	-
Intergovernmental Payable	-	43	-
<i>Total Liabilities</i>	<i>-</i>	<i>1,882</i>	<i>-</i>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	-	-	-
Unavailable Revenue - Delinquent Property Taxes	-	-	-
Unavailable Revenue - Other	-	-	-
<i>Total Deferred Inflows of Resources</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Fund Balances:</b>			
Nonspendable	-	2,393	-
Restricted	11,225	87,753	73,819
Committed	-	-	-
<i>Total Fund Balances</i>	<i>11,225</i>	<i>90,146</i>	<i>73,819</i>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 11,225</b>	<b>\$ 92,028</b>	<b>\$ 73,819</b>

<b>Police Pension</b>	<b>Fire Pension</b>	<b>Recreation Trust</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ 44,176	\$ 53,336	\$ 181,346	\$ 6,980,213
-	-	-	223,901
-	-	8	170
-	-	-	6,277
13,799	13,799	-	641,039
-	-	-	8,473
217,027	217,027	-	1,875,140
<u>\$ 275,002</u>	<u>\$ 284,162</u>	<u>\$ 181,354</u>	<u>\$ 9,735,213</u>
\$ -	\$ -	\$ -	\$ 16,191
-	-	-	76,994
32,022	27,964	-	119,328
<u>32,022</u>	<u>27,964</u>	<u>-</u>	<u>212,513</u>
208,730	208,730	-	1,803,432
8,297	8,297	-	71,708
13,799	13,799	-	446,319
<u>230,826</u>	<u>230,826</u>	<u>-</u>	<u>2,321,459</u>
-	-	-	232,374
12,154	25,372	-	1,791,043
-	-	181,354	5,177,824
<u>12,154</u>	<u>25,372</u>	<u>181,354</u>	<u>7,201,241</u>
<u>\$ 275,002</u>	<u>\$ 284,162</u>	<u>\$ 181,354</u>	<u>\$ 9,735,213</u>

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

	<b>Street Construction Maintenance and Repair</b>	<b>State Highway</b>	<b>Income Tax Transfer</b>	<b>Paramedic</b>
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ 1,377,920
Municipal Income Taxes	-	-	1,219,614	-
Intergovernmental	1,026,039	74,427	-	185,950
Interest	606	191	-	-
Fees, Licenses, and Permits	-	-	-	-
Fines and Forfeitures	-	-	-	-
Charges for Services	-	-	-	-
All Other Revenues	-	-	-	-
<b>Total Revenues</b>	<b>1,026,645</b>	<b>74,618</b>	<b>1,219,614</b>	<b>1,563,870</b>
<b>EXPENDITURES</b>				
Current:				
Security of Persons and Property:	-	-	-	1,330,677
Leisure Time Activities	-	-	-	-
Community Environment	-	-	-	-
Transportation	1,138,624	70,143	-	-
Principal Retirement	-	-	-	23,000
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>1,138,624</b>	<b>70,143</b>	<b>-</b>	<b>1,353,677</b>
Excess of Revenues Over (Under) Expenditures	<b>(111,979)</b>	<b>4,475</b>	<b>1,219,614</b>	<b>210,193</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	-	-	-	-
Transfers In	350,000	-	-	-
Transfers Out	-	-	(243,750)	-
<b>Total Other Financing Sources (Uses)</b>	<b>350,000</b>	<b>-</b>	<b>(243,750)</b>	<b>-</b>
Net Change in Fund Balances	238,021	4,475	975,864	210,193
Fund Balances - Beginning of Year	597,098	99,501	3,890,196	348,777
<b>Fund Balances - End of Year</b>	<b>\$ 835,119</b>	<b>\$ 103,976</b>	<b>\$ 4,866,060</b>	<b>\$ 558,970</b>

<b>Law Enforcement Trust</b>	<b>Law Enforcement Education</b>	<b>Indigent Drivers Alcohol Treatment</b>	<b>Municipal Court Computer</b>	<b>COPS</b>	<b>Avon Lake Bay Park</b>	<b>Board of Building Standards</b>	<b>Street Tree</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	53,665	225	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	3,812	-
1,435	515	34,179	31,662	-	-	-	-
-	-	-	-	-	-	-	2,760
-	-	-	-	-	-	-	-
<u>1,435</u>	<u>515</u>	<u>34,179</u>	<u>31,662</u>	<u>53,665</u>	<u>225</u>	<u>3,812</u>	<u>2,760</u>
-	-	-	16,886	107,153	-	-	-
-	-	-	-	-	-	-	19,359
-	-	24,732	-	-	-	3,963	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	24,732	16,886	107,153	-	3,963	19,359
<u>1,435</u>	<u>515</u>	<u>9,447</u>	<u>14,776</u>	<u>(53,488)</u>	<u>225</u>	<u>(151)</u>	<u>(16,599)</u>
410	-	-	-	-	-	-	-
-	-	-	-	55,951	-	-	-
-	-	-	-	-	-	-	-
<u>410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,951</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,845	515	9,447	14,776	2,463	225	(151)	(16,599)
54,077	26,994	59,561	130,009	10,826	207	1,842	147,009
<u>\$ 55,922</u>	<u>\$ 27,509</u>	<u>\$ 69,008</u>	<u>\$ 144,785</u>	<u>\$ 13,289</u>	<u>\$ 432</u>	<u>\$ 1,691</u>	<u>\$ 130,410</u>

(Continued)

**City of Avon Lake, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2014*  
(Continued)

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	<b>Continued Professional Training</b>	<b>Court Security</b>	<b>Court Interlock</b>
<b>REVENUES</b>			
Property Taxes	\$ -	\$ -	\$ -
Municipal Income Taxes	-	-	-
Intergovernmental	2,640	-	-
Interest	-	-	-
Fees, Licenses, and Permits	-	-	-
Fines and Forfeitures	-	31,419	12,253
Charges for Services	-	-	-
All Other Revenues	-	-	-
<b>Total Revenues</b>	<u>2,640</u>	<u>31,419</u>	<u>12,253</u>
<b>EXPENDITURES</b>			
Current:			
Security of Persons and Property:	-	18,469	-
Leisure Time Activities	-	-	-
Community Environment	-	-	-
Transportation	-	-	-
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>18,469</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>2,640</u>	<u>12,950</u>	<u>12,253</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of Capital Assets	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	2,640	12,950	12,253
Fund Balances - Beginning of Year	8,585	77,196	61,566
<b>Fund Balances - End of Year</b>	<u>\$ 11,225</u>	<u>\$ 90,146</u>	<u>\$ 73,819</u>

<b>Police Pension</b>	<b>Fire Pension</b>	<b>Recreation Trust</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ 207,402	\$ 207,402	\$ -	\$ 1,792,724
-	-	-	1,219,614
35,435	35,435	-	1,413,816
-	-	21	818
-	-	-	3,812
-	-	-	111,463
-	-	40,055	42,815
-	-	535	535
<u>242,837</u>	<u>242,837</u>	<u>40,611</u>	<u>4,585,597</u>
232,108	242,746	-	1,948,039
-	-	-	19,359
-	-	-	28,695
-	-	-	1,208,767
2,623	-	-	25,623
3,776	-	-	3,776
<u>238,507</u>	<u>242,746</u>	<u>-</u>	<u>3,234,259</u>
<u>4,330</u>	<u>91</u>	<u>40,611</u>	<u>1,351,338</u>
-	-	-	410
-	-	-	405,951
-	-	-	(243,750)
-	-	-	162,611
<u>4,330</u>	<u>91</u>	<u>40,611</u>	<u>1,513,949</u>
7,824	25,281	140,743	5,687,292
<u>\$ 12,154</u>	<u>\$ 25,372</u>	<u>\$ 181,354</u>	<u>\$ 7,201,241</u>

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

	<b>GO Bond Retirement (Voted)</b>	<b>Special Assessment Bond Retirement</b>	<b>Total Nonmajor Debt Service Funds</b>
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 121,877	\$ 334,961	\$ 456,838
Accrued Interest Receivable	-	140	140
Interfund Receivable	-	204,395	204,395
Intergovernmental Receivable	19,779	-	19,779
Property Taxes Receivable	302,918	-	302,918
Special Assessments Receivable	-	1,158,018	1,158,018
<b>Total Assets</b>	<b>\$ 444,574</b>	<b>\$ 1,697,514</b>	<b>\$ 2,142,088</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Deferred Inflows of Resources:</b>			
Property Taxes and Payments in Lieu of Taxes	291,302	-	291,302
Unavailable Revenue - Delinquent Property Taxes	11,616	-	11,616
Unavailable Revenue - Other	19,779	1,158,018	1,177,797
<i>Total Deferred Inflows of Resources</i>	<u>322,697</u>	<u>1,158,018</u>	<u>1,480,715</u>
<b>Fund Balances:</b>			
Restricted	121,877	539,496	661,373
<i>Total Fund Balances</i>	<u>121,877</u>	<u>539,496</u>	<u>661,373</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 444,574</b>	<b>\$ 1,697,514</b>	<b>\$ 2,142,088</b>



## City of Avon Lake, Ohio

### *Combining Statement of Revenues, Expenditures and Changes in Fund Balances*

#### *Nonmajor Debt Service Funds*

*For the Year Ended December 31, 2014*

	<b>GO Bond Retirement (Voted)</b>	<b>Special Assessment Bond Retirement</b>	<b>Total Nonmajor Debt Service Funds</b>
<b>REVENUES</b>			
Property Taxes	\$ 289,213	\$ -	\$ 289,213
Intergovernmental	47,473	-	47,473
Interest	-	11,622	11,622
Special Assessments	-	338,987	338,987
<b>Total Revenues</b>	<b>336,686</b>	<b>350,609</b>	<b>687,295</b>
<b>EXPENDITURES</b>			
Current:			
General Government	5,071	13,939	19,010
Debt Service:			
Principal Retirement	170,000	255,400	425,400
Interest and Fiscal Charges	155,251	67,757	223,008
<b>Total Expenditures</b>	<b>330,322</b>	<b>337,096</b>	<b>667,418</b>
Excess Revenues Over Expenditures	6,364	13,513	19,877
<b>OTHER FINANCING SOURCES</b>			
Transfers In	-	40,121	40,121
<b>Total Other Financing Sources</b>	<b>-</b>	<b>40,121</b>	<b>40,121</b>
Net Change in Fund Balances	6,364	53,634	59,998
Fund Balances - Beginning of Year	115,513	485,862	601,375
<b>Fund Balances - End of Year</b>	<b>\$ 121,877</b>	<b>\$ 539,496</b>	<b>\$ 661,373</b>

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

	<b>Capital Improvement</b>	<b>Walker/ Moore Rd. Intersection</b>	<b>Sewer Separation Projects</b>	<b>Curtis Sewer</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 827,415	\$ 13,685	\$ 2,777,592	\$ 1,477
With Escrow Agents	10,984	-	-	-
Accrued Interest Receivable	58,557	-	-	-
Accounts Receivable	-	-	-	-
Intergovernmental Receivable	-	-	-	-
Prepaid Items	1,796	-	-	-
Municipal Income Taxes Receivable	640,647	-	-	-
Special Assessments Receivable	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,539,399</b>	<b>\$ 13,685</b>	<b>\$ 2,777,592</b>	<b>\$ 1,477</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 93,517	\$ -	\$ 384,270	\$ -
Retainage Payable	23,123	-	94,004	-
Interfund Payable	-	-	-	-
Notes Payable	-	-	2,600,000	-
<i>Total Liabilities</i>	<u>116,640</u>	<u>-</u>	<u>3,078,274</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable Revenue - Municipal Income Taxes	351,718	-	-	-
Unavailable Revenue - Other	-	-	-	-
<i>Total Deferred Inflows of Resources</i>	<u>351,718</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Nonspendable	1,796	-	-	-
Restricted	-	13,685	-	-
Committed	1,069,245	-	-	-
Assigned	-	-	-	1,477
Unassigned (Deficits)	-	-	(300,682)	-
<i>Total Fund Balances (Deficits)</i>	<u>1,071,041</u>	<u>13,685</u>	<u>(300,682)</u>	<u>1,477</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,539,399</b>	<b>\$ 13,685</b>	<b>\$ 2,777,592</b>	<b>\$ 1,477</b>

<b>Miller Rd Park Breakwall</b>	<b>Police Court Facility</b>	<b>Canterbury Road Improvement</b>	<b>Troy School Driveway</b>	<b>Bicycle Trails</b>	<b>Walker Rd. Widening</b>
\$ 1,646	\$ 79,997	\$ 123,279	\$ 5,000	\$ 200	\$ 1,067,930
-	-	-	-	-	-
-	-	-	-	-	-
-	-	21,456	-	-	-
-	-	-	35,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,646</u>	<u>\$ 79,997</u>	<u>\$ 144,735</u>	<u>\$ 40,000</u>	<u>\$ 200</u>	<u>\$ 1,067,930</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	40,000	-	-
-	-	-	-	-	986,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>986,000</u>
-	-	-	-	-	-
-	-	-	35,000	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>35,000</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	144,735	-	-	81,930
-	-	-	-	200	-
1,646	79,997	-	-	-	-
-	-	-	(35,000)	-	-
<u>1,646</u>	<u>79,997</u>	<u>144,735</u>	<u>(35,000)</u>	<u>200</u>	<u>81,930</u>
<u>\$ 1,646</u>	<u>\$ 79,997</u>	<u>\$ 144,735</u>	<u>\$ 40,000</u>	<u>\$ 200</u>	<u>\$ 1,067,930</u>

(Continued)

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

	<u>City Wide Signalization</u>	<u>North Point Erosion Control</u>	<u>Pool Renovation</u>
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 1,030	\$ 3,771	\$ 74,042
With Escrow Agents	-	-	-
Accrued Interest Receivable	-	-	-
Accounts Receivable	-	-	-
Intergovernmental Receivable	-	-	-
Prepaid Items	-	-	-
Municipal Income Taxes Receivable	-	-	-
Special Assessments Receivable	-	-	-
<b>Total Assets</b>	<u>\$ 1,030</u>	<u>\$ 3,771</u>	<u>\$ 74,042</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ -	\$ -	\$ -
Retainage Payable	-	-	-
Interfund Payable	-	-	-
Notes Payable	-	-	-
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>			
Unavailable Revenue - Municipal Income Taxes	-	-	-
Unavailable Revenue - Other	-	-	-
<i>Total Deferred Inflows of Resources</i>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>			
Nonspendable	-	-	-
Restricted	-	-	74,042
Committed	-	-	-
Assigned	1,030	3,771	-
Unassigned (Deficits)	-	-	-
<i>Total Fund Balances (Deficits)</i>	<u>1,030</u>	<u>3,771</u>	<u>74,042</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 1,030</u>	<u>\$ 3,771</u>	<u>\$ 74,042</u>

<b>Walker Rd Sewer/Lear Rd East</b>	<b>Titus- Pitts-Hill Ditch</b>	<b>Sidewalk/ Street Lighting</b>	<b>Cove Ave Improvement</b>	<b>Total Nonmajor Capital Projects Funds</b>
\$ 397,639	\$ 451,120	\$ 137,567	\$ 35,094	\$ 5,998,484
-	-	-	-	10,984
-	-	-	-	58,557
-	-	-	-	21,456
-	-	-	-	35,000
-	-	-	-	1,796
-	-	-	-	640,647
80,214	-	46,915	105,004	232,133
<u>\$ 477,853</u>	<u>\$ 451,120</u>	<u>\$ 184,482</u>	<u>\$ 140,098</u>	<u>\$ 6,999,057</u>
\$ -	\$ -	\$ -	\$ -	\$ 477,787
-	-	-	-	117,127
-	-	-	204,395	244,395
-	-	-	-	3,586,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>204,395</u>	<u>4,425,309</u>
-	-	-	-	351,718
80,214	-	46,915	105,004	267,133
<u>80,214</u>	<u>-</u>	<u>46,915</u>	<u>105,004</u>	<u>618,851</u>
-	-	-	-	1,796
397,639	-	137,567	-	849,598
-	451,120	-	-	1,520,565
-	-	-	-	87,921
-	-	-	(169,301)	(504,983)
<u>397,639</u>	<u>451,120</u>	<u>137,567</u>	<u>(169,301)</u>	<u>1,954,897</u>
<u>\$ 477,853</u>	<u>\$ 451,120</u>	<u>\$ 184,482</u>	<u>\$ 140,098</u>	<u>\$ 6,999,057</u>

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

	<b>Capital Improvement</b>	<b>Walker/ Moore Rd. Intersection</b>	<b>Sewer Separation Projects</b>	<b>Curtis Sewer</b>
<b>REVENUES</b>				
Municipal Income Taxes	\$ 1,937,808	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Interest	130,957	-	-	-
Charges for Services	-	-	-	-
Special Assessments	-	-	-	-
All Other Revenues	15	-	-	-
<b>Total Revenues</b>	<b>2,068,780</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>				
Current:				
Security of Persons and Property	816	-	-	-
General Government	-	-	-	-
Capital Outlay	1,977,424	-	1,634,356	-
Debt Service:				
Principal Retirement	29,200	-	-	-
Interest and Fiscal Charges	2,584	-	-	-
<b>Total Expenditures</b>	<b>2,010,024</b>	<b>-</b>	<b>1,634,356</b>	<b>-</b>
Excess of Revenues (Under) Expenditures	58,756	-	(1,634,356)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
OPWC Loan Issued	-	-	-	-
Transfers In	207,000	-	7,276	-
Transfers Out	(829,390)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(622,390)</b>	<b>-</b>	<b>7,276</b>	<b>-</b>
Net Change in Fund Balances	(563,634)	-	(1,627,080)	-
Fund Balances (Deficits)- Beginning of Year	1,634,675	13,685	1,326,398	1,477
<b>Fund Balances (Deficits) - End of Year</b>	<b>\$ 1,071,041</b>	<b>\$ 13,685</b>	<b>\$ (300,682)</b>	<b>\$ 1,477</b>

