

**CITY OF AVON  
LORAIN COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2005**



**Auditor of State  
Betty Montgomery**



CITY OF AVON  
LORAIN COUNTY

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## Auditor of State Betty Montgomery

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

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

To the Members of City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Avon, Lorain County, Ohio, (the City) as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 20, 2006, wherein we noted the City implemented Governmental Accounting Standards Board Statement Nos. 40, 42, and 44, and restated the net assets of the Governmental and the Business-Type Activities and the fund balances of the Governmental Funds as of December 31, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the City's management dated June 20, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2005-001. In a separate letter to the City's management dated June 20, 2006, we reported other matters related to noncompliance we deemed immaterial.

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801  
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

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

We intend this report solely for the information and use of management and City Council. It is not intended for anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

June 20, 2006

**CITY OF AVON  
LORAIN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005**

**FINDING 2005-001**

**DEFICIT FUND BALANCES**

Ohio Rev. Code Section 5705.10 requires that monies paid into any fund be used only for the purposes for which such fund is established. The City had deficit fund balances in the following funds at the end of the specified months:

<u>FUND</u>	<u>MONTH ENDING</u>	<u>DEFICIT</u>
Water Tower Reconditioning Fund	January 2005	\$(51,199)
	February 2005	(51,199)
	March 2005	(51,199)
	April 2005	(109,299)
	May 2005	(109,299)
Police Fund	January 2005	(171,382)
Recycling Fund	February 2005	(4,036)
Land Purchase/Our Lady of the Wayside Fund	April 2005	(88,078)
	May 2005	(88,078)
General Fund	June 2005	(1,228,502)
Schneider Court Roadway Fund	August 2005	(12,121)
	September 2005	(64,823)
	October 2005	(83,984)
	November 2005	(90,017)
	December 2005	(90,017)

Deficit cash fund balances are an indication that revenues from other sources were used to pay obligations of these funds. Fund activity should be monitored to prevent future expenditures in excess of available resources. In those cases where additional funds are required, the resources should either be transferred or advanced to the fund in accordance with the Ohio Rev. Code and Auditor of State Bulletin 97-003.

**CLIENT'S RESPONSE**

The Water Tower Reconditioning Fund, Police Fund, Recycling Fund, Land Purchase/Our Lady of the Wayside Fund and General Fund required accounting transfers be made from other funds. The appropriations for the transfers had been approved by the legislative authority. Transfers are made in due process of scheduling work priorities.

Schneider Court Roadway Fund project was financed with bond anticipation notes. The City borrowed approximately one million dollars for the roadway project and a water and sewer project at the same site. Two funds were set up to account for the two projects. However, the contractor submitted commingled invoices for the two projects causing expenses to be charged to one fund instead of two funds. Capital costs for the two projects were reconciled at the end of the project. One fund (Schneider Court Roadway Fund) went negative while the second fund had the offsetting positive balances necessary to balance the two projects. The funds set up in the second project fund (water and sewer project) were transferred at the end of the project to the roadway project fund.





**City of Avon, Ohio**

*Comprehensive Annual Financial Report*

For The Year Ended December 31, 2005

Prepared by:

Office of the Director of Finance

Robert F. Hamilton  
Director of Finance



**City of Avon, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2005*  
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# CITY OF AVON

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

June 26, 2006

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

We are pleased to submit the fifteenth Comprehensive Annual Financial Report (CAFR) prepared by the Finance Office of the City of Avon. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data as presented is accurate in all material respects and that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included. We make special note of the fact that this report incorporates for the fifth year, the City's implementation of the GASB Statement 34 reporting model.

This report will provide the taxpayers of Avon with comprehensive financial data in a format which will enable them to gain an understanding of the City of Avon's financial status. Copies will be made available to the Chamber of Commerce, major taxpayers, the Avon Branch of the Lorain Public Library, financial rating services and other interested parties.

The comprehensive annual financial report is presented in three sections:

1. The Introductory Section, which contains a Table of Contents, the Letter of Transmittal, a list of City's principal officials and department heads, an organizational chart and the GFOA Certificate of Achievement.
2. The Financial Section, which contains the Independent Accountants' Report, the Basic Financial Statements, which include explanatory notes and provide an overview of the City's financial position and operating results, and the Combining and Individual Fund Statements and Schedules that provide detailed information relative to the Basic Financial Statements.
3. The Statistical Section, which presents various tables reflecting social and economic information, financial trends and the fiscal capacity of the City of Avon.

## Reporting Entity

For financial purposes, the City includes all funds that comprise the primary government and all agencies, boards and commissions for which the City is financially accountable. The City is financially accountable for an organization if the organization is fiscally dependent on the City or if the City appoints a majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the City. The ability to impose its will on the organization exists if the City can either remove members of the governing board at will, modify or approve the organization's budget, modify or approve rates or fees, modify or overrule decisions of the organization's governing body, or appoint, hire, reassign or dismiss persons responsible for management of the organization's day-to-day activities. A financial benefit exists if the City is legally entitled to or can otherwise access the organization's assets. A financial burden exists if

the City is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization, or if the city is obligated in some manner for the debt of the organization. No component units have been included in the City's reporting entity.

The City is associated with the Lorain County General Health District and the Northeast Ohio Public Energy Council (NOPEC). These are jointly governmental organizations and are presented in Note 16.

### **The City of Avon**

The City of Avon is located in Lorain County in northwestern Ohio, 22 miles west of downtown Cleveland. The City is bound on the north by the City of Avon Lake, on the east by the City of Westlake, on the west by the Village of Sheffield, and on the south by the City of North Ridgeville. The City covers 20.5 square miles, or a total of 16,000 acres. Avon is between 625 and 700 feet above sea level. The French Creek waterway runs throughout the City's relatively flat topography.

The first permanent settlement in Avon was established in 1814 by three families from Montgomery County, New York. Other families from New England followed in the years between 1815 and 1824, and in 1833, several families arrived from Bavaria, Germany.

Early industries included saw mills, a grist mill, and by the 1850's, a steam saw mill, a steam flouring mill, and a wagon manufacturer were established industries. Farms and orchards produced abundant harvests to give Avon the name of "garden spot of America".

Avon was incorporated as a village in 1917 and officially made a City in 1961. Avon has carefully maintained its attractive rural features while allowing for controlled growth. The Old Town Hall was constructed in 1871 and served as the official gathering place where Village business was conducted.

The second Avon Municipal Building was built in 1958 at an approximate cost of \$100,000. At that time, the City's population was estimated to be 4,500. According to the 2000 census, the City's population was 11,466, although current projections have the population set closer to 15,000. In late 1997, the City purchased a new City hall building on Chester Road and turned the Avon Municipal Building into the police department facility.

On May 27, 1965, the seal of the City of Avon was designed and presented by the Avon Chamber of Commerce. The cornucopia pictured on the City's seal (see front cover) represents the abundance of food found here from the pioneer days to the present. Although Avon has experienced many changes in its long history, it is still known for its rich soil - a source of wealth for the growing of vegetables, fruits and flowers. Avon's future still lies in its largely undeveloped acres, promising future residential, agricultural, and industrial growth.

Long known for its many greenhouses, Avon has also become noted as a major center for antiques with several stores housed in century old homes within the French Creek Historic District. Annually, the French Creek Antiques Association sponsors the Christmas Candlelight Walk which brings scores of visitors to Avon.

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

Three daily newspapers, *The Plain Dealer*, *The Morning Journal*, and the *Elyria Chronicle-Telegram* and two weekly newspapers, *The Press* and *The Sun*, serve the City.

The City has two new shopping centers, Avon Commons and French Creek Square, located in the center of town. In addition, several large shopping centers are located within ten minutes of the City; Avon Lake, two miles; North Ridgeville, six miles, the Promenade and Crocker Park in Westlake, two miles; Great Northern



Shopping Center, North Olmsted, ten miles and Midway Mall, Elyria, eight miles. Located within the City are branches of First Merit Bank, Fifth Third Bank, The First Federal Savings of Lorain, Parkview Federal Savings Bank, First Federal of Lakewood, National City Bank, Dollar Bank and Lorain National Bank.

St. John Westshore Hospital, Westlake and Community Health Partners Hospital, Lorain, are located within six miles of the City while Elyria Memorial Hospital is within ten miles of the City. The Cleveland Clinic is approximately twenty-five miles from the City. In 1999 Elyria Memorial Hospital constructed a new Center for Health and Fitness and is recognized as the premier medical based facility in Northeast Ohio. It encompasses special programming and services, including cardiac rehab program, integrated weight management and Bariatric services, Sports Therapy and outpatient testing services.

Institutions of higher education within Lorain County include Lorain County Community College in Elyria, approximately five miles west of Avon; Southeastern Business College in Lorain, approximately twelve miles west of the City, and Oberlin College in Oberlin, approximately twenty miles south of Avon. Both Lorain County Community College and Southeastern Business College are junior colleges (two-year degree programs and/or certificate studies), and Oberlin College is a four-year institution with a fine arts discipline. Lorain County Community College is a public institution while Southeastern Business College and Oberlin College are proprietary schools. Lorain County Community College offers a University Partnership Program where students can coordinate their educational program with a number of universities including: University of Akron, Ashland University, Cleveland State University, Kent State University, Ohio State University and Youngstown State University.

### **City Government**

Avon was founded in 1814, incorporated as a village in 1917, and achieved City status in 1961. Avon is a Charter Municipal Corporation established and operated under the laws of the State of Ohio. A charter was first adopted by the electorate on May 2, 1961. The charter provides for a Mayor-Council form of government. The elected officials consist of a Mayor and seven council members.

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

Legislative authority is vested in a seven-member council with four members elected from wards and three elected at large. The member receiving the greatest number of votes becomes the president. Council enacts ordinances and resolutions relating to tax levies, appropriates and borrows money, and accepts bids for materials and services and other municipal purposes. Members of Council are elected to a two-year term.

The City provides a full range of municipal services. These services include police, fire, emergency rescue, recreation and parks, a Mayor's Court, water and sewer utility, planning, zoning and general administrative services.

### **Employee Relations**

The City has 154 employees; 101 are full-time, and 47 are part-time and 6 are seasonal. Full-time employees may join one of the collective bargaining units for their group as determined by the State Employee Relations Board (SERB). The four unions in the City are:

<u>Name</u>	<u>Contract Expires</u>	<u>Membership</u>
AFSCME Local #277 Fraternal Order of Police, Dispatchers & Sergeants	December 31, 2006	28
Teamsters Local #52	December 31, 2005	29
International Assoc. of Fire Fighters, Local 4310	November 30, 2006	6
	December 31, 2007	19

## **Economic Conditions and Outlook**

During 2005, the City experienced a period of amazing growth in the construction of residential, commercial and industrial development. The economic outlook appears to be very aggressive. Below are highlights regarding residential and commercial/industrial growth within the City of Avon.

Residential - The number of new single-family home permits for the year 2005 was 344 with a valuation of \$92,479,289 compared to 391 single-family home permits issued the previous year with a valuation of \$112,171,053. Duplex construction consisted of 6 structures with 12 units and a value of approximately \$1,721,000.

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

Commercial/Industrial - Commercial permits were issued with a valuation of \$22,680,246. Contributing to the growth of commercial permits with continuing development was the Avon Commons, the opening of Heritage South School, Hope Christian Church, Ethan Allen Furniture, Dollar Bank, KeyBank, Fifth Third Bank, Cold Stone Creamery, Moe's Grill, Cousin's Cigar, Malley's Chocolate, Tri Tech Medical, Silk Stone Orthodontics, Elyria Memorial Hospital, North Coast Bearing addition, Kopf's Mini Storage, Bearing Technologies, the construction of the St. Mary of the Woods complex and DM Foods.

Assessed Valuation - The assessed valuation of the City of Avon has been growing steadily over the past ten years, as can be seen in the Statistical Section of this report. The assessed valuation grew from \$510,089,580 in 2004 to \$570,244,615 in 2005, primarily due to the expansion of industry and residential construction.

## **Major Initiatives**

In 2005, the City of Avon addressed several major initiatives and planned for many others in 2006 and beyond. All departments met important goals in 2005. The following summarizes the departments' accomplishments.

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

The City's newly adopted full-time fire department is averaging over 100 calls per month (both fire and rescue squad). With the new Elyria Memorial Hospital emergency facility in our City, it has cut down response time and keeps our units more available for back-to-back calls. The department continues to transport to other area hospitals upon request.

Many safety concerns are being addressed through the widening of streets, the addition of new turn lanes at major intersections and new street lights where needed. For further safety and better response time of the police and fire departments, the City has also passed an ordinance for "No Parking on Hydrant Side of Street". The City continued to address all safety concerns in 2005 and for the future.

The City has adopted a property maintenance code to address dilapidated and unsafe buildings and other structures.

*Police Department*– In 2005 the Police Department logged 20,992 calls for police service. One patrol officer has been added to the department to keep our personnel at 26 sworn and 6 civilian.

The Police Department's Chief, John Vilagi retired and Captain Paul Romond has taken over as the new Police Chief. Sergeant Rich Bosley was promoted to the Captain's position, assisting the Chief in the daily operations of the Police Department.

The Police Department has continued to upgrade its equipment within the station and within the patrol cars. As well as adding new patrol cars when needed. The dispatch software has been upgraded and attempts are being made to make the Mobile Data Terminals within the cruisers more compatible with dispatch.

Police Department personnel have been provided additional training to keep them up to date and to better serve and protect the community. Additional training was given in crash investigation, evidence collection and processing, criminal investigations and supervision.

Two of the Department's accident investigators were sent to and completed training as accident reconstructioners. These officers will be able to better assist other officers investigating serious injury and fatality crashes.

Two more officers have completed evidence technician training bringing the departments total number of evidence technicians to five.

Three 2005 patrol cars have been added to the fleet in order to replace the older cars with high mileage. The Police Department is in a gradual transition from the old silver patrol cars to the new black and white cars. The new black and white cars are more easily recognized as patrol cars by the citizens. The Department is also changing to new LED (light emitting diode) lightbars on the cruisers. The new lightbars are more visible and do not put as much of a strain on the cruisers' electrical system that are heavily taxed due to additional equipment.

The Police Department has continued to work with various businesses within the City by providing officers to attend their fairs, functions, outings and programs along with the Kid Print Identification system.

The Detective Bureau has been reassigned a larger office within the station to better accommodate two detectives and their workload which continues to increase as the City grows in size both residentially and commercially.

Three additional tasers (less lethal weapon) were purchased and added to the numerous tools that officers have available to them. The tasers offer officers another alternative in certain deadly force, non-compliant and violent subject situations.

*Fire and Emergency Rescue Departments* – The Avon Fire Department is a fulltime department operating 3 shifts with 5 Firefighters/Paramedics and 1 Lieutenant for each shift. Daily operations consist of a Captain/Training Officer, Dispatcher/Secretary, Assistant Chief/Fire Marshall and the Chief. In 2005 the Fire Department flushed 1,607 hydrants from May through August with no major problems occurring.

All self-contained breathing apparatus were checked and serviced by Warren Fire Equipment and found to be fully operational. The breathing air compressor was serviced and checked by Breathing Air Systems. Air samples are taken four times a year to assure that the breathing air meets all standards for the self-contained breathing apparatus and air tanks for divers. The breathing apparatus were upgraded to Rapid Intervention Team (R.I.T.) specification with the addition of integrated pass devices and R.I.T. connectors and heads up displays.

American Test Center conducted their annual test of all ladders used at the Fire Department with no problems being found.

The 1972 FMC Pumper, 1990 FMC Pumper and 1999 U. S. Tanker Pumper had their yearly pump test at William Detroit Diesel and pumped at rated capacity. Fire Truck Specialities completed the yearly maintenance on the apparatus portion of the 1972 FMC Pumper, the 1990 FMC Pumper and 1999 U. S. Tanker Pumper. Dunlap's did the yearly maintenance and completed the Federal Department of Transportation inspections on the following vehicles: 1972 FMC Pumper, 1990 FMC Pumper, 1999 U. S. Tanker Pumper, 1990 International Heavy Rescue, 1992 Ford Squad, 2000 Ford Squad and 2004 Ford Squad. Reports were placed on file at the Fire Department.

Yearly inspections were completed on all businesses and industries. The Fire Prevention Bureau's annual report indicated 415 inspections were performed throughout the City for the year 2005.

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

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

The Fire Department is affiliated with the Lorain County Dive Team, Lorain County Haz-Mat Team, USAR Team (Urban Search and Rescue) and Lorain County Water Shuttle. Members are additionally trained in Confined Space and Rope Rescue.

Due to the opening of the AECC (Avon Emergency Care Center) and the possibility of need for a critical patient transport to a hospital, 18 members of the Fire Department took the Critical Intensive Paramedic Course and Squad 452 was upgraded to a Critical Care Ambulance.

An additional weather alert siren was installed at Veterans Park. The siren at the Fire Department and Veterans Park will sound simultaneously.

The Fire Department became completely NIMS (National Incident Management System) compliant. All officers and firefighters completed ICS (Incident Command System) Courses 100, 700 and 800. Officers also completed ICS 200.

*Building Department* - The Building Department issued permits for 344 single-family dwellings, 6 duplexes consisting of 12 units and 2 townhouse buildings consisting of a total of 10 units with a valuation of \$94,200,289 not including infrastructure. The Commercial/Industrial permits issued were 316 with an approximate value of \$22,680,246. A total of 1,013 permits were issued for the year 2005 which include residential (new and remodeling), commercial, miscellaneous and zoning permits at an estimated construction cost of \$123,988,313.

The Building Department conducted thousands of inspections for the year 2005 with a staff consisting of a Chief Building Official, five Field Inspectors, and one fulltime Residential Plan Examiner/Inspector. The Building Department staff also includes 2 fulltime clerks and 2 part-time clerks along with a full-time Zoning Enforcement Officer.

Multiple projects have contributed to the growth of the City of Avon for the year 2005. The first being the shopping plazas in the City as they continue to develop. The shopping plaza known as French Creek has expanded with the addition of five more tenant spaces – *Jamie's Carpet*, *The Mutual Fund Store*, *Postal Connection*, *Portrait Innovations* and *Ultra Tan*. The shopping plaza, 2100 Center Shopping Center, has

added tenants including *Super Suppers, Little Gym, Dr. Okendeke – Urgent Care* and *Dr. Steigerwald Chiropractor Office*. A new shopping plaza, Chester Road Square has added numerous tenants as well - *Let's Get Physical, The Light Spa, Wine Room, Phiner's Bistro, Fujiyama Restaurant, The Chef and Mrs. Cook, Simply Uniforms, Catanza Barber Shop and The Rush Inn*. Olde Avon Village offers an array of quaint shops including *Littlest Detail, Pear Tree Gallery, Endless Summer/Jax, and Hen In the Ivy*. The *Best Buy* commercial project was constructed and completed in an exceptionally short time due to excellent communication between the City and the general contractor.

Another contributor to the growth in the City is the multitude of new restaurants. Restaurants that opened in 2005 were *Applebee's, Bubba Q's, Mulligan's Pub & Grille* with construction beginning on *Little Whistler's Ice Cream* and *Burger King*. The industrial area has multiple contributors to the growth as well, including *Carroll Manufacturing, West Port Axle, Data Image, Dopptstadt*, and an addition to *Dott Products*. Multi-family housing is also a participant in the growth of construction projects. Stonebridge Creek has begun work on a 4-plex and a 6-plex townhouse building. Also, the continuing care retirement community known as *St. Mary's of the Wood* has been issued occupancies for the independent living, assisted living and skilled nursing buildings.

*Engineering* - The City's Consulting Engineer, Bramhall Engineering and Surveying Company, Inc. provided engineering design and surveying services for the City of Avon infrastructure improvement projects including:

- 2005 Road Program Improvements on Jaycox Road (SR 254 to Chester), Chester Road (SR 611 to Moore & SR 83 to Jaycox), Schwartz Road, (Jaycox to Nagel), Garden Drive, and various repairs on Lilac, SR 83, Jaycox, Nagel and Ridgeland.
- Schneider Court Reconstruction
- Skate Park
- Northgate Park Improvements
- SR 83 Ditch Enclosure Phase V (State Issue II)
- 2005 Bridge Inspections
- Center Road Relocation (Final Design)
- Jaycox Road Sidewalks from Schwartz Road to Saddle Creek
- Doovey's Ditch Enclosure Improvement Plans
- Jaycox Sanitary District Master Sewer Improvement Plans
- SR 254 Widening from SR 611 to SR 83 – Engineering & Surveying Consulting

Bramhall Engineering also provided Planning Commission reports on 31 commercial sites, 10 lot splits, 3 sanitary sewer extensions and 20 subdivisions.

Construction inspections were provided for commercial, industrial and residential developments including 472 topographic site plan reviews and over 800 foundation and final grade inspections.

Since July of 2005 Bramhall Engineering performed water site inspections for 319 residential subdivision lots and 76 commercial sites.

Other storm water related items: prepared annual reports required for compliance with Ohio EPA Storm Water Permit, assembled storm water resource CD consisting of sample forms, public education information and other materials useful for meeting Ohio EPA Storm Water Permit requirements, prepared storm water ordinance to meet Ohio EPA Storm Water Permit, prepared overview materials for City Council on requirements, and coordinated construction site inspection training for City of Avon staff.

Bramhall Engineering prepared the 2005 update to infrastructure for the Governmental Accounting Standard Board Statement No. 34 (GASB 34) financial statements.

There was a continuation of the development of the City of Avon Geographic Information System (GIS) including updates of the digital mapping model of property parcels, zoning and infrastructure systems. Updates to the GIS included 2005 aerial photography, watersheds, septic system identification, storm system

outfalls, citywide detention/retention basins as-built, fire hydrant locations, sanitary system and districts, water main system, subdivisions, 1997-2006 roadway improvements, soil surveys, 100-year flood zone, voting wards and precincts, and traffic data.

*ADA* – The Americans with Disabilities Department (ADA) of the City of Avon reviews all projects coming from the Planning Commission and the Building Department for ADA Compliance. During the construction of commercial, retail and industrial projects, the Coordinator visits the job site to verify that all ADA requirements are being met. The Department also mediates complaints referred by residents of the City.

At the beginning of 2002, a Grant Assistance Board was formed by the Mayor and the ADA Coordinator. The main function of this Board is to review qualified applications from residents for ramps.

*Service Department* - All Water and Sewer and Street Department operations are conducted from a combined facility located at the corner of Detroit and Jaycox Roads.

*Water and Sewer Departments* - The City of Avon does not operate its own water or sewer treatment facilities. Water is supplied by the City of Avon Lake Water Plant through Avon's distribution system. The system includes a 36-inch water main that serves the Rural Lorain County Water Authority in southern Lorain County. The City has approximately 106.5 miles of water mains and 84.5 miles of sanitary sewer mains.

With the recent improvements to the pump stations, the City has a daily pumping capacity of over eleven million gallons per day, which will meet the City's needs for potable water well into the future.

In 2005, the Utilities Department was directly or indirectly involved in fourteen major projects, eight residential developments and six major commercial/industrial projects.

With the construction of the new subdivisions, both residential and commercial, the City of Avon's customer base has grown to 8,200 accounts. In addition to the above mentioned projects, the Utilities Department has performed many routine daily jobs such as inspections for all building site work, meter installations, fire hydrant repairs, billing, customer service, repair of water breaks, installation of water services and maintenance of all Department facilities.

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

The Utilities Department also maintains the City's wastewater collection system. In 2005, the Department performed the annual jetting and cleaning of more than 80 miles of sanitary sewer lines. During the annual maintenance of the system, the Department repairs, raises and inspects all manholes and service laterals in an effort to provide uninterrupted services.

The Utilities Department is presently staffed with eleven employees; seven "outside crew" employees, three clerical employees and the Superintendent. These employees handle all day to day operations of the Department including billing and accounting, meter reading, taps, breaks and normal operations associated with the Department and its appurtenances.

*Street Department* -The Street Department employs eleven full-time employees, who are under the direction of the Street Department Superintendent. The Department is responsible for all phases of street repairs and maintenance, signage and pavement markings. The Street Department is also responsible for snow removal on all City streets and State routes in the City of Avon, with the exception of Interstate 90, which is under the jurisdiction of the Ohio Department of Transportation.

In September of 2005, the Street Department moved into its new 19,000 square foot Service Center located at 35400 Schneider Court. The facility is a major upgrade and will allow the Department to continue to grow along with the future demands and responsibilities of our ever growing community.

Many major infrastructure improvements were completed in 2005. Road resurfacing continues to be an ongoing priority in the City of Avon. Sections of Nagel Road, Garden Drive, Chester Road and Jaycox Road received new pavement in 2005. The City was also able to complete the State Route 83 Culvert Project, which was a three year joint effort between the City and the Ohio Public Works Commission Issue II Program.

A high priority item which has aggressively been pursued by the Street Department is the repair and replacement of failed concrete and catch basins in many of the subdivisions throughout the City. The City will continue this practice in order to protect its investment in pavement and to provide the residents with optimum drainage capabilities and sound, safe pavement conditions throughout our community.

Another item of importance was addressed in 2005 to facilitate first class quality and performance in snow removal. The City purchased two new International 5-ton snow plow trucks and a new Caterpillar 120 H road grader. With over 94 miles of paved streets and roadways to maintain in the City of Avon, high quality, dependable equipment is paramount to high quality performance.

*Senior Center* – The Avon Senior Center is a new facility built to provide programs and services for anyone age 55 and over. The Center has various activities, programs and educational seminars to meet the growing needs of the over 5,000 older adults in the area.

Activities at the Center include crafts, exercise classes, computer training, health education seminars, support groups, social events, flu shots, volunteer opportunities, coffee groups, day and overnight bus trips and community outreach.

A monthly meeting is held on the second Wednesday of every month at 10 AM where attendees are updated on projects and events happening at the Center. At this time, our City Council representative informs those in attendance about City business. Afterward, a guest speaker provides entertainment and information from such organizations as NASA, the County Auditor's office and Lorain Numismatic Association. Additionally, the Center publishes a monthly newsletter that outlines the activities planned at the Center for the upcoming month.

*Parks and Recreation* – The Parks Department takes great pride in keeping the City parks a place of beauty and recreation for the citizens of Avon. The Parks and Recreation offices are located at 35001 Schwartz Road and park/recreation information can also be accessed through the City website, ([cityofavon.com](http://cityofavon.com)). The staff at the Parks Department, which as of 2005 consists of a Director, 2 full-time employees, 3 permanent part-time employees, a secretary and 4 summer helpers, now maintain 6 parks located throughout various locations in Avon which total 135 acres of park land.

#### **AVON PARKS:**

**Northgate Community Park** is located off Colorado Avenue on Eaton Drive in central Avon. This park features an outdoor walking and fitness track, playground, pavilion with grills and picnic tables (which is available for rental), a fishing pond and open green space for general enjoyment. A sledding hill is on site for use during the winter months. A sand volleyball court and an outdoor winter skating rink are also located across the street at the Avon Community Center (which is also available for rental for all types of occasions).