<b>Miller Rd Park Breakwall</b>	<b>Police Court Facility</b>	<b>Energy Conservation Projects</b>	<b>Canterbury Road Improvement</b>	<b>Troy School Driveway</b>	<b>Bicycle Trails</b>	<b>Walker Rd. Widening</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	252,228
-	9	-	-	-	-	-
-	-	-	96,643	5,000	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>9</u>	<u>-</u>	<u>96,643</u>	<u>5,000</u>	<u>-</u>	<u>252,228</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	55,516	-	-	-	-	1,538,098
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>55,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,538,098</u>
<u>-</u>	<u>(55,507)</u>	<u>-</u>	<u>96,643</u>	<u>5,000</u>	<u>-</u>	<u>(1,285,870)</u>
-	-	-	-	-	-	125,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,000</u>
<u>-</u>	<u>(55,507)</u>	<u>-</u>	<u>96,643</u>	<u>5,000</u>	<u>-</u>	<u>(1,160,870)</u>
1,646	135,504	-	48,092	(40,000)	200	1,242,800
<u>\$ 1,646</u>	<u>\$ 79,997</u>	<u>\$ -</u>	<u>\$ 144,735</u>	<u>\$ (35,000)</u>	<u>\$ 200</u>	<u>\$ 81,930</u>

(Continued)

**City of Avon Lake, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2014*  
(Continued)

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	<u>City Wide Signalization</u>	<u>North Point Erosion Control</u>	<u>Pool Renovation</u>
<b>REVENUES</b>			
Municipal Income Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Interest	-	-	-
Charges for Services	-	-	-
Special Assessments	-	-	-
All Other Revenues	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current:			
Security of Persons and Property	-	-	-
General Government	-	-	-
Capital Outlay	-	-	50,477
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>50,477</u>
Excess of Revenues (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(50,477)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
OPWC Loans Issued	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	(50,477)
Fund Balances (Deficits)- Beginning of Year	1,030	3,771	124,519
<b>Fund Balances (Deficits) - End of Year</b>	<u>\$ 1,030</u>	<u>\$ 3,771</u>	<u>\$ 74,042</u>



<b>Walker Rd Sewer/Lear Rd East</b>	<b>Titus- Pitts-Hill Ditch</b>	<b>Sidewalk/ Street Lighting</b>	<b>Cove Ave Improvement</b>	<b>Total Nonmajor Capital Projects Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ 1,937,808
-	-	-	-	252,228
-	-	-	-	130,966
-	-	-	-	101,643
24,047	-	5,457	29,512	59,016
-	-	-	-	15
<u>24,047</u>	<u>-</u>	<u>5,457</u>	<u>29,512</u>	<u>2,481,676</u>
-	-	-	-	816
977	-	438	2,073	3,488
-	-	-	-	5,255,871
-	-	-	-	29,200
-	-	-	6,621	9,205
<u>977</u>	<u>-</u>	<u>438</u>	<u>8,694</u>	<u>5,298,580</u>
<u>23,070</u>	<u>-</u>	<u>5,019</u>	<u>20,818</u>	<u>(2,816,904)</u>
-	-	-	-	125,000
-	-	-	-	214,276
-	(40,121)	-	-	(869,511)
-	(40,121)	-	-	(530,235)
<u>23,070</u>	<u>(40,121)</u>	<u>5,019</u>	<u>20,818</u>	<u>(3,347,139)</u>
374,569	491,241	132,548	(190,119)	5,302,036
<u>\$ 397,639</u>	<u>\$ 451,120</u>	<u>\$ 137,567</u>	<u>\$ (169,301)</u>	<u>\$ 1,954,897</u>

## ***Fund Descriptions – Fiduciary Funds***

### ***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***

*Deposit Trust Fund* – This fund is used to account for the receipt of refundable deposits required of contractors, builders, residents or others to insure compliance with various City ordinances.

*Unclaimed Monies Fund* – This fund is used to account for stale dated checks issued by the City for various purposes. These dollars are held in this fund until a legal claim is made.

*Transfer Fund* – This fund is used to account for fees and deposits collected on behalf of others.

*ETL 2 MOR Fund* – This fund is used to account for the activity of the Consortium. The Consortium was created for the purpose of construction, operating and maintenance of a water transmission line to service members of the Consortium. The City serves as the fiscal agent for the Consortium.

*Municipal Court Fund* – This fund is used to account for funds that flow through the Municipal Court office for civil, criminal, and traffic cases and distributed to various local governments.

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

	Balance 12/31/2013	Additions	Deletions	Balance 12/31/2014
<b><u>Deposit Trust</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 34,535	\$ -	\$ -	\$ 34,535
<b>Liabilities</b>				
Due to Others	\$ 34,535	\$ -	\$ -	\$ 34,535
<b><u>Unclaimed Monies</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 4,728	\$ 293	\$ -	\$ 5,021
<b>Liabilities</b>				
Due to Others	\$ 4,728	\$ 293	\$ -	\$ 5,021
<b><u>Transfer</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,704	\$ 13,916	\$ 13,916	\$ 1,704
<b>Liabilities</b>				
Due to Other Governments	\$ 1,704	\$ 13,916	\$ 13,916	\$ 1,704
<b><u>ETL 2 MOR</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,470,278	\$3,619,217	\$4,004,375	\$1,085,120
<b>Liabilities</b>				
Due to Other Governments	\$ 557,107	\$ -	\$ 557,107	\$ -
Due to Others	913,171	3,619,217	3,447,268	1,085,120
<i>Total Liabilities</i>	<u>\$1,470,278</u>	<u>\$3,619,217</u>	<u>\$4,004,375</u>	<u>\$1,085,120</u>
<b><u>Municipal Court</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 77,711	\$1,046,947	\$1,055,019	\$ 69,639
<b>Liabilities</b>				
Due to Other Governments	\$ 26,147	\$ -	\$ 26,147	\$ -
Due to Others	51,564	1,046,947	1,028,872	69,639
<i>Total Liabilities</i>	<u>\$ 77,711</u>	<u>\$1,046,947</u>	<u>\$1,055,019</u>	<u>\$ 69,639</u>
<b><u>Total - All Agency Funds</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,588,956	\$4,680,373	\$5,073,310	\$1,196,019
<i>Total Assets</i>	<u>\$1,588,956</u>	<u>\$4,680,373</u>	<u>\$5,073,310</u>	<u>\$1,196,019</u>
<b>Liabilities</b>				
Due to Other Governments	\$ 584,958	\$ 13,916	\$ 597,170	\$ 1,704
Due to Others	1,003,998	4,666,457	4,476,140	1,194,315
<i>Total Liabilities</i>	<u>\$1,588,956</u>	<u>\$4,680,373</u>	<u>\$5,073,310</u>	<u>\$1,196,019</u>

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



**City of Avon Lake, 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	Final		
<b>Revenues:</b>				
Property Taxes	\$ 3,526,193	\$ 3,524,210	\$ 3,323,450	\$ (200,760)
Municipal Income Taxes	7,312,500	7,931,250	7,312,500	(618,750)
Other Taxes	350,000	350,000	365,925	15,925
Intergovernmental	761,405	761,405	864,039	102,634
Fees, Licenses, and Permits	228,550	228,550	301,038	72,488
Fines and Forfeitures	266,700	266,700	288,648	21,948
Charges for Services	887,950	887,950	979,001	91,051
Rentals	80,000	80,000	74,287	(5,713)
Contributions and Donations	3,000	3,000	2,281	(719)
All Other Revenues	42,250	42,250	191,919	149,669
<b>Total Revenues</b>	<b>13,458,548</b>	<b>14,075,315</b>	<b>13,703,088</b>	<b>(372,227)</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police				
Personal Services	3,751,082	3,751,080	3,626,314	124,766
Other	373,994	363,859	345,594	18,265
Total Police	4,125,076	4,114,939	3,971,908	143,031
Fire				
Personal Services	2,449,941	2,449,868	2,299,542	150,326
Other	236,175	220,327	197,115	23,212
Total Fire	2,686,116	2,670,195	2,496,657	173,538
Total Security of Persons and Property	6,811,192	6,785,134	6,468,565	316,569
Public Health Services				
Public Health				
Other	80,000	100,000	100,000	-
Total Public Health Services	80,000	100,000	100,000	-
Leisure Time Activities				
Recreation				
Personal Services	538,615	538,615	472,428	66,187
Other	335,758	326,428	290,645	35,783
Total Leisure Time Activities	874,373	865,043	763,073	101,970

**City of Avon Lake, 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*  
 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Community Environment				
Building Inspection				
Personal Services	395,514	395,514	362,871	32,643
Other	41,491	34,900	22,870	12,030
Total Building Inspection	<u>437,005</u>	<u>430,414</u>	<u>385,741</u>	<u>44,673</u>
Planning Commission				
Other	2,000	2,000	1,005	995
Historical Preservation Committee				
Other	1,380	1,319	390	929
EEAB				
Personal Services	524	524	194	330
Other	1,677	1,642	366	1,276
Total EEAB	<u>2,201</u>	<u>2,166</u>	<u>560</u>	<u>1,606</u>
Total Community Environment	<u>442,586</u>	<u>435,899</u>	<u>387,696</u>	<u>48,203</u>
Transportation				
Service				
Personal Services	2,043,814	2,043,814	1,898,574	145,240
Other	1,055,030	1,075,567	1,067,909	7,658
Total Transportation	<u>3,098,844</u>	<u>3,119,381</u>	<u>2,966,483</u>	<u>152,898</u>
General Government				
Legislative - Council				
Personal Services	179,234	179,234	178,784	450
Other	35,234	33,084	30,035	3,049
Total Legislative - Council	<u>214,468</u>	<u>212,318</u>	<u>208,819</u>	<u>3,499</u>
Judicial - Court				
Personal Services	282,337	323,337	320,723	2,614
Other	95,502	86,450	83,934	2,516
Total Judicial - Court	<u>377,839</u>	<u>409,787</u>	<u>404,657</u>	<u>5,130</u>
Legal Counsel				
Personal Services	218,147	218,147	215,009	3,138
Other	174,542	195,797	164,761	31,036
Total Legal Counsel	<u>392,689</u>	<u>413,944</u>	<u>379,770</u>	<u>34,174</u>
Civil Service				
Personal Services	5,816	5,816	2,160	3,656
Other	18,942	17,942	16,886	1,056
Total Civil Service	<u>24,758</u>	<u>23,758</u>	<u>19,046</u>	<u>4,712</u>

**City of Avon Lake, 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*  
 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Mayor				
Personal Services	260,000	260,000	219,535	40,465
Other	579,875	543,991	424,852	119,139
<b>Total Mayor</b>	<b>839,875</b>	<b>803,991</b>	<b>644,387</b>	<b>159,604</b>
Finance				
Personal Services	356,810	367,310	367,381	(71)
Other	406,743	387,593	371,721	15,872
<b>Total Finance</b>	<b>763,553</b>	<b>754,903</b>	<b>739,102</b>	<b>15,801</b>
City Engineering				
Personal Services	-	-	232	(232)
Other	70,159	135,586	134,254	1,332
<b>Total City Engineering</b>	<b>70,159</b>	<b>135,586</b>	<b>134,486</b>	<b>1,100</b>
Other General Government				
Other	666,950	566,950	556,400	10,550
<b>Total General Government</b>	<b>3,350,291</b>	<b>3,321,237</b>	<b>3,086,667</b>	<b>234,570</b>
<b>Total Expenditures</b>	<b>14,657,286</b>	<b>14,626,694</b>	<b>13,772,484</b>	<b>854,210</b>
Excess of Revenues Over (Under) Expenditures	(1,198,738)	(551,379)	(69,396)	481,983
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	5,000	5,000	2,321	(2,679)
Advances In	5,000	5,000	-	(5,000)
Transfers Out	(1,197,379)	(658,096)	(658,096)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,187,379)</b>	<b>(648,096)</b>	<b>(655,775)</b>	<b>(7,679)</b>
Net Change in Fund Balance	(2,386,117)	(1,199,475)	(725,171)	474,304
Fund Balance - Beginning of Year	1,350,712	1,350,712	1,350,712	-
Prior Year Encumbrances Appropriated	593,820	593,820	593,820	-
<b>Fund Balance - End of Year</b>	<b>\$ (441,585)</b>	<b>\$ 745,057</b>	<b>\$ 1,219,361</b>	<b>\$ 474,304</b>



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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Contributions and Donations	\$ 8,421	\$ 8,421	\$ 8,421	\$ -
<b>Total Revenues</b>	<u>8,421</u>	<u>8,421</u>	<u>8,421</u>	<u>-</u>
<b>Expenditures:</b>				
Debt Service:				
Principal	2,587,673	2,737,673	2,685,775	51,898
Interest & Fiscal Charges	151,260	158,659	158,659	-
Debt Issuance Costs	14,000	13,078	9,955	3,123
<b>Total Expenditures</b>	<u>2,752,933</u>	<u>2,909,410</u>	<u>2,854,389</u>	<u>55,021</u>
Excess of Revenues Over (Under) Expenditures	(2,744,512)	(2,900,989)	(2,845,968)	55,021
<b>Other Financing Sources</b>				
Bond Anticipation Notes Issued	1,818,045	1,818,045	1,743,000	(75,045)
Premium on Debt Issuance	-	-	38,689	38,689
Transfers In	912,467	363,177	1,150,636	787,459
<b>Total Other Financing Sources</b>	<u>2,730,512</u>	<u>2,181,222</u>	<u>2,932,325</u>	<u>751,103</u>
Net Change in Fund Balance	(14,000)	(719,767)	86,357	806,124
Fund Balance - Beginning of Year	62,042	62,042	62,042	-
<b>Fund Balance - End of Year</b>	<u>\$ 48,042</u>	<u>\$ (657,725)</u>	<u>\$ 148,399</u>	<u>\$ 806,124</u>

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity -  
 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	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 5,100,000	\$ 3,902,965	\$ 238,000	\$ (3,664,965)
Interest	11,500	11,500	13,215	1,715
Rentals	-	-	126,477	126,477
Charges for Services	11,619,800	11,619,800	10,488,279	(1,131,521)
All Other Revenues	-	-	10,836	10,836
<b>Total Revenues</b>	<b>16,731,300</b>	<b>15,534,265</b>	<b>10,876,807</b>	<b>(4,657,458)</b>
<b>Expenses:</b>				
Current:				
Personal Services	2,516,769	2,516,769	2,417,798	98,971
Other	5,469,923	5,497,507	5,005,111	492,396
Capital Outlay	4,629,600	4,339,745	419,923	3,919,822
Debt Service:				
Principal	1,863,444	2,084,882	2,084,882	-
Interest & Fiscal Charges	890,500	954,186	954,186	-
Total Debt Service	2,753,944	3,039,068	3,039,068	-
<b>Total Expenses</b>	<b>15,370,236</b>	<b>15,393,089</b>	<b>10,881,900</b>	<b>4,511,189</b>
Excess of Revenues Over (Under) Expenses	1,361,064	141,176	(5,093)	(146,269)
<b>Other Financing Sources (Uses)</b>				
Bond Anticipation Notes Issued	-	-	1,000,000	1,000,000
Premium on Debt Issuance	-	-	7,260	7,260
Advances In	-	-	705,000	705,000
Advances Out	(1,450,000)	(1,450,000)	-	1,450,000
Transfers In	2,907,544	2,907,544	-	(2,907,544)
Transfers Out	(3,341,900)	(3,588,900)	-	3,588,900
<b>Total Other Financing Sources (Uses)</b>	<b>(1,884,356)</b>	<b>(2,131,356)</b>	<b>1,712,260</b>	<b>3,843,616</b>
Net Change in Fund Equity	(523,292)	(1,990,180)	1,707,167	3,697,347
Fund Equity - Beginning of Year	7,740,272	7,740,272	7,740,272	-
Prior Year Encumbrances Appropriated	655,392	655,392	655,392	-
<b>Fund Equity - End of Year</b>	<b>\$ 7,872,372</b>	<b>\$ 6,405,484</b>	<b>\$ 10,102,831</b>	<b>\$ 3,697,347</b>

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity -  
 Budget (Non-GAAP Basis) and Actual*  
**Sewer Fund**  
*For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Municipal Income Taxes	\$ 301,226	\$ 471,538	\$ 243,750	\$ (227,788)
Intergovernmental	9,200,000	8,780,499	-	(8,780,499)
Interest	40,894	40,894	2,853	(38,041)
Rentals	-	-	7,753	7,753
Charges for Services	5,739,500	4,819,500	6,233,715	1,414,215
Special Assessments	22,765	22,765	29,592	6,827
All Other Revenues	203,000	203,000	291,496	88,496
<b>Total Revenues</b>	<b>15,507,385</b>	<b>14,338,196</b>	<b>6,809,159</b>	<b>(7,529,037)</b>
<b>Expenses:</b>				
Current:				
Personal Services	2,573,271	2,573,271	2,245,850	327,421
Other	2,461,184	2,257,901	1,974,251	283,650
Capital Outlay	9,794,682	9,013,998	3,687,393	5,326,605
Debt Service:				
Principal	1,468,600	1,169,831	1,146,319	23,512
Interest & Fiscal Charges	1,357,946	1,654,894	1,653,244	1,650
Total Debt Service	2,826,546	2,824,725	2,799,563	25,162
<b>Total Expenses</b>	<b>17,655,683</b>	<b>16,669,895</b>	<b>10,707,057</b>	<b>5,962,838</b>
Excess of Revenues Over (Under) Expenses	(2,148,298)	(2,331,699)	(3,897,898)	(1,566,199)
<b>Other Financing Sources (Uses)</b>				
General Obligation Bonds Issued	-	-	6,000,000	6,000,000
Premium on Debt Issuance	-	-	43,560	43,560
Advances In	1,450,000	60,000	-	(60,000)
Advances Out	-	(705,000)	(705,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,450,000</b>	<b>(645,000)</b>	<b>5,338,560</b>	<b>5,983,560</b>
Net Change in Fund Equity	(698,298)	(2,976,699)	1,440,662	4,417,361
Fund Equity - Beginning of Year	2,172,696	2,172,696	2,172,696	-
Prior Year Encumbrances Appropriated	767,427	767,427	767,427	-
<b>Fund Equity - End of Year</b>	<b>\$ 2,241,825</b>	<b>\$ (36,576)</b>	<b>\$ 4,380,785</b>	<b>\$ 4,417,361</b>

**City of Avon Lake, 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		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 812,000	\$ 853,010	\$ 1,028,239	\$ 175,229
Interest	1,000	1,000	462	(538)
<b>Total Revenues</b>	<u>813,000</u>	<u>854,010</u>	<u>1,028,701</u>	<u>174,691</u>
<b>Expenditures:</b>				
Current:				
Transportation				
Street Construction, Maintenance and Repair				
Personal Services	945,491	945,491	888,974	56,517
Other	546,190	529,758	560,671	(30,913)
<b>Total Expenditures</b>	<u>1,491,681</u>	<u>1,475,249</u>	<u>1,449,645</u>	<u>25,604</u>
Excess of Revenues Over (Under) Expenditures	(678,681)	(621,239)	(420,944)	200,295
<b>Other Financing Sources</b>				
Transfers In	350,000	350,000	350,000	-
<b>Total Other Financing Sources</b>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>
Net Change in Fund Balance	(328,681)	(271,239)	(70,944)	200,295
Fund Balance - Beginning of Year	370,034	370,034	370,034	-
Prior Year Encumbrances Appropriated	62,414	62,414	62,414	-
<b>Fund Balance - End of Year</b>	<u>\$ 103,767</u>	<u>\$ 161,209</u>	<u>\$ 361,504</u>	<u>\$ 200,295</u>

**City of Avon Lake, 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	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 56,000	\$ 57,994	\$ 73,865	\$ 15,871
Interest	550	550	129	(421)
<b>Total Revenues</b>	<u>56,550</u>	<u>58,544</u>	<u>73,994</u>	<u>15,450</u>
<b>Expenditures:</b>				
Current:				
Transportation				
Street Construction, Maintenance and Repair				
Other	94,024	94,024	93,983	41
<b>Total Expenditures</b>	<u>94,024</u>	<u>94,024</u>	<u>93,983</u>	<u>41</u>
Net Change in Fund Balance	(37,474)	(35,480)	(19,989)	15,491
Fund Balance - Beginning of Year	87,514	87,514	87,514	-
Prior Year Encumbrances Appropriated	24,024	24,024	24,024	-
<b>Fund Balance - End of Year</b>	<u>\$ 74,064</u>	<u>\$ 76,058</u>	<u>\$ 91,549</u>	<u>\$ 15,491</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Municipal Income Taxes	\$ 487,500	\$ 833,593	\$ 1,225,887	\$ 392,294
<b>Total Revenues</b>	<u>487,500</u>	<u>833,593</u>	<u>1,225,887</u>	<u>392,294</u>
Excess of Revenues Over (Under) Expenditures	487,500	833,593	1,225,887	392,294
<b>Other Financing Uses</b>				
Transfers Out	\$ (487,500)	\$ (487,500)	\$ (243,750)	\$ 243,750
<b>Total Other Financing Uses</b>	<u>(487,500)</u>	<u>(487,500)</u>	<u>(243,750)</u>	<u>243,750</u>
Net Change in Fund Balance	-	346,093	982,137	636,044
Fund Balance - Beginning of Year	3,881,633	3,881,633	3,881,633	-
<b>Fund Balance - End of Year</b>	<u>\$ 3,881,633</u>	<u>\$ 4,227,726</u>	<u>\$ 4,863,770</u>	<u>\$ 636,044</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 1,372,640	\$ 1,427,118	\$ 1,377,920	\$ (49,198)
Intergovernmental	172,310	172,310	185,950	13,640
<b>Total Revenues</b>	<u>1,544,950</u>	<u>1,599,428</u>	<u>1,563,870</u>	<u>(35,558)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Fire				
Personal Services	1,370,391	1,370,391	1,207,018	163,373
Other	252,421	238,546	168,175	70,371
Total Security of Persons & Property	<u>1,622,812</u>	<u>1,608,937</u>	<u>1,375,193</u>	<u>233,744</u>
Debt Service:				
Principal	23,000	23,000	23,000	-
<b>Total Expenditures</b>	<u>1,645,812</u>	<u>1,631,937</u>	<u>1,398,193</u>	<u>233,744</u>
Net Change in Fund Balance	(100,862)	(32,509)	165,677	198,186
Fund Balance - Beginning of Year	409,994	409,994	409,994	-
Prior Year Encumbrances Appropriated	22,265	22,265	22,265	-
<b>Fund Balance - End of Year</b>	<u>\$ 331,397</u>	<u>\$ 399,750</u>	<u>\$ 597,936</u>	<u>\$ 198,186</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Current:				
Public Health Services				
Other	43,000	43,000	41,731	1,269
<b>Total Expenditures</b>	43,000	43,000	41,731	1,269
Excess of Revenues Over (Under) Expenditures	(43,000)	(43,000)	(41,731)	1,269
<b>Other Financing Sources</b>				
Transfers In	42,542	44,042	42,542	(1,500)
<b>Total Other Financing Sources</b>	42,542	44,042	42,542	(1,500)
Net Change in Fund Balance	(458)	1,042	811	(231)
Fund Balance - Beginning of Year	1,811	1,811	1,811	-
<b>Fund Balance - End of Year</b>	<b>\$ 1,353</b>	<b>\$ 2,853</b>	<b>\$ 2,622</b>	<b>\$ (231)</b>



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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Current:				
Transportation				
Service				
Personal Services	37,784	37,784	16,127	21,657
Other	2,970	2,970	483	2,487
<b>Total Expenditures</b>	<u>40,754</u>	<u>40,754</u>	<u>16,610</u>	<u>24,144</u>
Excess of Revenues Over (Under) Expenditures	(40,754)	(40,754)	(16,610)	24,144
<b>Other Financing Sources</b>				
Transfers In	30,000	31,058	30,000	(1,058)
<b>Total Other Financing Sources</b>	<u>30,000</u>	<u>31,058</u>	<u>30,000</u>	<u>(1,058)</u>
Net Change in Fund Balance	(10,754)	(9,696)	13,390	23,086
Fund Balance - Beginning of Year	33,181	33,181	33,181	-
<b>Fund Balance - End of Year</b>	<u>\$ 22,427</u>	<u>\$ 23,485</u>	<u>\$ 46,571</u>	<u>\$ 23,086</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
All Other Revenues	\$ 600	\$ 3,865	\$ 636	\$ (3,229)
<b>Total Revenues</b>	<b>600</b>	<b>3,865</b>	<b>636</b>	<b>(3,229)</b>
<b>Expenditures:</b>				
Current:				
Leisure Time Activities				
Cable TV				
Personal Services	69,042	77,563	73,917	3,646
Other	45,592	36,570	32,889	3,681
<b>Total Expenditures</b>	<b>114,634</b>	<b>114,133</b>	<b>106,806</b>	<b>7,327</b>
Excess of Revenues Over (Under) Expenditures	(114,034)	(110,268)	(106,170)	4,098
<b>Other Financing Sources</b>				
Transfers In	92,000	92,000	92,000	-
<b>Total Other Financing Sources</b>	<b>92,000</b>	<b>92,000</b>	<b>92,000</b>	<b>-</b>
Net Change in Fund Balance	(22,034)	(18,268)	(14,170)	4,098
Fund Balance - Beginning of Year	19,587	19,587	19,587	-
Prior Year Encumbrances Appropriated	9,061	9,061	9,061	-
<b>Fund Balance - End of Year</b>	<b>\$ 6,614</b>	<b>\$ 10,380</b>	<b>\$ 14,478</b>	<b>\$ 4,098</b>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines and Forfeitures	\$ 1,900	\$ 1,967	\$ 1,535	\$ (432)
<b>Total Revenues</b>	<u>1,900</u>	<u>1,967</u>	<u>1,535</u>	<u>(432)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police				
Other	2,000	2,000	-	2,000
<b>Total Expenditures</b>	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Excess of Revenues Over (Under) Expenditures	(100)	(33)	1,535	1,568
<b>Other Financing Sources</b>				
Sale of Capital Assets	-	-	410	410
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>410</u>	<u>410</u>
Net Change in Fund Balance	(100)	(33)	1,945	1,978
Fund Balance - Beginning of Year	53,902	53,902	53,902	-
<b>Fund Balance - End of Year</b>	<u>\$ 53,802</u>	<u>\$ 53,869</u>	<u>\$ 55,847</u>	<u>\$ 1,978</u>

## City of Avon Lake, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Law Enforcement and Education Fund  
For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines and Forfeitures	\$ 1,000	\$ 1,035	\$ 440	\$ (595)
<b>Total Revenues</b>	<u>1,000</u>	<u>1,035</u>	<u>440</u>	<u>(595)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police				
Other	1,000	1,000	-	1,000
<b>Total Expenditures</b>	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net Change in Fund Balance	-	35	440	405
Fund Balance - Beginning of Year	26,969	26,969	26,969	-
<b>Fund Balance - End of Year</b>	<u>\$ 26,969</u>	<u>\$ 27,004</u>	<u>\$ 27,409</u>	<u>\$ 405</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines and Forfeitures	\$ 13,500	\$ 13,976	\$ 37,156	\$ 23,180
<b>Total Revenues</b>	<u>13,500</u>	<u>13,976</u>	<u>37,156</u>	<u>23,180</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police				
Other	48,915	38,913	38,678	235
<b>Total Expenditures</b>	<u>48,915</u>	<u>38,913</u>	<u>38,678</u>	<u>235</u>
Net Change in Fund Balance	(35,415)	(24,937)	(1,522)	23,415
Fund Balance - Beginning of Year	49,051	49,051	49,051	-
Prior Year Encumbrances Appropriated	13,915	13,915	13,915	-
<b>Fund Balance - End of Year</b>	<u>\$ 27,551</u>	<u>\$ 38,029</u>	<u>\$ 61,444</u>	<u>\$ 23,415</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines and Forfeitures	\$ 20,000	\$ 20,705	\$ 31,073	\$ 10,368
<b>Total Revenues</b>	<u>20,000</u>	<u>20,705</u>	<u>31,073</u>	<u>10,368</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police				
Other	10,320	20,000	19,999	1
<b>Total Expenditures</b>	<u>10,320</u>	<u>20,000</u>	<u>19,999</u>	<u>1</u>
Net Change in Fund Balance	9,680	705	11,074	10,369
Fund Balance - Beginning of Year	127,152	127,152	127,152	-
Prior Year Encumbrances Appropriated	320	320	320	-
<b>Fund Balance - End of Year</b>	<u>\$ 137,152</u>	<u>\$ 128,177</u>	<u>\$ 138,546</u>	<u>\$ 10,369</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 52,952	\$ 56,792	\$ 52,792	\$ (4,000)
<b>Total Revenues</b>	<u>52,952</u>	<u>56,792</u>	<u>52,792</u>	<u>(4,000)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police				
Personal Services	105,903	107,353	107,329	24
<b>Total Expenditures</b>	<u>105,903</u>	<u>107,353</u>	<u>107,329</u>	<u>24</u>
Excess of Revenues Over (Under) Expenditures	(52,951)	(50,561)	(54,537)	(3,976)
<b>Other Financing Sources</b>				
Transfers In	55,951	55,951	55,951	-
<b>Total Other Financing Sources</b>	<u>55,951</u>	<u>55,951</u>	<u>55,951</u>	<u>-</u>
Net Change in Fund Balance	3,000	5,390	1,414	(3,976)
Fund Balance - Beginning of Year	4,586	4,586	4,586	-
<b>Fund Balance - End of Year</b>	<u>\$ 7,586</u>	<u>\$ 9,976</u>	<u>\$ 6,000</u>	<u>\$ (3,976)</u>

## City of Avon Lake, Ohio

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ 225	\$ 225
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>225</u>	<u>225</u>
<b>Expenditures:</b>				
Current:				
General Government				
City Engineering				
Other	207	207	-	207
<b>Total Expenditures</b>	<u>207</u>	<u>207</u>	<u>-</u>	<u>207</u>
Net Change in Fund Balance	(207)	(207)	225	432
Fund Balance - Beginning of Year	207	207	207	-
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 432</u>	<u>\$ 432</u>



## City of Avon Lake, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Board of Building Standards Fund  
For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Fees, Licenses, and Permits	\$ 3,000	\$ 3,106	\$ 3,812	\$ 706
<b>Total Revenues</b>	<u>3,000</u>	<u>3,106</u>	<u>3,812</u>	<u>706</u>
<b>Expenditures:</b>				
Current:				
Community Environment				
Building Inspection				
Other	3,000	4,525	4,515	10
<b>Total Expenditures</b>	<u>3,000</u>	<u>4,525</u>	<u>4,515</u>	<u>10</u>
Net Change in Fund Balance	-	(1,419)	(703)	716
Fund Balance - Beginning of Year	2,317	2,317	2,317	-
<b>Fund Balance - End of Year</b>	<u>\$ 2,317</u>	<u>\$ 898</u>	<u>\$ 1,614</u>	<u>\$ 716</u>

## City of Avon Lake, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Employee Sick Time Buy Back Fund  
For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police				
Personal Services	50,000	68,478	68,478	-
Fire				
Personal Services	25,000	25,221	25,221	-
Total Security of Persons & Property	<u>75,000</u>	<u>93,699</u>	<u>93,699</u>	<u>-</u>
Transportation				
Service				
Personal Services	15,000	8,162	7,584	578
General Government				
Judicial - Court				
Personal Services	-	4,149	4,149	-
Finance Department				
Personal Services	-	4,990	4,990	-
Total General Government	<u>-</u>	<u>9,139</u>	<u>9,139</u>	<u>-</u>
<b>Total Expenditures</b>	<u>90,000</u>	<u>111,000</u>	<u>110,422</u>	<u>578</u>
Net Change in Fund Balance	(90,000)	(111,000)	(110,422)	578
Fund Balance - Beginning of Year	349,183	349,183	349,183	-
<b>Fund Balance - End of Year</b>	<u>\$ 259,183</u>	<u>\$ 238,183</u>	<u>\$ 238,761</u>	<u>\$ 578</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services	\$ 5,000	\$ 5,176	\$ 2,760	\$ (2,416)
<b>Total Revenues</b>	<u>5,000</u>	<u>5,176</u>	<u>2,760</u>	<u>(2,416)</u>
<b>Expenditures:</b>				
Current:				
Leisure Time Activities				
Parks and Recreation				
Other	5,000	25,165	20,166	4,999
<b>Total Expenditures</b>	<u>5,000</u>	<u>25,165</u>	<u>20,166</u>	<u>4,999</u>
Net Change in Fund Balance	-	(19,989)	(17,406)	2,583
Fund Balance - Beginning of Year	147,009	147,009	147,009	-
<b>Fund Balance - End of Year</b>	<u>\$ 147,009</u>	<u>\$ 127,020</u>	<u>\$ 129,603</u>	<u>\$ 2,583</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 500	\$ 518	\$ -	\$ (518)
<b>Total Revenues</b>	<u>500</u>	<u>518</u>	<u>-</u>	<u>(518)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police				
Other	5,780	5,780	-	5,780
<b>Total Expenditures</b>	<u>5,780</u>	<u>5,780</u>	<u>-</u>	<u>5,780</u>
Net Change in Fund Balance	(5,280)	(5,262)	-	5,262
Fund Balance - Beginning of Year	8,585	8,585	8,585	-
<b>Fund Balance - End of Year</b>	<u>\$ 3,305</u>	<u>\$ 3,323</u>	<u>\$ 8,585</u>	<u>\$ 5,262</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines and Forfeitures	\$ 15,000	\$ 15,529	\$ 30,796	\$ 15,267
<b>Total Revenues</b>	<u>15,000</u>	<u>15,529</u>	<u>30,796</u>	<u>15,267</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police				
Personal Services	16,234	16,255	13,413	2,842
Other	234	123	7,476	(7,353)
<b>Total Expenditures</b>	<u>16,468</u>	<u>16,378</u>	<u>20,889</u>	<u>(4,511)</u>
Net Change in Fund Balance	(1,468)	(849)	9,907	10,756
Fund Balance - Beginning of Year	75,256	75,256	75,256	-
Prior Year Encumbrances Appropriated	234	234	234	-
<b>Fund Balance - End of Year</b>	<u><u>\$ 74,022</u></u>	<u><u>\$ 74,641</u></u>	<u><u>\$ 85,397</u></u>	<u><u>\$ 10,756</u></u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines and Forfeitures	\$ 15,000	\$ 15,529	\$ 12,630	\$ (2,899)
<b>Total Revenues</b>	<u>15,000</u>	<u>15,529</u>	<u>12,630</u>	<u>(2,899)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police				
Other	15,000	15,000	-	15,000
<b>Total Expenditures</b>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Net Change in Fund Balance	-	529	12,630	12,101
Fund Balance - Beginning of Year	60,687	60,687	60,687	-
<b>Fund Balance - End of Year</b>	<u>\$ 60,687</u>	<u>\$ 61,216</u>	<u>\$ 73,317</u>	<u>\$ 12,101</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 199,431	\$ 207,014	\$ 207,402	\$ 388
Intergovernmental	15,600	15,600	35,435	19,835
<b>Total Revenues</b>	<u>215,031</u>	<u>222,614</u>	<u>242,837</u>	<u>20,223</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police				
Personal Services	209,420	209,420	201,124	8,296
Other	5,611	5,611	5,361	250
<b>Total Expenditures</b>	<u>215,031</u>	<u>215,031</u>	<u>206,485</u>	<u>8,546</u>
Net Change in Fund Balance	-	7,583	36,352	28,769
Fund Balance - Beginning of Year	7,824	7,824	7,824	-
<b>Fund Balance - End of Year</b>	<u>\$ 7,824</u>	<u>\$ 15,407</u>	<u>\$ 44,176</u>	<u>\$ 28,769</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 199,431	\$ 207,014	\$ 207,402	\$ 388
Intergovernmental	15,600	15,600	35,435	19,835
<b>Total Revenues</b>	<u>215,031</u>	<u>222,614</u>	<u>242,837</u>	<u>20,223</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Fire				
Personal Services	209,421	209,421	209,421	-
Other	5,610	5,610	5,361	249
<b>Total Expenditures</b>	<u>215,031</u>	<u>215,031</u>	<u>214,782</u>	<u>249</u>
Net Change in Fund Balance	-	7,583	28,055	20,472
Fund Balance - Beginning of Year	25,281	25,281	25,281	-
<b>Fund Balance - End of Year</b>	<u>\$ 25,281</u>	<u>\$ 32,864</u>	<u>\$ 53,336</u>	<u>\$ 20,472</u>