**Schwartz Community Park** is found at the intersection of Schwartz and Jaycox Roads in east Avon. This park features basketball courts, a baseball field, multiple soccer fields, a pavilion with grills and picnic tables (which is available for rental), a playground, horseshoe pits, sand volleyball court, restrooms and an outdoor winter skating rink with an enclosed shelter with working fireplace. For the nature lover, there is a quiet walking/biking path that winds through the trees and creeks. The bridge entrance to the path is located at the southeast corner of the park.

**Heritage Square at French Creek** is located at the corner of Detroit and Stoney Ridge Road in central Avon. This park features a gazebo (which is available for rental – perfect for a wedding or for those wedding photos), park benches, picnic tables and a flower garden. During the winter holidays, Santa arrives on his horse drawn sleigh to start the Candlelight Christmas Season in Avon.

**Veteran’s Memorial Park** is located off of Detroit Road at the west end of Avon. This 78 acre park features our largest athletic complex which consists of multiple baseball and softball fields, two soccer fields, a concession stand and restrooms. This site also services the flag football program and the Avon Duct Tape Festival which takes place annually on Father’s Day weekend.

**French Creek Restoration Project** is the City’s newest endeavor which is an ecology based project that will address the overflow of water from the French Creek, filtering it and creating wetland areas that will be a natural habitat for wildlife and wildflowers.

The Recreation Department has a Coordinator on staff and offers many excellent activities for the citizens of Avon either seasonally or year round.

Adult Programs:	Co-Ed Volleyball, 30+ Men's Open Gym Basketball, Co-ed Softball, Yoga and Health Screenings
Youth Programs:	Safety Town, Gymnastics, Cheerleading, Baton, Pom Pom, Pony and Horseback Riding Camp, Fun Science, Flag Football, Intermural Basketball, Supervised Playground Activities and Baseball/Softball/ Soccer Skills Clinics.

### **Accounting System and Budgetary Control**

Development of the City's accounting system includes consideration of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived from its implementation and (2) the valuation of costs and benefits requires estimates and judgments by management.

***Budgetary Control*** - Budgetary control is maintained by an encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued when a sufficient unencumbered appropriation balance is not available.

To maintain budgetary control, the department head first reviews the purchase order which is then forwarded to the Finance Director. The Finance Director then reviews the purchase order for availability of funds. Copies of all approved purchase orders are returned to the department head pending receipt of the goods and invoices. Once goods or services and the invoice are received, the department head signs a copy of the purchase order for verification that all goods or services were received and are in acceptable condition. Each department is furnished a monthly report showing the status of the budget accounts for which it is responsible. The reports detail monthly transactions and summarizes the available balance.

The Mayor and the Finance Director prepare an annual appropriation ordinance which is submitted to the Council's Finance Committee for its recommendations by November 1st of each year for the period January 1st through December 31st. All members of Council review it before its adoption. All disbursements require appropriation authority.

In November of 2004 the City prepared the annual appropriation ordinance for year 2005. The ordinance was submitted to Council's Finance Committee and was subsequently passed by Council on December 13, 2004. With this action, the City has chosen to by-pass the temporary appropriation ordinance.



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

**Financial Condition** - This is the fifth year the City has prepared financial statements following GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." GASB 34 creates new basic financial statements for reporting on the City's financial activities as follows:

*Government-wide financial statements* - These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

*Fund financial statements* - These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

*Statements of budgetary comparisons* - These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the City. This discussion follows the independent accountants' report, providing an assessment of the City finances for 2005.

### **Cash Management**

The City adheres to the regulations set forth in the Ohio Revised Code to ensure the safety of its investments. All deposits are made under contracts with local banking institutions and with the State Treasurer's Investment Pool (STAROhio).

A majority of the City's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 105 percent of the public funds on deposit. The collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

### **Risk Management**

The City of Avon has liability insurance coverage through the Custis Insurance Company. In 2005 the City expended \$121,465 for property and casualty insurance coverage, compared to \$99,651 for 2004.

The City carries a \$2,000,000 comprehensive general liability policy with a \$7,500 deductible, a law enforcement liability policy of \$1,000,000 with a \$5,000 deductible, a public officials liability policy of \$1,000,000 with a \$7,500 deductible, an employment practices liability policy of \$1,000,000 with a \$7,500 deductible, an automobile liability policy of \$1,500,000 with no deductible, an inland marine policy of \$1,832,725 and a \$16,272,594 blanket building and contents policy. An additional \$9,000,000 umbrella policy was also purchased.

## Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to a governmental unit that publishes an easily readable and efficiently organized Comprehensive Annual Financial Report which conforms to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The City of Avon received this honor for its Comprehensive Annual Financial Report for the year ended December 31, 2004. A Certificate of Achievement is valid for a period of one year only. We believe our report continues to conform to the requirements and standards of the Certificate of Achievement Program, we are submitting the 2005 Comprehensive Annual Financial Report to the GFOA for consideration.

The Certificate of Achievement is the highest form of recognition in the area of governmental financial report, and its award represents a significant accomplishment by a government and its management.

## Independent Audit

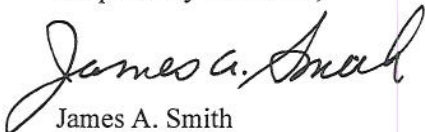
Independent Auditor Betty Montgomery, Auditor of State, was selected to render an opinion on the City's financial statements as of December 31, 2005. The Independent Accountants' Report on the basic financial statements is included in the financial section of this report.

## Acknowledgments

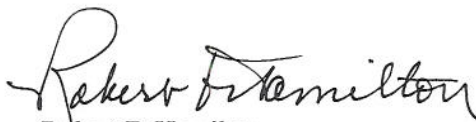
The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department and the supervisors of other various departments. The preparation of the Comprehensive Annual Financial Report requires a major effort, and we would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

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

Respectfully submitted,



James A. Smith  
Mayor



Robert F. Hamilton  
Director of Finance

**City of Avon, Ohio**  
*Principal Officials*  
*December 31, 2005*

***Elected Officials:***

Mayor.....	James A. Smith
President of Council .....	Larry Hoekstra
Councilman at Large.....	Jo Anne Easterday
Councilman at Large.....	Larry Kroeger
Councilman – Ward I.....	Mark D. Julius
Councilman – Ward II .....	Dennis McBride
Councilman – Ward III.....	Timothy E. Nickum
Councilman – Ward IV.....	Gerald T. Gentz

***Directors:***

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

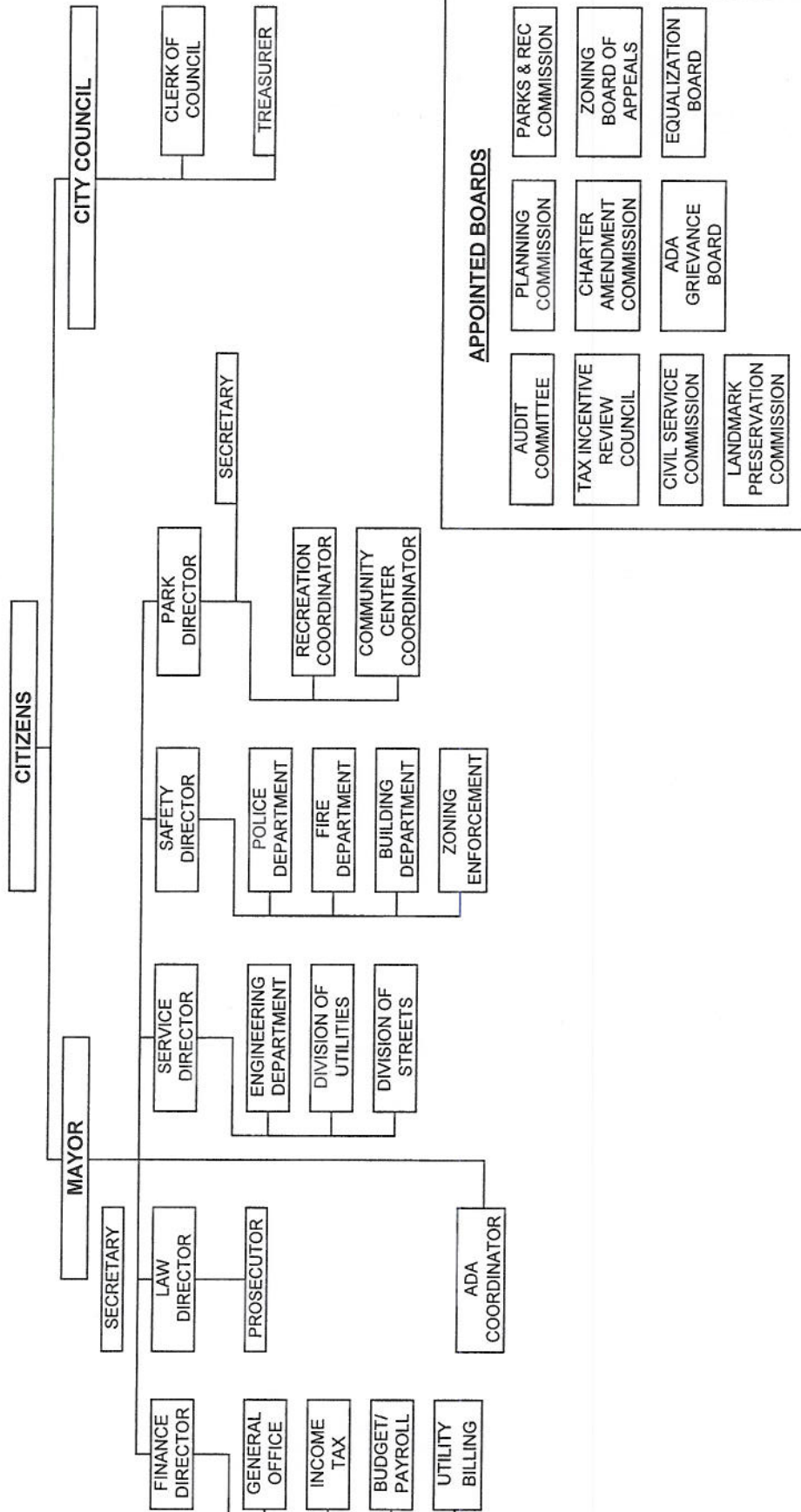
***Chairmen, Boards and Commissions:***

Board of Zoning and Building Appeals.....	Randy Fratianne
Planning Commission.....	Carolyn Witherspoon
Civil Service Commission .....	Jimmy Marsiglia
Park and Recreation Commission.....	Jo Anne Easterday

***Other Staff Members:***

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

CITY OF AVON ORGANIZATIONAL CHART



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Avon,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2004

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



*Carla E. Perry*

President

*Jeffrey R. Emer*

Executive Director

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# Auditor of State Betty Montgomery

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Members of City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Avon, Lorain County, Ohio, (the City) as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Avon, Lorain County, Ohio, as of December 31, 2005, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Fire Department, Street Construction, Maintenance and Repair, and Police special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 to the basic financial statements, the City implemented Governmental Accounting Standards Board Statement Nos. 40, 42, and 44, and restated the net assets of the Governmental and the Business-Type Activities and the fund balances of the Governmental Funds as of December 31, 2004.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2006, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801  
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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



**Betty Montgomery**  
Auditor of State

June 20, 2006



**City of Avon, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

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The discussion and analysis of the City of Avon's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2005. The intent of this discussion and analyses is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

### **Financial Highlights**

Key financial highlights for fiscal year 2005 are:

- Income Taxes totaled \$7,482,650 in governmental activities, an increase of \$1,615,655 or 27.54 percent over 2004.
- Total assets increased by \$4,694,905, a 4.50 percent increase over 2004.
- Total net assets increased \$6,993,064 or 8.71 percent over 2004.
- Total capital assets increased \$5,480,571 or 7.33 percent over 2004.
- Total outstanding long term liabilities decreased \$2,922,589 over 2004, a decrease of 17.87 percent.

### **Using This Comprehensive Annual Financial Report (CAFR)**

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

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

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

#### **Statement of Net Assets and Statement of Activities**

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City do financially during 2005?" The *Statement of Net Assets* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

**City of Avon, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

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

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

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

## **Reporting the City of Avon's Most Significant Funds**

### ***Fund Financial Statements***

The presentation of the City's funds begins on page 18. Fund financial reports provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds which account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Avon, the major funds are the general, fire department, street construction, maintenance and repair, police, special assessment bond retirement, Schneider Court site development, water and sewer.

### ***Government Funds***

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

### ***Proprietary Funds***

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

**City of Avon, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

**The City of Avon as a Whole**

The *Statement of Net Assets* looks at the City as a whole. Table I provides a summary of the City's net assets for 2005 compared to 2004.

**Table I**  
**Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and Other Assets	\$21,732,092	\$23,096,260	\$7,074,488	\$6,495,986	\$28,806,580	\$29,592,246
Capital Assets, Net	53,714,509	50,093,297	26,494,860	24,635,501	80,209,369	74,728,798
<i>Total Assets</i>	<u>75,446,601</u>	<u>73,189,557</u>	<u>33,569,348</u>	<u>31,131,487</u>	<u>109,015,949</u>	<u>104,321,044</u>
Current and Other Liabilities	7,133,052	6,073,811	1,185,067	1,619,878	8,318,119	7,693,689
Long-Term Liabilities:						
Due Within One Year	600,313	582,185	255,688	238,160	856,001	820,345
Due In More Than One Year	10,516,687	13,218,472	2,062,973	2,319,433	12,579,660	15,537,905
<i>Total Liabilities</i>	<u>18,250,052</u>	<u>19,874,468</u>	<u>3,503,728</u>	<u>4,177,471</u>	<u>21,753,780</u>	<u>24,051,939</u>
Invested in Capital Assets, Net of Related Debt	44,490,395	39,667,395	23,298,295	20,753,823	67,788,690	60,421,218
Restricted:						
Capital Projects	3,251,137	5,411,319	0	0	3,251,137	5,411,319
Debt Service	1,444,688	2,339,940	0	0	1,444,688	2,339,940
Other Purposes	3,872,272	2,711,568	0	0	3,872,272	2,711,568
Unrestricted	4,138,057	3,184,867	6,767,325	6,200,193	10,905,382	9,385,060
<i>Total Net Assets</i>	<u>\$57,196,549</u>	<u>\$53,315,089</u>	<u>\$30,065,620</u>	<u>\$26,954,016</u>	<u>\$87,262,169</u>	<u>\$80,269,105</u>

Total assets increased by \$4,694,905 from 2004 to 2005. The increase was due to additions to capital assets, such as work in progress involving the new Service Department building, along with various road, water and sewer line contributions from developers.

Total liabilities decreased by \$2,298,159. The City retired \$1,470,000 in business-type activities notes for water and sewer improvements and issued \$991,350 in notes. The City retired \$3,805,000 in governmental activities notes and \$2,873,650 in notes were issued during 2005 for land purchase, Schneider Court development and roadway, French Creek restoration and other municipal purposes.

Total net assets increased \$6,993,064 with governmental net assets comprising of \$3,881,460 and business-type activities comprising of \$3,111,604 of that amount. The largest increase in net assets was in invested in capital assets net of related debt mainly due to additions to capital assets for the construction of a new Service Department building. Contributions from developers for street and drainage improvements and water and sewer lines connected to the Municipal Waterworks System also added to the increase.

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Table 2 shows the changes in net assets for the year ended December 31, 2005. Total revenues increased \$1,840,862 or 7.31 percent. Total expenses increased \$1,831,756 or 10.06 percent.

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

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$2,365,914	\$2,687,595	\$3,279,866	\$2,872,662	\$5,645,780	\$5,560,257
Operating Grants and Contributions	974,364	913,014	0	0	974,364	913,014
Capital Grants and Contributions	4,820,797	5,185,377	3,365,850	3,533,820	8,186,647	8,719,197
<b>Total Program Revenues</b>	<b>8,161,075</b>	<b>8,785,986</b>	<b>6,645,716</b>	<b>6,406,482</b>	<b>14,806,791</b>	<b>15,192,468</b>
General Revenues:						
Property Taxes	3,207,137	2,842,733	0	0	3,207,137	2,842,733
Municipal Income Taxes	7,482,650	5,866,995	0	0	7,482,650	5,866,995
Grants and Entitlements	404,963	507,009	0	0	404,963	507,009
Investments	541,233	525,863	109,830	44,133	651,063	569,996
Net Gain on the Loss of Impaired Asset	203,748	0	0	0	203,748	0
Miscellaneous	218,412	178,207	53,921	30,415	272,333	208,622
<b>Total General Revenues</b>	<b>12,058,143</b>	<b>9,920,807</b>	<b>163,751</b>	<b>74,548</b>	<b>12,221,894</b>	<b>9,995,355</b>
<b>Total Revenues</b>	<b>20,219,218</b>	<b>18,706,793</b>	<b>6,809,467</b>	<b>6,481,030</b>	<b>27,028,685</b>	<b>25,187,823</b>
<b>Program Expenses</b>						
General Government	2,400,999	1,935,275	0	0	2,400,999	1,935,275
Security of Persons and Property	5,462,030	4,532,738	0	0	5,462,030	4,532,738
Transportation	5,285,670	4,470,599	0	0	5,285,670	4,470,599
Community Development	1,395,945	1,222,720	0	0	1,395,945	1,222,720
Basic Utility Services	379,953	395,185	0	0	379,953	395,185
Leisure Time Activities	811,918	1,052,267	0	0	811,918	1,052,267
Interest and Fiscal Charges	619,776	522,343	0	0	619,776	522,343
Water	0	0	2,235,003	2,630,729	2,235,003	2,630,729
Sewer	0	0	1,444,327	1,442,009	1,444,327	1,442,009
<b>Total Expenses</b>	<b>16,356,291</b>	<b>14,131,127</b>	<b>3,679,330</b>	<b>4,072,738</b>	<b>20,035,621</b>	<b>18,203,865</b>
Increase in Net Assets						
Before Transfers	3,862,927	4,575,666	3,130,137	2,408,292	6,993,064	6,983,958
Transfers	18,533	(20,333)	(18,533)	20,333	0	0
<b>Increase in Net Assets</b>	<b>3,881,460</b>	<b>4,555,333</b>	<b>3,111,604</b>	<b>2,428,625</b>	<b>6,993,064</b>	<b>6,983,958</b>
Net Assets, January 1, 2004	53,315,089	48,759,756	26,954,016	24,525,391	80,269,105	73,285,147
<b>Net Assets, December 31, 2004</b>	<b>\$57,196,549</b>	<b>\$53,315,089</b>	<b>\$30,065,620</b>	<b>\$26,954,016</b>	<b>\$87,262,169</b>	<b>\$80,269,105</b>

Revenues increased primarily due to an increase in income tax of \$1,615,655 due to more monies collected in 2005 than in 2004. The increase in property taxes in the amount of \$364,404 was due to new housing and commercial development. These increases were offset by decreases in charges for services for governmental activities only due to less licenses and permits collected in 2005 as compared to 2004 and in intergovernmental revenue received by the general fund due to less inheritance taxes and local government

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monies received. Expenses increased \$929,292 in security of persons and property due to repairs and maintenance to City-owned equipment and the addition of equipment not reported as part of capital assets since they did not meet the capital asset threshold. Transportation expenses increased \$815,071 due to increase in road repair and maintenance projects which included the additions of sidewalks to various areas in the City.

The overall financial strength of the City improved in 2005. The City experienced a 27.54 percent increase in municipal income tax revenue that came as a result of new commercial development, new construction and residential growth. Operating grants and contributions continued to grow 6.72 percent from grant monies received for various programs offered by the City. Property taxes increased 12.82 percent as residential and commercial development was strong. With a good economy and excellent location in a geographical area, the growth of the City continues on an upward path.

General government and community development expenses increased primarily due to contractual wage agreements and new additions to staff. Utility and energy costs also increased significantly in 2005. Transportation expenses increased because of major street maintenance and repair programs. The City opted to pay cash for upgrade, resurfacing and reconstruction expenses as opposed to incurring long term debt. The City has completed twelve years of major road improvement.

### **GOVERNMENTAL ACTIVITIES**

Several revenue sources fund the City's governmental activities with City income tax being the largest contribution. The income tax rate of 1 percent was established by City Ordinance No. 371-68, passed February 28, 1968. The Income Tax Ordinance was amended on November 2, 1993 requiring proposed tax rate changes be submitted to the electors of the City for approval or rejection. On November 6, 2002 the electors approved an increase in the income tax rate to 1-1/2 percent from 1 percent and a change in the tax credit for residents having income taxable in another community. In 2005, the revenue from income taxes increased by \$1,615,655 from \$5,866,995 to \$7,482,650. This increase mainly reflects the increase in earned income from the general population of the City, and new and increased employment in both the commercial and manufacturing and new construction work. The City monitors its sources of revenue very closely for any changes or fluctuations.

Overall, the City has enjoyed a steady increase in income tax collections for the past ten years. In 2005, there was an increase in revenues due to the above mentioned upturn. This has been especially important to the City because the tax revenue has provided the City the funds to maintain streets, make infrastructure improvements and strengthen safety forces. The City of Avon continues to be very aggressive in collecting delinquent income tax. The City has a strong economic development program which supports the outstanding growth and increasing income tax revenues. The number of businesses, be they industrial or commercial, large or small, provide the City with an income tax base that can sustain the loss of any major tax paying entity and still be able to meet the financial needs of the City. City income tax revenues of \$7,482,650 were designated for the City's general fund and fire department. In November 2002, the electors approved a one half percent increase in the income tax rate with the proceeds to be used to build and operate a new fire station. The present fire department has converted from part-time to full-time staffing and is funded by the additional income tax.

Total revenues for governmental activities for 2005 were \$20,219,218. Capital grants accounted for 23.84 percent of total revenues for governmental activities for the City. Income tax made up 37.01 percent, property taxes accounted for 15.86 percent, charges for services accounted for 11.70 percent, operating grants accounted for 4.82 percent; and the remaining 6.77 percent consists of grants and entitlements,

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investments and miscellaneous revenues. Charges for services represents receipts from the Mayor's Court, cable television, building permits, park development fees, recreation fees, emergency rescue fees, county health fees, contractor registration, New Community Baptist Church rental fees, community center fees, retention and rental fees.

Total governmental activities program expenses for 2005 were \$16,356,291. Security of persons and property expenses accounted for program expenses of \$5,462,030 which is 33.39 percent of the total governmental activity expenses for the City. Transportation expenses represent 32.32 percent, followed by general government expenses at 14.67 percent.

Transportation expenses were for the depreciation, maintenance and repairs to the City's roads and infrastructure. The City paid for these projects primarily from the City's general revenues, a part of which is provided by the City income tax. Because of the City's history of economic growth and subsequent increases in income tax revenue, the City has taken advantage of placing these dollars into street maintenance and repairs. The City takes great pride in maintaining its streets in above average condition and continues to set aside money towards future capital maintenance and repairs.

The Police Department is very efficient and continues to operate within its operating budget. The department has an equipment levy that is utilized to purchase two new vehicles per year. The money is also used to purchase equipment that will better serve our community and provide extra safety for the police officers. The Police Department is funded from revenues transferred from the general fund. A five-year operating levy generated \$431,013 for the Police Department. Complementing the Police operating levy was a five-year one-half mill equipment levy which provided revenues of \$153,274, reported in the equipment capital projects fund.

The Fire Department is funded with income tax revenues. In November 2002, the electors approved changes to the City's income tax laws to construct a new building and to operate the department. During 2005, the department received \$3,059,738 in income tax revenue to support the operations. The Fire Department also has an equipment levy that is used to purchase vehicles for both the Fire Department and the rescue squad. The department received \$219,837 from the equipment tax levy, reported in the equipment capital projects fund. The department continues to upgrade emergency fire and rescue equipment to better serve the community.

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

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

	Total Cost of Services		Net Cost of Services	
	2005	2004	2005	2004
General Government	\$2,400,999	\$1,935,275	\$1,192,317	\$591,808
Security of Persons and Property	5,462,030	4,532,738	5,419,913	4,470,872
Transportation	5,285,670	4,470,599	416,500	(1,457,170)
Community Environment	1,395,945	1,222,720	428,724	282,866
Basic Utility Services	379,953	395,185	(225,313)	361,185
Leisure Time Activities	811,918	1,052,267	343,299	573,237
Interest and Fiscal Charges	619,776	522,343	619,776	522,343
<b>Total Cost of Services</b>	<b>\$16,356,291</b>	<b>\$14,131,127</b>	<b>\$8,195,216</b>	<b>\$5,345,141</b>

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***BUSINESS-TYPE ACTIVITIES***

Utility services for water and sewer saw a 14.18 percent increase in charges for services along with a 9.66 percent decrease in total expenses in 2005. These changes were primarily the result of the City's growth in both commercial and residential customer usage. Approximately three hundred and fifty new homes were built and sold in 2005. Commercial development continued to expand in several of the City's industrial parks. Because of the growth, water and sewer updates and connections were accepted by the City adding to the capital assets of the City. The City closely monitors the growth in services and will adjust the water tap-in fee structure to pay for future development and related costs, as needed. The last major fee adjustment was in 2003.

**The City's Funds**

Information about the City's governmental funds begins on page 18. These funds are accounted for by using the modified accrual basis of accounting. All governmental funds had total revenues of \$16,085,469 and expenditures of \$16,633,405. The most significant fund is the general fund with a year-end fund balance of \$5,584,621, which included an unreserved fund balance of \$5,556,819 compared to annual expenditures of \$2,866,579. While revenues exceeded expenditures by \$5,193,565, most of the excess was transferred to other City funds. These transferred funds enabled the City to fund the Police Department, service long-term and short-term debt and fund capital improvements.

The Fire Department has completed its second year as a full-time department in its new building. Municipal income tax revenues in the Fire Department fund of \$3,059,738 exceeded expenditures of \$2,316,074 by \$743,664. The Fire Station Bond Retirement Fund transferred \$205,576 to the Fire Department Fund representing excess income tax funds originally planned for debt retirement. The Street Construction Maintenance and Repair Fund had expenditures of \$1,484,020 which exceeded revenues of \$1,456,848 by \$27,172. The Street Department constructs, maintains and repairs the various streets of the City. The Police Fund had expenditures of \$2,563,062 which exceeded revenues of \$476,878 by \$2,086,184. The Police Department relies on transfers from the general fund to operate.

The Schneider Court Site Development Fund had construction of the new service department building completed in 2005 at a cost of \$2,720,008. In December 2004, a major snow storm demolished the City's Service Department building. For losses sustained from the snow storm, the City recovered \$203,748 for the loss of the building and \$266,951 for the loss of equipment within the building from filed insurance claims. The insurance proceeds will be used to retire short term debt maturing in 2006.

***General Fund Budgeting Highlights***

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During the course of 2005 the City amended its general fund budget thirty-five times for a total increase to certified revenues in the amount of \$1,750,355. At the direction of Council, all capital projects and requests for capital type purchases must be reviewed and approved individually by Council. Recommendations and requests for budget changes are referred to the Finance Committee of City Council for review, after which they are sent to Council work session for presentation before going to the formal Council meeting for ordinance enactment on the change. The legal level of budgetary control has been established by Council at the fund, object level for all funds.

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

For the general fund, the original budgeted revenues were \$6,527,453, and the final budgeted amount was \$8,277,808. Of this \$1,750,355 difference, most was due to increased income tax revenues received, licenses and permits cost adjustments and interest revenue increase due to more money available to invest. The actual revenues of \$8,130,752 received by the City were \$147,056 less than the final budgeted amount because the City does not budget capital projects in its original annual budget. Capital projects are approved by City Council during the year and are funded by the general fund.

Original appropriations of \$2,124,221 were increased during the year by \$1,174,298 to establish final appropriations of \$3,298,519 for the year. These increases were due to primarily to contract negotiations and new hires. The actual expenditures of \$2,932,799 were \$365,720 less than the final budgeted amount. Final expenditures often are less than budget. Budget for projects are set based on public bidding and engineers estimates. The City strives to hold down project costs and control contractor expense. The result is that most contract/project work is completed under budget. The City takes great pride in project management successes.

The City continued to maintain a respectable level of liquidity in the general fund by maintaining unrestricted cash at year-end of 56.8 percent of total actual revenues received during the year.

## **Capital Assets and Debt Administration**

### ***Capital Assets***

Total capital assets for the City of Avon as of December 31, 2005 were \$80,209,369. The most significant additions in governmental activities capital assets came in the area of infrastructure acceptance from developers of industrial and residential developments: \$3,154,824 for streets and \$2,128,963 for storm sewer lines. Business-type activities capital assets additions included infrastructure acceptance of \$936,466 in water lines and \$1,753,915 in sewer lines from developers.

In 2005, some City streets were improved by developers of the new residential and industrial developments as they were connected to new roadways within the developments, for a total cost of \$3,154,824. This is the twelfth consecutive year the City has improved City streets either through City projects or by contributions from developers. In 2005, the City invested approximately \$703,000 in major street repair. The City is able to sustain an excellent street improvement program each year because of the economic growth and subsequent increase in income tax revenues.

In 2003, the City purchased land for a new service department garage. The City paid \$583,000 for the property. On December 23, 2004, a snow storm caused the Service Department garage to collapse. In 2005, the City commenced and completed construction of a new service garage at a cost of \$2,720,008. The City recovered \$203,748 from filed insurance claims for the building loss, the equipment loss is still pending.



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

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$2,328,092	\$2,328,092	\$7,580	\$7,580	\$2,335,672	\$2,335,672
Construction in Progress	820,895	2,850,655	68,000	99,644	888,895	2,950,299
Land Improvements	102,637	121,012	0	0	102,637	121,012
Buildings and Improvements	7,280,383	4,685,309	1,202,452	1,236,323	8,482,835	5,921,632
Machinery and Equipment	1,786,511	1,744,033	157,144	147,418	1,943,655	1,891,451
Infrastructure						
Park Improvements	967,164	952,962	0	0	967,164	952,962
Streets	25,895,239	24,673,740	0	0	25,895,239	24,673,740
Bridges and Culverts	436,672	455,241	0	0	436,672	455,241
Traffic Signals	780,027	734,371	0	0	780,027	734,371
Storm Sewer	13,316,889	11,547,882	0	0	13,316,889	11,547,882
Water Lines	0	0	10,595,648	9,997,385	10,595,648	9,997,385
Sewer Lines	0	0	14,464,036	13,147,151	14,464,036	13,147,151
<i>Total Capital Assets</i>	<u>\$53,714,509</u>	<u>\$50,093,297</u>	<u>\$26,494,860</u>	<u>\$24,635,501</u>	<u>\$80,209,369</u>	<u>\$74,728,798</u>

City Council is committed along with the Administration to maintain its capital assets at a condition acceptable to provide the best possible service for all residents. In 1995, the City established a sanitary sewer capital enterprise fund for the purpose of maintaining the sanitary sewer system which is funded by interfund transfers. This fund has been combined with the sewer enterprise fund for reporting purposes.

In 1995, the City purchased 62.25 acres of land for a City Park. City Council and the Administration are committed to park and recreational facilities improvements at the Veteran's Memorial Park location and other locations throughout the City for the benefit of its residents. Park improvements for 2005 included new soil for playing fields, split rail fences, pavilion, track, and exercise and playground equipment.

The Administration continues to seek grants for infrastructure projects as well as improving City facilities and services. In 2004, the City applied to the Ohio Department of Development for a grant totaling \$180,700 (Phase 4) for a major ditch enclosure along State Route 83 at Mills Road. In 2004 the project was dormant due to inadequate funding to finish the project. In 2005, the City applied for and received a second grant (Phase 5) from the Ohio Department of Development, combining the two grants for a total of \$368,019, to complete the ditch enclosure project. The total cost of the improvement for 2005 was \$566,184. The State grant comprises 76 percent of the project costs with the difference paid from the City's general fund.

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

**Debt**

On December 31, 2005, the City of Avon had \$15,778,943 in bonds, loans, notes and intergovernmental payables outstanding, with \$4,446,886 due within one year. Table 5 summarizes bonds, loans, contractual commitments and notes outstanding.

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

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
General Obligation Bonds	\$6,268,816	\$6,565,767	\$397,014	\$447,732	\$6,665,830	\$7,013,499
Special Assessment Bonds	3,406,724	3,596,389	0	0	3,406,724	3,596,389
OPWC Loans	22,500	56,540	0	0	22,500	56,540
OWDA Loans	0	0	872,356	973,532	872,356	973,532
Intergovernmental Payable	0	0	946,533	1,024,845	946,533	1,024,845
Notes Payable	2,873,650	3,805,000	991,350	1,470,000	3,865,000	5,275,000
<b>Total</b>	<b>\$12,571,690</b>	<b>\$14,023,696</b>	<b>\$3,207,253</b>	<b>\$3,916,109</b>	<b>\$15,778,943</b>	<b>\$17,939,805</b>

The general obligation bonds for governmental activities include a library improvement bond of \$600,000, a \$1,060,000 issue by the voters on May 3, 1996; payments are made from property taxes collected by the Lorain County Auditor. Other general obligation bonds include: Moore Road/Formanek improvements \$3,170, Detroit Road Park \$160,000, Northgate Sanitary Sewer \$270,000, purchase of Avon City Hall \$646,111, Just Imagine Drive Paving \$465,000, North Branch Sewer Avins Ditch \$65,751, Moore Road Improvement \$88,242, Veteran's Park \$1,485,000, the new issue for the Service Garage of \$2,425,000 and the \$80,800 in refunding bonds. These bond obligations are paid from monies transferred from the general fund into the debt service funds. The service garage is currently paid from special revenue funds collected from property tax levy and gasoline taxes. The business-type activities general obligation bonds are \$424,200 in refunding bonds, payable from the water and sewer funds charges for services.

The special assessment bond retirement funds consist of Moore/Formanek improvements, Route 83 Sewer improvement, Chester Road Sanitary Sewer, Moore/Chester Road Waterline, Chester Road Waterline East, Avon Road Waterline, Eaton Subdivisions, North Branch Sewer Avins Ditch, Moore Road improvements, Mills Road/Jaycox Road/Sandy Lane improvements and a various purpose sanitary sewer project. Principal and interest for these bonds are paid from the collection of special assessments by the Lorain County Auditor.

The Ohio Public Works Commission loans represent interest free loans obtained to finance portions of sanitary sewers for the Sanitary Sewer Rehabilitation and the State Route 83 sewer improvement. The Route 83 Channel is paid from the bond retirement fund. The State Route 83 sanitary sewer line loan is paid from collection of special assessments by the County Auditor; the sanitary rehabilitation loan is paid from monies transferred into the debt service funds from the sewer proprietary fund and from the general fund.

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

The notes payable represent bond anticipation notes for the following improvement projects: (1) Land Purchase CEI/First Energy of \$390,000 - the note will be paid by transfers from the general fund, (2) Schneider Court Roadway, \$833,650 - the note will be paid by transfers from the general fund and insurance proceeds; (3) the Municipal Waterworks System note of \$350,000 for the North Branch Sanitary Sewer will be paid by bonds and special assessments on completion of the project, and (4) the Water Tower Reconditioning note for \$550,000 and (5) the Schneider Court Water/Sewer Extension notes for \$91,350 will be paid from charges for tap-in fees from the water fund.

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The City retired \$2,600,000 in general obligation bond anticipation notes and issued \$1,650,000 in new notes with a maturity date of April 15, 2006. The notes issued were for Schneider Court Development, \$750,000, French Creek Development, \$600,000, and Municipal Purposes, \$300,000. Business-type activities retired notes for Water Capital Improvements, \$1,120,000 and Sewer Capital Improvements, \$350,000.

The City's overall legal ten and one-half percent debt limitation (voted and unvoted) on December 31, 2005 was \$59,875,685. The aggregate outstanding debt subject to the ten and one-half percent limitation is \$9,185,224. The difference of \$50,690,461 between the maximum issuable amount and the outstanding amount represents the aggregate principal amount of additional voted and unvoted nonexempt debt which the City may issue without exceeding the ten and one-half percent limitation.

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

***Current Financial Related Activities***

Over the past ten years the City has enjoyed strong growth in revenues as a result of new commercial and industrial development. The City, with the support of the school system, has granted a tax abatement to nine companies. Although property taxes have been partially deferred as a result of the tax abatement, the deferral has been more than offset by the significant increase in income tax collections.

The City is ideally situated on Interstate 90, approximately twenty minutes from Cleveland, Ohio and Cleveland Hopkins International Airport. Interstate 90 divides the City providing a perfect separation for industrial development north of Interstate 90 and commercial and upscale residential development south of Interstate 90. With development of the industrial sites on the north side, the City's financial conditions have been significantly strengthened. The economic development of the City has lead to a strong healthy community that has seen its bond rating improve from A1 to AA2.

The City adopted a master plan for the development, growth and expansion of the City. A Master Sewer Plan is in place. The City has hired URS Corporation to design a master street/road plan. Forty thousand dollars was allotted for the road analysis study. The Council and Administration work with the French Creek Development Association to preserve the French Creek District section of the City. Restoration and preservation of the French Creek District centralizes small commercial businesses in the core area of the City. The City takes great pride in its French Creek business district.

The City makes applications for and has been receiving grants on an annual basis. In 2005, the City received one grant from the Lorain County Solid Waste Management District. The grant of \$67,771 was for solid waste recycling. In 2004 the City applied for and received a grant of \$60,000 to use towards the conversion of the former fire station into a senior citizens center. Conversion of the building is expected to be completed in 2006. The Administration and Council work very hard to obtain grants for the benefit of Avon residents while keeping taxes at a minimum.

In 2004, City Council approved the study for a new I-90 interchange. The cost of the study is \$149,000 and will be paid from pledges from local industry totaling \$111,200 and \$37,800 from the City. A new I-90 interchange will open up new industrial and commercial development in the City. It is expected the study will be completed in 2006.

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*Unaudited*

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City health care costs for employees skyrocketed at the beginning of 1996. In October, 1996, the City joined the Lorain County Health Care Program, a self-funded insurance program under the direction of the Lorain County Commissioners. The City's insurance premium costs dropped significantly as a result of the move to the County program. During the period of 1996 through 2003, health care insurance costs continued to escalate everywhere while the Lorain County's insurance costs remained at reasonable levels while providing the best possible insurance coverage for City employees. In late 2003, the County announced significant cost increases to the program. The City negotiated an 80/20 sharing of cost with all the bargaining units in the City. Health insurance costs continue to escalate with costs adjustments to all parties in 2004 and 2005.

The Finance Director, Mayor and City Council work extremely hard at keeping our debt low. Finances are planned so that we can pay cash for many of the facility improvements and acquisitions, and continue to pay cash for all equipment and other major purchases necessary to maintain our level of services. We live within our means and plan ahead knowing that responsible leadership commands that we observe the budget and expend less than the revenues we receive. We manage our assets and our annual budget by monthly reviews within each department, a responsibility given to our Department Heads. We have expanded our services but yet have kept the size of our work force to a level where we believe we meet the needs of our residents.

The City of Avon has committed itself to financial excellence and has a history of doing just that. The City has received the Government Finance Officers Award Certificate of Achievement for Excellence since 1991, the year of our first Comprehensive Annual Financial Report. The City of Avon was one of the first cities in Ohio to report using the Government Accounting Standards Board (GASB) 34 requirements. Our commitment to our residents has always been one of full disclosure of the financial position of the City.

### **Contacting the City's Finance Department**

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends or invests. If you have any questions about this report or need financial information contact Director of Finance, Robert F. Hamilton, City of Avon, 36080 Chester Road, Avon, Ohio 44011, telephone 440-937-7806, or at the website at [www.cityofavon.com](http://www.cityofavon.com).

**City of Avon, Ohio**  
*Statement of Net Assets*  
*December 31, 2005*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$11,475,476	\$5,071,115	\$16,546,591
Materials and Supplies Inventory	78,882	358,029	436,911
Accounts Receivable	169,527	406,688	576,215
Intergovernmental Receivable	890,881	0	890,881
Prepaid Items	54,735	5,998	60,733
Municipal Income Taxes Receivable	1,908,160	0	1,908,160
Property Taxes Receivable	3,624,386	0	3,624,386
Special Assessments Receivable	3,406,724	275,437	3,682,161
Deferred Charges	123,321	957,221	1,080,542
Capital Assets, Non-Depreciable	3,148,987	75,580	3,224,567
Capital Assets, Depreciable, Net	50,565,522	26,419,280	76,984,802
<i>Total Assets</i>	<u>75,446,601</u>	<u>33,569,348</u>	<u>109,015,949</u>
<b>Liabilities</b>			
Accounts Payable	109,363	4,500	113,863
Contracts Payable	142,797	44,753	187,550
Accrued Wages and Benefits	193,952	23,070	217,022
Intergovernmental Payable	370,678	86,054	456,732
Deferred Revenue	3,507,831	0	3,507,831
Accrued Interest Payable	134,781	35,340	170,121
Notes Payable	2,673,650	991,350	3,665,000
Long-Term Liabilities:			
Due Within One Year	600,313	255,688	856,001
Due In More Than One Year	10,516,687	2,062,973	12,579,660
<i>Total Liabilities</i>	<u>18,250,052</u>	<u>3,503,728</u>	<u>21,753,780</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	44,490,395	23,298,295	67,788,690
Restricted for:			
Capital Projects	3,206,175	0	3,206,175
Debt Service	1,489,650	0	1,489,650
Fire Department	1,884,793	0	1,884,793
Street Construction, Maintenance and Repair	752,640	0	752,640
Park Development	705,205	0	705,205
Other Purposes	529,634	0	529,634
Unrestricted	4,138,057	6,767,325	10,905,382
<i>Total Net Assets</i>	<u>\$57,196,549</u>	<u>\$30,065,620</u>	<u>\$87,262,169</u>

See accompanying notes to the basic financial statements

**City of Avon, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2005

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government	\$2,400,999	\$1,186,202	\$0	\$22,480
Security of Persons and Property	5,462,030	10,036	32,081	0
Transportation	5,285,670	750	860,389	4,008,031
Community Environment	1,395,945	681,953	68,001	217,267
Basic Utility Services	379,953	32,247	0	573,019
Leisure Time Activities	811,918	454,726	13,893	0
Interest and Fiscal Charges	619,776	0	0	0
<i>Total Governmental Activities</i>	<u>16,356,291</u>	<u>2,365,914</u>	<u>974,364</u>	<u>4,820,797</u>
<b>Business-Type Activities</b>				
Water	2,235,003	2,258,379	0	1,248,608
Sewer	1,444,327	1,021,487	0	2,117,242
<i>Total Business-Type Activities</i>	<u>3,679,330</u>	<u>3,279,866</u>	<u>0</u>	<u>3,365,850</u>
<i>Total</i>	<u>\$20,035,621</u>	<u>\$5,645,780</u>	<u>\$974,364</u>	<u>\$8,186,647</u>

**General Revenues**

Property Taxes Levied for:

- General Purposes
- Street Construction, Maintenance and Repair
- Police Department
- Other Purposes
- Debt Service
- Capital Projects

Municipal Income Taxes Levied for

- General Purposes
- Fire Department
- Grants and Entitlements not Restricted  
to Specific Programs

- Investment Earnings
- Net Gain on the Loss of Impaired Asset
- Miscellaneous

*Total General Revenues*

Transfers

*Total General Revenues and Transfers*

Change in Net Assets

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

*Net Assets End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activity	Total
(\$1,192,317)	\$0	(\$1,192,317)
(5,419,913)	0	(5,419,913)
(416,500)	0	(416,500)
(428,724)	0	(428,724)
225,313	0	225,313
(343,299)	0	(343,299)
(619,776)	0	(619,776)
(8,195,216)	0	(8,195,216)
0	1,271,984	1,271,984
0	1,694,402	1,694,402
0	2,966,386	2,966,386
(8,195,216)	2,966,386	(5,228,830)
1,217,503	0	1,217,503
725,131	0	725,131
431,013	0	431,013
375,759	0	375,759
85,628	0	85,628
372,103	0	372,103
4,278,546	0	4,278,546
3,204,104	0	3,204,104
404,963	0	404,963
541,233	109,830	651,063
203,748	0	203,748
218,412	53,921	272,333
12,058,143	163,751	12,221,894
18,533	(18,533)	0
12,076,676	145,218	12,221,894
3,881,460	3,111,604	6,993,064
53,315,089	26,954,016	80,269,105
<u>\$57,196,549</u>	<u>\$30,065,620</u>	<u>\$87,262,169</u>

**City of Avon, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2005*

	<u>General</u>	<u>Fire Department</u>	<u>Street Construction, Maintenance and Repair</u>	<u>Police</u>
<b>Assets</b>				
Equity in Pooled Cash and				
Cash Equivalents	\$4,675,779	\$1,351,860	\$518,311	\$57,963
Materials and Supplies Inventory	3,667	3,771	51,285	14,990
Accounts Receivable	169,527	0	0	0
Interfund Receivable	123,384	0	0	0
Intergovernmental Receivable	350,330	0	377,763	33,691
Prepaid Items	19,648	10,309	2,543	22,235
Municipal Income Taxes Receivable	992,243	915,917	0	0
Property Taxes Receivable	1,379,089	0	815,951	475,775
Special Assessments Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$7,713,667</u>	<u>\$2,281,857</u>	<u>\$1,765,853</u>	<u>\$604,654</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$20,670	\$3,164	\$56,858	\$6,514
Contracts Payable	55,651	10,232	9,172	9,358
Accrued Wages and Benefits	45,463	48,610	20,851	68,760
Interfund Payable	0	0	0	0
Intergovernmental Payable	60,092	138,730	17,670	57,676
Deferred Revenue	1,947,170	294,824	1,078,349	509,466
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
<i>Total Liabilities</i>	<u>2,129,046</u>	<u>495,560</u>	<u>1,182,900</u>	<u>651,774</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	27,802	26	202,636	14,283
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	5,556,819	0	0	0
Special Revenue Funds	0	1,786,271	380,317	(61,403)
Debt Service Funds	0	0	0	0
Capital Projects Funds	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>5,584,621</u>	<u>1,786,297</u>	<u>582,953</u>	<u>(47,120)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,713,667</u>	<u>\$2,281,857</u>	<u>\$1,765,853</u>	<u>\$604,654</u>

See accompanying notes to the basic financial statements



Special Assessment Bond Retirement	Schneider Court Site Development	Other Governmental Funds	Total Governmental Funds
\$345,931	\$679,986	\$3,845,646	\$11,475,476
0	0	5,169	78,882
0	0	0	169,527
0	0	0	123,384
0	0	129,097	890,881
0	0	0	54,735
0	0	0	1,908,160
0	0	953,571	3,624,386
3,406,724	0	0	3,406,724
<u>\$3,752,655</u>	<u>\$679,986</u>	<u>\$4,933,483</u>	<u>\$21,732,155</u>
\$0	\$0	\$22,157	\$109,363
0	17,624	40,760	142,797
0	0	10,268	193,952
0	0	123,384	123,384
0	0	96,510	370,678
3,406,724	0	1,058,463	8,294,996
0	23,256	49,983	73,239
0	750,000	1,923,650	2,673,650
<u>3,406,724</u>	<u>790,880</u>	<u>3,325,175</u>	<u>11,982,059</u>
0	121,837	662,364	1,028,948
0	0	0	5,556,819
0	0	990,941	3,096,126
345,931	0	23,992	369,923
0	(232,731)	(68,989)	(301,720)
<u>345,931</u>	<u>(110,894)</u>	<u>1,608,308</u>	<u>9,750,096</u>
<u>\$3,752,655</u>	<u>\$679,986</u>	<u>\$4,933,483</u>	<u>\$21,732,155</u>

**City of Avon, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 December 31, 2005*

<b>Total Governmental Fund Balances</b>	\$9,750,096
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	53,714,509
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Special Assessments	3,406,724
Delinquent Property Taxes	116,555
Intergovernmental	638,383
Municipal Income Taxes	625,503
Total	4,787,165
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(61,542)
Bond issuance costs are considered deferred charges and will be amortized over the life of the bonds on the statement of net assets.	123,321
Long-term liabilities, including bonds and compensated absences, are not due and payable in the current period therefore are not reported in the funds.	
General Obligation Bonds	(6,268,816)
Special Assessment Bonds	(3,406,724)
OPWC Loans	(22,500)
Notes Payable	(200,000)
Compensated Absences	(1,218,960)
Total	(11,117,000)
 <i>Net Assets of Governmental Activities</i>	 \$57,196,549

See accompanying notes to the basic financial statements

**City of Avon, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2005*

	General	Fire Department	Street Construction, Maintenance and Repair	Police
<b>Revenues</b>				
Property and Other Taxes	\$1,219,341	\$0	\$727,090	\$432,134
Municipal Income Taxes	4,378,124	3,059,738	0	0
Charges for Services	241,776	0	0	0
Licenses and Permits	1,295,047	0	0	0
Fines and Forfeitures	324,662	0	0	0
Intergovernmental	281,548	0	705,144	41,649
Special Assessments	0	0	0	0
Interest	304,318	0	11,561	0
Contributions and Donations	0	0	0	0
Miscellaneous	15,328	0	13,053	3,095
<i>Total Revenues</i>	<u>8,060,144</u>	<u>3,059,738</u>	<u>1,456,848</u>	<u>476,878</u>
<b>Expenditures</b>				
Current:				
General Government	1,814,413	0	0	0
Security of Persons and Property	0	2,316,074	0	2,563,062
Transportation	0	0	1,484,020	0
Community Environment	1,052,166	0	0	0
Basic Utility Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>2,866,579</u>	<u>2,316,074</u>	<u>1,484,020</u>	<u>2,563,062</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,193,565</u>	<u>743,664</u>	<u>(27,172)</u>	<u>(2,086,184)</u>
<b>Other Financing Sources (Uses)</b>				
Insurance Recovery	0	0	0	0
Refunding Notes Issued	0	0	0	0
Payment to Refund Notes	0	0	0	0
Transfers In	648,128	205,576	0	2,100,000
Transfers Out	(4,997,261)	0	(191,420)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(4,349,133)</u>	<u>205,576</u>	<u>(191,420)</u>	<u>2,100,000</u>
<i>Net Change in Fund Balances</i>	844,432	949,240	(218,592)	13,816
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year - Restated (Note 3)</i>	<u>4,740,189</u>	<u>837,057</u>	<u>801,545</u>	<u>(60,936)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$5,584,621</u>	<u>\$1,786,297</u>	<u>\$582,953</u>	<u>(\$47,120)</u>

(continued)

**City of Avon, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds (continued)*  
*For the Year Ended December 31, 2005*

	Special Assessment Bond Retirement	Schneider Court Site Development	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property and Other Taxes	\$0	\$0	\$835,685	\$3,214,250
Municipal Income Taxes	0	0	0	7,437,862
Charges for Services	0	0	141,774	383,550
Licenses and Permits	0	0	345,199	1,640,246
Fines and Forfeitures	0	0	10,786	335,448
Intergovernmental	0	0	1,089,565	2,117,906
Special Assessments	196,332	0	0	196,332
Interest	215,005	1,015	9,334	541,233
Contributions and Donations	0	0	230	230
Miscellaneous	0	22,422	164,514	218,412
<i>Total Revenues</i>	<u>411,337</u>	<u>23,437</u>	<u>2,597,087</u>	<u>16,085,469</u>
<b>Expenditures</b>				
Current:				
General Government	15,355	0	375	1,830,143
Security of Persons and Property	0	0	318,039	5,197,175
Transportation	0	0	147,207	1,631,227
Community Environment	0	0	269,096	1,321,262
Basic Utility Services	0	0	19,997	19,997
Leisure Time Activities	0	0	609,671	609,671
Capital Outlay	0	1,764,454	3,088,768	4,853,222
Debt Service:				
Principal Retirement	196,332	0	328,110	524,442
Interest and Fiscal Charges	184,251	39,553	422,462	646,266
<i>Total Expenditures</i>	<u>395,938</u>	<u>1,804,007</u>	<u>5,203,725</u>	<u>16,633,405</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>15,399</u>	<u>(1,780,570)</u>	<u>(2,606,638)</u>	<u>(547,936)</u>
<b>Other Financing Sources (Uses)</b>				
Insurance Recovery	0	203,748	0	203,748
Refunding Notes Issued	0	0	200,000	200,000
Payment to Refund Notes	0	(750,000)	(1,500,000)	(2,250,000)
Transfers In	0	425,000	2,746,819	6,125,523
Transfers Out	0	0	(918,309)	(6,106,990)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(121,252)</u>	<u>528,510</u>	<u>(1,827,719)</u>
<i>Net Change in Fund Balances</i>	15,399	(1,901,822)	(2,078,128)	(2,375,655)
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year - Restated (Note 3)</i>	<u>330,532</u>	<u>1,790,928</u>	<u>3,686,436</u>	<u>12,125,751</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$345,931</u>	<u>(\$110,894)</u>	<u>\$1,608,308</u>	<u>\$9,750,096</u>

See accompanying notes to the basic financial statements

**City of Avon, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2005*

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**Net Change in Fund Balances - Total Governmental Funds** (\$2,375,655)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the current period:

Capital Asset Additions	6,807,087	
Current Year Depreciation	(2,824,139)	
Total	3,982,948	3,982,948

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (361,736)

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

Delinquent Property Taxes	(7,113)	
Intergovernmental	73,957	
Special Assessments	(189,662)	
Municipal Income Taxes	44,788	
Total	(78,030)	(78,030)

Other financing sources in the governmental funds that increase long-term liabilities such as notes issued in the statement of net assets are not reported as revenues in the statement of activities. (200,000)

Repayment of bond, note and loan principal are expenditures in the governmental funds, but the repayments reduce the long-term liabilities in the statement of net assets. 2,774,442