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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest	\$ 50	\$ 50	\$ 30	\$ (20)
Charges for Services	30,000	30,000	41,125	11,125
All Other Revenues	-	1,060	535	(525)
<b>Total Revenues</b>	<u>30,050</u>	<u>31,110</u>	<u>41,690</u>	<u>10,580</u>
<b>Expenditures:</b>				
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	30,050	31,110	41,690	10,580
Fund Balance - Beginning of Year	139,680	139,680	139,680	-
<b>Fund Balance - End of Year</b>	<u>\$ 169,730</u>	<u>\$ 170,790</u>	<u>\$ 181,370</u>	<u>\$ 10,580</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 291,433	\$ 225,767	\$ 289,213	\$ 63,446
Intergovernmental	36,000	36,000	47,473	11,473
<b>Total Revenues</b>	<u>327,433</u>	<u>261,767</u>	<u>336,686</u>	<u>74,919</u>
<b>Expenditures:</b>				
Current:				
General Government				
Other General Government				
Other	5,360	5,360	5,071	289
Debt Service:				
Principal	170,000	170,000	170,000	-
Interest & Fiscal Charges	155,251	155,251	155,251	-
Total Debt Service	<u>325,251</u>	<u>325,251</u>	<u>325,251</u>	<u>-</u>
<b>Total Expenditures</b>	<u>330,611</u>	<u>330,611</u>	<u>330,322</u>	<u>289</u>
Net Change in Fund Balance	(3,178)	(68,844)	6,364	75,208
Fund Balance- Beginning of Year	115,513	115,513	115,513	-
<b>Fund Balance- End of Year</b>	<u>\$ 112,335</u>	<u>\$ 46,669</u>	<u>\$ 121,877</u>	<u>\$ 75,208</u>

**City of Avon Lake, 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
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Interest	\$ 12,600	\$ 12,600	\$ 508	\$ (12,092)
Special Assessments	271,085	197,597	338,987	141,390
<b>Total Revenues</b>	<u>283,685</u>	<u>210,197</u>	<u>339,495</u>	<u>129,298</u>
<b>Expenditures:</b>				
Current:				
General Government				
Other General Government				
Other	-	7,914	13,939	(6,025)
Debt Service:				
Principal	282,502	272,089	255,400	16,689
Interest & Fiscal Charges	71,334	73,833	67,757	6,076
Total Debt Service	<u>353,836</u>	<u>345,922</u>	<u>323,157</u>	<u>22,765</u>
<b>Total Expenditures</b>	<u>353,836</u>	<u>353,836</u>	<u>337,096</u>	<u>16,740</u>
Excess of Revenues Over (Under) Expenditures	(70,151)	(143,639)	2,399	146,038
<b>Other Financing Sources</b>				
Transfers In	82,751	82,751	59,986	(22,765)
<b>Total Other Financing Sources</b>	<u>82,751</u>	<u>82,751</u>	<u>59,986</u>	<u>(22,765)</u>
Net Change in Fund Balance	12,600	(60,888)	62,385	123,273
Fund Balance - Beginning of Year	487,794	487,794	487,794	-
<b>Fund Balance - End of Year</b>	<u>\$ 500,394</u>	<u>\$ 426,906</u>	<u>\$ 550,179</u>	<u>\$ 123,273</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Municipal Income Taxes	\$ 1,950,000	\$ 1,950,000	\$ 1,950,000	\$ -
Interest	197,000	197,000	213,337	16,337
All Other Revenues	49,784	59,509	15	(59,494)
<b>Total Revenues</b>	<u>2,355,672</u>	<u>2,447,341</u>	<u>2,163,352</u>	<u>(283,989)</u>
<b>Expenditures:</b>				
Capital Outlay:				
Other	288,220	278,220	237,273	40,947
Capital Outlay	2,436,693	2,209,375	2,105,065	104,310
Total Capital Outlay	<u>2,724,913</u>	<u>2,487,595</u>	<u>2,342,338</u>	<u>145,257</u>
Debt Service:				
Principal	29,200	148,920	29,200	119,720
Interest & Fiscal Charges	2,584	2,584	2,584	-
Total Debt Service	<u>31,784</u>	<u>151,504</u>	<u>31,784</u>	<u>119,720</u>
<b>Total Expenditures</b>	<u>2,756,697</u>	<u>2,639,099</u>	<u>2,374,122</u>	<u>264,977</u>
Excess of Revenues Over (Under) Expenditures	(401,025)	(191,758)	(210,770)	(19,012)
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	-	-
Transfers Out	(662,831)	(829,390)	(829,390)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(662,831)</u>	<u>(829,390)</u>	<u>(829,390)</u>	<u>-</u>
Net Change in Fund Balance	(1,063,856)	(1,021,148)	(1,040,160)	(19,012)
Fund Balance - Beginning of Year	811,868	811,868	811,868	-
Prior Year Encumbrances Appropriated	802,647	802,647	802,647	-
<b>Fund Balance - End of Year</b>	<u>\$ 550,659</u>	<u>\$ 593,367</u>	<u>\$ 574,355</u>	<u>\$ (19,012)</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 396,000	\$ 818,820	\$ -	\$ (818,820)
<b>Total Revenues</b>	<u>396,000</u>	<u>818,820</u>	<u>-</u>	<u>(818,820)</u>
<b>Expenditures:</b>				
Capital Outlay:				
Capital Outlay	1,382,000	1,382,000	-	1,382,000
<b>Total Expenditures</b>	<u>1,382,000</u>	<u>1,382,000</u>	<u>-</u>	<u>1,382,000</u>
Excess of Revenues Over (Under) Expenditures	<u>(986,000)</u>	<u>(563,180)</u>	<u>-</u>	<u>563,180</u>
<b>Other Financing Sources</b>				
Bond Anticipation Notes Issued	986,000	986,000	-	(986,000)
<b>Total Other Financing Sources</b>	<u>986,000</u>	<u>986,000</u>	<u>-</u>	<u>(986,000)</u>
Net Change in Fund Balance	-	422,820	-	(422,820)
Fund Balance - Beginning of Year	-	-	-	-
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ 422,820</u>	<u>\$ -</u>	<u>\$ (422,820)</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Capital Outlay:				
Capital Outlay	3,433,674	3,433,674	2,982,952	450,722
<b>Total Expenditures</b>	3,433,674	3,433,674	2,982,952	450,722
Excess of Revenues Over (Under) Expenditures	(3,433,674)	(3,433,674)	(2,982,952)	450,722
<b>Other Financing Sources</b>				
Bond Anticipation Notes Issued	2,100,000	2,742,491	2,600,000	(142,491)
Transfers In	-	-	7,276	7,276
<b>Total Other Financing Sources</b>	2,100,000	2,742,491	2,607,276	(135,215)
Net Change in Fund Balance	(1,333,674)	(691,183)	(375,676)	315,507
Fund Balance - Beginning of Year	1,326,398	1,326,398	1,326,398	-
<b>Fund Balance - End of Year</b>	<b>\$ (7,276)</b>	<b>\$ 635,215</b>	<b>\$ 950,722</b>	<b>\$ 315,507</b>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Capital Outlay:				
Capital Outlay	205,640	199,808	128,342	71,466
<b>Total Expenditures</b>	205,640	199,808	128,342	71,466
Net Change in Fund Balance	(205,640)	(199,808)	(128,342)	71,466
Fund Balance - Beginning of Year	127,011	127,011	127,011	-
Prior Year Encumbrances Appropriated	80,640	80,640	80,640	-
<b>Fund Balance - End of Year</b>	<b>\$ 2,011</b>	<b>\$ 7,843</b>	<b>\$ 79,309</b>	<b>\$ 71,466</b>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services	\$ 131,969	\$ 172,345	\$ 75,187	\$ (97,158)
<b>Total Revenues</b>	<u>131,969</u>	<u>172,345</u>	<u>75,187</u>	<u>(97,158)</u>
<b>Expenditures:</b>				
Capital Outlay:				
Capital Outlay	124,693	53,467	-	53,467
<b>Total Expenditures</b>	<u>124,693</u>	<u>53,467</u>	<u>-</u>	<u>53,467</u>
Net Change in Fund Balance	7,276	118,878	75,187	(43,691)
Fund Balance - Beginning of Year	48,092	48,092	48,092	-
<b>Fund Balance - End of Year</b>	<u>\$ 55,368</u>	<u>\$ 166,970</u>	<u>\$ 123,279</u>	<u>\$ (43,691)</u>



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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services	\$ 5,000	\$ 6,530	\$ 5,000	\$ (1,530)
<b>Total Revenues</b>	<u>5,000</u>	<u>6,530</u>	<u>5,000</u>	<u>(1,530)</u>
<b>Expenditures:</b>				
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	5,000	6,530	5,000	(1,530)
<b>Other Financing Uses</b>				
Advances Out	(5,000)	(5,000)	-	5,000
<b>Total Other Financing Uses</b>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
Net Change in Fund Balance	-	1,530	5,000	3,470
Fund Balance - Beginning of Year	-	-	-	-
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ 1,530</u>	<u>\$ 5,000</u>	<u>\$ 3,470</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Contributions and Donations	\$ 200	\$ 261	\$ -	\$ (261)
<b>Total Revenues</b>	<u>200</u>	<u>261</u>	<u>-</u>	<u>(261)</u>
<b>Expenditures:</b>				
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	200	261	-	(261)
Fund Balance - Beginning of Year	200	200	200	-
<b>Fund Balance - End of Year</b>	<u>\$ 400</u>	<u>\$ 461</u>	<u>\$ 200</u>	<u>\$ (261)</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 252,228	\$ 367,640	\$ -	\$ (367,640)
<b>Total Revenues</b>	<u>252,228</u>	<u>367,640</u>	<u>-</u>	<u>(367,640)</u>
<b>Expenditures:</b>				
Capital Outlay:				
Capital Outlay	1,219,084	1,596,312	1,219,084	377,228
<b>Total Expenditures</b>	<u>1,219,084</u>	<u>1,596,312</u>	<u>1,219,084</u>	<u>377,228</u>
Excess of Revenues Over (Under) Expenditures	(966,856)	(1,228,672)	(1,219,084)	9,588
<b>Other Financing Sources</b>				
Bond Anticipation Notes Issued	125,000	125,000	986,000	861,000
<b>Total Other Financing Sources</b>	<u>125,000</u>	<u>125,000</u>	<u>986,000</u>	<u>861,000</u>
Net Change in Fund Balance	(841,856)	(1,103,672)	(233,084)	870,588
Fund Balance - Beginning of Year	23,716	23,716	23,716	-
Prior Year Encumbrances Appropriated	1,219,084	1,219,084	1,219,084	-
<b>Fund Balance - End of Year</b>	<u>\$ 400,944</u>	<u>\$ 139,128</u>	<u>\$ 1,009,716</u>	<u>\$ 870,588</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Capital Outlay:				
Capital Outlay	3,771	3,771	-	3,771
<b>Total Expenditures</b>	3,771	3,771	-	3,771
Net Change in Fund Balance	(3,771)	(3,771)	-	3,771
Fund Balance - Beginning of Year	3,771	3,771	3,771	-
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,771</u>	<u>\$ 3,771</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Capital Outlay:				
Capital Outlay	124,963	124,283	56,322	67,961
<b>Total Expenditures</b>	124,963	124,283	56,322	67,961
Net Change in Fund Balance	(124,963)	(124,283)	(56,322)	67,961
Fund Balance - Beginning of Year	124,284	124,284	124,284	-
Prior Year Encumbrances Appropriated	235	235	235	-
<b>Fund Balance - End of Year</b>	<b>\$ (444)</b>	<b>\$ 236</b>	<b>\$ 68,197</b>	<b>\$ 67,961</b>

## City of Avon Lake, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Walker Rd. Sewer/Lear Rd. East Fund  
For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Special Assessments	\$ 29,000	\$ 1,012,281	\$ 24,047	\$ (988,234)
<b>Total Revenues</b>	<u>29,000</u>	<u>1,012,281</u>	<u>24,047</u>	<u>(988,234)</u>
<b>Expenditures:</b>				
Current:				
General Government				
Other	374,567	374,567	977	373,590
<b>Total Expenditures</b>	<u>374,567</u>	<u>374,567</u>	<u>977</u>	<u>373,590</u>
Net Change in Fund Balance	(345,567)	637,714	23,070	(614,644)
Fund Balance - Beginning of Year	374,569	374,569	374,569	-
<b>Fund Balance - End of Year</b>	<u>\$ 29,002</u>	<u>\$ 1,012,283</u>	<u>\$ 397,639</u>	<u>\$ (614,644)</u>

## City of Avon Lake, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Titus-Pitts-Hill Ditch Fund  
For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services	\$ 40,121	\$ 1,400,465	\$ -	\$ (1,400,465)
<b>Total Revenues</b>	<u>40,121</u>	<u>1,400,465</u>	<u>-</u>	<u>(1,400,465)</u>
<b>Expenditures:</b>				
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>40,121</u>	<u>1,400,465</u>	<u>-</u>	<u>(1,400,465)</u>
<b>Other Financing Uses</b>				
Transfers Out	(40,121)	(40,121)	(40,120)	1
<b>Total Other Financing Uses</b>	<u>(40,121)</u>	<u>(40,121)</u>	<u>(40,120)</u>	<u>1</u>
Net Change in Fund Balance	-	1,360,344	(40,120)	(1,400,464)
Fund Balance - Beginning of Year	491,241	491,241	491,241	-
<b>Fund Balance - End of Year</b>	<u>\$ 491,241</u>	<u>\$ 1,851,585</u>	<u>\$ 451,121</u>	<u>\$ (1,400,464)</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Special Assessments	\$ 15,000	\$ 523,594	\$ 5,457	\$ (518,137)
<b>Total Revenues</b>	<u>15,000</u>	<u>523,594</u>	<u>5,457</u>	<u>(518,137)</u>
<b>Expenditures:</b>				
Current:				
General Government				
Other	2,500	2,500	438	2,062
<b>Total Expenditures</b>	<u>2,500</u>	<u>2,500</u>	<u>438</u>	<u>2,062</u>
Net Change in Fund Balance	12,500	521,094	5,019	(516,075)
Fund Balance - Beginning of Year	132,548	132,548	132,548	-
<b>Fund Balance - End of Year</b>	<u>\$ 145,048</u>	<u>\$ 653,642</u>	<u>\$ 137,567</u>	<u>\$ (516,075)</u>



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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Special Assessments	\$ 17,034	\$ 594,591	\$ 29,512	\$ (565,079)
<b>Total Revenues</b>	<u>17,034</u>	<u>594,591</u>	<u>29,512</u>	<u>(565,079)</u>
<b>Expenditures:</b>				
Current:				
General Government				
Other	-	-	2,073	(2,073)
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>2,073</u>	<u>(2,073)</u>
Excess of Revenues Over (Under) Expenditures	17,034	594,591	27,439	(567,152)
<b>Other Financing Uses</b>				
Transfers Out	(17,034)	(17,034)	(17,034)	-
<b>Total Other Financing Uses</b>	<u>(17,034)</u>	<u>(17,034)</u>	<u>(17,034)</u>	<u>-</u>
Net Change in Fund Balance	-	577,557	10,405	(567,152)
Fund Balance - Beginning of Year	24,689	24,689	24,689	-
<b>Fund Balance - End of Year</b>	<u>\$ 24,689</u>	<u>\$ 602,246</u>	<u>\$ 35,094</u>	<u>\$ (567,152)</u>

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# **STATISTICAL SECTION**

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# City of Avon Lake, Ohio

## Statistical Section

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This part of City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2-S13
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue sources, property taxes and municipal income taxes.	S14-S20
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S22-S27
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S28-S30
<b>Operating Information</b> These schedules contain service 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.	S31-S36

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

**City of Avon Lake, Ohio**  
*Net Position by Component*  
*Accrual Basis of Accounting*  
*Last Ten Years*

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	2014	2013	2012
<b><u>Governmental Activities</u></b>			
Net Investment in Capital Assets	\$ 47,692,149	\$ 44,445,366	\$ 44,703,908
Restricted	7,513,366	9,152,098	7,833,010
Unrestricted	4,610,827	6,929,989	7,930,749
<b>Total Governmental Activities Net Position</b>	<b>\$ 59,816,342</b>	<b>\$ 60,527,453</b>	<b>\$ 60,467,667</b>
 <b><u>Business Type - Activities</u></b>			
Net Investment in Capital Assets	\$ 43,880,621	\$ 38,036,092	\$ 35,920,203
Restricted	1,343,581	1,353,870	1,383,230
Unrestricted	10,934,565	15,355,883	15,180,871
<b>Total Business-Type Activities Net Position</b>	<b>\$ 56,158,767</b>	<b>\$ 54,745,845</b>	<b>\$ 52,484,304</b>
 <b><u>Primary Government</u></b>			
Net Investment in Capital Assets	\$ 91,572,770	\$ 82,481,458	\$ 80,624,111
Restricted	8,856,947	10,505,968	9,216,240
Unrestricted	15,545,392	22,285,872	23,111,620
<b>Total Primary Government Net Position</b>	<b>\$ 115,975,109</b>	<b>\$ 115,273,298</b>	<b>\$ 112,951,971</b>

2011	2010	2009	2008	2007	2006	2005
\$ 46,558,254	\$ 46,549,247	\$ 45,910,786	\$ 49,477,777	\$ 46,314,994	\$ 45,673,857	\$ 43,749,490
7,757,417	8,350,517	10,625,576	9,609,593	5,686,481	4,906,549	4,623,825
6,860,542	8,380,284	8,602,963	7,756,771	14,049,795	10,171,350	8,189,449
<u>\$ 61,176,213</u>	<u>\$ 63,280,048</u>	<u>\$ 65,139,325</u>	<u>\$ 66,844,141</u>	<u>\$ 66,051,270</u>	<u>\$ 60,751,756</u>	<u>\$ 56,562,764</u>
\$ 34,565,370	\$ 28,756,401	\$ 26,741,033	\$ 24,000,628	\$ 22,247,782	\$ 20,489,445	\$ 19,621,722
1,304,490	1,305,583	1,305,570	1,316,165	1,514,933	1,449,347	1,388,904
14,224,028	14,382,693	13,596,723	13,149,864	13,008,301	12,569,758	12,688,894
<u>\$ 50,093,888</u>	<u>\$ 44,444,677</u>	<u>\$ 41,643,326</u>	<u>\$ 38,466,657</u>	<u>\$ 36,771,016</u>	<u>\$ 34,508,550</u>	<u>\$ 33,699,520</u>
\$ 81,123,624	\$ 75,305,648	\$ 72,651,819	\$ 73,478,405	\$ 68,562,776	\$ 66,163,302	\$ 63,371,212
9,061,907	9,656,100	11,931,146	10,925,758	7,201,414	6,355,896	6,012,729
21,084,570	22,762,977	22,199,686	20,906,635	27,058,096	22,741,108	20,878,343
<u>\$ 111,270,101</u>	<u>\$ 107,724,725</u>	<u>\$ 106,782,651</u>	<u>\$ 105,310,798</u>	<u>\$ 102,822,286</u>	<u>\$ 95,260,306</u>	<u>\$ 90,262,284</u>

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

	2014	2013	2012
<b><u>Program Revenues</u></b>			
Governmental Activities:			
Charges for Services:			
Security of Persons and Property	\$ 618,555	\$ 476,704	\$ 395,176
Public Health	0	0	0
Leisure Time Activities	493,336	470,814	499,203
Community Environment	3,812	0	0
Basic Utility Services	0	7,490	144,040
Transportation	300,721	156,440	158,564
General Government	575,566	866,938	636,803
Interest & Fiscal Charges	0	0	0
Subtotal - Charges for Services	<u>1,991,990</u>	<u>1,978,386</u>	<u>1,833,786</u>
Operating Grants and Contributions:			
Security of Persons and Property	1,327	31,444	0
Public Health	0	0	0
Leisure Time Activities	8,646	9,092	7,782
Community Environment	0	0	0
Basic Utility Services	0	0	0
Transportation	875,929	934,353	909,418
General Government	13,214	24,340	30,421
Interest & Fiscal Charges	0	0	0
Subtotal - Operating Grants and Contributions	<u>899,116</u>	<u>999,229</u>	<u>947,621</u>
Capital Grants and Contributions:			
Security of Persons and Property	0	0	0
Public Health	0	0	0
Leisure Time Activities	0	0	225,000
Community Environment	0	0	0
Basic Utility Services	0	0	0
Transportation	1,179,656	397,058	90,084
General Government	0	697	0
Interest & Fiscal Charges	0	0	0
Subtotal - Capital Grants and Contributions	<u>1,179,656</u>	<u>397,755</u>	<u>315,084</u>
<b>Total Governmental Activities Program Revenues</b>	<u><u>4,070,762</u></u>	<u><u>3,375,370</u></u>	<u><u>3,096,491</u></u>
<b><u>Business-Type Activities</u></b>			
Charges for Services:			
Water	10,225,815	10,965,314	11,344,168
Sewer	5,070,984	4,963,589	5,408,552
Operating Grants and Contributions:			
Water	314,822	324,886	222,175
Sewer	0	5,056	0
Capital Grants and Contributions			
Water	224,212	73,200	32,000
Sewer	291,625	72,150	123,422
<b>Total Business-Type Activities Program Revenues</b>	<u><u>16,127,458</u></u>	<u><u>16,404,195</u></u>	<u><u>17,130,317</u></u>
<b>Total Primary Government Program Revenues</b>	<u><u>\$ 20,198,220</u></u>	<u><u>\$ 19,779,565</u></u>	<u><u>\$ 20,226,808</u></u>



	2011	2010	2009	2008	2007	2006	2005
\$	458,276	\$ 328,839	\$ 360,755	\$ 269,107	\$ 254,720	\$ 253,671	\$ 230,807
	0	0	53,723	0	0	0	0
	463,375	463,739	304,145	25,010	229,817	295,961	313,718
	0	0	1,922	6,276	45,932	358,208	428,067
	10,471	7,189	0	0	0	0	0
	197,409	160,049	2,766	31,692	0	67,031	147,468
	760,510	857,767	224,022	834,381	575,069	255,959	295,068
	0	0	0	0	0	0	0
	<u>1,890,041</u>	<u>1,817,583</u>	<u>947,333</u>	<u>1,166,466</u>	<u>1,105,538</u>	<u>1,230,830</u>	<u>1,415,128</u>
	1,200	2,348	1,184	118,647	0	32,198	44,310
	0	0	0	0	0	0	0
	10,575	11,038	0	86,412	0	0	0
	22,481	0	0	0	0	0	0
	0	10,000	0	0	0	0	0
	900,321	1,393,473	29,105	0	0	0	0
	21,938	6,959	0	0	0	34,599	33,010
	0	0	0	0	0	0	0
	<u>956,515</u>	<u>1,423,818</u>	<u>30,289</u>	<u>205,059</u>	<u>0</u>	<u>66,797</u>	<u>77,320</u>
	0	0	0	2,425	0	3,563	65,368
	0	0	86,412	0	0	0	0
	0	229,000	159,966	11,893	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	769,020	93,042	487,552	1,717,268	3,196,696	2,004,198	2,913,713
	0	0	0	0	0	90,302	0
	0	0	0	0	0	0	0
	<u>769,020</u>	<u>322,042</u>	<u>733,930</u>	<u>1,731,586</u>	<u>3,196,696</u>	<u>2,098,063</u>	<u>2,979,081</u>
	<u>3,615,576</u>	<u>3,563,443</u>	<u>1,711,552</u>	<u>3,103,111</u>	<u>4,302,234</u>	<u>3,395,690</u>	<u>4,471,529</u>
	9,766,739	9,614,319	8,907,934	10,070,403	9,519,996	8,655,571	9,170,828
	5,223,139	3,028,479	2,995,026	3,181,306	2,963,673	2,908,284	3,429,130
	473,053	0	0	0	0	0	0
	39,954	0	0	0	0	0	0
	75,640	0	0	186,339	376,084	162,592	387,392
	2,886,826	2,959,058	1,083,193	147,764	679,566	317,511	391,580
	<u>18,465,351</u>	<u>15,601,856</u>	<u>12,986,153</u>	<u>13,585,812</u>	<u>13,539,319</u>	<u>12,043,958</u>	<u>13,378,930</u>
\$	<u>22,080,927</u>	<u>\$ 19,165,299</u>	<u>\$ 14,697,705</u>	<u>\$ 16,688,923</u>	<u>\$ 17,841,553</u>	<u>\$ 15,439,648</u>	<u>\$ 17,850,459</u>

(Continued)

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

	2014	2013	2012
<b><u>Expenses</u></b>			
Governmental Activities:			
Security of Persons and Property	\$ 8,933,432	\$ 8,465,633	\$ 8,534,837
Public Health	88,023	188,239	140,705
Leisure Time Activities	1,312,553	1,158,288	1,239,644
Community Environment	461,484	487,654	473,952
Basic Utility Services (1)	0	0	388,614
Transportation	7,473,350	6,236,676	6,157,639
General Government	3,325,069	3,391,591	3,136,087
Interest & Fiscal Charges	431,533	470,790	473,463
<b>Total Governmental Activities Expenses</b>	<b>22,025,444</b>	<b>20,398,871</b>	<b>20,544,941</b>
<b><u>Business-Type Activities</u></b>			
Water	9,325,575	9,109,859	9,214,574
Sewer	6,058,831	5,796,151	5,259,464
<b>Total Business-Type Activities Expenses</b>	<b>15,384,406</b>	<b>14,906,010</b>	<b>14,474,038</b>
<b>Total Primary Government Program Expenses</b>	<b>37,409,850</b>	<b>35,304,881</b>	<b>35,018,979</b>
<b><u>Net (Expense)/Revenue</u></b>			
Governmental Activities	(17,954,682)	(17,023,501)	(17,448,450)
Business-Type Activities	743,052	1,498,185	2,656,279
<b>Total Primary Government Net Expense</b>	<b>(17,211,630)</b>	<b>(15,525,316)</b>	<b>(14,792,171)</b>

2011	2010	2009	2008	2007	2006	2005
\$ 8,503,399	\$ 8,431,818	\$ 8,116,714	\$ 8,081,408	\$ 7,549,732	\$ 6,877,385	\$ 6,832,921
153,410	128,170	111,728	136,490	84,207	97,659	105,795
1,266,323	628,833	1,653,617	1,370,665	1,329,943	934,262	947,130
395,885	429,459	302,258	327,723	395,427	343,834	334,885
621,573	628,726	44,730	68,840	28,484	25,135	28,915
7,264,429	7,195,981	6,538,060	6,866,122	6,989,020	6,898,804	6,177,298
2,941,143	2,833,799	3,324,095	3,303,881	3,210,104	2,639,522	2,930,957
523,145	649,798	523,512	408,718	484,948	450,294	455,278
<u>21,669,307</u>	<u>20,926,584</u>	<u>20,614,714</u>	<u>20,563,847</u>	<u>20,071,865</u>	<u>18,266,895</u>	<u>17,813,179</u>
9,785,666	7,912,953	7,294,819	7,640,691	7,854,970	8,397,714	7,720,172
3,834,849	6,115,362	3,140,757	5,284,361	4,158,545	3,595,535	3,846,137
<u>13,620,515</u>	<u>14,028,315</u>	<u>10,435,576</u>	<u>12,925,052</u>	<u>12,013,515</u>	<u>11,993,249</u>	<u>11,566,309</u>
<u>35,289,822</u>	<u>34,954,899</u>	<u>31,050,290</u>	<u>33,488,899</u>	<u>32,085,380</u>	<u>30,260,144</u>	<u>29,379,488</u>
(18,053,731)	(17,363,141)	(18,903,162)	(17,460,736)	(15,769,631)	(14,871,205)	(13,341,650)
4,844,836	1,573,541	2,550,577	660,760	1,525,804	50,709	1,812,621
<u>(13,208,895)</u>	<u>(15,789,600)</u>	<u>(16,352,585)</u>	<u>(16,799,976)</u>	<u>(14,243,827)</u>	<u>(14,820,496)</u>	<u>(11,529,029)</u>

(Continued)

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

	2014	2013	2012
<b><u>General Revenues and Other Changes in Net Position</u></b>			
Governmental Activities			
Property Taxes Levied For:			
General Purposes	\$ 3,272,816	\$ 3,716,672	3,876,214
Debt Service Purpose	285,751	300,607	285,046
Other Purposes	1,774,044	1,813,852	1,352,126
Municipal Income Taxes Levied For:			
General Purposes	9,929,219	9,746,498	9,763,450
Sewer	0	0	0
Special Assessments	0	0	0
Intergovernmental	0	0	0
Grants and Entitlements not Restricted to			
Specific Programs	1,556,651	1,195,278	2,056,510
Investment Income	143,406	58,145	123,385
Gain on Sale of Capital Assets	2,731	1,469	0
All Other Revenues	278,953	263,925	370,066
Transfers	0	(13,159)	25,703
<b>Total Governmental</b>	<b>17,243,571</b>	<b>17,083,287</b>	<b>17,852,500</b>
Business-Type Activities			
Municipal Income Taxes Levied For:			
Sewer	214,650	512,524	473,049
Special Assessments	0	0	0
Intergovernmental	0	0	0
Investment Income	18,659	7,034	72,661
All Other Revenues	436,561	230,639	337,426
Transfers	0	13,159	(25,703)
<b>Total Business-Type Activities</b>	<b>669,870</b>	<b>763,356</b>	<b>857,433</b>
<b>Total Primary Government General Revenues and Other Changes in Net Position</b>	<b>17,913,441</b>	<b>17,846,643</b>	<b>18,709,933</b>
<b><u>Change in Net Position</u></b>			
Governmental Activities	(711,111)	59,786	404,050
Business-Type Activities	1,412,922	2,261,541	3,513,712
<b>Total Primary Government Change in Net Position</b>	<b>\$ 701,811</b>	<b>\$ 2,321,327</b>	<b>\$ 3,917,762</b>

(1) - In 2013, the City reclassified the Engineering department expenses from Basic Utility Services to General Government.

2011	2010	2009	2008	2007	2006	2005
4,913,620	\$ 6,132,324	\$ 5,571,368	\$ 5,427,231	\$ 5,566,092	\$ 5,207,484	\$ 5,737,116
0	0	0	0	0	0	0
0	0	0	0	0	0	0
9,001,318	8,118,314	7,559,236	9,721,195	10,013,692	9,602,798	7,290,240
0	0	0	0	0	0	0
0	0	328,542	7,336	901,641	412,572	436,927
0	0	0	0	3,363,079	3,343,650	2,578,034
2,026,080	1,781,735	3,765,072	3,177,253	0	0	0
259,795	267,001	161,242	740,381	1,377,075	860,731	461,612
37,061	0	0	0	0	0	0
28,696	86,562	221,817	222,278	288,235	67,816	100,828
4,137	(882,072)	(408,931)	(545,323)	(440,669)	(434,854)	636,610
<u>16,270,707</u>	<u>15,503,864</u>	<u>17,198,346</u>	<u>18,750,351</u>	<u>21,069,145</u>	<u>19,060,197</u>	<u>17,241,367</u>
258,615	0	0	0	0	0	0
0	0	0	0	26,685	0	0
0	0	0	0	0	19,039	34,469
127,307	220,757	119,890	121,309	224,866	225,736	165,182
101,779	124,981	97,271	0	0	30,170	273,023
(4,137)	882,072	408,931	545,323	485,111	483,376	(596,565)
<u>483,564</u>	<u>1,227,810</u>	<u>626,092</u>	<u>666,632</u>	<u>736,662</u>	<u>758,321</u>	<u>(123,891)</u>
<u>16,754,271</u>	<u>16,731,674</u>	<u>17,824,438</u>	<u>19,416,983</u>	<u>21,805,807</u>	<u>19,818,518</u>	<u>17,117,476</u>
(1,783,024)	(1,859,277)	(1,704,816)	1,289,615	5,299,514	4,188,992	3,899,717
5,328,400	2,801,351	3,176,669	1,327,392	2,262,466	809,030	1,688,730
<u>\$ 3,545,376</u>	<u>\$ 942,074</u>	<u>\$ 1,471,853</u>	<u>\$ 2,617,007</u>	<u>\$ 7,561,980</u>	<u>\$ 4,998,022</u>	<u>\$ 5,588,447</u>

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

	2014	2013	2012	2011
<b><u>General Fund</u></b>				
Nonspendable	\$ 112,319	\$ 149,282	\$ 154,115	\$ 147,081
Committed	278,633	384,401	365,421	390,996
Assigned	1,710,552	2,203,130	1,971,632	2,145,213
Unassigned	760,805	331,507	636,982	671,702
Reserved For:				
Encumbrances	0	0	0	0
Inventory	0	0	0	0
Prepaid Items	0	0	0	0
Unreserved Reported In:				
General Fund	0	0	0	0
Special Revenue Funds	0	0	0	0
Debt Service Funds	0	0	0	0
Capital Project Funds	0	0	0	0
<b>Total General Fund</b>	<b><u>2,862,309</u></b>	<b><u>3,068,320</u></b>	<b><u>3,128,150</u></b>	<b><u>3,354,992</u></b>
<b><u>All Other Governmental Funds</u></b>				
Nonspendable	234,170	70,355	80,426	90,173
Restricted	3,302,014	5,303,791	2,603,420	2,463,198
Committed	6,698,389	6,365,290	6,635,452	5,743,801
Assigned	87,921	143,428	145,545	145,515
Unassigned (Deficit)	(2,120,540)	(230,119)	(240,094)	(302,207)
Reserved For:				
Encumbrances	0	0	0	0
Inventory	0	0	0	0
Prepaid Items	0	0	0	0
Debt Service Funds	0	0	0	0
Unreserved Reported In:				
General Fund	0	0	0	0
Special Revenue Funds	0	0	0	0
Debt Service Funds	0	0	0	0
Capital Project Funds	0	0	0	0
<b>Total All Other Governmental Funds</b>	<b><u>8,201,954</u></b>	<b><u>11,652,745</u></b>	<b><u>9,224,749</u></b>	<b><u>8,140,480</u></b>
<b>Total Governmental Funds</b>	<b><u>\$ 11,064,263</u></b>	<b><u>\$ 14,721,065</u></b>	<b><u>\$ 12,352,899</u></b>	<b><u>\$ 11,495,472</u></b>

**Note:** In 2011, the City implemented GASB Statement No. 54. As a result, the 2010 fund balances were reclassified to reflect the effects of GASB Statement No. 54.