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

Accrued Interest	37,223	
Amortization of Bond Issuance Costs	(6,947)	
Amortization of Gain on Refunding	(4,363)	
Amortization of Bond Premium	577	
Total	26,490	26,490

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds, such as compensated absences. 113,001

*Change in Net Assets of Governmental Activities* \$3,881,460

See accompanying notes to the basic financial statements

**City of Avon, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property and Other Taxes	\$1,003,741	\$1,272,303	\$1,219,341	(\$52,962)
Municipal Income Taxes	3,340,757	4,234,615	4,234,615	0
Charges for Services	426,658	441,484	404,255	(37,229)
Licenses and Permits	999,985	1,267,542	1,295,047	27,505
Fines and Forfeitures	247,670	313,937	324,662	10,725
Intergovernmental	250,755	421,039	306,425	(114,614)
Interest	239,856	304,032	331,079	27,047
Miscellaneous	18,031	22,856	15,328	(7,528)
<i>Total Revenues</i>	<u>6,527,453</u>	<u>8,277,808</u>	<u>8,130,752</u>	<u>(147,056)</u>
<b>Expenditures</b>				
Current:				
General Government	1,375,516	2,135,920	1,928,504	207,416
Community Environment	748,705	1,162,599	1,004,295	158,304
<i>Total Expenditures</i>	<u>2,124,221</u>	<u>3,298,519</u>	<u>2,932,799</u>	<u>365,720</u>
<i>Excess of Revenues Over Expenditures</i>	<u>4,403,232</u>	<u>4,979,289</u>	<u>5,197,953</u>	<u>218,664</u>
<b>Other Financing Sources (Uses)</b>				
Advances Out	(33,367)	(33,367)	(33,367)	0
Transfers In	209,289	1,405,713	648,128	(757,585)
Transfers Out	(3,796,739)	(8,217,449)	(4,997,261)	3,220,188
<i>Total Other Financing Sources (Uses)</i>	<u>(3,620,817)</u>	<u>(6,845,103)</u>	<u>(4,382,500)</u>	<u>2,462,603</u>
<i>Net Change in Fund Balance</i>	782,415	(1,865,814)	815,453	2,681,267
<i>Fund Balance Beginning of Year</i>	3,699,367	3,699,367	3,699,367	0
Prior Year Encumbrances Appropriated	103,192	103,192	103,192	0
<i>Fund Balance End of Year</i>	<u>\$4,584,974</u>	<u>\$1,936,745</u>	<u>\$4,618,012</u>	<u>\$2,681,267</u>

See accompanying notes to the basic financial statements

**City of Avon, Ohio**  
*Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Fire Department Fund  
For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Municipal Income Taxes	\$2,192,465	\$2,887,352	\$2,869,410	(\$17,942)
Miscellaneous	20,001	19,129	19,029	(100)
<i>Total Revenues</i>	2,212,466	2,906,481	2,888,439	(18,042)
<b>Expenditures</b>				
Current:				
Security of Persons and Property	1,915,262	2,416,878	2,277,100	139,778
<i>Excess of Revenues Over Expenditures</i>	297,204	489,603	611,339	121,736
<b>Other Financing Sources</b>				
Transfers In	205,576	205,576	205,576	0
<i>Net Change in Fund Balance</i>	502,780	695,179	816,915	121,736
<i>Fund Balance Beginning of Year</i>	504,536	504,536	504,536	0
Prior Year Encumbrances Appropriated	17,942	17,942	17,942	0
<i>Fund Balance End of Year</i>	<u>\$1,025,258</u>	<u>\$1,217,657</u>	<u>\$1,339,393</u>	<u>\$121,736</u>

See accompanying notes to the basic financial statements

**City of Avon, Ohio**  
*Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Street Construction, Maintenance and Repair Fund  
For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property and Other Taxes	\$703,028	\$727,090	\$727,090	\$0
Intergovernmental	678,970	871,287	678,940	(192,347)
Interest	12,296	12,296	12,296	0
Miscellaneous	13,053	13,053	13,053	0
<i>Total Revenues</i>	1,407,347	1,623,726	1,431,379	(192,347)
<b>Expenditures</b>				
Current:				
Transportation	1,240,568	1,917,195	1,862,473	54,722
<i>Excess of Revenues Over (Under) Expenditures</i>	166,779	(293,469)	(431,094)	(137,625)
<b>Other Financing Uses</b>				
Transfers Out	(191,420)	(191,420)	(191,420)	0
<i>Net Change in Fund Balance</i>	(24,641)	(484,889)	(622,514)	(137,625)
<i>Fund Balance Beginning of Year</i>	679,145	679,145	679,145	0
Prior Year Encumbrances Appropriated	192,347	192,347	192,347	0
<i>Fund Balance End of Year</i>	<u>\$846,851</u>	<u>\$386,603</u>	<u>\$248,978</u>	<u>(\$137,625)</u>

See accompanying notes to the basic financial statements



**City of Avon, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property and Other Taxes	\$526,385	\$472,676	\$432,134	(\$40,542)
Intergovernmental	42,049	42,049	42,049	0
Miscellaneous	3,070	3,072	3,095	23
<i>Total Revenues</i>	571,504	517,797	477,278	(40,519)
<b>Expenditures</b>				
Current:				
Security of Persons and Property	2,667,341	2,743,342	2,590,496	152,846
<i>Excess of Revenues Under Expenditures</i>	(2,095,837)	(2,225,545)	(2,113,218)	112,327
<b>Other Financing Sources</b>				
Transfers In	2,100,000	2,193,962	2,100,000	(93,962)
<i>Net Change in Fund Balance</i>	4,163	(31,583)	(13,218)	18,365
<i>Fund Balance Beginning of Year</i>	163	163	163	0
Prior Year Encumbrances Appropriated	40,542	40,542	40,542	0
<i>Fund Balance End of Year</i>	\$44,868	\$9,122	\$27,487	\$18,365

See accompanying notes to the basic financial statements

**City of Avon, Ohio**  
*Statement of Fund Net Assets*  
*Proprietary Funds*  
*December 31, 2005*

	Business-Type Activities		
	Water	Sewer	Total
<b>Assets</b>			
<i>Current Assets</i>			
Equity in Pooled Cash and Cash Equivalents	\$2,177,822	\$2,893,293	\$5,071,115
Materials and Supplies Inventory	328,979	29,050	358,029
Accounts Receivable	198,549	208,139	406,688
Prepaid Items	2,999	2,999	5,998
Special Assessments Receivable	275,437	0	275,437
<i>Total Current Assets</i>	<u>2,983,786</u>	<u>3,133,481</u>	<u>6,117,267</u>
<i>Noncurrent Assets</i>			
Deferred Charges	951,877	5,344	957,221
Non-Depreciable Capital Assets	0	75,580	75,580
Depreciable Capital Assets, Net	11,958,261	14,461,019	26,419,280
<i>Total Noncurrent Assets</i>	<u>12,910,138</u>	<u>14,541,943</u>	<u>27,452,081</u>
<i>Total Assets</i>	<u>15,893,924</u>	<u>17,675,424</u>	<u>33,569,348</u>
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Accounts Payable	3,739	761	4,500
Contracts Payable	36,094	8,659	44,753
Accrued Wages and Benefits	11,637	11,433	23,070
Intergovernmental Payable	147,870	21,096	168,966
Compensated Absences Payable	4,409	4,409	8,818
Accrued Interest Payable	20,184	15,156	35,340
Notes Payable	641,350	350,000	991,350
OWDA Loans - Current	0	105,158	105,158
Bonds Payable - Current	29,400	29,400	58,800
<i>Total Current Liabilities</i>	<u>894,683</u>	<u>546,072</u>	<u>1,440,755</u>
<i>Long-Term Liabilities</i>			
Compensated Absences Payable	46,970	46,970	93,940
Intergovernmental Payable	863,621	0	863,621
OWDA Loans	0	767,198	767,198
Bonds Payable	169,107	169,107	338,214
<i>Total Long-Term Liabilities</i>	<u>1,079,698</u>	<u>983,275</u>	<u>2,062,973</u>
<i>Total Liabilities</i>	<u>1,974,381</u>	<u>1,529,347</u>	<u>3,503,728</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	10,177,215	13,121,080	23,298,295
Unrestricted	3,742,328	3,024,997	6,767,325
<i>Total Net Assets</i>	<u>\$13,919,543</u>	<u>\$16,146,077</u>	<u>\$30,065,620</u>

See accompanying notes to the basic financial statements

**City of Avon, Ohio**  
*Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2005*

	Business-Type Activities		
	Water	Sewer	Total
<b>Operating Revenues</b>			
Charges for Services	\$2,258,379	\$1,021,487	\$3,279,866
Other	43,725	10,196	53,921
<i>Total Operating Revenues</i>	<u>2,302,104</u>	<u>1,031,683</u>	<u>3,333,787</u>
<b>Operating Expenses</b>			
Personal Services	375,600	617,960	993,560
Materials and Supplies	1,030,125	160,194	1,190,319
Contractual Services	318,977	158,076	477,053
Other Operating Expenses	20,272	4,037	24,309
Depreciation	389,119	437,030	826,149
<i>Total Operating Expenses</i>	<u>2,134,093</u>	<u>1,377,297</u>	<u>3,511,390</u>
<i>Operating Income (Loss)</i>	<u>168,011</u>	<u>(345,614)</u>	<u>(177,603)</u>
<b>Non Operating Revenues (Expenses)</b>			
Interest	42,910	66,920	109,830
Interest and Fiscal Charges	(100,910)	(67,030)	(167,940)
<i>Total Non Operating Revenues (Expenses)</i>	<u>(58,000)</u>	<u>(110)</u>	<u>(58,110)</u>
<i>Income (Loss) Before Contributions and Transfers</i>	110,011	(345,724)	(235,713)
Capital Contributions	1,248,608	2,117,242	3,365,850
Transfers Out	0	(18,533)	(18,533)
<i>Change in Net Assets</i>	1,358,619	1,752,985	3,111,604
<i>Net Assets Beginning of Year Restated (Note 3)</i>	<u>12,560,924</u>	<u>14,393,092</u>	<u>26,954,016</u>
<i>Net Assets End of Year</i>	<u>\$13,919,543</u>	<u>\$16,146,077</u>	<u>\$30,065,620</u>

See accompanying notes to the basic financial statements

**City of Avon, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
*For the Year Ended December 31, 2005*

	Business-Type Activities		
	Water	Sewer	Totals
<b>Increase (Decrease) in Cash and Cash Equivalents</b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$2,212,623	\$938,193	\$3,150,816
Cash Payments to Suppliers for Materials and Supplies	(1,090,239)	(153,482)	(1,243,721)
Cash Payments for Employee Services and Benefits	(374,432)	(614,786)	(989,218)
Cash Payments for Contractual Services	(297,609)	(160,681)	(458,290)
Other Operating Revenues	43,725	10,196	53,921
Other Operating Expenses	(20,474)	(3,930)	(24,404)
<i>Net Cash Provided by Operating Activities</i>	<u>473,594</u>	<u>15,510</u>	<u>489,104</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers Out	<u>0</u>	<u>(18,533)</u>	<u>(18,533)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition of Capital Assets	(26,771)	0	(26,771)
Proceeds of Notes	641,350	350,000	991,350
Special Assessments	41,541	0	41,541
Tap-In Fees	332,094	394,971	727,065
Principal Paid on Revenue Bonds	(27,300)	(27,300)	(54,600)
Interest Paid on Revenue Bonds	(7,543)	(7,543)	(15,086)
Principal Paid on OWDA Loans	0	(101,176)	(101,176)
Interest Paid on OWDA Loans	0	(37,665)	(37,665)
Principal Paid on Notes	(1,120,000)	(350,000)	(1,470,000)
Interest Paid on Notes	(27,727)	(10,874)	(38,601)
Interest Paid to City of Avon Lake	(43,804)	0	(43,804)
Payments to City of Avon Lake	(58,360)	0	(58,360)
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(296,520)</u>	<u>210,413</u>	<u>(86,107)</u>
<b>Cash Flows from Investing Activities</b>			
Interest on Investments	<u>42,910</u>	<u>66,920</u>	<u>109,830</u>
Net Increase in Cash and Cash Equivalents	219,984	274,310	494,294
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>1,957,838</u>	<u>2,618,983</u>	<u>4,576,821</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$2,177,822</u></u>	<u><u>\$2,893,293</u></u>	<u><u>\$5,071,115</u></u>

(continued)

**City of Avon, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
*For the Year Ended December 31, 2005*

	Business-Type Activities		
	Water	Sewer	Totals
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>			
Operating Income (Loss)	\$168,011	(\$345,614)	(\$177,603)
<i>Adjustments:</i>			
Depreciation	389,119	437,030	826,149
(Increase) Decrease in Assets:			
Accounts Receivable	(45,756)	(83,294)	(129,050)
Materials and Supplies Inventory	(57,302)	3,650	(53,652)
Prepaid Items	(649)	(649)	(1,298)
Increase (Decrease) in Liabilities:			
Accounts Payable	(4,616)	(6,579)	(11,195)
Contracts Payable	25,411	5,460	30,871
Accrued Wages	388	2,175	2,563
Compensated Absences Payable	(4,363)	(4,363)	(8,726)
Intergovernmental Payable	3,351	7,694	11,045
<i>Total Adjustments</i>	305,583	361,124	666,707
<i>Net Cash Provided by Operating Activities</i>	<u>\$473,594</u>	<u>\$15,510</u>	<u>\$489,104</u>

**Noncash Capital Financing Activities**

During 2005, the water and sewer enterprise funds received water and sewer lines from developers valued at \$936,466 and \$1,753,915 respectively.

See accompanying notes to the basic financial statements

**City of Avon, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2005*

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**Assets**

Equity in Pooled Cash and Cash Equivalents	<u>\$4,790,523</u>
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**Liabilities**

Deposits Held and Due to Others	\$4,712,704
Intergovernmental Payable	<u>77,819</u>

<i>Total Liabilities</i>	<u>\$4,790,523</u>
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See accompanying notes to the basic financial statements

*City of Avon, Ohio*  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**Note 1 - Description of City and Reporting Entity**

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

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

Legislative authority is vested in a seven member council with four members elected from wards and three elected at large, for staggered two year terms. The member receiving the greatest number of votes becomes the president. Council enacts ordinances and resolutions related to tax levies, appropriates and borrows money, and accepts bids for materials and services and other municipal purposes.

***Reporting Entity***

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

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

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

The City is associated with the Lorain County General Health District and the Northeast Ohio Public Energy Council (NOPEC), both jointly governed organizations, as presented in Note 16 and the Lorain County Health Care Program, a shared risk pool presented in Note 17.

*City of Avon, Ohio*  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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

The financial statements of the City of Avon have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise funds unless those pronouncements conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989, to its business-type activities and enterprise funds. The more significant of the City's accounting policies are described below.

***A. Basis of Presentation***

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

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

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

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

***B. Fund Accounting***

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



**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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

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

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

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

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

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

**Schneider Court Site Development Capital Projects Fund** This fund accounts for the costs associated with the development of the Schneider Court area, including insurance proceeds for the destroyed service building.

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

**Proprietary Funds** Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

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

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

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

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

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for contractor's deposits, taxes distributed to the Lorain Public Library, the collection and distribution of sewer charges for North Ridgeville, subdivision deposits, Avon Lake sanitary sewer trunk fees, monies due to other organizations/entities and Mayor's Court.

**C. Measurement Focus**

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

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

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

**D. Basis of Accounting**

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

**Deferred Revenue** Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2005, but which were levied to finance year 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

**E. Budgetary Process**

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

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

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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

***F. Cash and Cash Equivalents***

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

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

During 2005, investments were limited to repurchase agreements and State Treasury Asset Reserve of Ohio (STAROhio).

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2005.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2005 amounted to \$304,318, which includes \$161,645 assigned from other City funds.

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

***G. Inventory***

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

***H. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2005 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

***I. Capital Assets***

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

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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

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

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

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

***J. Interfund Balances***

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables." Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

***K. Compensated Absences***

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

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

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

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

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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

***M. Fund Balance Reserves***

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances are recorded as a reservation of fund balance.

***N. Net Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The government-wide statement of net assets reports \$8,568,097 of restricted net assets, of which \$3,036,261 is restricted by enabling legislation.

Net assets restricted for other purposes include resources restricted for recycling, parking violations, highway maintenance, education, law enforcement, parks, Mayor's court computer, recreation, community activities, contributions to police pension funds and various police programs.

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

***O. Contributions of Capital***

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

***P. Interfund Activity***

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

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

*City of Avon, Ohio*  
*Notes to Basic Financial Statements*  
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***Q. Operating Revenues and Expenses***

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

***R. Bond Premiums/Issuance Costs***

Bond premiums and issuance costs for governmental and business-type activities are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond premiums are presented as a reduction of the face amount of bonds payable whereas issuance costs are recorded as deferred charges on the statement of net assets.

***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.

***T. Estimates***

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

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

For 2005, the City has implemented GASB Statement No. 40, “Deposit and Investment Risk Disclosures”, GASB Statement No. 42, “Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries”, and GASB Statement No. 44, “Economic Condition Reporting: The Statistical Section.”

GASB Statement No. 40 establishes new disclosure requirements associated with deposits and investments.

GASB Statement No. 42 establishes accounting and financial reporting standards for impairment of capital assets and clarifies and establishes accounting requirements for insurance recoveries.

GASB Statement No. 44 establishes improved understandability and usefulness of the information that State and local governments present as supplementary information in the statistical section.

The implementation of GASB Statement No. 42 did not affect the presentation of the financial statements of the City. The corrections for a prior period error, fund reclassified from an enterprise fund to an agency fund, understatement of capital assets, and the reclassification of long-term debt had the following effect on fund balance and net assets at December 31, 2004.

**City of Avon, Ohio**  
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	General Fund	Fire Department	Street Construction Maintenance and Repair	Police
Fund Balance				
December 31, 2004	\$4,740,189	\$837,057	\$801,545	(\$60,936)
<b>Restatement:</b>				
Fund Reclassification	0	0	0	0
Notes Payable				
Accrued Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Restated Fund Balance				
December 31, 2004	<u>\$4,740,189</u>	<u>\$837,057</u>	<u>\$801,545</u>	<u>(\$60,936)</u>

	Special Assessment Bond	Schneider Court Development	NonMajor	Total
Fund Balance				
December 31, 2004	\$330,532	\$2,044,359	\$3,789,086	\$12,481,832
<b>Restatement:</b>				
Fund Reclassification	0	0	(1,277)	(1,277)
Notes Payable		(250,000)	(100,000)	(350,000)
Accrued Interest	<u>0</u>	<u>(3,431)</u>	<u>(1,373)</u>	<u>(4,804)</u>
Restated Fund Balance				
December 31, 2004	<u>\$330,532</u>	<u>\$1,790,928</u>	<u>\$3,686,436</u>	<u>\$12,125,751</u>

	Governmental Activities	Water Fund	Sewer Fund	Total Business-Type Activities	Total
Net Assets					
December 31, 2004	\$52,891,354	\$12,524,540	\$14,531,109	\$27,055,649	\$79,947,003
<b>Restatement:</b>					
Fund Reclassification	(1,277)	0	(127,202)	(127,202)	(128,479)
Capital Assets	402,212	47,784	0	47,784	449,996
Long-Term Debt	<u>22,800</u>	<u>(11,400)</u>	<u>(10,815)</u>	<u>(22,215)</u>	<u>585</u>
Restated Net Assets,					
December 31, 2004	<u>\$53,315,089</u>	<u>\$12,560,924</u>	<u>\$14,393,092</u>	<u>\$26,954,016</u>	<u>\$80,269,105</u>

The equity in pooled cash and cash equivalents in the agency funds of \$4,909,279 as of December 31, 2004 increased by \$127,202 to \$5,036,481, and deposits held in due to others of \$4,805,271 increased by \$127,202 to \$4,932,473 due to a reclassification of the Avon Lake sanitary sewer trunk fees fund to an agency fund.



*City of Avon, Ohio*  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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

***A. Fund Deficits***

Fund balances at December 31, 2005 included the following individual fund balance deficits:

	<u>Deficits</u>
<b>Major Fund:</b>	
Special Revenue Fund:	
Police	\$47,120
Capital Projects Fund:	
Schneider Court Site Development	110,894
<b>Nonmajor Funds:</b>	
Special Revenue Fund:	
Police Pension	92,220
Capital Projects Funds:	
Land Purchase - Our Lady of Wayside	97,319
Land Purchase - CEI/First Energy	47,122
Schneider Court Roadway	939,256

Fund deficits in the police, police pension, and land purchase - CEI/First Energy funds are due to adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, rather than when accruals occur. The fund deficit in the Schneider Court roadway fund is due to note debt reported in the fund, deficits will be addressed when bonds are issued or the note is repaid.

***B. Legal Compliance***

Contrary to ORC section 5709.39, the North Doovey Project Capital Projects fund had original appropriations in excess of estimated resources plus beginning balances in the amount of \$7,000.

Contrary to ORC section 5705.41 (B), the Skateboard Park Capital Projects object level had expenditures plus encumbrances in excess of final appropriations in the amount of \$5,667.

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

**Note 5 - Budgetary Basis of Accounting**

While the City is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general and the major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

**City of Avon, Ohio**  
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2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

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

Net Change in Fund Balance

	<u>General</u>	<u>Fire Department</u>	<u>Street Construction, Maintenance and Repair</u>	<u>Police</u>
GAAP Basis	\$844,432	\$949,240	(\$218,592)	\$13,816
Net Adjustment for Revenue Accruals	23,981	(171,299)	(26,136)	400
Unrecorded Cash	46,627	0	667	0
Net Adjustment for Expenditure Accruals	34,937	51,441	(109,787)	3,042
Advances Out	(33,367)	0	0	0
Encumbrances	<u>(101,157)</u>	<u>(12,467)</u>	<u>(268,666)</u>	<u>(30,476)</u>
Budget Basis	<u>\$815,453</u>	<u>\$816,915</u>	<u>(\$622,514)</u>	<u>(\$13,218)</u>

**Note 6 - Deposits and Investments**

State statutes classify monies held by the City into three categories.

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

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

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

**City of Avon, Ohio**  
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Interim monies held by the City can be deposited or invested in the following securities:

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

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

### **Deposits**

**Custodial Credit Risk** Custodial credit risk for deposits 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 possession of an outside party. At year-end, the carrying amount of the City's deposits was \$11,378,015 and the bank balance was \$11,484,288. Of the bank balance \$264,395 was covered by Federal depository insurance and \$11,219,893 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although the securities were held by the pledging institution's trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
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The City has no deposit policy for custodial risk beyond the requirements of the State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**Investments**

All investments are in an internal investment pool. As of December 31, 2005, the City had \$3,415,001 in repurchase agreements and a STAROhio investment with fair value of \$6,544,098 and an average maturity of 39.41 days.

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

**Credit Risk** STAROhio carries a rating of AAAM by Standard's and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that would further limit its investment choices.

**Note 7 - Receivables**

Receivables at December 31, 2005, consisted primarily of municipal income taxes, property and other taxes, special assessments, intergovernmental receivables arising from entitlements and shared revenues and accounts (billings for user charged services and court fines).

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

Special assessments expected to be collected in more than one year amount to \$3,209,567 in the special assessment bond retirement fund. The amount of delinquent special assessments outstanding at year-end is \$29,828.

**A. Property Taxes**

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2005 for real and public utility property taxes represents collections of 2004 taxes. Property tax payments received during 2005 for tangible personal property (other than public utility property) are for 2005 taxes.

2005 real property taxes are levied after October 1, 2005 on the assessed value as of January 1, 2005, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2005 real property taxes are collected in and intended to finance 2006.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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Public utility real and tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2005 public utility property taxes which become a lien December 31, 2004, are levied after October 1, 2005, and are collected in 2006 with real property taxes.

2005 tangible personal property taxes are levied after October 1, 2004, on the value as of December 31, 2004. Collections are made in 2005. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent for inventory.

The full tax rate for all City operations for the year ended December 31, 2005 was \$9.47 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2005 property tax receipts were based are as follows:

Real Property	\$524,673,520
Public Utility Property	10,714,700
Tangible Personal Property	<u>34,856,395</u>
Total Valuation	<u><u>\$570,244,615</u></u>

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The Lorain County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Avon. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2005 and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2005 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

***B. Income Tax***

The City levies a municipal income tax of one and one half percent on all salaries, wages, commissions and other compensation, and net profits earned within the City as well as incomes of residents earned outside of the City. In the latter case the City allows a credit of one and one quarter percent of the taxable income earned in or attributable to the municipality of employment or business activity. One percent is levied for general purposes and one half percent is designated for fire station construction.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax proceeds are received by the general fund and fire department special revenue fund.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**C. Intergovernmental Receivables**

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

	<u>Amount</u>
Gasoline Tax	\$303,372
Local Government	211,077
Homestead and Rollback	179,246
Estate Tax	51,292
Electric Deregulation	50,352
Motor Vehicle Tax	47,188
Permissive Tax	44,103
Fines, Licenses and Fees	<u>4,251</u>
Total	<u><u>\$890,881</u></u>

**Note 8 - Contingencies**

**A. Grants**

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

**B. Litigation**

The City is a party to legal proceedings seeking damages. The City management, including the Law Director, is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City and that the City has adequate liability insurance coverage to protect itself against any material loss.

**City of Avon, Ohio**  
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**Note 9 – Capital Assets**

Capital asset activity for the year ended December 31, 2005, was as follows:

	Balance 12/31/04	Additions	Deletions	Balance 12/31/05
<b>Governmental Activities</b>				
<b>Capital Assets, Not Being Depreciated:</b>				
Land	\$2,328,092	\$0	\$0	\$2,328,092
Construction in Progress	2,850,655	702,934	(2,732,694)	820,895
<i>Total Capital Assets, Not Being Depreciated</i>	<u>5,178,747</u>	<u>702,934</u>	<u>(2,732,694)</u>	<u>3,148,987</u>
<b>Capital Assets, Being Depreciated:</b>				
Land Improvements	259,744	0	0	259,744
Buildings and Improvements	5,239,309	2,725,008	(11,171)	7,953,146
Machinery and Equipment	3,670,072	675,225	(440,384)	3,904,913
Infrastructure:				
Park Improvements	1,026,262	49,231	0	1,075,493
Streets	38,943,806	3,154,824	0	42,098,630
Bridges and Culverts	649,900	0	0	649,900
Traffic Signals	991,130	103,596	0	1,094,726
Storm Sewer	13,371,044	2,128,963	0	15,500,007
<i>Total Capital Assets, Being Depreciated</i>	<u>64,151,267</u>	<u>8,836,847</u>	<u>(451,555)</u>	<u>72,536,559</u>
Less Accumulated Depreciation:				
Land Improvements	(138,732)	(18,375)	0	(157,107)
Buildings and Improvements	(554,000)	(129,934)	11,171	(672,763)
Machinery and Equipment	(1,926,039)	(271,011)	78,648	(2,118,402)
Infrastructure:				
Park Improvements	(73,300)	(35,029)	0	(108,329)
Streets	(14,270,066)	(1,933,325)	0	(16,203,391)
Bridges and Culverts	(194,659)	(18,569)	0	(213,228)
Traffic Signals	(256,759)	(57,940)	0	(314,699)
Storm Sewer	(1,823,162)	(359,956)	0	(2,183,118)
<i>Total Accumulated Depreciation</i>	<u>(19,236,717)</u>	<u>(2,824,139) *</u>	<u>89,819</u>	<u>(21,971,037)</u>
Total Capital Assets, Being Depreciated, Net	<u>44,914,550</u>	<u>6,012,708</u>	<u>(361,736)</u>	<u>50,565,522</u>
Governmental Activities Capital Assets, Net	<u>\$50,093,297</u>	<u>\$6,715,642</u>	<u>(\$3,094,430)</u>	<u>\$53,714,509</u>

During 2005, the City received street improvements from developers valued at \$2,451,890 and storm sewer improvements from developers valued at \$1,556,141.

**City of Avon, Ohio**  
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	Balance 12/31/04	Additions	Deletions	Balance 12/31/05
<b>Business-Type Activities</b>				
<b><i>Capital Assets, Not Being Depreciated:</i></b>				
Land	\$7,580	\$0	\$0	\$7,580
Construction in Progress	99,644	0	(31,644)	68,000
<i>Total Capital Assets Not Being Depreciated</i>	<u>107,224</u>	<u>0</u>	<u>(31,644)</u>	<u>75,580</u>
<b><i>Capital Assets, Being Depreciated:</i></b>				
Land Improvements	93,196	0	0	93,196
Buildings and Improvements	1,693,594	0	0	1,693,594
Machinery and Equipment	349,675	26,771	0	376,446
Infrastructure:				
Water Lines	13,668,703	936,466	0	14,605,169
Sewer Lines	16,009,773	1,753,915	0	17,763,688
<i>Total Capital Assets, Being Depreciated</i>	<u>31,814,941</u>	<u>2,717,152</u>	<u>0</u>	<u>34,532,093</u>
Less Accumulated Depreciation:				
Land Improvements	(93,196)	0	0	(93,196)
Buildings and Improvements	(457,271)	(33,871)	0	(491,142)
Machinery and Equipment	(202,257)	(17,045)	0	(219,302)
Infrastructure:				
Water Lines	(3,671,318)	(338,203)	0	(4,009,521)
Sewer Lines	(2,862,622)	(437,030)	0	(3,299,652)
<i>Total Accumulated Depreciation</i>	<u>(7,286,664)</u>	<u>(826,149)</u>	<u>0</u>	<u>(8,112,813)</u>
Total Capital Assets, Being Depreciated, Net	<u>24,528,277</u>	<u>1,891,003</u>	<u>0</u>	<u>26,419,280</u>
Business-Type Activities Capital Assets, Net	<u>\$24,635,501</u>	<u>\$1,891,003</u>	<u>(\$31,644)</u>	<u>\$26,494,860</u>

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

General Government	\$61,841
Security of Persons and Property	159,463
Transportation	2,158,749
Leisure Time Activities	84,130
Basic Utility Services	359,956
Total Depreciation Expense	<u>\$2,824,139</u>



**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
For the Year Ended December 31, 2005

**Note 10 – Note Debt**

A summary of note transactions for the year ended December 31, 2005 follows:

	Balance 12/31/04	Additions	Deletions	Balance 12/31/05
<b>GOVERNMENTAL FUNDS</b>				
<b>Land Purchase CEI/First Energy Fund</b>				
2004, 2.40% Real Estate Acquisition	\$375,000	\$0	\$375,000	\$0
2005, 3.20% Real Estate Acquisition	0	390,000	0	390,000
<b>Schneider Court Roadway Fund</b>				
2004, 1.90% Schneider Court Improvements	830,000	0	830,000	0
2005, 3.40% Schneider Court Improvements	0	833,650	0	833,650
<b>Schneider Court Site Development Fund</b>				
2004, 1.35% Schneider Court Development	250,000	0	250,000	0
2005, 3.05% Schneider Court Development	0	750,000	0	750,000
<b>French Creek Restoration Fund</b>				
2005, 3.05% French Creek Restoration	0	600,000	0	600,000
<b>Land Purchase Our Lady of Wayside Fund</b>				
2004, 1.35% Municipal Purposes	100,000	0	100,000	0
2005, 3.05% Municipal Purposes	0	100,000	0	100,000
<b>Total Governmental Funds</b>	<u>1,555,000</u>	<u>2,673,650</u>	<u>1,555,000</u>	<u>2,673,650</u>
<b>BUSINESS-TYPE FUNDS</b>				
<b>Sewer Fund</b>				
2004, 1.35% Municipal Waterworks System	350,000	0	350,000	0
2005, 3.05% Municipal Waterworks System	0	350,000	0	350,000
<b>Total Sewer Fund</b>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>
<b>Water Fund</b>				
2004, 1.35% Municipal Waterworks System	450,000	0	450,000	0
2004, 1.35% Water Tower Reconditioning	600,000	0	600,000	0
2005, 3.05% Water Tower Reconditioning	0	550,000	0	550,000
2004, 1.90% Schneider Court Water/Sewer Extension	70,000	0	70,000	0
2005, 3.40% Schneider Court Water/Sewer Extension	0	91,350	0	91,350
<b>Total Water Fund</b>	<u>1,120,000</u>	<u>641,350</u>	<u>1,120,000</u>	<u>641,350</u>
<b>Total Business-Type Funds</b>	<u>1,470,000</u>	<u>991,350</u>	<u>1,470,000</u>	<u>991,350</u>
<b>Total All Funds</b>	<u>\$3,025,000</u>	<u>\$3,665,000</u>	<u>\$3,025,000</u>	<u>\$3,665,000</u>

All the notes are backed by the full faith and credit of the City of Avon and mature within one year. The maturity date for all outstanding notes is September 29, 2006. The note liability is reflected in the funds which received the proceeds. All note proceeds have been fully expended. The real estate acquisition note and the Schneider Court improvement note will be paid from transfers from the general fund. The sewer notes will be paid primarily from transfers from the general fund and sewer enterprise fund as they are reissued and then from bonds upon the completion of the projects. The water fund notes will be paid by charges for services from the water fund.

By Ohio law, notes can be issued in anticipation of bond proceeds, special assessment bond proceeds and levies, or for up to 50 percent of anticipated revenue collections. There are limitations on the number of times a note can be renewed. All notes outstanding at year-end are bond anticipation notes. The notes will be refinanced until the projects are complete and the City determines it is advantageous to issue bonds.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
For the Year Ended December 31, 2005

**Note 11 – Long-Term Obligations**

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

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
<i>General Obligation Bonds:</i>			
Moore Road/Formanek - 1989	7.13 %	\$23,904	December 1, 2008
Detroit Road Park - 1996	5.20-5.90	250,000	December 1, 2016
Library Improvement - 1996	3.90-5.55	1,060,000	December 1, 2014
Northgate Sewer Improvement - 1996	5.00-5.70	400,000	December 1, 2016
New City Hall - 1997	3.90-5.50	895,800	December 1, 2017
Just Imagine Drive - 1997	3.90-5.35	655,000	December 1, 2017
North Branch Sewer Avins Ditch - 1998	4.60-5.20	88,467	December 1, 2018
Moore Road Improvement - 1999	4.40-5.40	110,870	December 1, 2019
Veteran's Park - 2003	1.50-4.70	1,590,000	December 1, 2023
Service Garage - 2004	2.00-5.00	2,500,000	December 1, 2024
Refunding Bonds - 2004	2.00-3.25	91,200	December 1, 2012
<i>Special Assessment Bonds:</i>			
Moore Road/Formanek - 1989	7.13	391,096	December 1, 2008
Route 83 Sewer Improvement - 1995	4.20-6.50	520,000	December 1, 2015
Chester Road Sanitary Sewer - 1997	3.90-5.50	974,600	December 1, 2017
Moore/Chester Road Waterline - 1997	3.90-5.50	94,200	December 1, 2017
Chester Road Waterline East - 1997	3.90-5.50	152,200	December 1, 2017
Avon Road Waterline - 1997	3.90-5.50	324,200	December 1, 2017
Eaton Subdivision - 1997	3.90-4.85	39,000	December 1, 2007
North Branch Sewer Avins Ditch - 1998	4.60-5.20	281,533	December 1, 2018
Moore Road Improvement - 1999	4.40-5.40	869,130	December 1, 2019
Mills, Jaycox, Sandy Lane - 2000	4.50-5.75	585,000	December 1, 2020
Various Purpose - 2001	3.95-5.25	590,000	December 1, 2021
<i>Ohio Public Works Commission Loans:</i>			
Nagel Road Bridge - 1996	0.00	100,787	December 1, 2005
Route 83 Sanitary Sewer - 1996	0.00	149,627	December 1, 2005
Route 83 Channel Enclosure - 2003	0.00	45,000	December 1, 2013
<i>Long-term Notes</i>			
Municipal Purposes - 2005	1.35	300,000	April 15, 2006
<i>Ohio Water Development Loans:</i>			
Sanitary Sewer Addition - 1989	7.65	687,406	January 1, 2013
Sanitary Sewer Construction - 1989	2.00	1,536,998	January 1, 2013
<i>Enterprise General Obligation Bonds:</i>			
Water Construction Refunding Bonds - 2004	2.00-3.25	239,400	December 1, 2012
Sewer Construction Refunding Bonds - 2004	2.00-3.25	239,400	December 1, 2012

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
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Changes in bonds and other long-term obligations of the City during 2005 were as follows:

	Principal Outstanding 12/31/04	Additions	Deletions	Principal Outstanding 12/31/05	Due Within One Year
<b>Governmental Activities</b>					
<i>General Obligation Bonds:</i>					
Moore Road/Formanek	\$4,034	\$0	\$864	\$3,170	\$864
Detroit Road Park	170,000	0	10,000	160,000	10,000
Library Improvement	650,000	0	50,000	600,000	55,000
Northgate Sewer Improvement	290,000	0	20,000	270,000	20,000
New City Hall	683,037	0	36,926	646,111	38,684
Just Imagine Drive	495,000	0	30,000	465,000	30,000
North Branch Sewer Avins Ditch	69,338	0	3,587	65,751	3,587
Moore Road Improvement	92,202	0	3,960	88,242	4,524
Veteran's Park	1,545,000	0	60,000	1,485,000	60,000
Service Garage	2,500,000	0	75,000	2,425,000	95,000
Unamortized Premium	10,391	0	519	9,872	0
Refunding Bonds	91,200	0	10,400	80,800	11,200
Unamortized Premium	464	0	58	406	0
Unamortized Loss on Refunding	(34,899)	0	(4,363)	(30,536)	0
<i>Total General Obligation Bonds</i>	<u>6,565,767</u>	<u>0</u>	<u>296,951</u>	<u>6,268,816</u>	<u>328,859</u>
<i>Special Assessment Bonds:</i>					
Moore Road/Formanek	65,966	0	14,136	51,830	14,136
Route 83 Sewer Improvement	360,000	0	25,000	335,000	25,000
Chester Road Sanitary Sewer	743,120	0	40,174	702,946	42,087
Moore/Chester Road Waterline	71,828	0	3,883	67,945	3,883
Chester Road Waterline East	116,051	0	6,274	109,777	6,573
Avon Road Waterline	247,199	0	13,364	233,835	14,000
Eaton Subdivisions	13,765	0	4,380	9,385	4,588
North Branch Sewer Avins Ditch	220,662	0	11,414	209,248	11,414
Moore Road Improvement	722,798	0	31,040	691,758	35,476
Mills, Jaycox, Sandy Lane	505,000	0	20,000	485,000	20,000
Various Purpose	530,000	0	20,000	510,000	20,000
<i>Total Special Assessment Bonds</i>	<u>3,596,389</u>	<u>0</u>	<u>189,665</u>	<u>3,406,724</u>	<u>197,157</u>
<i>Ohio Public Works Commission Loans:</i>					
Nagel Road Bridge	10,078	0	10,078	0	0
Route 83 Sanitary Sewer Project	14,962	0	14,962	0	0
Route 83 Channel Enclosure	31,500	0	9,000	22,500	9,000
<i>Total Ohio Public Works Commission Loans</i>	<u>\$56,540</u>	<u>\$0</u>	<u>\$34,040</u>	<u>\$22,500</u>	<u>\$9,000</u>

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
For the Year Ended December 31, 2005

	<u>12/31/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/05</u>	<u>One Year</u>
<b>Governmental Activities (cont.)</b>					
<i>Long-term Notes Payable:</i>					
Fire Facility Construction	\$600,000	\$0	\$600,000	\$0	\$0
Schneider Court Development	750,000	0	750,000	0	0
French Creek Restoration	600,000	0	600,000	0	0
Municipal Purposes	300,000	0	300,000	0	0
Municipal Purposes	<u>0</u>	<u>200,000</u>	<u>0</u>	<u>200,000</u>	<u>0</u>
<i>Total Long-term Notes Payable</i>	<u>2,250,000</u>	<u>200,000</u>	<u>2,250,000</u>	<u>200,000</u>	<u>0</u>
Compensated Absences	<u>1,331,961</u>	<u>481,183</u>	<u>594,184</u>	<u>1,218,960</u>	<u>65,297</u>
<i>Total Governmental Activities</i>	<u>\$13,800,657</u>	<u>\$681,183</u>	<u>\$3,364,840</u>	<u>\$11,117,000</u>	<u>\$600,313</u>
<b>Business-Type Activities</b>					
<i>Ohio Water Development Loans:</i>					
Sanitary Sewer Addition	\$609,654	\$0	\$66,532	\$543,122	\$67,863
Sanitary Sewer Construction	<u>363,878</u>	<u>0</u>	<u>34,644</u>	<u>329,234</u>	<u>37,295</u>
<i>Total Ohio Water Development Loans</i>	<u>973,532</u>	<u>0</u>	<u>101,176</u>	<u>872,356</u>	<u>105,158</u>
<i>General Obligation Revenue Bonds:</i>					
Water Construction Refunding Bonds	239,400	0	27,300	212,100	29,400
Unamortized Premium	931	0	117	814	0
Unamortized Gain on Refunding	(16,465)	0	(2,058)	(14,407)	0
Sewer Construction Refunding Bonds	239,400	0	27,300	212,100	29,400
Unamortized Premium	931	0	117	814	0
Unamortized Gain on Refunding	<u>(16,465)</u>	<u>0</u>	<u>(2,058)</u>	<u>(14,407)</u>	<u>0</u>
<i>Total General Obligation Revenue Bonds</i>	<u>447,732</u>	<u>0</u>	<u>50,718</u>	<u>397,014</u>	<u>58,800</u>
Intergovernmental Payable	1,024,845	0	78,312	946,533	82,912
Compensated Absences	<u>111,483</u>	<u>43,025</u>	<u>51,750</u>	<u>102,758</u>	<u>8,818</u>
<i>Total Business-Type Activities</i>	<u>\$2,557,592</u>	<u>\$43,025</u>	<u>\$281,956</u>	<u>\$2,318,661</u>	<u>\$255,688</u>

General obligation bonds, except as listed below, will be paid from the general obligation bond retirement debt service fund. The Detroit Road Park and Veteran's Park general obligation bonds will be paid from the park development special revenue fund. The Library Improvement general obligation bond will be paid from the library bond retirement debt service fund. The Service Garage general obligation bond will be paid from the service garage construction capital projects fund. The Ohio Public Works Commission Loans will be paid from the special assessment bond retirement fund and the general obligation debt service fund.

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

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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

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

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

***Refunded Bonds***

On September 15, 2004, the City issued \$570,000 in general obligation refunding bonds and \$2,500,000 in service garage construction serial bonds at interest rates varying from 2.0 percent to 5.0 percent. Proceeds were used to refund \$600,000 of the outstanding 1992 water and sewer construction bonds. As a result, \$600,000 of these bonds were considered defeased and the liability for the refunded bonds has been removed from the basic financial statements. On December 31, 2005, \$495,000 of bonds outstanding are considered defeased.

The serial bonds were issued for an 11 year period with a final maturity at December 1, 2024. The bonds are being retired from the general obligation bond retirement fund.

**Redemption Provisions**

*Optional Redemption* The serial bonds maturing on and after December 1, 2015 are subject to prior redemption, by and at the sole option of the City, either in whole on any date or in part (in any order of maturity) on any interest payment date on or after December 1, 2014, in integral multiples of \$5,000, at the redemption price of 100 percent of the principal amount redeemed plus, in each case, accrued interest to the redemption date.

*Mandatory Sinking Fund Redemption* The serial bonds maturing on December 1, 2019 are subject to mandatory redemption, pursuant to mandatory sinking fund requirements, at a redemption price of 100 percent of the principal amount redeemed plus interest accrued to the redemption date, on December 1 in each of the years and in the principal amounts set forth below:

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

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

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
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The bonds maturing on December 1, 2024 are subject to mandatory redemption, pursuant to mandatory sinking fund requirements, at a redemption price of 100 percent of the principal amount redeemed plus interest accrued to the redemption date, on December 1 in each of the years and in the principal amounts set forth below:

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

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

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

***Avon Lake Contractual Agreement***

During 1994, the City of Avon entered into a contractual agreement with the City of Avon Lake for the construction and future maintenance of a water trunk line that runs through Avon and that Avon residents will be able to tap into. The project was financed mainly by general obligation bonds which were issued in 1994 by the City of Avon Lake. All proceeds were received by the City of Avon Lake and the City of Avon Lake is responsible for the debt retirement and maintenance. The line will be a capital asset of the City of Avon Lake. Cost overruns have increased Avon's share of the costs. The total amount owed to the City of Avon Lake as of December 31, 2005 is \$946,533. This amount has been recorded on Avon's books as a long-term liability in the water enterprise fund. The annual interest rate of this obligation ranges from 4.3 percent to 6.5 percent.

A corresponding amount has been recorded as deferred charges in the water enterprise fund. This amount will be amortized over the life of the debt to the City of Avon Lake. In 2005, a payment was made to the City of Avon Lake in the amount of \$78,312; \$19,952 from the special assessment debt service fund and \$58,360 from the enterprise water fund. The current year capital contribution related to this debt is \$19,952.

Of the amount owed to Avon Lake, \$242,126 will be repaid from special assessments levied against property owners. The remainder of the amount owed to the City of Avon Lake will be repaid with water fund revenues.

The City's overall legal debt margin was \$50,690,461 and an unvoted debt margin of \$22,178,230 at December 31, 2005. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2005 are as follows:

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
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Years	General Obligation Bonds		Special Assessment Bonds		OPWC	Total	
	Principal	Interest	Principal	Interest	Loans	Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2006	\$328,859	\$284,357	\$197,340	\$186,096	\$9,000	\$535,199	\$470,453
2007	335,108	272,615	215,293	176,012	9,000	559,401	448,627
2008	350,069	259,669	226,131	164,740	4,500	580,700	424,409
2009	356,946	245,419	214,255	152,354	0	571,201	397,773
2010	386,981	230,397	225,018	140,979	0	611,999	371,376
2011-2015	2,035,859	888,697	1,333,939	502,846	0	3,369,798	1,391,543
2016-2020	1,495,252	432,726	949,748	141,426	0	2,445,000	574,152
2021-2025	1,000,000	117,240	45,000	2,362	0	1,045,000	119,602
Total	<u>\$6,289,074</u>	<u>\$2,731,120</u>	<u>\$3,406,724</u>	<u>\$1,466,815</u>	<u>\$22,500</u>	<u>\$9,718,298</u>	<u>\$4,197,935</u>

Years	OWDA Loans		Revenue Bonds		Avon Lake		Total Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$105,158	\$36,048	\$58,800	\$11,364	\$82,912	\$56,232	\$246,870	\$103,644
2007	109,367	31,839	54,600	10,188	87,518	51,507	251,485	93,534
2008	113,824	27,383	58,800	9,042	92,124	46,431	264,748	82,856
2009	118,541	22,665	58,800	7,630	98,266	40,995	275,607	71,290
2010	123,540	17,664	63,000	6,042	103,640	35,099	290,180	58,805
2011-2015	301,926	19,851	130,200	6,336	482,073	74,345	914,199	100,532
Total	<u>\$872,356</u>	<u>\$155,450</u>	<u>\$424,200</u>	<u>\$50,602</u>	<u>\$946,533</u>	<u>\$304,609</u>	<u>\$2,243,089</u>	<u>\$510,661</u>

**Note 12 – Compensated Absences**

The criteria for determining the vacation and sick leave liabilities are derived from negotiated agreements and City ordinances. Full-time employees earn 10 to 25 vacation days per year, depending upon length of service. All employees other than police and fire department employees may carry over 80 hours into the following year. Police and fire department employees may carry over 40 hours. In addition, police and fire department employees may carry over a maximum of 90 hours of compensatory time and 40 hours of holiday time. Accumulated, unused vacation, compensatory time, and holidays are paid upon termination of employment.

All full-time employees of the City, excluding full-time fire employees, earn sick leave at the rate of 10 hours per month. Full-time fire employees earn 13.25 hours of sick leave per month. Sick leave accumulation is unlimited. Upon retirement, payment is made for one-half of total sick leave accumulation for all employees except for the employees who are covered under the AFSCME bargaining agreement, Teamsters bargaining agreement, and appointed administrators. Sick leave payment upon retirement for employees under the AFSCME and Teamsters agreement is limited to 960 hours of total sick leave accumulation.

For all employees, accumulated sick leave in excess of 90 days may be converted to vacation leave at the rate of one sick leave day for one vacation day to a maximum of five days for a calendar year.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**Note 13 - Risk Management**

***A. Property and Liability***

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2005, the City negotiated with Custis Insurance Company for commercial insurance coverage relating to general liability, property, fire, auto, employee bonds and public officials bonds.

The cost of the current coverage was \$121,465 for 2005. This coverage includes a \$2,000,000 comprehensive combined single limit general liability insurance policy with a \$7,500 deductible, a \$1,000,000 general law enforcement liability insurance policy with a \$5,000 deductible, a \$1,000,000 public officials liability policy with a \$7,500 deductible, a \$1,000,000 employment practices liability policy with a \$7,500 deductible, a \$16,272,594 blanket building and contents policy, an inland marine coverage of \$1,832,725, a crime coverage blanket bond of \$100,000, an automobile insurance liability policy of \$1,500,000 and a \$9,000,000 excess umbrella coverage policy.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years and there was no significant change in insurance coverage from the prior year.

***B. Workers' Compensation***

The City pays the Ohio Bureau of Workers' Compensation a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

***C. Employee Insurance Benefits***

The City participates in the Lorain County Healthcare Program, a shared risk pool (Note 17) to provide insurance benefits for the employees of the City. The Program uses the SuperMed Classic Healthcare Plan with Medical Mutual of Ohio to provide insurance coverage which includes health (hospitalization and surgical), prescription drug, dental and vision benefits.

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



*City of Avon, Ohio*  
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**Note 14 - Defined Benefit Pension Plans**

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

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The City's contribution rate for pension benefits for 2005 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004 and 2003, were \$274,438, \$249,766 and \$198,510, respectively; 74.41 percent has been contributed for 2005 and 100 percent for 2004 and 2003. Contributions to the member-directed plan for 2005 were \$1,872 made by the City and \$1,174 made by the plan members.

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

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 11.75 percent for police officers and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to OP&F for police for the years ended December 31, 2005, 2004 and 2003 were \$181,207, \$162,533 and \$138,399, respectively. The City's

*City of Avon, Ohio*  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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contributions to OP&F for fire for the years ended December 31, 2005, 2004 and 2003 were \$192,647, \$141,949 and \$64,110, respectively. The full amount for both the police and fire departments has been contributed for 2004 and 2003. 77.14 percent for the police department and 82.92 percent for the fire department have been contributed for 2005.

**C. Social Security System**

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

**Note 15 - Postemployment Benefits**

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

The Ohio Public Employees Retirement System of Ohio (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.0 percent was the portion that was used to fund health care.

Benefits are advanced-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8.0 percent, an annual increase in active employee total payroll of 4.0 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number active contributing participants in the traditional and combined plans were 376,109. Actual employer contributions for 2005 which were used to fund postemployment benefits were \$114,948. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted the Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

*City of Avon, Ohio*  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care cost paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24.0 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2005 and 2004. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2005 that were used to fund postemployment benefits were \$119,519 for police and \$91,878 for firefighters. The OP&F's total health care expense for the year ended December 31, 2004, (the latest information available) was \$102,173,796, which was net of member contributions of \$55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004, was 13,812 for police and 10,528 for firefighters.

**Note 16 - Jointly Governed Organizations**

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

The City participates in the Lorain County General Health District, a jointly governed organization, which provides health services to the citizens within the Health District. The Health District is governed by the Board of Health which represents the area served by the Health District and oversees the operation of the Health District. The Board of Health members are appointed to staggered five year terms. One member is appointed by the City of North Ridgeville, one member is jointly appointed by the cities of Avon and Sheffield Lake and one member is appointed jointly by the cities of Amherst and Oberlin. The remaining five members are appointed by the various mayors of villages, chairmen of the township trustees and the County Commissioners. The City contributed \$75,904 during 2005 for the operation of the Health District. Financial information can be obtained by contacting the Lorain County General Health District, 9880 S. Murray Ridge Road, Elyria, Ohio, 44035.

***B. Northeast Ohio Public Energy Council***

The City is a member of The Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of over 112 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Avon did not contribute to NOPEC during 2005. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, 175 South Main Street, Akron, Ohio 44308 or at the website [www.nopecinfo.org](http://www.nopecinfo.org).

**Note 17 - Shared Risk Pool**

The City participates in the Lorain County Healthcare Program, a shared risk pool (Note 13) under the direction of the Lorain County Commissioners, which provides the insurance coverage for all full-time employees who wish to participate in the plan. The Commissioners entered into an agreement with Medical Mutual for stop-loss coverage. The pool consists of twelve political subdivisions that pool risk for health (hospitalization and surgical), prescription drug, dental and vision coverage. Financial information can be obtained by contacting the Lorain County Commissioners, Lorain, Ohio.

**Note 18 - Contractual Commitments**

The City had the following contractual commitments outstanding at December 31, 2005:

<u>Project</u>	<u>Contract Amount</u>
2005 Road Program	\$702,934
Schneider Court Improvements	103,517
North Branch Sanitary Sewer	68,000
254 Road Widening Project	14,443
	<u>\$888,894</u>

As of December 31, 2005, nothing has been paid on these contractual commitments. All work is to be done in 2006.

**Note 19 - Interfund Transfers and Balances**

***A. Transfers***

Transfers are primarily from the general fund to various funds within the City. Income tax revenues are collected in the general fund and then transferred to the police fund to cover daily operating expenses and to cover the cost of street improvement projects within the capital improvements fund. The general fund transferred funds to help finance the various programs accounted for in other special revenue funds and to provide start-up funds for new capital projects funds established by council.