2010	2009	2008	2007	2006	2005
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
137,555	260,041	125,120	90,264	118,604	164,395
59,093	59,717	34,857	17,540	17,243	27,648
34,016	534,720	0	0	0	0
2,956,952	2,587,648	2,870,052	2,370,440	1,186,573	990,825
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>3,187,616</u>	<u>3,442,126</u>	<u>3,030,029</u>	<u>2,478,244</u>	<u>1,322,420</u>	<u>1,182,868</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
179,810	1,948,154	529,223	814,946	804,854	957,011
130,486	103,997	95,362	84,265	88,859	60,438
7,766	0	0	0	0	0
0	0	0	526,437	523,965	528,753
0	0	0	5,621,051	4,600,655	2,595,811
5,827,991	6,960,348	7,398,236	2,257,454	2,028,258	1,728,011
587,008	582,506	559,965	0	0	0
1,964,956	1,644,416	1,148,631	1,452,282	385,175	1,424,465
<u>8,698,017</u>	<u>11,239,421</u>	<u>9,731,417</u>	<u>10,756,435</u>	<u>8,431,766</u>	<u>7,294,489</u>
<u>\$ 11,885,633</u>	<u>\$ 14,681,547</u>	<u>\$ 12,761,446</u>	<u>\$ 13,234,679</u>	<u>\$ 9,754,186</u>	<u>\$ 8,477,357</u>

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

	2014	2013	2012
<b><u>Revenues</u></b>			
Property and Other Taxes	\$ 5,393,371	\$ 5,823,203	\$ 5,452,174
Municipal Income Taxes	10,424,202	9,528,994	9,407,646
Intergovernmental	2,975,550	2,768,724	2,860,391
Interest	143,406	58,145	123,385
Fees, Licenses and Permits	283,496	314,258	264,386
Fines and Forfeitures	379,546	363,806	343,231
Charges for Services	1,088,715	1,094,002	1,102,449
Contributions and Donations	10,005	13,619	12,335
Special Assessments	398,003	376,113	465,612
All Other Revenues	279,397	513,815	117,416
<b>Total Revenues</b>	<b><u>21,375,691</u></b>	<b><u>20,854,679</u></b>	<b><u>20,149,025</u></b>
<b><u>Expenditures</u></b>			
Current:			
Security of Persons and Property	8,284,112	8,043,110	8,375,212
Public Health Services	80,000	176,361	150,834
Leisure Time Activities	898,760	899,472	917,967
Community Environment	452,526	472,910	482,536
Basic Utility Services (1)	0	0	388,614
Transportation	3,980,188	3,896,164	4,456,045
General Government	2,860,068	2,921,343	2,553,332
Capital Outlay	5,255,871	2,130,676	508,078
Debt Service:			
Principal Retirement	2,958,998	1,260,302	1,136,937
Interest and Fiscal Charges	379,746	414,542	462,746
Bond Issuance Costs	9,955	10,650	20,069
<b>Total Expenditures</b>	<b><u>25,160,224</u></b>	<b><u>20,225,530</u></b>	<b><u>19,452,370</u></b>
Excess of Revenues Over (Under) Expenditures	<u>(3,784,533)</u>	<u>629,149</u>	<u>696,655</u>



2011	2010	2009	2008	2007	2006	2005
\$ 5,492,222	\$ 5,378,941	\$ 5,650,803	\$ 5,168,414	\$ 5,566,092	\$ 4,888,308	\$ 4,898,738
9,404,479	7,308,383	7,766,597	9,543,714	9,896,822	9,087,129	6,975,393
3,904,539	4,559,299	4,052,249	3,663,561	3,363,079	3,807,429	2,830,491
259,795	333,840	278,211	556,573	1,377,075	860,731	461,611
248,856	344,963	243,696	480,964	427,811	566,125	733,754
349,213	443,945	314,370	280,896	254,720	238,286	230,807
908,736	662,193	355,073	404,574	423,007	355,336	430,504
0	0	0	0	51,765	95,538	50,635
410,275	402,899	417,206	422,505	901,641	412,572	436,927
139,565	157,988	190,038	167,194	327,340	67,746	100,828
<u>21,117,680</u>	<u>19,592,451</u>	<u>19,268,243</u>	<u>20,688,395</u>	<u>22,589,352</u>	<u>20,379,200</u>	<u>17,149,688</u>
8,309,778	8,546,321	7,826,875	7,972,125	7,126,210	6,515,984	6,468,317
153,410	128,170	111,728	136,490	84,207	97,659	105,795
919,497	1,143,540	1,545,296	998,018	796,172	882,536	962,469
396,484	387,038	300,413	325,405	392,594	341,008	332,181
667,103	635,832	25,164	43,757	0	0	4,790
6,031,554	5,183,094	5,318,815	6,438,048	5,318,742	4,975,361	4,183,722
2,720,378	2,504,806	2,831,674	2,792,067	2,451,021	2,180,755	2,461,875
1,795,595	1,466,267	3,723,312	1,010,865	1,467,186	2,646,888	2,067,697
1,062,842	942,966	839,715	573,350	557,541	517,981	521,017
481,950	649,378	505,510	376,314	484,948	474,461	470,770
0	92,319	0	0	0	0	0
<u>22,538,591</u>	<u>21,679,731</u>	<u>23,028,502</u>	<u>20,666,439</u>	<u>18,678,621</u>	<u>18,632,633</u>	<u>17,578,633</u>
<u>(1,420,911)</u>	<u>(2,087,280)</u>	<u>(3,760,259)</u>	<u>21,956</u>	<u>3,910,731</u>	<u>1,746,567</u>	<u>(428,945)</u>

(Continued)

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Loans Issued	0	0	115,000
Refunding Bonds Issued	0	0	765,000
Premium on Bond Issuance	0	0	11,122
Payment to Refunded Bond Escrow Account	0	0	(756,053)
Transfers In	1,810,984	3,677,999	1,747,894
Transfers Out	(1,810,984)	(3,714,762)	(1,722,191)
Sale of Capital Assets	2,731	21,138	0
Bond Anticipation Notes Issued	0	1,743,000	0
Premium on Notes Issued	0	11,642	0
Inception of Capital Lease	0	0	0
Promissory Notes Issued	0	0	0
Bond Proceeds	0	0	0
Loan Proceeds	125,000	0	0
Capital Lease Proceeds	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>127,731</u>	<u>1,739,017</u>	<u>160,772</u>
<b>Net Change in Fund Balances</b>	<u>\$ (3,656,802)</u>	<u>\$ 2,368,166</u>	<u>\$ 857,427</u>
 Debt Service as a Percentage of Noncapital Expenditures	 15.36%	 9.08%	 8.82%

(1) - In 2013, the City reclassified the Engineering department expenditures from Basic Utility Services to General Government.

2011	2010	2009	2008	2007	2006	2005
0	0	0	0	0	0	0
0	4,980,000	0	0	0	0	0
0	109,961	0	0	0	0	0
0	(4,993,270)	0	0	0	0	0
2,291,517	8,939,484	9,864,998	10,569,353	10,712,250	8,687,295	9,219,562
(2,287,380)	(9,821,556)	(10,273,929)	(11,064,542)	(11,142,488)	(9,157,033)	(9,568,727)
37,061	0	0	0	0	0	0
1,071,000	0	0	0	0	0	0
2,900	0	0	0	0	0	0
0	12,247	0	0	0	0	0
0	64,500	0	0	0	0	0
0	0	5,930,000	0	0	0	0
0	0	100,000	0	0	0	0
0	0	59,291	0	0	0	0
<u>1,115,098</u>	<u>(708,634)</u>	<u>5,680,360</u>	<u>(495,189)</u>	<u>(430,238)</u>	<u>(469,738)</u>	<u>(349,165)</u>
<u>\$ (305,813)</u>	<u>\$ (2,795,914)</u>	<u>\$ 1,920,101</u>	<u>\$ (473,233)</u>	<u>\$ 3,480,493</u>	<u>\$ 1,276,829</u>	<u>\$ (778,110)</u>
8.10%	8.60%	7.37%	5.94%	7.64%	7.24%	9.03%

**City of Avon Lake, Ohio**  
*Assessed Valuations 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	Other Real Estate		Assessed Value	Estimated Actual Value
2014	\$ 647,831,640	\$ 91,423,030	\$ 2,112,156,200	\$ 38,214,330	\$ 43,425,375
2013	639,492,550	89,718,790	2,083,460,971	56,087,710	63,736,034
2012	685,489,510	88,643,530	2,211,808,686	55,420,640	62,978,000
2011	679,942,600	88,859,130	2,196,576,371	57,136,730	64,928,102
2010	673,103,030	87,597,840	2,173,431,057	56,889,809	64,647,510
2009	696,704,860	87,612,390	2,240,906,429	78,619,679	89,340,544
2008	675,269,400	89,124,220	2,183,981,771	80,254,830	91,198,670
2007	648,700,950	84,229,750	2,094,087,714	82,074,850	93,266,875
2006	558,227,510	80,772,810	1,825,715,200	89,484,090	101,686,466
2005	532,360,500	76,467,950	1,739,509,857	77,222,720	87,753,091

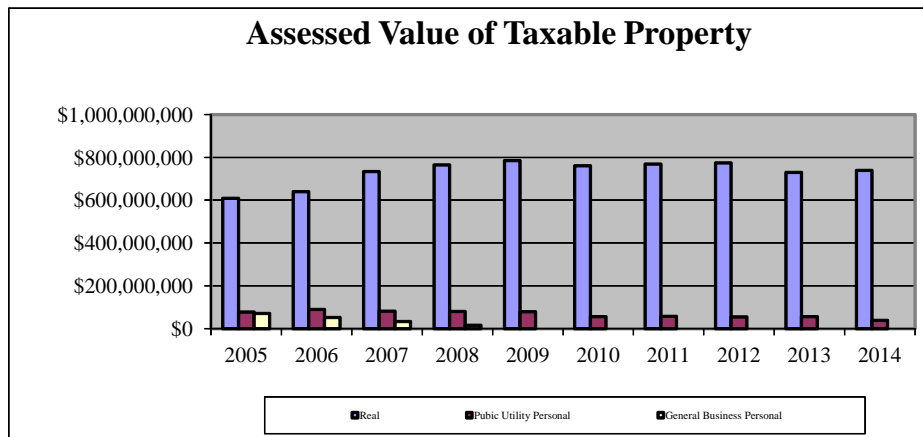
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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 is being phased out beginning in 2006. For collection year 2006 both types of general business tangible personal property were assessed at 18.75 percent. The percentage will be 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

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 commercial/industrial property has been eliminated.

Source: Lorain County Auditor

Tangible Personal Property		Total		Ratio	Direct Tax Rate
General Business					
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$ -	\$ -	\$ 777,469,000	\$ 2,155,581,575	36.07%	\$ 8.13
-	-	785,299,050	2,147,197,005	36.57%	8.13
-	-	829,553,680	2,274,786,686	36.47%	7.34
-	-	825,938,460	2,261,504,474	36.52%	7.34
-	-	817,590,679	2,238,078,567	36.53%	7.35
-	-	862,936,929	2,330,246,973	37.03%	7.36
16,228,352	86,551,211	860,876,802	2,361,731,653	36.45%	6.95
32,948,472	175,725,184	847,954,022	2,363,079,773	35.88%	6.95
52,701,113	210,804,452	781,185,523	2,138,206,118	36.53%	6.95
71,691,440	286,765,760	757,742,610	2,114,028,708	35.84%	6.95



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

	Collection Year 2014	Collection Year 2013	Collection Year 2012	Collection Year 2011
<b><u>Unvoted Millage</u></b>				
General	\$ 3.60	\$ 3.60	\$ 3.60	\$ 3.60
Fireman's Fund	0.30	0.30	0.30	0.30
Police Pension	0.30	0.30	0.30	0.30
<b>Total Unvoted Millage</b>	<b>4.20</b>	<b>4.20</b>	<b>4.20</b>	<b>4.20</b>
<b><u>Voted Millage</u></b>				
2000 Charter Current Expense	1.50	1.50	1.50	1.50
2003 Ambulance & EMS	-	-	-	-
2008 Bond	0.43	0.43	0.39	0.39
2009 Ambulance & EMS	-	-	1.25	1.25
2012 Ambulance & EMS	2.00	2.00	-	-
<b>Total Voted Millage</b>	<b>3.93</b>	<b>3.93</b>	<b>3.14</b>	<b>3.14</b>
<b>Total Millage</b>	<b>\$ 8.13</b>	<b>\$ 8.13</b>	<b>\$ 7.34</b>	<b>\$ 7.34</b>
<b><u>Overlapping Rates by Taxing District</u></b>				
<b>City of Avon Lake</b>				
Residential/Agricultural Effective Rate	\$ 7.7610	\$ 7.7630	\$ 6.8917	\$ 6.8907
Commercial/Industrial and Public Utility Effective Rate	8.0016	8.0090	7.2862	7.2847
General Business and Public Utility Personal Property	8.1300	8.1300 #	7.3400 #	7.3400
<b>Avon Lake School District</b>				
Residential/Agricultural Effective Rate	47.1799	39.3201	36.3220	36.6250
Commercial/Industrial and Public Utility Effective Rate	57.3566	49.5474	48.4658	48.7681
General Business and Public Utility Personal Property	75.1000	67.2300	65.5700	65.8900
<b>Lorain County</b>				
Residential/Agricultural Effective Rate	14.0927	12.8534	12.2226	12.2143
Commercial/Industrial and Public Utility Effective Rate	13.7186	12.5193	12.4841	12.3890
General Business and Public Utility Personal Property	14.4820	13.6550	13.6900	13.6900
<b>Special Taxing Districts (1)</b>				
Residential/Agricultural Effective Rate	5.1134	5.1161	4.9184	3.7588
Commercial/Industrial and Public Utility Effective Rate	4.7728	4.7762	4.8177	3.7564
General Business and Public Utility Personal Property	5.2500	5.2500	5.2500	4.2500

Source: Lorain County Auditor

(1) Lorain County Joint Vocational School District and Avon Lake Public Library

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Collection Year 2010	Collection Year 2009	Collection Year 2008	Collection Year 2007	Collection Year 2006	Collection Year 2005
\$ 3.60	\$ 3.60	\$ 3.60	\$ 3.60	\$ 3.60	\$ 3.60
0.30	0.30	0.30	0.30	0.30	0.30
0.30	0.30	0.30	0.30	0.30	0.30
<u>4.20</u>	<u>4.20</u>	<u>4.20</u>	<u>4.20</u>	<u>4.20</u>	<u>4.20</u>
1.50	1.50	1.50	1.50	1.50	1.50
-	-	1.25	1.25	1.25	1.25
0.40	0.41	-	-	-	-
1.25	1.25	-	-	-	-
-	-	-	-	-	-
<u>3.15</u>	<u>3.16</u>	<u>2.75</u>	<u>2.75</u>	<u>2.75</u>	<u>2.75</u>
<u>\$ 7.35</u>	<u>\$ 7.36</u>	<u>\$ 6.95</u>	<u>\$ 6.95</u>	<u>\$ 6.95</u>	<u>\$ 6.95</u>

\$ 6.8994	\$ 6.5797	\$ 6.1844	\$ 6.1954	\$ 6.4782	\$ 6.4976
7.2967	7.2115	6.7832	6.7885	6.9157	6.9257
7.3500 #	7.3600 #	6.9500 #	6.9500 #	6.9500 #	6.9500

36.7441	33.7194	33.8538	34.2071	30.1817	30.1876
48.9317	46.2283	46.1552	46.5637	43.8663	43.9780
66.0300	66.0300	64.0200	64.3700	60.2600	60.2600

11.5436	10.9380	10.9618	10.9270	12.1745	10.7597
11.9718	11.8436	11.9061	11.8184	12.7796	12.0305
13.3900	13.3900	13.3900	13.4900	13.4900	13.1900

3.7556	3.5562	3.5679	3.5766	3.5858	3.5993
3.7780	3.7243	3.7192	3.7157	3.7775	3.7841
4.2500	4.2500	4.2500	4.2500	4.2500	4.2500

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

Year	Current Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections to Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Current Tax Levy
2014	\$ 6,070,204	\$ 5,959,788	98.18%	\$ 130,919	\$ 6,090,707	100.34%	\$ 215,597	3.55%
2013	6,138,888	6,024,471	98.14%	139,194	6,163,665	100.40%	303,289	4.94%
2012	5,776,842	5,634,246	97.53%	119,655	5,753,901	99.60%	303,401	5.25%
2011	5,751,945	5,574,744	96.92%	129,590	5,704,334	99.17%	286,221	4.98%
2010	5,698,741	5,314,413	93.26%	115,039	5,429,452	95.27%	531,893	9.33%
2009	5,787,865	5,637,584	97.40%	95,795	5,733,379	99.06%	186,606	3.22%
2008	5,313,751	5,218,434	98.21%	87,601	5,306,035	99.85%	130,373	2.45%
2007	5,161,168	4,497,052	87.13%	75,444	4,572,496	88.59%	725,209	14.05%
2006	4,786,307	4,712,326	98.45%	53,400	4,765,726	99.57%	102,763	2.15%
2005	4,524,053	4,471,230	98.83%	85,626	4,556,856	100.73%	79,476	1.76%

Source: Lorain County Auditor

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

**Note:** The County is aware of the requirement to report delinquent tax collections by levy year rather than by collection year. The County's current computer system tracks levy amounts by either current levy or delinquent levy. Once amounts become part of the delinquent levy, the ability to track information by levy year is lost. The County is looking at options to provide this information in the future.