**City of Avon, Ohio**  
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*For the Year Ended December 31, 2005*

The storm water detention fund transferred money to the drainage fund as required by council resolution for storm water drainage costs. The fire facility construction fund transferred the excess income tax revenues to the fire department fund due to the completion of construction of the new fire station.

Transfers are also made to cover the various debt obligations of the City from the general fund, street construction, maintenance and repair special revenue fund, and sewer enterprise fund to the debt service funds.

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

Transfers made during the year ended December 31, 2005 were as follows:

	<b>Transfer From</b>				<b>Totals</b>
	<i>Governmental Activities</i>				
<b>Transfer To</b>	General	Street Construction Maintenance and Repair	Nonmajor	Sewer	
<i>Governmental Activities</i>					
General	\$0	\$0	\$629,595	\$18,533	\$648,128
Fire Department	0	0	205,576	0	205,576
Police Department	2,100,000	0	0	0	2,100,000
Schneider Court Site Development	425,000	0	0	0	425,000
Nonmajor Funds	2,472,261	191,420	83,138	0	2,746,819
<b>Total</b>	<b>\$4,997,261</b>	<b>\$191,420</b>	<b>\$918,309</b>	<b>\$18,533</b>	<b>\$6,125,523</b>

**B. Balances**

As of December 31, 2005, the general fund had a \$123,384 interfund receivable. The Schneider court roadway capital projects fund had an interfund payable of \$90,017 due to negative cash, and the storm water detention capital projects fund had a \$33,367 interfund payable due to the timing of the receipt of grant monies by the nonmajor funds.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**Note 20 - Subsequent Event**

On April 13, 2006, the City retired \$2,550,000 in general obligation bond anticipation notes and issued \$550,000 in new notes with a maturity date of April 12, 2007 and an interest rate of 3.85 percent. The following table summarizes the activity.

<u>Note Issuance</u>	<u>Retired</u>	<u>Issued</u>
Schneider Court Development	\$750,000	\$0
French Creek Development	600,000	0
Municipal Purposes	300,000	200,000
Water Capital	550,000	0
Sewer Capital	350,000	350,000
<i>Total Notes</i>	<u>\$2,550,000</u>	<u>\$550,000</u>

**Note 21 – Impairment of a Capital Asset**

On December 23, 2004, the service garage, including the contents, was destroyed during a snow storm. The building was demolished and the debris removed. The City had purchased land at Schneider Court in 2003 with the intent of one day building a new service garage. A new service building was built on this property during 2005 for a total cost of \$2,720,008 and has been added to governmental capital assets. Insurance recovery was \$203,748 and is reported on the Statement of Activities as “Net Gain on the Loss of Impaired Asset”.

**Combining Statements  
and Individual Fund Schedules**

## Combining Statements and Individual Fund Schedules

### Combining Statements - Nonmajor Governmental Funds

#### *Nonmajor Special Revenue Funds*

To account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specified purposes.

***Recycling Fund*** - This fund accounts for grant proceeds and miscellaneous revenues used to pay costs related to the development of the City recycling program.

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

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

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

***Enforcement and Education Fund*** – This fund accounts for fines which are used to pay for educating the public on the dangers of driving while under the influence of alcohol and the laws governing the operation of a motor vehicle while under the influence of alcohol.

***Law Enforcement Fund*** – This fund accounts for confiscated cash and/or proceeds from the sale of property confiscated during drug related arrests. The proceeds are used for law enforcement.

***Police Pension Fund*** – This fund accounts for property taxes and transfers from the police fund to provide the employer’s share of police pension benefits.

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

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

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

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

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

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

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

(continued)



## Combining Statements - Nonmajor Governmental Funds (continued)

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

***Drainage Fund*** – This fund accounts for drainage fees assessed to anyone building within the City limits. The proceeds are used to provide storm sewer maintenance and to correct problems connected with flooding.

***Cemetery Fund*** – This fund accounts for burial fees used to maintain the cemetery.

### *Nonmajor Debt Service Funds*

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

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

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

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

### *Nonmajor Capital Projects Funds*

Capital projects funds are established to account for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds.)

***Equipment Fund*** - This fund accounts for monies received from property taxes used for the purchase of equipment for the Police and Fire Departments.

***Issue II Fund*** - This fund accounts for all costs associated with State of Ohio Issue II monies used for infrastructure replacements.

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

***Master City Analysis Fund*** – This fund accounts for costs associated with architectural fees the City paid for a study related to the construction of a new City hall and police station complex.

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

(continued)

## Combining Statements - Nonmajor Governmental Funds (continued)

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

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

***Road Program Fund*** – This fund accounts for road improvements made during the year that include activities such as resurfacing and blacktop upgrades.

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

***Center/Kinzel Wyndmere Signal Fund*** – This fund accounts for costs associated with the implementation of a new traffic signal at the Kinzel and Wyndmere intersection.

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

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

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

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

***Senior Citizen Center Fund*** – This fund accounts for the costs associated with remodeling the old fire station into the new senior center. Previously called the Fire Station Remodeling Fund.

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

***Land Purchase – CEI/First Energy Fund*** – This fund accounts for the costs associated with the purchase and development of land purchased from CEI/First Energy.

***CEI Easement Fund*** – This fund accounts for costs associated with the purchase of an easement by the City for land owned by CEI/First Energy.

***Schneider Court Roadway Fund*** – This fund accounts for the costs associated with the development of the roadway in the Schneider Court Development.

***North Doovey Project Fund*** – This fund accounts for project costs the City had expected to pay related to the clearing or restructuring of a ditch that was clogged with debris and trees and was causing a flooding problem for some area residents. The City later decided the costs related to this would need to be paid by the property owners.

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

**City of Avon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2005*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,212,544	\$23,992	\$2,609,110	\$3,845,646
Materials and Supplies Inventory	5,169	0	0	5,169
Intergovernmental Receivable	96,035	9,038	24,024	129,097
Property Taxes Receivable	433,269	100,529	419,773	953,571
<i>Total Assets</i>	<u>\$1,747,017</u>	<u>\$133,559</u>	<u>\$3,052,907</u>	<u>\$4,933,483</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$12,707	\$0	\$9,450	\$22,157
Contracts Payable	38,233	0	2,527	40,760
Accrued Wages and Benefits	10,268	0	0	10,268
Interfund Payable	0	0	123,384	123,384
Intergovernmental Payable	96,510	0	0	96,510
Deferred Revenue	505,099	109,567	443,797	1,058,463
Accrued Interest Payable	0	0	49,983	49,983
Notes Payable	0	0	1,923,650	1,923,650
<i>Total Liabilities</i>	<u>662,817</u>	<u>109,567</u>	<u>2,552,791</u>	<u>3,325,175</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	93,259	0	569,105	662,364
Unreserved, Undesignated				
Reported in:				
Special Revenue Funds	990,941	0	0	990,941
Debt Service Funds	0	23,992	0	23,992
Capital Projects Funds	0	0	(68,989)	(68,989)
<i>Total Fund Balances</i>	<u>1,084,200</u>	<u>23,992</u>	<u>500,116</u>	<u>1,608,308</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,747,017</u>	<u>\$133,559</u>	<u>\$3,052,907</u>	<u>\$4,933,483</u>

**City of Avon, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2005*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property and Other Taxes	\$376,610	\$85,964	\$373,111	\$835,685
Charges for Services	109,527	0	32,247	141,774
Licenses and Permits	345,199	0	0	345,199
Fines and Forfeitures	10,786	0	0	10,786
Intergovernmental	247,077	10,243	832,245	1,089,565
Interest	3,794	0	5,540	9,334
Contributions and Donations	230	0	0	230
Miscellaneous	37,935	14,222	112,357	164,514
<i>Total Revenues</i>	<u>1,131,158</u>	<u>110,429</u>	<u>1,355,500</u>	<u>2,597,087</u>
<b>Expenditures</b>				
Current:				
General Government	0	375	0	375
Security of Persons and Property	318,039	0	0	318,039
Transportation	147,207	0	0	147,207
Community Environment	269,096	0	0	269,096
Basic Utility Services	19,997	0	0	19,997
Leisure Time Activities	609,671	0	0	609,671
Capital Outlay	0	1,314	3,087,454	3,088,768
Debt Service:				
Principal Retirement	70,000	258,110	0	328,110
Interest and Fiscal Charges	73,420	261,916	87,126	422,462
<i>Total Expenditures</i>	<u>1,507,430</u>	<u>521,715</u>	<u>3,174,580</u>	<u>5,203,725</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(376,272)</u>	<u>(411,286)</u>	<u>(1,819,080)</u>	<u>(2,606,638)</u>
<b>Other Financing Sources (Uses)</b>				
Refunding Notes Issued	0	0	200,000	200,000
Payment to Refund Notes	0	(600,000)	(900,000)	(1,500,000)
Transfers In	603,197	331,822	1,811,800	2,746,819
Transfers Out	0	(205,576)	(712,733)	(918,309)
<i>Total Other Financing Sources (Uses)</i>	<u>603,197</u>	<u>(473,754)</u>	<u>399,067</u>	<u>528,510</u>
<i>Net Change in Fund Balances</i>	226,925	(885,040)	(1,420,013)	(2,078,128)
<i>Fund Balances Beginning of Year</i>	<u>857,275</u>	<u>909,032</u>	<u>1,920,129</u>	<u>3,686,436</u>
<i>Fund Balances End of Year</i>	<u>\$1,084,200</u>	<u>\$23,992</u>	<u>\$500,116</u>	<u>\$1,608,308</u>

**City of Avon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2005*

	<u>Recycling</u>	<u>ADA Parking Violations</u>	<u>State Highway</u>	<u>Permissive Tax</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$25,807	\$2,084	\$177,920	\$63,640
Materials and Supplies Inventory	0	0	0	0
Intergovernmental Receivable	0	0	26,290	44,103
Property Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$25,807</u>	<u>\$2,084</u>	<u>\$204,210</u>	<u>\$107,743</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$1,369	\$0	\$0	\$1,600
Contracts Payable	9,290	0	0	22,215
Accrued Wages and Benefits	223	0	0	0
Intergovernmental Payable	30	0	0	0
Deferred Revenue	0	0	16,937	29,402
<i>Total Liabilities</i>	<u>10,912</u>	<u>0</u>	<u>16,937</u>	<u>53,217</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	133	574	0	671
Unreserved, Undesignated (Deficit)	14,762	1,510	187,273	53,855
<i>Total Fund Balances (Deficit)</i>	<u>14,895</u>	<u>2,084</u>	<u>187,273</u>	<u>54,526</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$25,807</u>	<u>\$2,084</u>	<u>\$204,210</u>	<u>\$107,743</u>

(continued)

**City of Avon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2005*

	Enforcement and Education	Law Enforcement	Police Pension	Mayor's Court Computer
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$4,653	\$28,640	\$0	\$58,027
Materials and Supplies Inventory	0	0	0	0
Intergovernmental Receivable	151	0	10,309	0
Property Taxes Receivable	0	0	179,882	0
<i>Total Assets</i>	<u>\$4,804</u>	<u>\$28,640</u>	<u>\$190,191</u>	<u>\$58,027</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$0	\$0
Contracts Payable	0	0	0	0
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	0	0	92,220	0
Deferred Revenue	0	0	190,191	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>282,411</u>	<u>0</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	0	100	0	0
Unreserved, Undesignated (Deficit)	4,804	28,540	(92,220)	58,027
<i>Total Fund Balances (Deficit)</i>	<u>4,804</u>	<u>28,640</u>	<u>(92,220)</u>	<u>58,027</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,804</u>	<u>\$28,640</u>	<u>\$190,191</u>	<u>\$58,027</u>

<u>Avon Seniors</u>	<u>Recreation</u>	<u>Park Operating</u>	<u>Park Development</u>	<u>Community Center</u>	<u>Living Tree Memorial</u>
\$38,934	\$38,078	\$49,617	\$702,101	\$11,379	\$154
380	312	0	4,271	206	0
0	0	15,182	0	0	0
0	0	253,387	0	0	0
<u>\$39,314</u>	<u>\$38,390</u>	<u>\$318,186</u>	<u>\$706,372</u>	<u>\$11,585</u>	<u>\$154</u>
\$428	\$4,863	\$1,621	\$942	\$1,884	\$0
2,492	0	4,011	225	0	0
1,731	666	7,255	0	393	0
704	316	3,056	0	184	0
0	0	268,569	0	0	0
<u>5,355</u>	<u>5,845</u>	<u>284,512</u>	<u>1,167</u>	<u>2,461</u>	<u>0</u>
23	670	5,824	79,979	2,267	45
<u>33,936</u>	<u>31,875</u>	<u>27,850</u>	<u>625,226</u>	<u>6,857</u>	<u>109</u>
<u>33,959</u>	<u>32,545</u>	<u>33,674</u>	<u>705,205</u>	<u>9,124</u>	<u>154</u>
<u>\$39,314</u>	<u>\$38,390</u>	<u>\$318,186</u>	<u>\$706,372</u>	<u>\$11,585</u>	<u>\$154</u>

(continued)

**City of Avon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2005*

	<u>Drainage</u>	<u>Cemetery</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$6,777	\$4,733	\$1,212,544
Materials and Supplies Inventory	0	0	5,169
Intergovernmental Receivable	0	0	96,035
Property Taxes Receivable	0	0	433,269
<i>Total Assets</i>	<u>\$6,777</u>	<u>\$4,733</u>	<u>\$1,747,017</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$0	\$0	\$12,707
Contracts Payable	0	0	38,233
Accrued Wages and Benefits	0	0	10,268
Intergovernmental Payable	0	0	96,510
Deferred Revenue	0	0	505,099
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>662,817</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	2,973	0	93,259
Unreserved, Undesignated (Deficit)	3,804	4,733	990,941
<i>Total Fund Balances (Deficit)</i>	<u>6,777</u>	<u>4,733</u>	<u>1,084,200</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$6,777</u>	<u>\$4,733</u>	<u>\$1,747,017</u>



**City of Avon, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2005*

	Recycling	ADA Parking Violations	State Highway	Permissive Tax
<b>Revenues</b>				
Property and Other Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	750	0	0
Intergovernmental	67,771	0	50,553	84,747
Interest	0	0	2,670	1,124
Contributions and Donations	0	0	0	0
Miscellaneous	0	95	0	6,001
<i>Total Revenues</i>	<u>67,771</u>	<u>845</u>	<u>53,223</u>	<u>91,872</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	0	0	0	0
Transportation	0	0	0	147,207
Community Environment	128,196	0	0	0
Basic Utility Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>128,196</u>	<u>0</u>	<u>0</u>	<u>147,207</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(60,425)	845	53,223	(55,335)
<b>Other Financing Sources</b>				
Transfers In	60,000	0	0	70,000
<i>Net Change in Fund Balances</i>	(425)	845	53,223	14,665
<i>Fund Balances Beginning of Year</i>	<u>15,320</u>	<u>1,239</u>	<u>134,050</u>	<u>39,861</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$14,895</u>	<u>\$2,084</u>	<u>\$187,273</u>	<u>\$54,526</u>

(continued)

**City of Avon, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Year Ended December 31, 2005*

	Enforcement and Education	Law Enforcement	Police Pension	Mayor's Court Computer
<b>Revenues</b>				
Property and Other Taxes	\$0	\$0	\$153,602	\$0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Fines and Forfeitures	2,106	100	0	7,830
Intergovernmental	0	0	18,075	0
Interest	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	261	0	0	0
<i>Total Revenues</i>	<u>2,367</u>	<u>100</u>	<u>171,677</u>	<u>7,830</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	4,627	181	310,903	2,328
Transportation	0	0	0	0
Community Environment	0	0	0	0
Basic Utility Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>4,627</u>	<u>181</u>	<u>310,903</u>	<u>2,328</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,260)	(81)	(139,226)	5,502
<b>Other Financing Sources</b>				
Transfers In	0	0	129,263	0
<i>Net Change in Fund Balances</i>	(2,260)	(81)	(9,963)	5,502
<i>Fund Balances Beginning of Year</i>	<u>7,064</u>	<u>28,721</u>	<u>(82,257)</u>	<u>52,525</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$4,804</u></u>	<u><u>\$28,640</u></u>	<u><u>(\$92,220)</u></u>	<u><u>\$58,027</u></u>

Avon Seniors	Recreation	Park Operating	Park Development	Community Center	Living Tree Memorial
\$0	\$0	\$223,008	\$0	\$0	\$0
0	104,787	2,385	0	2,355	0
0	0	0	345,199	0	0
0	0	0	0	0	0
0	0	25,931	0	0	0
0	0	0	0	0	0
0	0	0	0	0	230
252	15	0	31,311	0	0
252	104,802	251,324	376,510	2,355	230
0	0	0	0	0	0
0	0	0	0	0	0
140,554	0	0	0	0	346
0	0	0	0	0	0
0	126,923	391,186	71,357	20,205	0
0	0	0	70,000	0	0
0	0	0	73,420	0	0
140,554	126,923	391,186	214,777	20,205	346
(140,302)	(22,121)	(139,862)	161,733	(17,850)	(116)
109,600	0	132,696	58,138	18,500	0
(30,702)	(22,121)	(7,166)	219,871	650	(116)
64,661	54,666	40,840	485,334	8,474	270
<u>\$33,959</u>	<u>\$32,545</u>	<u>\$33,674</u>	<u>\$705,205</u>	<u>\$9,124</u>	<u>\$154</u>

(continued)

**City of Avon, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Year Ended December 31, 2005*

	Drainage	Cemetery	Total Nonmajor Special Revenue Funds
<b>Revenues</b>			
Property and Other Taxes	\$0	\$0	\$376,610
Charges for Services	0	0	109,527
Licenses and Permits	0	0	345,199
Fines and Forfeitures	0	0	10,786
Intergovernmental	0	0	247,077
Interest	0	0	3,794
Contributions and Donations	0	0	230
Miscellaneous	0	0	37,935
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>1,131,158</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property	0	0	318,039
Transportation	0	0	147,207
Community Environment	0	0	269,096
Basic Utility Services	19,997	0	19,997
Leisure Time Activities	0	0	609,671
Debt Service:			
Principal Retirement	0	0	70,000
Interest and Fiscal Charges	0	0	73,420
<i>Total Expenditures</i>	<u>19,997</u>	<u>0</u>	<u>1,507,430</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(19,997)	0	(376,272)
<b>Other Financing Sources</b>			
Transfers In	25,000	0	603,197
<i>Net Change in Fund Balances</i>	5,003	0	226,925
<i>Fund Balances Beginning of Year</i>	<u>1,774</u>	<u>4,733</u>	<u>857,275</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$6,777</u>	<u>\$4,733</u>	<u>\$1,084,200</u>

**City of Avon, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Debt Service Funds*  
*For the Year Ended December 31, 2005*

	General Obligation Bond Retirement	Fire Station Bond Retirement	Library Bond Retirement	Total Nonmajor Debt Service Funds
<b>Revenues</b>				
Property and Other Taxes	\$0	\$0	\$85,964	\$85,964
Intergovernmental	0	0	10,243	10,243
Miscellaneous	14,222	0	0	14,222
<i>Total Revenues</i>	<u>14,222</u>	<u>0</u>	<u>96,207</u>	<u>110,429</u>
<b>Expenditures</b>				
Current:				
General Government	375	0	0	375
Capital Outlay	0	0	1,314	1,314
Debt Service:				
Principal Retirement	208,110	0	50,000	258,110
Interest and Fiscal Charges	217,966	8,100	35,850	261,916
<i>Total Expenditures</i>	<u>426,451</u>	<u>8,100</u>	<u>87,164</u>	<u>521,715</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(412,229)</u>	<u>(8,100)</u>	<u>9,043</u>	<u>(411,286)</u>
<b>Other Financing Sources (Uses)</b>				
Payment to Refund Note	0	(600,000)	0	(600,000)
Transfers In	331,822	0	0	331,822
Transfers Out	0	(205,576)	0	(205,576)
<i>Total Other Financing Sources (Uses)</i>	<u>331,822</u>	<u>(805,576)</u>	<u>0</u>	<u>(473,754)</u>
<i>Net Change in Fund Balances</i>	<u>(80,407)</u>	<u>(813,676)</u>	<u>9,043</u>	<u>(885,040)</u>
<i>Fund Balances Beginning of Year</i>	<u>80,407</u>	<u>813,676</u>	<u>14,949</u>	<u>909,032</u>
<i>Fund Balances End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$23,992</u>	<u>\$23,992</u>

**City of Avon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2005*

	Equipment	Issue II	Storm Water Detention	Capital Improvements
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$816,248	\$130,024	\$103,644	\$262,348
Intergovernmental Receivable	24,024	0	0	0
Property Taxes Receivable	419,773	0	0	0
<i>Total Assets</i>	<u>\$1,260,045</u>	<u>\$130,024</u>	<u>\$103,644</u>	<u>\$262,348</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$5,327	\$0	\$0	\$0
Contracts Payable	1,119	0	0	0
Interfund Payable	0	0	33,367	0
Deferred Revenue	443,797	0	0	0
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
<i>Total Liabilities</i>	<u>450,243</u>	<u>0</u>	<u>33,367</u>	<u>0</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	115,743	0	59,870	202,055
Unreserved, Undesignated (Deficit)	694,059	130,024	10,407	60,293
<i>Total Fund Balances (Deficit)</i>	<u>809,802</u>	<u>130,024</u>	<u>70,277</u>	<u>262,348</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,260,045</u>	<u>\$130,024</u>	<u>\$103,644</u>	<u>\$262,348</u>

Safety Town Construction	Skateboard Park	Road Widening	French Creek Restoration	Sidewalk Programs
\$3,005	\$8,002	\$85,653	\$621,922	\$15,763
0	0	0	0	0
0	0	0	0	0
<u>\$3,005</u>	<u>\$8,002</u>	<u>\$85,653</u>	<u>\$621,922</u>	<u>\$15,763</u>
\$0	\$0	\$0	\$0	\$0
0	0	1,073	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	18,605	0
0	0	0	600,000	0
0	0	1,073	618,605	0
2,417	8,002	1,610	84,154	15,342
588	0	82,970	(80,837)	421
3,005	8,002	84,580	3,317	15,763
<u>\$3,005</u>	<u>\$8,002</u>	<u>\$85,653</u>	<u>\$621,922</u>	<u>\$15,763</u>

(continued)

**City of Avon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds (continued)*  
*December 31, 2005*

	Land Purchase/ Our Lady of Wayside	Senior Citizen Center	Route 83 Extension	Land Purchase - CEI/ First Energy
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$5,782	\$114,841	\$59,452	\$355,566
Intergovernmental Receivable	0	0	0	0
Property Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$5,782</u>	<u>\$114,841</u>	<u>\$59,452</u>	<u>\$355,566</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$4,123	\$0	\$0
Contracts Payable	0	0	335	0
Interfund Payable	0	0	0	0
Deferred Revenue	0	0	0	0
Accrued Interest Payable	3,101	0	0	12,688
Notes Payable	100,000	0	0	390,000
<i>Total Liabilities</i>	<u>103,101</u>	<u>4,123</u>	<u>335</u>	<u>402,688</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	2,499	2,377	52,709	0
Unreserved, Undesignated (Deficit)	(99,818)	108,341	6,408	(47,122)
<i>Total Fund Balances (Deficit)</i>	<u>(97,319)</u>	<u>110,718</u>	<u>59,117</u>	<u>(47,122)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,782</u>	<u>\$114,841</u>	<u>\$59,452</u>	<u>\$355,566</u>



CEI Easement	Schneider Court Roadway	North Doovey Project	I-90 Interchange Study	Total Nonmajor Capital Projects Funds
\$3,780	\$0	\$598	\$22,482	\$2,609,110
0	0	0	0	24,024
0	0	0	0	419,773
<u>\$3,780</u>	<u>\$0</u>	<u>\$598</u>	<u>\$22,482</u>	<u>\$3,052,907</u>
\$0	\$0	\$0	\$0	\$9,450
0	0	0	0	2,527
0	90,017	0	0	123,384
0	0	0	0	443,797
0	15,589	0	0	49,983
0	833,650	0	0	1,923,650
0	939,256	0	0	2,552,791
0	0	0	22,327	569,105
3,780	(939,256)	598	155	(68,989)
3,780	(939,256)	598	22,482	500,116
<u>\$3,780</u>	<u>\$0</u>	<u>\$598</u>	<u>\$22,482</u>	<u>\$3,052,907</u>

**City of Avon, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2005*

	Equipment	Issue II	Storm Water Detention	Master City Analysis	Capital Improvements
<b>Revenues</b>					
Property and Other Taxes	\$373,111	\$0	\$0	\$0	\$0
Charges for Services	0	0	32,247	0	0
Intergovernmental	41,959	0	573,019	0	0
Interest	0	0	0	0	0
Miscellaneous	26,936	0	0	0	0
<i>Total Revenues</i>	<u>442,006</u>	<u>0</u>	<u>605,266</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>					
Capital Outlay	192,466	0	572,822	5,000	471,936
Debt Service:					
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>192,466</u>	<u>0</u>	<u>572,822</u>	<u>5,000</u>	<u>471,936</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>249,540</u>	<u>0</u>	<u>32,444</u>	<u>(5,000)</u>	<u>(471,936)</u>
<b>Other Financing Sources (Uses)</b>					
Refunding Notes Issued	0	0	0	0	0
Payment to Refund Notes	0	0	0	0	0
Transfers In	0	0	236,200	5,000	475,000
Transfers Out	0	0	(98,402)	0	(276,940)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>137,798</u>	<u>5,000</u>	<u>198,060</u>
<i>Net Change in Fund Balances</i>	249,540	0	170,242	0	(273,876)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>560,262</u>	<u>130,024</u>	<u>(99,965)</u>	<u>0</u>	<u>536,224</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$809,802</u></u>	<u><u>\$130,024</u></u>	<u><u>\$70,277</u></u>	<u><u>\$0</u></u>	<u><u>\$262,348</u></u>

Safety Town Construction	Road Program	Skateboard Park	Center/Kinzel Wyndmere Signal	Road Widening	French Creek Restoration
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	187,267
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	187,267
918	702,934	14,893	8,350	207,649	31,947
0	0	0	0	0	32,903
918	702,934	14,893	8,350	207,649	64,850
(918)	(702,934)	(14,893)	(8,350)	(207,649)	122,417
0	0	0	0	0	0
0	0	0	0	0	(600,000)
0	940,000	0	10,000	0	0
0	(237,066)	(98,675)	(1,650)	0	0
0	702,934	(98,675)	8,350	0	(600,000)
(918)	0	(113,568)	0	(207,649)	(477,583)
3,923	0	121,570	0	292,229	480,900
\$3,005	\$0	\$8,002	\$0	\$84,580	\$3,317

(continued)

**City of Avon, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds (continued)*  
*For the Year Ended December 31, 2005*

	Sidewalk Programs	Land Purchase/ Our Lady of Wayside	Senior Citizen Center	Route 83 Extension
<b>Revenues</b>				
Property and Other Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Intergovernmental	0	0	30,000	0
Interest	0	0	0	0
Miscellaneous	421	0	85,000	0
<i>Total Revenues</i>	<u>421</u>	<u>0</u>	<u>115,000</u>	<u>0</u>
<b>Expenditures</b>				
Capital Outlay	7,658	0	73,985	32,160
Debt Service:				
Interest and Fiscal Charges	0	13,268	0	0
<i>Total Expenditures</i>	<u>7,658</u>	<u>13,268</u>	<u>73,985</u>	<u>32,160</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(7,237)</u>	<u>(13,268)</u>	<u>41,015</u>	<u>(32,160)</u>
<b>Other Financing Sources (Uses)</b>				
Refunding Notes Issued	0	200,000	0	0
Payment to Refund Notes	0	(300,000)	0	0
Transfers In	23,000	100,000	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>23,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	15,763	(13,268)	41,015	(32,160)
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year</i>	<u>0</u>	<u>(84,051)</u>	<u>69,703</u>	<u>91,277</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$15,763</u>	<u>(\$97,319)</u>	<u>\$110,718</u>	<u>\$59,117</u>

Land Purchase - CEI/ First Energy	CEI Easement	Schneider Court Roadway	North Doovey Project	I-90 Interchange Study	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$0	\$373,111
0	0	0	0	0	32,247
0	0	0	0	0	832,245
510	0	5,030	0	0	5,540
0	0	0	0	0	112,357
510	0	5,030	0	0	1,355,500
10,386	8,820	698,917	9,402	37,211	3,087,454
19,096	0	21,859	0	0	87,126
29,482	8,820	720,776	9,402	37,211	3,174,580
(28,972)	(8,820)	(715,746)	(9,402)	(37,211)	(1,819,080)
0	0	0	0	0	200,000
0	0	0	0	0	(900,000)
0	12,600	0	10,000	0	1,811,800
0	0	0	0	0	(712,733)
0	12,600	0	10,000	0	399,067
(28,972)	3,780	(715,746)	598	(37,211)	(1,420,013)
(18,150)	0	(223,510)	0	59,693	1,920,129
(\$47,122)	\$3,780	(\$939,256)	\$598	\$22,482	\$500,116

## Combining Statements - Agency Funds

### *Fiduciary Funds*

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

### *Agency Funds*

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

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

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

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

***Clearing Fund*** – This fund is used for the processing of cash payments of the regional income taxes by City individuals. This fund is rarely used due the fact that individuals are required to send a check rather than cash.

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

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

**City of Avon, Ohio**  
*Combining Statement of Assets and Liabilities*  
*Agency Funds*  
*December 31, 2005*

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	<u>Deposits</u>	<u>North Ridgeville Sewer</u>	<u>Avon Lake Sanitary Sewer Trunk Fees</u>	<u>Subdivisions</u>	<u>Total</u>
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	<u>\$1,312,322</u>	<u>\$77,819</u>	<u>\$6,119</u>	<u>\$3,394,263</u>	<u>\$4,790,523</u>
<b>Liabilities</b>					
Deposits Held and Due to Others	\$1,312,322	\$0	\$6,119	\$3,394,263	\$4,712,704
Intergovernmental Payable	<u>0</u>	<u>77,819</u>	<u>0</u>	<u>0</u>	<u>77,819</u>
<i>Total Liabilities</i>	<u>\$1,312,322</u>	<u>\$77,819</u>	<u>\$6,119</u>	<u>\$3,394,263</u>	<u>\$4,790,523</u>

**City of Avon, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2005*

	Beginning Balance 12/31/04	Additions	Deductions	Ending Balance 12/31/05
<b>Deposits</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,221,891	\$785,147	\$694,716	\$1,312,322
<b>Liabilities</b>				
Deposits Held and Due to Others	\$1,221,891	\$785,147	\$694,716	\$1,312,322
 <b>Lorain Public Library</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$404,972	\$404,972	\$0
<b>Liabilities</b>				
Intergovernmental Payable	\$0	\$404,972	\$404,972	\$0
 <b>North Ridgeville Sewer</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$104,008	\$1,123,353	\$1,149,542	\$77,819
<b>Liabilities</b>				
Intergovernmental Payable	\$104,008	\$1,123,353	\$1,149,542	\$77,819
 <b>Avon Lake Sanitary Sewer Trunk Fees</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$127,202	\$158,818	\$279,901	\$6,119
<b>Liabilities</b>				
Deposits Held and Due to Others	\$127,202	\$158,818	\$279,901	\$6,119

(continued)



**City of Avon, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds (continued)*  
*For the Year Ended December 31, 2005*

	Beginning Balance 12/31/04	Additions	Deductions	Ending Balance 12/31/05
<b>Clearing Fund</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$1,895	\$1,895	\$0
<b>Liabilities</b>				
Deposits Held and Due to Others	\$0	\$1,895	\$1,895	\$0
<b>Subdivisions</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$3,583,380	\$1,207,932	\$1,397,049	\$3,394,263
<b>Liabilities</b>				
Deposits Held and Due to Others	\$3,583,380	\$1,207,932	\$1,397,049	\$3,394,263
<b>Mayor's Court</b>				
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	\$0	\$171,259	\$171,259	\$0
<b>Liabilities</b>				
Deposits Held and Due to Others	\$0	\$171,259	\$171,259	\$0
<b>Total - All Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$5,036,481	\$3,682,117	\$3,928,075	\$4,790,523
Cash and Cash Equivalents in Segregated Accounts	0	171,259	171,259	0
<b>Total Assets</b>	<b>\$5,036,481</b>	<b>\$3,853,376</b>	<b>\$4,099,334</b>	<b>\$4,790,523</b>
<b>Liabilities</b>				
Deposits Held and Due to Others	\$4,932,473	\$2,325,051	\$2,544,820	\$4,712,704
Intergovernmental Payable	104,008	1,528,325	1,554,514	77,819
<b>Total Liabilities</b>	<b>\$5,036,481</b>	<b>\$3,853,376</b>	<b>\$4,099,334</b>	<b>\$4,790,523</b>

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

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property and Other Taxes	\$1,003,741	\$1,272,303	\$1,219,341	(\$52,962)
Municipal Income Taxes	3,340,757	4,234,615	4,234,615	0
Charges for Services	426,658	441,484	404,255	(37,229)
Licenses and Permits	999,985	1,267,542	1,295,047	27,505
Fines and Forfeitures	247,670	313,937	324,662	10,725
Intergovernmental	250,755	421,039	306,425	(114,614)
Interest	239,856	304,032	331,079	27,047
Miscellaneous	18,031	22,856	15,328	(7,528)
<i>Total Revenues</i>	<u>6,527,453</u>	<u>8,277,808</u>	<u>8,130,752</u>	<u>(147,056)</u>
<b>Expenditures</b>				
Current:				
General Government:				
Mayor:				
Personal Services	117,818	182,949	178,327	4,622
Materials and Supplies	1,224	1,900	365	1,535
Contractual Services	55,977	86,922	82,200	4,722
Total Mayor	<u>175,019</u>	<u>271,771</u>	<u>260,892</u>	<u>10,879</u>
Finance:				
Personal Services	144,505	224,390	219,275	5,115
Materials and Supplies	9,096	14,124	13,895	229
Contractual Services	62,271	96,696	93,421	3,275
Total Finance	<u>215,872</u>	<u>335,210</u>	<u>326,591</u>	<u>8,619</u>
Treasurer:				
Personal Services	11,234	17,445	17,283	162
Materials and Supplies	377	586	502	84
Contractual Services	1,043	1,620	1,493	127
Total Treasurer	<u>12,654</u>	<u>19,651</u>	<u>19,278</u>	<u>373</u>
Law Director:				
Personal Services	71,317	110,742	107,281	3,461
Contractual Services	141,345	219,483	192,939	26,544
Total Law Director	<u>\$212,662</u>	<u>\$330,225</u>	<u>\$300,220</u>	<u>\$30,005</u>

(continued)

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Council:</b>				
Personal Services	\$89,826	\$139,483	\$123,427	\$16,056
Materials and Supplies	6,376	9,900	9,266	634
Contractual Services	21,960	34,100	23,494	10,606
Capital Outlay	19,320	30,000	14,285	15,715
<b>Total Council</b>	<b>137,482</b>	<b>213,483</b>	<b>170,472</b>	<b>43,011</b>
<b>City Hall:</b>				
Personal Services	15,602	24,227	23,836	391
Materials and Supplies	12,705	19,728	19,278	450
Contractual Services	119,714	185,893	164,120	21,773
Capital Outlay	6,440	10,000	2,117	7,883
Other	64	100	0	100
<b>Total City Hall</b>	<b>154,525</b>	<b>239,948</b>	<b>209,351</b>	<b>30,597</b>
<b>Civil Service:</b>				
Personal Services	2,624	4,075	2,607	1,468
Materials and Supplies	32	50	0	50
Contractual Services	7,406	11,500	7,905	3,595
<b>Total Civil Service</b>	<b>10,062</b>	<b>15,625</b>	<b>10,512</b>	<b>5,113</b>
<b>Records:</b>				
Personal Services	15,359	23,850	14,424	9,426
Materials and Supplies	966	1,500	0	1,500
Contractual Services	966	1,500	0	1,500
<b>Total Records</b>	<b>17,291</b>	<b>26,850</b>	<b>14,424</b>	<b>12,426</b>
<b>Statutory Accounts:</b>				
Personal Services	14,563	22,614	22,614	0
Contractual Services	140,808	218,648	196,545	22,103
<b>Total Statutory Accounts</b>	<b>155,371</b>	<b>241,262</b>	<b>219,159</b>	<b>22,103</b>
<b>Legal</b>				
Contractual Services	1,288	2,000	76	1,924
<b>Engineer:</b>				
Contractual Services	\$163,917	\$254,532	\$244,418	\$10,114

(continued)

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Grant Coordinator:				
Contractual Services	\$17,388	\$27,000	\$7,000	\$20,000
Income Tax Department:				
Personal Services	12,224	18,981	17,757	1,224
Contractual Services	89,761	139,382	128,354	11,028
Total Income Tax Department	101,985	158,363	146,111	12,252
Total General Government	1,375,516	2,135,920	1,928,504	207,416
Community Environment:				
Planning Commission:				
Personal Services	85,132	132,194	114,586	17,608
Materials and Supplies	3,740	5,807	2,833	2,974
Contractual Services	21,420	33,261	8,094	25,167
Capital Outlay	3,864	6,000	6,000	0
Other	644	1,000	200	800
Total Planning Commission	114,800	178,262	131,713	46,549
Building Inspector:				
Personal Services	446,500	693,332	623,924	69,408
Materials and Supplies	21,948	34,081	28,453	5,628
Contractual Services	115,615	179,528	147,894	31,634
Capital Outlay	14,168	22,000	20,266	1,734
Other	644	1,000	458	542
Total Building Inspector	598,875	929,941	820,995	108,946
Safety Director/Zoning Officer:				
Personal Services	33,388	51,846	51,272	574
Materials and Supplies	1,095	1,700	0	1,700
Contractual Services	547	850	315	535
Total Safety Director/Zoning Officer	35,030	54,396	51,587	2,809
Total Community Environment	748,705	1,162,599	1,004,295	158,304
<i>Total Expenditures</i>	<i>\$2,124,221</i>	<i>\$3,298,519</i>	<i>\$2,932,799</i>	<i>\$365,720</i>

(continued)

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<i>Excess of Revenues Over Expenditures</i>	\$4,403,232	\$4,979,289	\$5,197,953	\$218,664
<b>Other Financing Sources (Uses)</b>				
Advances Out	(33,367)	(33,367)	(33,367)	0
Transfers In	209,289	1,405,713	648,128	(757,585)
Transfers Out	(3,796,739)	(8,217,449)	(4,997,261)	3,220,188
<i>Total Other Financing Sources (Uses)</i>	(3,620,817)	(6,845,103)	(4,382,500)	2,462,603
<i>Net Change in Fund Balance</i>	782,415	(1,865,814)	815,453	2,681,267
<i>Fund Balance Beginning of Year</i>	3,699,367	3,699,367	3,699,367	0
Prior Year Encumbrances Appropriated	103,192	103,192	103,192	0
<i>Fund Balance End of Year</i>	\$4,584,974	\$1,936,745	\$4,618,012	\$2,681,267

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Department Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Municipal Income Taxes	\$2,192,465	\$2,887,352	\$2,869,410	(\$17,942)
Miscellaneous	20,001	19,129	19,029	(100)
<i>Total Revenues</i>	<u>2,212,466</u>	<u>2,906,481</u>	<u>2,888,439</u>	<u>(18,042)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire Department:				
Personal Services	1,651,762	2,014,472	1,919,965	94,507
Materials and Supplies	62,000	82,144	75,389	6,755
Contractual Services	200,000	318,612	280,596	38,016
Capital Outlay	1,000	1,150	1,150	0
Other	500	500	0	500
<i>Total Expenditures</i>	<u>1,915,262</u>	<u>2,416,878</u>	<u>2,277,100</u>	<u>139,778</u>
<i>Excess of Revenues Over Expenditures</i>	297,204	489,603	611,339	121,736
<b>Other Financing Sources</b>				
Transfers In	205,576	205,576	205,576	0
<i>Net Change in Fund Balance</i>	502,780	695,179	816,915	121,736
<i>Fund Balance Beginning of Year</i>	504,536	504,536	504,536	0
Prior Year Encumbrances Appropriated	17,942	17,942	17,942	0
<i>Fund Balance End of Year</i>	<u>\$1,025,258</u>	<u>\$1,217,657</u>	<u>\$1,339,393</u>	<u>\$121,736</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Construction, Maintenance and Repair Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Property and Other Taxes	\$703,028	\$727,090	\$727,090	\$0
Intergovernmental	678,970	871,287	678,940	(192,347)
Interest	12,296	12,296	12,296	0
Miscellaneous	13,053	13,053	13,053	0
<i>Total Revenues</i>	<u>1,407,347</u>	<u>1,623,726</u>	<u>1,431,379</u>	<u>(192,347)</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Department:				
Personal Services	492,970	761,845	758,676	3,169
Materials and Supplies	288,205	445,397	424,936	20,461
Contractual Services	167,410	258,718	228,126	30,592
Capital Outlay	291,659	450,735	450,735	0
Other	324	500	0	500
<i>Total Expenditures</i>	<u>1,240,568</u>	<u>1,917,195</u>	<u>1,862,473</u>	<u>54,722</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	166,779	(293,469)	(431,094)	(137,625)
<b>Other Financing Uses</b>				
Transfers Out	(191,420)	(191,420)	(191,420)	0
<i>Net Change in Fund Balance</i>	(24,641)	(484,889)	(622,514)	(137,625)
<i>Fund Balance Beginning of Year</i>	679,145	679,145	679,145	0
Prior Year Encumbrances Appropriated	192,347	192,347	192,347	0
<i>Fund Balance End of Year</i>	<u>\$846,851</u>	<u>\$386,603</u>	<u>\$248,978</u>	<u>(\$137,625)</u>



**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property and Other Taxes	\$526,385	\$472,676	\$432,134	(\$40,542)
Intergovernmental	42,049	42,049	42,049	0
Miscellaneous	3,070	3,072	3,095	23
<i>Total Revenues</i>	<u>571,504</u>	<u>517,797</u>	<u>477,278</u>	<u>(40,519)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police Department:				
Personal Services	2,265,925	2,330,488	2,199,052	131,436
Materials and Supplies	126,085	129,678	120,737	8,941
Contractual Services	275,331	283,176	270,707	12,469
<i>Total Expenditures</i>	<u>2,667,341</u>	<u>2,743,342</u>	<u>2,590,496</u>	<u>152,846</u>
<i>Excess of Revenues Under Expenditures</i>	(2,095,837)	(2,225,545)	(2,113,218)	112,327
<b>Other Financing Sources</b>				
Transfers In	2,100,000	2,193,962	2,100,000	(93,962)
<i>Net Change in Fund Balance</i>	4,163	(31,583)	(13,218)	18,365
<i>Fund Balance Beginning of Year</i>	163	163	163	0
Prior Year Encumbrances Appropriated	40,542	40,542	40,542	0
<i>Fund Balance End of Year</i>	<u>\$44,868</u>	<u>\$9,122</u>	<u>\$27,487</u>	<u>\$18,365</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Special Assessment Bond Retirement Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Special Assessments	\$259,343	\$233,136	\$233,136	\$0
Interest	214,972	214,972	214,972	0
<i>Total Revenues</i>	<u>474,315</u>	<u>448,108</u>	<u>448,108</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
General Government:				
Special Assessment Bond Retirement:				
Contractual Services	30,000	30,000	18,420	11,580
Debt Service:				
Principal Retirement	227,285	227,285	216,284	11,001
Interest and Fiscal Charges	219,530	219,530	201,070	18,460
Total Debt Service	<u>446,815</u>	<u>446,815</u>	<u>417,354</u>	<u>29,461</u>
<i>Total Expenditures</i>	<u>476,815</u>	<u>476,815</u>	<u>435,774</u>	<u>41,041</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,500)	(28,707)	12,334	41,041
<b>Other Financing Sources</b>				
Transfers In	32,500	32,500	0	(32,500)
<i>Net Change in Fund Balance</i>	30,000	3,793	12,334	8,541
<i>Fund Balance Beginning of Year</i>	<u>333,597</u>	<u>333,597</u>	<u>333,597</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$363,597</u></u>	<u><u>\$337,390</u></u>	<u><u>\$345,931</u></u>	<u><u>\$8,541</u></u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Schneider Court Site Development Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental	\$1,612,714	\$1,603,837	\$0	(\$1,603,837)
Interest	1,015	1,015	1,015	0
Other	51,945	102,530	102,530	0
<i>Total Revenues</i>	1,665,674	1,707,382	103,545	(1,603,837)
<b>Expenditures</b>				
Capital Outlay:				
Schneider Court:				
Capital Outlay	1,778,837	2,178,745	1,904,569	274,176
Debt Service:				
Principal Retirement	250,000	250,000	250,000	0
Interest and Fiscal Charges	20,500	20,500	19,728	772
<i>Total Debt Service</i>	270,500	270,500	269,728	772
<i>Total Expenditures</i>	2,049,337	2,449,245	2,174,297	274,948
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(383,663)	(741,863)	(2,070,752)	(1,328,889)
<b>Other Financing Sources (Uses)</b>				
Insurance Recovery	203,748	203,748	203,748	0
Refunding Note Premium	0	20,500	0	(20,500)
Refunding Notes Issued	750,000	750,000	750,000	0
Payment to Refund Notes	(750,000)	(750,000)	(750,000)	0
Transfers In	425,000	425,000	425,000	0
<i>Total Other Financing Sources (Uses)</i>	628,748	649,248	628,748	(20,500)
<i>Net Change in Fund Balance</i>	245,085	(92,615)	(1,442,004)	(1,349,389)
<i>Fund Balance Beginning of Year</i>	378,692	378,692	378,692	0
Prior Year Encumbrances Appropriated	1,603,837	1,603,837	1,603,837	0
<i>Fund Balance End of Year</i>	\$2,227,614	\$1,889,914	\$540,525	(\$1,349,389)

**City of Avon, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Water Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for Services	\$1,510,304	\$2,360,592	\$2,254,164	(\$106,428)
Tap-In Fees	220,057	333,445	332,094	(1,351)
Interest	21,958	33,272	37,839	4,567
Miscellaneous	28,867	43,742	43,725	(17)
Notes Issued	456,257	691,350	641,350	(50,000)
Bonds Issued	1,087,100	1,087,100	0	(1,087,100)
<i>Total Revenues</i>	<u>3,324,543</u>	<u>4,549,501</u>	<u>3,309,172</u>	<u>(1,240,329)</u>
<b>Expenses</b>				
Personal Services	480,023	419,340	374,432	44,908
Materials and Supplies	1,156,692	1,233,422	1,112,275	121,147
Contractual Services	307,306	326,081	303,684	22,397
Other	24,500	24,500	20,474	4,026
Capital Outlay	80,572	97,278	82,346	14,932
Debt Service:				
Principal Retirement	1,205,660	1,755,660	1,205,660	550,000
Interest and Fiscal Charges	122,841	127,491	79,074	48,417
<i>Total Expenses</i>	<u>3,377,594</u>	<u>3,983,772</u>	<u>3,177,945</u>	<u>805,827</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(53,051)	565,729	131,227	(434,502)
Transfers In	573,000	573,000	0	(573,000)
<i>Net Change in Fund Balance</i>	519,949	1,138,729	131,227	(1,007,502)
<i>Fund Balance Beginning of Year</i>	1,884,102	1,884,102	1,884,102	0
Prior Year Encumbrances Appropriated	72,081	72,081	72,081	0
<i>Fund Balance End of Year</i>	<u>\$2,476,132</u>	<u>\$3,094,912</u>	<u>\$2,087,410</u>	<u>(\$1,007,502)</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Sewer Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for Services	\$736,191	\$1,067,548	\$938,193	(\$129,355)
Tap-In Fees	309,605	395,075	394,971	(104)
Interest	44,933	57,337	62,028	4,691
Miscellaneous	7,990	10,196	10,196	0
Notes Issued	274,282	350,000	350,000	0
Bonds Issued	11,755	15,000	0	(15,000)
<i>Total Revenues</i>	1,384,756	1,895,156	1,755,388	(139,768)
<b>Expenses</b>				
Personal Services	549,477	662,290	614,786	47,504
Materials and Supplies	133,184	183,354	159,757	23,597
Contractual Services	163,865	196,447	170,324	26,123
Other	3,631	5,000	3,930	1,070
Capital Outlay	246,116	367,973	358,988	8,985
Debt Service:				
Principal Retirement	478,476	478,476	478,476	0
Interest and Fiscal Charges	62,917	62,917	56,082	6,835
<i>Total Expenses</i>	1,637,666	1,956,457	1,842,343	114,114
<i>Excess of Revenues</i>				
<i>    Under Expenses</i>	(252,910)	(61,301)	(86,955)	(25,654)
Transfers In	20,333	20,333	0	(20,333)
Transfers Out	(34,225)	(34,225)	(18,533)	15,692
<i>Net Change in Fund Balance</i>	(266,802)	(75,193)	(105,488)	(30,295)
<i>Fund Balance Beginning of Year</i>	2,486,720	2,486,720	2,486,720	0
Prior Year Encumbrances Appropriated	128,124	128,124	128,124	0
<i>Fund Balance End of Year</i>	\$2,348,042	\$2,539,651	\$2,509,356	(\$30,295)

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Recycling Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental	\$71,560	\$77,451	\$67,771	(\$9,680)
<b>Expenditures</b>				
Current:				
Community Environment:				
Recycling:				
Personal Services	6,000	6,000	6,000	0
Contractual Services	122,680	133,970	122,746	11,224
<i>Total Expenditures</i>	128,680	139,970	128,746	11,224
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(57,120)	(62,519)	(60,975)	1,544
<b>Other Financing Sources</b>				
Transfers In	60,000	60,000	60,000	0
<i>Net Change in Fund Balance</i>	2,880	(2,519)	(975)	1,544
<i>Fund Balance Beginning of Year</i>	15,600	15,600	15,600	0
Prior Year Encumbrances Appropriated	9,680	9,680	9,680	0
<i>Fund Balance End of Year</i>	\$28,160	\$22,761	\$24,305	\$1,544

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*ADA Parking Violations Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Fines and Forfeitures	\$1,229	\$1,324	\$750	(\$574)
Miscellaneous	95	95	95	0
<i>Total Revenues</i>	1,324	1,419	845	(574)
<b>Expenditures</b>				
Current:				
Transportation:				
ADA Parking Violations:				
Contractual Services	1,324	1,324	574	750
<i>Net Change in Fund Balance</i>	0	95	271	176
<i>Fund Balance Beginning of Year</i>	665	665	665	0
Prior Year Encumbrances Appropriated	574	574	574	0
<i>Fund Balance End of Year</i>	<u>\$1,239</u>	<u>\$1,334</u>	<u>\$1,510</u>	<u>\$176</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*State Highway Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Intergovernmental	\$32,450	\$48,429	\$48,429	\$0
Interest	1,500	2,664	2,664	0
<i>Total Revenues</i>	33,950	51,093	51,093	0
<b>Expenditures</b>				
Current:				
Transportation:				
State Highway:				
Contractual Services	25,500	25,500	0	25,500
<i>Net Change in Fund Balance</i>	8,450	25,593	51,093	25,500
<i>Fund Balance Beginning of Year</i>	126,605	126,605	126,605	0
<i>Fund Balance End of Year</i>	<u>\$135,055</u>	<u>\$152,198</u>	<u>\$177,698</u>	<u>\$25,500</u>