**City of Avon Lake, Ohio**  
*Principal Taxpayers – Real Estate Tax*  
 2013 and 2004

Taxpayer	<i>2014</i>	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Orion Power Midwest LP	\$ 18,858,560	2.56 %
Genon Power Midwest LP	16,372,880	2.21 %
Cleveland Electric Illuminating Co	12,218,680	1.65 %
American Transmission Systems Inc	7,441,190	1.01 %
Ford Motor Company	4,739,550	0.64 %
181 Somerset Realty LLC	4,356,650	0.59 %
Polyone Corporation	4,163,470	0.56 %
Health Care REIT Inc	3,756,040	0.51 %
Legacy Pointe LTD	2,897,770	0.39 %
Columbia Gas of Ohio Inc	2,232,280	0.30 %
Total	<u>\$ 77,037,070</u>	<u>10.42 %</u>
Total Assessed Valuation	<u>\$ 739,254,670</u>	

Taxpayer	<i>2005</i>	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Orion Power Midwest LP	\$ 77,281,420	12.69 %
Ford Motor Company	9,945,200	1.63 %
Cleveland Electric	9,493,430	1.56 %
American Transmission Systems Inc	4,504,920	0.74 %
Geon Co	4,084,290	0.67 %
Legacy Pointe LTD	2,508,730	0.41 %
Kopf Properties II LTD	2,435,570	0.40 %
Gamellia Construction Inc.	2,423,960	0.40 %
Centurytel of Ohio Inc	2,423,610	0.40 %
Waterside Crossings LTD	2,034,680	0.32 %
Total	<u>\$ 117,135,810</u>	<u>19.22 %</u>
Total Assessed Valuation	<u>\$ 608,828,450</u>	

Source: Lorain County Auditor

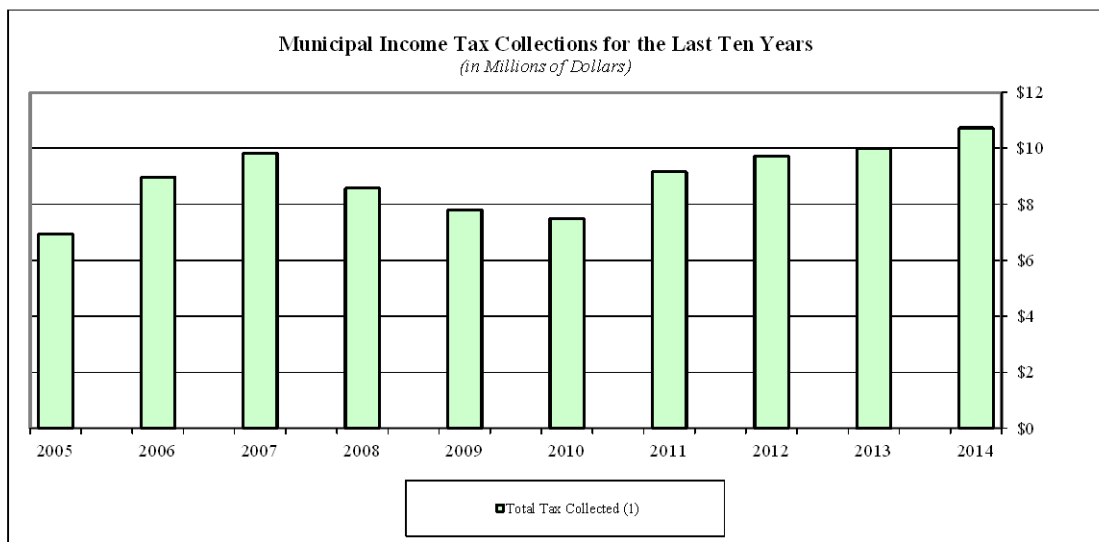
(1) The amounts presented represent the assessed values upon which 2014 and 2005 collections were based.

**City of Avon Lake, Ohio**  
*Municipal Income Tax Revenue Base and Collections*  
*Cash Basis*  
*2014 and 2005*

Tax Year	Tax Rate	Total Tax Collected (1)
2014	1.50%	\$10,732,138
2013	1.50%	9,999,500
2012	1.50%	9,726,367
2011	1.50%	9,167,096
2010	1.50%	7,492,129
2009	1.50%	7,798,625
2008	1.50%	8,585,458
2007	1.50%	9,830,694
2006	1.50%	8,972,882
2005	1.50%	6,950,982

(1) The information was provided by the Regional Income Tax Agency (RITA) and is calculated on a cash basis.

Note: The City is prohibited by statute from presenting information regarding individual taxpayers.





**City of Avon Lake, Ohio**  
*Ratio of Outstanding Debt to Total  
 Personal Income and Debt Per Capita  
 Last Ten Years*

Year	Governmental Activities						
	General Obligation Bonds (1)	Special Assessment Bonds	OWDA Loans	OPWC Loans	Notes Payable	Capital Leases	Other Debt
2014	\$7,009,404	\$1,415,685	\$232,081	\$188,333	\$626,784	\$0	\$155,868
2013	7,807,179	1,675,983	237,675	70,000	2,510,728	0	181,491
2012	8,595,954	1,928,697	0	76,666	938,972	0	227,006
2011	9,063,612	2,055,283	0	83,333	1,073,610	7,821	134,418
2010	9,725,770	2,271,423	65,835	90,000	0	38,048	163,770
2009	10,234,263	2,404,937	126,919	100,000	0	54,741	201,545
2008	4,858,877	2,602,537	183,599	0	0	23,481	303,727
2007	5,175,065	2,794,011	236,193	0	0	0	220,484
2006	5,472,691	2,975,485	284,994	0	0	0	323,069
2005	5,767,115	3,153,759	330,277	0	0	0	389,552

(1) Amounts include associated premiums and deferrals on refunding

Note: Population and Personal Income data are presented on Demographic and Economic Statistics

Business-Type Activities							
General Obligation Bonds (1)	Capital Leases	OWDA Loans	Other Debt	Mortgage Revenue Bond	Total Debt	Percentage of Personal Income	Per Capita
\$3,218,282	\$0	\$46,068,004	\$0	\$6,210,000	\$65,124,441	7.06%	\$2,884
4,225,645	8,870	40,682,410	0	6,595,000	63,994,981	6.94%	2,834
5,177,681	36,017	39,988,768	0	7,545,000	64,514,761	6.99%	2,857
5,727,803	4,711	38,472,429	247,638	8,460,000	65,330,658	7.08%	2,893
6,535,221	60,534	33,899,521	0	9,340,000	62,190,122	6.74%	2,754
7,294,431	102,571	15,141,625	0	10,195,000	45,856,032	7.82%	2,527
8,025,710	150,389	12,335,034	0	11,020,000	39,503,354	6.73%	2,177
8,725,728	0	10,520,581	0	11,825,000	39,497,062	6.73%	2,177
9,212,729	0	11,197,531	0	12,605,000	42,071,499	7.17%	2,319
9,912,105	0	11,820,052	0	13,360,000	44,732,860	7.62%	2,465

**City of Avon Lake, Ohio**  
*Ratio of General Obligation Bonded Debt to  
 Estimated Actual Value and Net Bonded Debt per Capita  
 Last Ten Years*

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Net Bonded Debt (3)	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capita
2014	22,581	\$2,147,197,005	\$10,050,131	0.47 %	\$445
2013	22,581	2,274,786,686	22,380,176	0.98 %	991
2012	22,581	2,274,786,686	13,635,388	0.60 %	604
2011	22,581	2,261,504,474	14,672,215	0.65 %	650
2010	22,581	2,238,078,567	16,164,605	0.72 %	716
2009	18,145	2,330,246,973	17,528,694	0.75 %	966
2008	18,145	2,361,731,653	12,884,587	0.55 %	710
2007	18,145	2,363,079,773	13,900,793	0.59 %	766
2006	18,145	2,138,206,118	14,685,420	0.69 %	809
2005	18,145	2,114,028,708	15,679,220	0.74 %	864

Sources:

(1) Source: U. S. Census

(a) Years 2004 through 2009 - 2000 Federal Census

(b) Years 2010 through 2014 - 2010 Federal Census

(2) Lorain County Auditor

(3) Includes all general obligation bonded debt with the exception of Special Assessment debt minus the debt service fund balance available to pay the general obligation debt.

**City of Avon Lake, 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 City
<b>Direct - City of Avon Lake</b>			
General Obligation Bonds, net	\$7,009,404	100.00%	\$ 7,009,404
Special Assessment Bonds, net	1,415,685	100.00%	1,415,685
OPWC Loan	188,333	100.00%	188,333
OWDA Loan	232,081	100.00%	232,081
Long-Term Notes Payable	626,784	100.00%	626,784
Other Loans	155,868	100.00%	155,868
<b>Total Direct Debt</b>	<u>9,628,155</u>		<u>9,628,155</u>
<b>Overlapping</b>			
Avon Lake City School District (2)	48,401,770	100.00%	48,401,770
Lorain County	24,385,000	12.55%	3,060,318
<b>Total Overlapping Debt</b>	<u>72,786,770</u>		<u>51,462,088</u>
<b>Total</b>	<u>\$ 82,414,925</u>		<u>\$ 61,090,243</u>

Source: Lorain County Auditor

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

(2) Debt outstanding is as of June 30, 2014

# City of Avon Lake, Ohio

## Legal Debt Margin

### Last Ten Years

	2014	2013	2012	2011
<b>Total Assessed Property Value</b>	<u>\$ 777,469,000</u>	<u>\$ 785,299,050</u>	<u>\$ 829,553,680</u>	<u>\$ 825,938,460</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>81,634,245</u>	<u>82,456,400</u>	<u>87,103,136</u>	<u>86,723,538</u>
<b>Debt Outstanding:</b>				
General Obligation Bonds	\$ 7,009,404	\$ 7,807,179	\$ 8,595,954	\$ 9,063,612
General Obligation Bonds - Enterprise	3,218,282	4,225,645	5,177,681	5,727,803
Special Assessment Bonds	1,415,685	1,675,983	1,928,697	2,055,283
Notes Payable	5,976,740	2,717,728	938,972	1,073,610
OPWC Loans	188,333	70,000	76,666	83,333
OWDA Loans	232,081	237,675	0	0
OWDA Loans - Enterprise	46,068,004	40,682,410	39,988,768	38,472,429
Mortgage Revenue Bonds	6,210,000	6,595,000	7,545,000	8,460,000
<b>Total Gross Indebtedness</b>	<u>70,318,529</u>	<u>64,011,620</u>	<u>64,251,738</u>	<u>64,936,070</u>
Less:				
General Obligation Bonds - Enterprise	(3,218,282)	(4,225,645)	(5,177,681)	(5,727,803)
Special Assessment Bonds	(1,415,685)	(1,675,983)	(1,928,697)	(2,055,283)
Notes Payable	0	0	0	0
OPWC Loans	(188,333)	(70,000)	(76,666)	(83,333)
OWDA Loans	(232,081)	(237,675)	0	0
OWDA Loans - Enterprise	(46,068,004)	(40,682,410)	(39,988,768)	(38,472,429)
Mortgage Revenue Bonds	(6,210,000)	(6,595,000)	(7,545,000)	(8,460,000)
General Obligation Bond Retirement Fund Balance	(1,737,434)	(177,555)	(138,247)	(119,200)
<b>Total Net Debt Applicable to Debt Limit</b>	<u>11,248,710</u>	<u>10,347,352</u>	<u>9,396,679</u>	<u>10,018,022</u>
<b>Legal Debt Margin Within 10 ½ % Limitations</b>	<u>\$ 70,385,535</u>	<u>\$ 72,109,048</u>	<u>\$ 77,706,457</u>	<u>\$ 76,705,516</u>
<b>Legal Debt Margin as a Percentage of the Debt Limit</b>	86.22%	87.45%	89.21%	88.45%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$ 42,760,795</u>	<u>\$ 43,191,448</u>	<u>\$ 45,625,452</u>	<u>\$ 45,426,615</u>
<b>Total Gross Indebtedness</b>	\$ 70,318,529	\$ 64,011,620	\$ 64,251,738	\$ 64,936,070
Less:				
General Obligation Bonds - Enterprise	(3,218,282)	(4,225,645)	(5,177,681)	(5,727,803)
Special Assessment Bonds	(1,415,685)	(1,675,983)	(1,928,697)	(2,055,283)
Notes Payable	0	0	0	0
OPWC Loans	(188,333)	(70,000)	(76,666)	(83,333)
OWDA Loans	(232,081)	(237,675)	0	0
OWDA Loans - Enterprise	(46,068,004)	(40,682,410)	(39,988,768)	(38,472,429)
Mortgage Revenue Bonds	(6,210,000)	(6,595,000)	(7,545,000)	(8,460,000)
General Obligation Bond Retirement Fund Balance	(1,737,434)	(177,555)	(138,247)	(119,200)
<b>Net Debt Within 5 ½ % Limitations</b>	<u>11,248,710</u>	<u>10,347,352</u>	<u>9,396,679</u>	<u>10,018,022</u>
<b>Unvoted Legal Debt Margin Within 5 ½ % Limitations</b>	<u>\$ 31,512,085</u>	<u>\$ 32,844,096</u>	<u>\$ 36,228,773</u>	<u>\$ 35,408,593</u>
<b>Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation</b>	73.69%	76.04%	79.40%	77.95%

Source: City Financial Records



2010	2009	2008	2007	2006	2005
<u>\$ 817,590,679</u>	<u>\$ 862,936,929</u>	<u>\$ 860,876,802</u>	<u>\$ 847,954,022</u>	<u>\$ 781,185,523</u>	<u>\$ 757,742,610</u>
85,847,021	90,608,378	90,392,064	89,035,172	82,024,480	79,562,974
\$ 9,725,770	\$ 10,234,263	\$ 4,858,877	\$ 5,175,065	\$ 5,472,691	\$ 5,767,115
6,535,221	7,294,431	8,025,710	8,725,728	9,212,729	9,912,105
2,271,423	2,404,937	2,602,537	2,794,011	2,975,485	3,153,759
0	0	0	0	0	0
90,000	100,000	0	0	0	0
65,835	126,919	183,599	236,193	284,994	330,277
33,899,521	15,141,625	12,335,034	10,520,581	11,197,531	8,820,052
9,340,000	10,195,000	11,020,000	11,825,000	12,605,000	13,360,000
<u>61,927,770</u>	<u>45,497,175</u>	<u>39,025,757</u>	<u>39,276,578</u>	<u>41,748,430</u>	<u>41,343,308</u>
(6,535,221)	(7,294,431)	(8,025,710)	(8,725,728)	(9,212,729)	(9,912,105)
(2,271,423)	(2,404,937)	(2,602,537)	(2,794,011)	(2,975,485)	(3,153,759)
0	0	0	0	0	0
(90,000)	(100,000)	0	0	0	0
(65,835)	(126,919)	(183,599)	(236,193)	(284,994)	(330,277)
(33,899,521)	(15,141,625)	(12,335,034)	(10,520,581)	(11,197,531)	(8,820,052)
(9,340,000)	(10,195,000)	(11,020,000)	(11,825,000)	(12,605,000)	(13,360,000)
(96,386)	0	0	0	0	0
<u>9,629,384</u>	<u>10,234,263</u>	<u>4,858,877</u>	<u>5,175,065</u>	<u>5,472,691</u>	<u>5,767,115</u>
<u>\$ 76,217,637</u>	<u>\$ 80,374,115</u>	<u>\$ 85,533,187</u>	<u>\$ 83,860,107</u>	<u>\$ 76,551,789</u>	<u>\$ 73,795,859</u>
88.78%	88.70%	94.62%	94.19%	93.33%	92.75%
\$ 44,967,487	\$ 47,461,531	\$ 47,348,224	\$ 46,637,471	\$ 42,965,204	\$ 41,675,844
\$ 61,927,770	\$ 45,497,175	\$ 39,025,757	\$ 39,276,578	\$ 41,748,430	\$ 41,343,308
(6,535,221)	(7,294,431)	(8,025,710)	(8,725,728)	(9,212,729)	(9,912,105)
(2,271,423)	(2,404,937)	(2,602,537)	(2,794,011)	(2,975,485)	(3,153,759)
0	0	0	0	0	0
(90,000)	(100,000)	0	0	0	0
(65,835)	(126,919)	(183,599)	(236,193)	(284,994)	(330,277)
(33,899,521)	(15,141,625)	(12,335,034)	(10,520,581)	(11,197,531)	(8,820,052)
(9,340,000)	(10,195,000)	(11,020,000)	(11,825,000)	(12,605,000)	(13,360,000)
(96,386)	0	0	0	0	0
<u>9,629,384</u>	<u>10,234,263</u>	<u>4,858,877</u>	<u>5,175,065</u>	<u>5,472,691</u>	<u>5,767,115</u>
<u>\$ 35,338,103</u>	<u>\$ 37,227,268</u>	<u>\$ 42,489,347</u>	<u>\$ 41,462,406</u>	<u>\$ 37,492,513</u>	<u>\$ 35,908,729</u>
78.59%	78.44%	89.74%	88.90%	87.26%	86.16%

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (5)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>	<u>Educational Attainment: Bachelor's Degree or Higher (1)</u>
2014	22,581	\$922,614,498	\$40,858	\$77,060	41.9	49.3%
2013	22,581	922,614,498	40,858	77,060	41.9	49.3%
2012	22,581	922,614,498	40,858	77,060	41.9	49.3%
2011	22,581	922,614,498	40,858	77,060	41.9	49.3%
2010	22,581	922,614,498	40,858	77,060	41.9	49.3%
2009	18,145	586,736,720	32,336	65,988	38.4	43.0%
2008	18,145	586,736,720	32,336	65,988	38.4	43.0%
2007	18,145	586,736,720	32,336	65,988	38.4	43.0%
2006	18,145	586,736,720	32,336	65,988	38.4	43.0%
2005	18,145	586,736,720	32,336	65,988	38.4	43.0%

(1) Source: U. S. Census

(a) Years 2004 through 2009 - 2000 Federal Census

(b) Years 2010 through 2014 - 2010 Federal Census

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

(3) Source: Ohio Labor Market Information ([www.ohiolmi.com](http://www.ohiolmi.com)) using annual averages per year

(4) Source: Lorain County Auditor

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

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School Enrollment (2)	Lorain County Unemployment Rate (3)	Average Value of Residential Property (4)	Total Assessed Property Value (4)
3,543	5.7%	\$218,758	\$ 777,469,000
3,575	8.1%	217,034	785,299,050
3,718	8.1%	217,406	829,553,680
3,781	8.3%	231,737	825,938,460
3,689	9.4%	230,941	817,590,679
3,616	9.9%	230,180	862,936,929
3,487	7.2%	239,740	860,876,802
3,446	6.3%	236,930	847,954,022
3,401	5.9%	233,540	781,185,523
n/a	5.8%	202,960	757,742,610

**City of Avon Lake, Ohio**  
*Principal Municipal Income Tax Withholders*  
*Current and Seven Years Ago (1)*

**2014**

Employer	Number of Employees
Ford Motor Company	2,158
Avon Lake City Schools	799
Polyone Corporation	647
City of Avon Lake	391
Lubrizol Advances Materials	216
Grace Management Svcs Inc	190
Thogus Products	184
Riser Foods Company/DBA	168
Western Scott Fetzer Co Inc	155
Watteredge LLC	129
<b>Total</b>	<b>5,037</b>
Total Estimated Employment within the City	N/A

**2007 (1)**

Employer	Number of Employees
Ford Motor Company	2,404
Avon Lake City Schools	764
Polyone Corporation	603
Babcock & Wilcox Construction	377
City of Avon Lake	339
CEVA Logistics US	236
Lubrizol Advances Materials	190
Discount Drug Mart	190
Watteredge LLC	138
Orion Power Operating Services	115
<b>Total</b>	<b>5,356</b>
Total Estimated Employment within the City	N/A

Source: Regional Income Tax Agency (RITA)

(1) - Information prior to 2007 is unavailable

N/A - Information not available

**City of Avon Lake, Ohio**  
*Full-Time City Employees by Function/Program*  
*Last Five Years (1)*

Function/Program	2014	2013	2012	2011	2010
<b>General Government</b>					
Council	5.00	5.00	5.00	5.00	5.00
Finance	6.50	5.00	4.50	4.50	5.50
Law	2.50	3.00	3.50	3.00	3.50
Administration	3.00	3.00	5.00	3.00	3.00
Engineer	5.50	5.00	5.00	4.50	5.00
Court	8.50	6.50	6.50	6.50	7.50
<b>Security of Persons and Property</b>					
Police	34.00	33.00	32.00	31.50	31.00
Police - Dispatchers/Office/Other	15.50	13.50	15.50	14.00	14.00
Police - Animal Wardens	0.50	1.00	0.50	0.50	0.50
Fire	28.00	28.00	29.00	29.00	30.00
Fire - Secretary - Other	2.00	2.00	2.00	2.00	2.00
<b>Leisure Time Activities</b>					
Recreation	24.50	27.50	24.50	24.50	27.00
Municipal Pool	46.50	51.00	45.50	40.00	35.00
Cable Television	4.50	4.00	3.50	4.00	4.50
<b>Community Environment</b>					
Building	5.00	7.00	4.50	5.00	5.00
Economic Development	0.50	0.50	-	-	-
<b>Transportation</b>					
Service	27.50	27.00	31.00	28.00	25.50
Streets	11.50	11.00	11.00	11.00	12.50
<b>Basic Utility Services</b>					
Water	21.00	23.00	19.00	22.50	21.00
Sewer	27.50	25.50	32.50	26.50	30.50
<b>Totals:</b>	<u>279.50</u>	<u>281.50</u>	<u>280.00</u>	<u>265.00</u>	<u>268.00</u>

**Source:** City Payroll Department

**Method:** Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

(1) Information prior to 2010 is not available

**City of Avon Lake, Ohio**  
*Operating Indicators by Function/Program*  
*Last Ten Years*

Function/Program	2014	2013	2012
<b>General Government</b>			
<i>Council and Clerk</i>			
Number of Ordinances Introduced	148	157	148
Number of Resolutions Introduced	18	13	22
 <i>Finance Department</i>			
Number of checks issued	5,020	4,921	4,951
Amount of checks issued	\$ 23,547,741	\$ 18,807,358	\$ 18,060,712
 <b>Community Environment</b>			
<i>Building Department Indicators</i>			
Construction Permits Issued	1,786	1,431	1,117
Estimated Value of Construction	\$ 39,275,086	\$ 44,513,459	\$ 38,500,941
Amount of Revenue generated from permits	\$ 275,925	\$ 309,563	\$ 237,941
Number of contract registrations issued (A)	747	695	656
Annual Apartment/Rooming House License Fees (B)	0	0	0
Revenue generated from above (A, B)	\$ 75,775	\$ 47,575	\$ 43,477
 <b>Security of Persons &amp; Property</b>			
<i>Police</i>			
Total Calls for Services	14,882	13,057	12,444
Number of traffic citations issued	434	438	489
Number of parking citations issued	227	144	191
Number of criminal arrests	717	596	405
Number of accident reports completed	298	375	311
Part 1 Offenses (major offenses)	71	37	33
Animal Warden service calls responded to per annual report	105	128	115
DUI Arrests	48	40	43
Prisoners	341	282	319
Prisoner meal costs	\$ 926	\$ 2,227	\$ 1,029
Property damage accidents	52	63	74
Fatalities from Motor Vehicle Accidents	0	0	0
 <i>Fire</i>			
Fire Calls	48	35	65
Overpressure, Overhear (no fire)	3	1	0
Rescue & EMS Incident	1,423	1,416	1,476
Hazardous Condition (no fire)	71	62	70
Service Call	294	233	224
Good Intent Call	91	80	91
False Alarm & False Call	211	174	182
Severe Weather & Natural Disaster	0	3	4
Special Incident Type	1	4	9
Miscellaneous Calls	0	0	0
Total Calls	<u>2,142</u>	<u>2,008</u>	<u>2,121</u>
Number of times Mutual Aid given to Fire and EMS	59	58	58
Number of times Mutual Aid received for Fire and EMS	44	37	61

2011	2010	2009	2008	2007	2006	2005
123	104	105	n/a	n/a	n/a	n/a
19	26	21	n/a	n/a	n/a	n/a
5,105	5,120	4,963	4,819	4,786	5,017	4,987
\$ 23,132,288	\$ 21,580,223	\$ 21,755,452	\$ 19,384,724	\$ 17,151,900	\$ 16,612,235	\$ 16,091,725
1,036	1,662	906	980	1,113	1,115	1,173
\$ 32,298,388	\$ 49,964,911	\$ 30,158,897	\$ 57,517,152	\$ 65,254,112	\$ 66,609,676	\$ 112,107,438
\$ 192,688	\$ 269,941	\$ 183,048	\$ 375,113	\$ 386,443	\$ 431,772	\$ 545,496
743	810	734	606	770	884	797
0	0	0	0	0	0	0
\$ 49,650	\$ 54,140	\$ 47,931	\$ 39,800	\$ 49,725	\$ 56,250	\$ 50,575
13,866	14,005	14,308	14,902	14,737	14,588	13,931
397	514	534	408	450	545	718
137	90	268	150	201	160	168
412	460	344	523	535	509	343
352	345	291	355	377	374	266
49	33	53	56	64	30	31
94	184	194	513	308	155	540
36	56	53	36	43	75	67
283	391	342	392	450	433	425
n/a	n/a	n/a	n/a	n/a	n/a	n/a
43	92	54	46	140	122	66
0	0	0	0	0	0	1
50	58	61	n/a	n/a	n/a	n/a
1	1	1	n/a	n/a	n/a	n/a
1,443	1,364	1,390	n/a	n/a	n/a	n/a
107	81	47	n/a	n/a	n/a	n/a
229	203	139	n/a	n/a	n/a	n/a
126	78	62	n/a	n/a	n/a	n/a
197	170	162	n/a	n/a	n/a	n/a
0	3	0	n/a	n/a	n/a	n/a
5	3	4	n/a	n/a	n/a	n/a
0	0	0	n/a	n/a	n/a	n/a
2,158	1,961	1,866	0	0	0	0
67	45	52	n/a	n/a	n/a	n/a
50	51	37	n/a	n/a	n/a	n/a

(Continued)

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

Function/Program	2014	2013	2012
<b>Leisure Time Activities</b>			
<i>Recreation</i>			
Pool:			
Total Attendance	75,761	39,784	51,810
Total Admission Income	\$ 150,363	\$ 137,257	\$ 143,946
Total Pass Sales	930	641	642
Total Pool Parties	41	55	53
Total Pool Party Income	\$ 6,158	\$ 8,160	\$ 8,348
Other Recreation Programs:			
Total Income from Sport related Programs	\$ 70,207	\$ 49,972	\$ 41,000
Total Income from Non-Sport related Programs	\$ 3,940	\$ 4,039	\$ 4,112
Total Income from Food Programs	\$ 2,421	\$ 2,972	\$ 2,568
Total Income from Youth & Family related Programs	\$ 892	\$ 2,723	\$ 3,134
Rental of Facilities:			
Total Income from Pavilion Rentals	\$ 9,325	\$ 9,475	\$ 8,500
Total Income from Lake House Rentals	\$ 40,972	n/a	\$ 37,135
<i>Cable Television</i>			
Bulletin Boards	544	350	229
Program Hours	386h 33m	414h 35m	387h 29m
Community Producers	20	21	17
Series:			
Public	15	12	12
Government	12	11	11
One Time/Specials:			
Public	16	15	11
Government	39	33	22
Studio Tours	1	1	5
Public Editor Used	6	11	13
<b>Water</b>			
Water rates per 1000 gallons, 1st 50,000 gallons of water used (2)	\$ 1.68	\$ 1.61	\$ 1.55
Total accounts within Avon Lake	8,311	8,251	8,192
Bulk customers outside of Avon Lake	7	7	7
Total water sales (billions of gallons)	6.831	7.159	8.086
Average daily production (millions of gallons)	19	20	22
Total miles of water line in Avon Lake	134	133	133
Total water revenues from within Avon Lake	\$ 1,557,478	\$ 1,493,529	\$ 1,563,952
Total water revenues from bulk customers outside of Avon Lake	\$ 7,860,528	\$ 7,320,250	\$ 7,557,323
<b>Sewer</b>			
Wastewater rates per 1000 gallons	\$ 3.39	\$ 3.17	\$ 2.84
Total accounts within Avon Lake	8,140	8,054	7,990
Bulk customers outside of Avon Lake	2	2	2
Total flow of wastewater treatment plant (billions of gallons)	1.699	1.942	2.042
Average daily flow (millions of gallons per day)	5	5	6
Tons of dry sludge removed	2,492	7,245	8,426
Total miles of sanitary and combined sewer in Avon Lake	103	102	102
Total wastewater pumping stations in Avon Lake	5	5	5
Total wastewater revenues from within Avon Lake	\$ 3,247,971	\$ 3,019,221	\$ 2,900,898
Total wastewater revenues from bulk customers outside of Avon Lake	\$ 444,078	\$ 411,844	\$ 385,622

Source: Information provided by the City's various departments.



	2011	2010	2009	2008	2007	2006	2005
	25,871	27,283	6,885	9,715	8,573	9,158	n/a
\$	140,962	\$ 119,160	\$ 36,969	\$ 58,327	\$ 58,847	\$ 57,743	\$ 67,812
	793	555	300	354	401	503	602
	46	59	9	23	n/a	n/a	n/a
\$	10,066	\$ 8,850	\$ 1,350	\$ 995	n/a	n/a	n/a
\$	34,626	\$ 35,079	\$ 21,432	\$ 17,210	\$ 8,023	\$ 9,315	\$ 13,457
\$	6,283	n/a	n/a	n/a	n/a	n/a	n/a
\$	2,948	n/a	n/a	n/a	n/a	n/a	n/a
\$	2,317	\$ 1,987	\$ 2,605	n/a	n/a	n/a	n/a
\$	8,000	n/a	n/a	n/a	n/a	n/a	n/a
\$	35,168	n/a	n/a	\$ 21,460	\$ 17,286	\$ 15,805	\$ 15,525
	386	306	334	227	392	204	295
	392h 40m	376h 31m	315h 16m	465h 55m	n/a	n/a	n/a
	16	11	15	24	19	20	12
	13	13	15	20	14	19	17
	12	11	15	15	9	9	8
	7	11	11	10	14	18	20
	23	21	22	30	23	24	22
	0	0	3	3	n/a	n/a	n/a
	7	3	13	80	n/a	n/a	n/a
\$	1.37	\$ 1.19	\$ 1.19	\$ 1.19	\$ 1.10	\$ 1.10	\$ 1.10
	8,124	8,082	8,034	7,962	7,884	7,748	7,557
	7	7	7	7	7	7	7
	7.548	7.532	7.314	7.676	8.207	7.515	7.784
	21	21	21	22	23	21	22
	132	131	131	131	130	128	126
\$	1,315,101	\$ 1,279,250	\$ 1,134,044	\$ 1,212,929	\$ 1,214,969	\$ 1,131,490	\$ 1,218,150
\$	6,306,417	\$ 6,020,174	\$ 5,960,861	\$ 6,054,225	\$ 5,924,925	\$ 5,510,386	\$ 5,619,172
\$	2.51	\$ 2.18	\$ 2.18	\$ 2.18	\$ 1.98	\$ 1.98	\$ 1.98
	7,929	7,885	7,831	7,768	7,684	7,548	7,366
	2	1	1	1	1	1	1
	2.229	1.760	1.663	1.835	1.688	1.602	1.582
	6	5	5	5	5	4	4
	6,768	5,730	6,191	5,471	5,747	5,050	4,870
	102	101	101	97	95	92	90
	5	5	5	5	5	5	5
\$	2,590,456	\$ 2,425,504	\$ 2,255,238	\$ 2,302,068	\$ 2,298,781	\$ 2,202,310	\$ 2,276,864
\$	323,587	\$ 257,500	\$ 252,431	\$ 240,316	\$ 153,665	\$ 131,927	\$ 114,568

**City of Avon Lake, Ohio**  
*Capital Asset Statistics by Function/Program*  
*Last Six Years (1)*

Function/Program	2014	2013	2012	2011	2010	2009
<b>General Government</b>						
Administrative Building	1	1	1	1	1	1
<b>Police</b>						
Stations	1	1	1	1	1	1
Vehicles	31	26	24	24	23	24
<b>Fire</b>						
Stations	1	1	1	1	1	1
Vehicles	15	13	13	11	11	11
Personal Water Craft (PWC)	2	2	2	2	2	2
<b>Recreation</b>						
Number of Parks	14	14	14	14	14	14
Parks (in acres)	226	226	226	226	226	226
Number of Lighted Tennis Courts (1 location)	4	4	4	4	4	4
Baseball/Softball Diamonds (2 locations)	11	11	11	11	11	11
Pool	1	1	1	1	1	1
<b>Transportation</b>						
Streets (miles)	117	116	114	113	108	108
<b>Water</b>						
Water Lines (miles)	134	133	133	132	131	131
<b>Sewer and Storm Sewer</b>						
Sanitary Sewers (miles)	103	102	102	102	101	101
Storm Sewers (miles)	88	87	86	86	86	86

Source: City's Department records

(1) - Information prior to 2009 is unavailable.



# Dave Yost • Auditor of State

CITY OF AVON LAKE

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 8, 2015