**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Permissive Tax Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental	\$68,874	\$84,650	\$82,826	(\$1,824)
Interest	1,100	1,113	1,113	0
Miscellaneous	6,000	6,001	6,001	0
<i>Total Revenues</i>	<u>75,974</u>	<u>91,764</u>	<u>89,940</u>	<u>(1,824)</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Permissive Tax:				
Contractual Services	127,000	147,200	132,245	14,955
Materials and Supplies	3,824	3,824	1,824	2,000
Capital Outlay	3,000	6,000	6,000	0
<i>Total Expenditures</i>	<u>133,824</u>	<u>157,024</u>	<u>140,069</u>	<u>16,955</u>
<i>Excess of Revenues</i> <i>Under Expenditures</i>	(57,850)	(65,260)	(50,129)	15,131
<b>Other Financing Sources</b>				
Transfers In	70,000	70,000	70,000	0
<i>Net Change in Fund Balance</i>	12,150	4,740	19,871	15,131
<i>Fund Balance Beginning of Year</i>	36,603	36,603	36,603	0
Prior Year Encumbrances Appropriated	1,824	1,824	1,824	0
<i>Fund Balance End of Year</i>	<u>\$50,577</u>	<u>\$43,167</u>	<u>\$58,298</u>	<u>\$15,131</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Enforcement and Education Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Fines and Forfeitures	\$1,000	\$2,222	\$2,222	\$0
Miscellaneous	1,000	1,086	261	(825)
<i>Total Revenues</i>	2,000	3,308	2,483	(825)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Enforcement and Education:				
Contractual Services	5,000	5,000	4,627	373
<i>Net Change in Fund Balance</i>	(3,000)	(1,692)	(2,144)	(452)
<i>Fund Balance Beginning of Year</i>	6,797	6,797	6,797	0
<i>Fund Balance End of Year</i>	<u>\$3,797</u>	<u>\$5,105</u>	<u>\$4,653</u>	<u>(\$452)</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Law Enforcement Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Fines and Forfeitures	\$100	\$200	\$100	(\$100)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Law Enforcement:				
Materials and Supplies	3,600	3,600	100	3,500
Contractual Services	500	500	181	319
<i>Total Expenditures</i>	4,100	4,100	281	3,819
<i>Net Change in Fund Balance</i>	(4,000)	(3,900)	(181)	3,719
<i>Fund Balance Beginning of Year</i>	28,621	28,621	28,621	0
Prior Year Encumbrances Appropriated	100	100	100	0
<i>Fund Balance End of Year</i>	<u>\$24,721</u>	<u>\$24,821</u>	<u>\$28,540</u>	<u>\$3,719</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Pension Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Property and Other Taxes	\$180,362	\$153,408	\$153,602	\$194
Intergovernmental	18,075	18,075	18,075	0
<i>Total Revenues</i>	<u>198,437</u>	<u>171,483</u>	<u>171,677</u>	<u>194</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police Pension:				
Personal Services	320,000	320,000	298,605	21,395
Contractual Services	2,500	2,500	2,335	165
<i>Total Expenditures</i>	<u>322,500</u>	<u>322,500</u>	<u>300,940</u>	<u>21,560</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(124,063)	(151,017)	(129,263)	21,754
<b>Other Financing Sources</b>				
Transfers In	129,263	174,673	129,263	(45,410)
<i>Net Change in Fund Balance</i>	5,200	23,656	0	(23,656)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,200</u></u>	<u><u>\$23,656</u></u>	<u><u>\$0</u></u>	<u><u>(\$23,656)</u></u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Mayor's Court Computer Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Fines and Forfeitures	\$4,000	\$7,285	\$7,830	\$545
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Mayor's Court Computer:				
Capital Outlay	3,500	3,500	2,328	1,172
<i>Net Change in Fund Balance</i>	500	3,785	5,502	1,717
<i>Fund Balance Beginning of Year</i>	52,525	52,525	52,525	0
<i>Fund Balance End of Year</i>	<u>\$53,025</u>	<u>\$56,310</u>	<u>\$58,027</u>	<u>\$1,717</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Avon Seniors Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$0	\$30,000	\$0	(\$30,000)
Miscellaneous	125	377	252	(125)
<i>Total Revenues</i>	125	30,377	252	(30,125)
<b>Expenditures</b>				
Current:				
Community Environment:				
Avon Seniors:				
Personal Services	32,039	67,822	44,496	23,326
Materials and Supplies	4,277	9,054	5,097	3,957
Contractual Services	70,730	82,714	77,259	5,455
Capital Outlay	6,679	14,138	12,314	1,824
<i>Total Expenditures</i>	113,725	173,728	139,166	34,562
<i>Excess of Revenues</i> <i>Under Expenditures</i>	(113,600)	(143,351)	(138,914)	4,437
<b>Other Financing Sources (Uses)</b>				
Transfers In	109,600	109,600	109,600	0
<i>Net Change in Fund Balance</i>	(4,000)	(33,751)	(29,314)	4,437
<i>Fund Balance Beginning of Year</i>	65,320	65,320	65,320	0
Prior Year Encumbrances Appropriated	125	125	125	0
<i>Fund Balance End of Year</i>	\$61,445	\$31,694	\$36,131	\$4,437

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Recreation Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Charges for Services	\$53,513	\$120,531	\$104,787	(\$15,744)
Miscellaneous	15	15	15	0
<i>Total Revenues</i>	<u>53,528</u>	<u>120,546</u>	<u>104,802</u>	<u>(15,744)</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Recreation Department:				
Personal Services	25,750	25,750	25,440	310
Materials and Supplies	3,707	3,707	3,668	39
Contractual Services	6,360	6,360	6,322	38
Other	500	500	450	50
Total Recreation Department	36,317	36,317	35,880	437
Adult Volleyball:				
Materials and Supplies	2,089	2,089	1,465	624
Men's Basketball:				
Materials and Supplies	1,000	1,000	994	6
Pony Camp:				
Materials and Supplies	1,800	1,800	0	1,800
Little Eagles:				
Materials and Supplies	4,305	4,305	4,201	104
Adult Softball:				
Materials and Supplies	500	500	482	18
Gymnastics:				
Materials and Supplies	52,410	52,410	52,403	7
Baton:				
Materials and Supplies	17,021	17,021	16,143	878
Little Scientist:				
Materials and Supplies	\$2,000	\$2,000	\$1,350	\$650

(continued)

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Recreation Fund (continued)*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Youth Baseball:				
Materials and Supplies	\$4,200	\$4,200	\$4,111	\$89
Flag Football:				
Materials and Supplies	6,000	6,000	5,649	351
Safety Town:				
Materials and Supplies	3,167	3,167	3,073	94
Fishing:				
Materials and Supplies	1,400	1,400	1,110	290
Youth Wrestling:				
Materials and Supplies	1,000	1,000	218	782
<i>Total Expenditures</i>	<u>133,209</u>	<u>133,209</u>	<u>127,079</u>	<u>6,130</u>
<i>Excess of Revenues Under Expenditures</i>	(79,681)	(12,663)	(22,277)	(9,614)
<b>Other Financing Sources</b>				
Transfers In	<u>85,831</u>	<u>85,831</u>	<u>0</u>	<u>(85,831)</u>
<i>Net Change in Fund Balance</i>	6,150	73,168	(22,277)	(95,445)
<i>Fund Balance Beginning of Year</i>	54,184	54,184	54,184	0
Prior Year Encumbrances Appropriated	<u>3,209</u>	<u>3,209</u>	<u>3,209</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$63,543</u></u>	<u><u>\$130,561</u></u>	<u><u>\$35,116</u></u>	<u><u>(\$95,445)</u></u>



**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Park Operating Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Property and Other Taxes	\$355,808	\$230,242	\$223,008	(\$7,234)
Charges for Services	2,385	2,385	2,385	0
Intergovernmental	25,931	25,931	25,931	0
<i>Total Revenues</i>	<u>384,124</u>	<u>258,558</u>	<u>251,324</u>	<u>(7,234)</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Park Operating:				
Personal Services	240,533	269,787	248,529	21,258
Materials and Supplies	25,033	28,077	26,233	1,844
Contractual Services	53,257	59,734	53,648	6,086
Capital Outlay	63,520	71,245	71,077	168
<i>Total Expenditures</i>	<u>382,343</u>	<u>428,843</u>	<u>399,487</u>	<u>29,356</u>
<i>Excess of Revenues (Over)</i>				
<i>Under Expenditures</i>	1,781	(170,285)	(148,163)	22,122
<b>Other Financing Sources</b>				
Transfers In	219,639	219,639	132,696	(86,943)
<i>Net Change in Fund Balance</i>	221,420	49,354	(15,467)	(64,821)
<i>Fund Balance Beginning of Year</i>	43,486	43,486	43,486	0
Prior Year Encumbrances Appropriated	10,142	10,142	10,142	0
<i>Fund Balance End of Year</i>	<u>\$275,048</u>	<u>\$102,982</u>	<u>\$38,161</u>	<u>(\$64,821)</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Park Development Fund  
For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Licenses and Permits	\$217,224	\$409,873	\$345,199	(\$64,674)
Miscellaneous	31,311	31,311	31,311	0
<i>Total Revenues</i>	<u>248,535</u>	<u>441,184</u>	<u>376,510</u>	<u>(64,674)</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Park Development:				
Contractual Services	5,704	18,725	11,948	6,777
Capital Outlay	72,471	237,908	151,240	86,668
Total Leisure Time Activities	<u>78,175</u>	<u>256,633</u>	<u>163,188</u>	<u>93,445</u>
Debt Service:				
Principal Retirement	70,000	70,000	70,000	0
Interest and Fiscal Charges	73,420	73,420	73,420	0
Total Debt Service	<u>143,420</u>	<u>143,420</u>	<u>143,420</u>	<u>0</u>
<i>Total Expenditures</i>	<u>221,595</u>	<u>400,053</u>	<u>306,608</u>	<u>93,445</u>
<i>Excess of Revenues Over Expenditures</i>	26,940	41,131	69,902	28,771
<b>Other Financing Sources</b>				
Transfers In	66,140	66,140	58,138	(8,002)
<i>Net Change in Fund Balance</i>	93,080	107,271	128,040	20,769
<i>Fund Balance Beginning of Year</i>	428,240	428,240	428,240	0
Prior Year Encumbrances Appropriated	<u>64,675</u>	<u>64,675</u>	<u>64,675</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$585,995</u>	<u>\$600,186</u>	<u>\$620,955</u>	<u>\$20,769</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Community Center Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Charges for Services	\$1,727	\$3,382	\$2,355	(\$1,027)
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Community Center:				
Personal Services	6,687	13,320	12,615	705
Materials and Supplies	104	208	192	16
Contractual Services	5,322	10,601	8,587	2,014
Other	564	1,123	973	150
<i>Total Expenditures</i>	<u>12,677</u>	<u>25,252</u>	<u>22,367</u>	<u>2,885</u>
<i>Excess of Revenues Under Expenditures</i>	(10,950)	(21,870)	(20,012)	1,858
<b>Other Financing Sources</b>				
Transfers In	10,000	18,500	18,500	0
<i>Net Change in Fund Balance</i>	(950)	(3,370)	(1,512)	1,858
<i>Fund Balance Beginning of Year</i>	7,713	7,713	7,713	0
Prior Year Encumbrances Appropriated	1,027	1,027	1,027	0
<i>Fund Balance End of Year</i>	<u>\$7,790</u>	<u>\$5,370</u>	<u>\$7,228</u>	<u>\$1,858</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Living Tree Memorial Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Contributions and Donations	\$974	\$974	\$230	(\$744)
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Living Tree Memorial:				
Materials and Supplies	472	472	462	10
Contractual Services	252	252	151	101
<i>Total Expenditures</i>	724	724	613	111
<i>Net Change in Fund Balance</i>	250	250	(383)	(633)
<i>Fund Balance Beginning of Year</i>	268	268	268	0
Prior Year Encumbrances Appropriated	224	224	224	0
<i>Fund Balance End of Year</i>	\$742	\$742	\$109	(\$633)

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Drainage Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Miscellaneous	\$166	\$166	\$0	(\$166)
<b>Expenditures</b>				
Current:				
Basic Utility Services:				
Drainage:				
Materials and Supplies	<u>25,166</u>	<u>25,166</u>	<u>22,970</u>	<u>2,196</u>
<i>Excess of Revenues</i>				
<i>  Under Expenditures</i>	(25,000)	(25,000)	(22,970)	2,030
<b>Other Financing Sources</b>				
Transfers In	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	2,030	2,030
<i>Fund Balance Beginning of Year</i>	1,608	1,608	1,608	0
Prior Year Encumbrances Appropriated	<u>166</u>	<u>166</u>	<u>166</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,774</u></u>	<u><u>\$1,774</u></u>	<u><u>\$3,804</u></u>	<u><u>\$2,030</u></u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Cemetery Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for Services	\$600	\$600	\$0	(\$600)
<b>Expenditures</b>				
Current:				
General Government:				
Cemetery:				
Materials and Supplies	150	150	0	150
Contractual Services	350	350	0	350
<i>Total Expenditures</i>	500	500	0	500
<i>Net Change in Fund Balance</i>	100	100	0	(100)
<i>Fund Balance Beginning of Year</i>	4,733	4,733	4,733	0
<i>Fund Balance End of Year</i>	\$4,833	\$4,833	\$4,733	(\$100)

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Obligation Bond Retirement Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Miscellaneous	\$14,222	\$14,222	\$14,222	\$0
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive:				
Contractual Services	3,000	3,000	375	2,625
Debt Service:				
Principal Retirement	122,898	208,110	208,110	0
Interest and Fiscal Charges	113,137	219,345	217,966	1,379
Total Debt Service	236,035	427,455	426,076	1,379
<i>Total Expenditures</i>	239,035	430,455	426,451	4,004
<i>Excess of Revenues Under Expenditures</i>	(224,813)	(416,233)	(412,229)	4,004
<b>Other Financing Sources</b>				
Transfers In	224,814	430,456	331,822	(98,634)
<i>Net Change in Fund Balance</i>	1	14,223	(80,407)	(94,630)
<i>Fund Balance Beginning of Year</i>	80,407	80,407	80,407	0
<i>Fund Balance End of Year</i>	\$80,408	\$94,630	\$0	(\$94,630)

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Station Bond Retirement Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Debt Service:				
Interest and Fiscal Charges	15,100	8,100	8,100	0
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(15,100)	(8,100)	(8,100)	0
<b>Other Financing Uses</b>				
Refunding Principal	(600,000)	(600,000)	(600,000)	0
Transfers Out	0	(205,576)	(205,576)	0
<i>Total Other Financing Uses</i>	(600,000)	(805,576)	(805,576)	0
<i>Net Change in Fund Balance</i>	(615,100)	(813,676)	(813,676)	0
<i>Fund Balance Beginning of Year</i>	813,676	813,676	813,676	0
<i>Fund Balance End of Year</i>	\$198,576	\$0	\$0	\$0



**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Library Bond Retirement Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property and Other Taxes	\$82,100	\$85,964	\$85,964	\$0
Intergovernmental	10,000	10,243	10,243	0
<i>Total Revenues</i>	<u>92,100</u>	<u>96,207</u>	<u>96,207</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
General Government:				
Contractual Services	2,500	2,500	1,314	1,186
Debt Service:				
Principal Retirement	50,000	50,000	50,000	0
Interest and Fiscal Charges	35,850	35,850	35,850	0
Total Debt Service	<u>85,850</u>	<u>85,850</u>	<u>85,850</u>	<u>0</u>
<i>Total Expenditures</i>	<u>88,350</u>	<u>88,350</u>	<u>87,164</u>	<u>1,186</u>
<i>Net Change in Fund Balance</i>	3,750	7,857	9,043	1,186
<i>Fund Balance Beginning of Year</i>	<u>14,949</u>	<u>14,949</u>	<u>14,949</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$18,699</u></u>	<u><u>\$22,806</u></u>	<u><u>\$23,992</u></u>	<u><u>\$1,186</u></u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Equipment Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Property and Other Taxes	\$522,686	\$451,016	\$373,111	(\$77,905)
Intergovernmental	58,780	41,959	41,959	0
Miscellaneous	46,606	33,269	27,436	(5,833)
<i>Total Revenues</i>	<u>628,072</u>	<u>526,244</u>	<u>442,506</u>	<u>(83,738)</u>
<b>Expenditures</b>				
Capital Outlay:				
Equipment:				
Contractual Services	6,000	6,000	5,812	188
Capital Outlay	208,905	304,535	304,070	465
<i>Total Expenditures</i>	<u>214,905</u>	<u>310,535</u>	<u>309,882</u>	<u>653</u>
<i>Net Change in Fund Balance</i>	413,167	215,709	132,624	(83,085)
<i>Fund Balance Beginning of Year</i>	483,530	483,530	483,530	0
Prior Year Encumbrances Appropriated	77,905	77,905	77,905	0
<i>Fund Balance End of Year</i>	<u>\$974,602</u>	<u>\$777,144</u>	<u>\$694,059</u>	<u>(\$83,085)</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Issue II Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	130,024	130,024	130,024	0
<i>Fund Balance End of Year</i>	<u>\$130,024</u>	<u>\$130,024</u>	<u>\$130,024</u>	<u>\$0</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Storm Water Detention Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Charges for Services	\$79,337	\$79,337	\$32,247	(\$47,090)
Intergovernmental	633,067	432,700	368,019	(64,681)
<i>Total Revenues</i>	<u>712,404</u>	<u>512,037</u>	<u>400,266</u>	<u>(111,771)</u>
<b>Expenditures</b>				
Capital Outlay:				
Storm Water Detention:				
Contractual Services	29,337	36,245	35,237	1,008
Capital Outlay	173,934	564,184	564,184	0
Other	0	33,271	33,271	0
<i>Total Expenditures</i>	<u>203,271</u>	<u>633,700</u>	<u>632,692</u>	<u>1,008</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>509,133</u>	<u>(121,663)</u>	<u>(232,426)</u>	<u>(110,763)</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	33,367	33,367	33,367	0
Transfers In	236,200	236,200	236,200	0
Transfers Out	(25,000)	(98,402)	(98,402)	0
<i>Total Other Financing Sources (Uses)</i>	<u>244,567</u>	<u>171,165</u>	<u>171,165</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	753,700	49,502	(61,261)	(110,763)
<i>Fund Balance Beginning of Year</i>	75,698	75,698	75,698	0
Prior Year Encumbrances Appropriated	29,337	29,337	29,337	0
<i>Fund Balance End of Year</i>	<u><u>\$858,735</u></u>	<u><u>\$154,537</u></u>	<u><u>\$43,774</u></u>	<u><u>(\$110,763)</u></u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Master City Analysis Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay:				
Capital Improvements:				
Capital Outlay	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
<i>Excess of Revenues</i>				
<i>  Under Expenditures</i>	(5,000)	(5,000)	(5,000)	0
<b>Other Financing Sources</b>				
Transfers In	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital Improvements Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Charges for Services	\$483,965	\$483,965	\$0	(\$483,965)
<b>Expenditures</b>				
Capital Outlay:				
Capital Improvements:				
Capital Outlay	<u>478,469</u>	<u>968,061</u>	<u>680,126</u>	<u>287,935</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,496</u>	<u>(484,096)</u>	<u>(680,126)</u>	<u>(196,030)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	475,000	475,000	475,000	0
Transfers Out	<u>(276,940)</u>	<u>(276,940)</u>	<u>(276,940)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>198,060</u>	<u>198,060</u>	<u>198,060</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	203,556	(286,036)	(482,066)	(196,030)
<i>Fund Balance Beginning of Year</i>	58,394	58,394	58,394	0
Prior Year Encumbrances Appropriated	<u>483,965</u>	<u>483,965</u>	<u>483,965</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$745,915</u></u>	<u><u>\$256,323</u></u>	<u><u>\$60,293</u></u>	<u><u>(\$196,030)</u></u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Safety Town Construction Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Contributions and Donations	\$3,335	\$3,335	\$0	(\$3,335)
<b>Expenditures</b>				
Capital Outlay:				
Safety Town Building:				
Capital Outlay	<u>3,335</u>	<u>3,335</u>	<u>3,335</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	(3,335)	(3,335)
<i>Fund Balance Beginning of Year</i>	588	588	588	0
Prior Year Encumbrances Appropriated	<u>3,335</u>	<u>3,335</u>	<u>3,335</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,923</u></u>	<u><u>\$3,923</u></u>	<u><u>\$588</u></u>	<u><u>(\$3,335)</u></u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Road Program Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay:				
Road Analysis Program:				
Capital Outlay	50,000	702,934	702,934	0
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(50,000)	(702,934)	(702,934)	0
<b>Other Financing Sources (Uses)</b>				
Transfers In	940,000	940,000	940,000	0
Transfers Out	0	(237,066)	(237,066)	0
<i>Total Other Financing Sources (Uses)</i>	940,000	702,934	702,934	0
<i>Net Change in Fund Balance</i>	890,000	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$890,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>



**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Skateboard Park Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Miscellaneous	\$2,335	\$2,335	\$0	(\$2,335)
<b>Expenditures</b>				
Capital Outlay:				
Skateboard Park:				
Capital Outlay	23,704	23,704	29,371	(5,667)
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(21,369)	(21,369)	(29,371)	(8,002)
<b>Other Financing Uses</b>				
Transfers Out	(106,677)	(106,677)	(98,676)	8,001
<i>Net Change in Fund Balance</i>	(128,046)	(128,046)	(128,047)	(1)
<i>Fund Balance Beginning of Year</i>	125,712	125,712	125,712	0
Prior Year Encumbrances Appropriated	2,335	2,335	2,335	0
<i>Fund Balance End of Year</i>	\$1	\$1	\$0	(\$1)

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Center/Kinzel Wyndmere Signal Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay:				
Center Kinzel Signal:				
Capital Outlay	<u>8,350</u>	<u>8,350</u>	<u>8,350</u>	<u>0</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(8,350)</u>	<u>(8,350)</u>	<u>(8,350)</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	10,000	10,000	10,000	0
Transfers Out	<u>(1,650)</u>	<u>(1,650)</u>	<u>(1,650)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>8,350</u>	<u>8,350</u>	<u>8,350</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Road Widening Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Other	\$210,396	\$210,396	\$0	(\$210,396)
<b>Expenditures</b>				
Capital Outlay:				
Detroit Road Culvert:				
Capital Outlay	<u>232,081</u>	<u>232,081</u>	<u>217,664</u>	<u>14,417</u>
<i>Net Change in Fund Balance</i>	(21,685)	(21,685)	(217,664)	(195,979)
<i>Fund Balance Beginning of Year</i>	90,238	90,238	90,238	0
Prior Year Encumbrances Appropriated	<u>210,396</u>	<u>210,396</u>	<u>210,396</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$278,949</u></u>	<u><u>\$278,949</u></u>	<u><u>\$82,970</u></u>	<u><u>(\$195,979)</u></u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*French Creek Restoration Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Intergovernmental	\$364,033	\$364,033	\$187,267	(\$176,766)
<b>Expenditures</b>				
Capital Outlay:				
French Creek:				
Capital Outlay	136,686	136,686	136,686	0
Debt Service:				
Interest and Fiscal Charges	15,100	15,100	14,298	802
<i>Total Expenditures</i>	151,786	151,786	150,984	802
<i>Excess of Revenues Over Expenditures</i>	212,247	212,247	36,283	(175,964)
<b>Other Financing Sources (Uses)</b>				
Refunding Note Issued	600,000	600,000	600,000	0
Payment to Refund Note	(600,000)	(600,000)	(600,000)	0
Refunding Note Premium	15,000	15,000	0	(15,000)
<i>Total Other Financing Sources (Uses)</i>	15,000	15,000	0	(15,000)
<i>Net Change in Fund Balance</i>	227,247	227,247	36,283	(190,964)
<i>Fund Balance Beginning of Year</i>	364,799	364,799	364,799	0
Prior Year Encumbrances Appropriated	136,686	136,686	136,686	0
<i>Fund Balance End of Year</i>	\$728,732	\$728,732	\$537,768	(\$190,964)

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Sidewalk Programs Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Other	\$400	\$421	\$421	\$0
<b>Expenditures</b>				
Capital Outlay:				
Capital Improvements:				
Capital Outlay	<u>8,000</u>	<u>23,000</u>	<u>23,000</u>	<u>0</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(7,600)	(22,579)	(22,579)	0
<b>Other Financing Sources</b>				
Transfers In	<u>7,600</u>	<u>23,000</u>	<u>23,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	421	421	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$421</u></u>	<u><u>\$421</u></u>	<u><u>\$0</u></u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Land Purchase/Our Lady of Wayside Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Other	\$14,899	\$2,499	\$0	(\$2,499)
<b>Expenditures</b>				
Capital Outlay:				
Land Purchase:				
Capital Outlay	2,499	2,499	2,499	0
Debt Service:				
Principal Retirement	100,000	100,000	100,000	0
Interest and Fiscal Charges	12,400	12,400	11,540	860
Total Debt Service	112,400	112,400	111,540	860
<i>Total Expenditures</i>	114,899	114,899	114,039	860
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(100,000)	(112,400)	(114,039)	(1,639)
<b>Other Financing Sources (Uses)</b>				
Refunding Note Issued	300,000	300,000	300,000	0
Payment to Refund Note	(300,000)	(300,000)	(300,000)	0
Transfers In	100,000	100,000	100,000	0
<i>Total Other Financing Sources (Uses)</i>	100,000	100,000	100,000	0
<i>Net Change in Fund Balance</i>	0	(12,400)	(14,039)	(1,639)
<i>Fund Balance Beginning of Year</i>	14,823	14,823	14,823	0
Prior Year Encumbrances Appropriated	2,499	2,499	2,499	0
<i>Fund Balance End of Year</i>	\$17,322	\$4,922	\$3,283	(\$1,639)

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Senior Citizen Center*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental	\$9,461	\$76,861	\$30,000	(\$46,861)
Other	67,400	85,000	85,000	0
<i>Total Revenues</i>	76,861	161,861	115,000	(46,861)
<b>Expenditures</b>				
Capital Outlay:				
Senior Citizen Center:				
Capital Outlay	76,926	161,926	77,007	84,919
<i>Net Change in Fund Balance</i>	(65)	(65)	37,993	38,058
<i>Fund Balance Beginning of Year</i>	23,487	23,487	23,487	0
Prior Year Encumbrances Appropriated	46,861	46,861	46,861	0
<i>Fund Balance End of Year</i>	<u>\$70,283</u>	<u>\$70,283</u>	<u>\$108,341</u>	<u>\$38,058</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Route 83 Extension Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Other	\$84,869	\$84,869	\$0	(\$84,869)
<b>Expenditures</b>				
Capital Outlay:				
Route 83 Extension:				
Capital Outlay	84,869	84,869	84,869	0
<i>Net Change in Fund Balance</i>	0	0	(84,869)	(84,869)
<i>Fund Balance Beginning of Year</i>	6,408	6,408	6,408	0
Prior Year Encumbrances Appropriated	84,869	84,869	84,869	0
<i>Fund Balance End of Year</i>	<u>\$91,277</u>	<u>\$91,277</u>	<u>\$6,408</u>	<u>(\$84,869)</u>



**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Land Purchase - CEI/First Energy Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Interest	\$0	\$510	\$510	\$0
<b>Expenditures</b>				
Capital Outlay:				
Land Purchase:				
Capital Outlay	307,250	307,250	10,386	296,864
Debt Service:				
Interest and Fiscal Charges	0	14,775	13,808	967
<i>Total Expenditures</i>	<u>307,250</u>	<u>322,025</u>	<u>24,194</u>	<u>297,831</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(307,250)</u>	<u>(321,515)</u>	<u>(23,684)</u>	<u>297,831</u>
<b>Other Financing Sources (Uses)</b>				
Refunding Note Issued	390,000	390,000	390,000	0
Payment to Refund Note	0	(375,000)	(375,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>390,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	82,750	(306,515)	(8,684)	297,831
<i>Fund Balance Beginning of Year</i>	<u>364,250</u>	<u>364,250</u>	<u>364,250</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$447,000</u>	<u>\$57,735</u>	<u>\$355,566</u>	<u>\$297,831</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*CEI Easement Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay:				
Land Purchase:				
Capital Outlay	<u>12,600</u>	<u>12,600</u>	<u>8,820</u>	<u>3,780</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(12,600)	(12,600)	(8,820)	3,780
<b>Other Financing Sources</b>				
Transfers In	<u>12,600</u>	<u>12,600</u>	<u>12,600</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	3,780	3,780
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$3,780</u></u>	<u><u>\$3,780</u></u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Schneider Court Roadway Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Interest	\$6,109	\$6,108	\$6,109	\$1
Other	585,313	660,610	0	(660,610)
<i>Total Revenues</i>	<u>591,422</u>	<u>666,718</u>	<u>6,109</u>	<u>(660,609)</u>
<b>Expenditures</b>				
Capital Outlay:				
Schneider Court Roadway:				
Capital Outlay	660,610	752,333	752,333	0
Debt Service:				
Interest and Fiscal Charges	60,812	60,812	22,303	38,509
<i>Total Expenditures</i>	<u>721,422</u>	<u>813,145</u>	<u>774,636</u>	<u>38,509</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(130,000)</u>	<u>(146,427)</u>	<u>(768,527)</u>	<u>(622,100)</u>
<b>Other Financing Sources (Uses)</b>				
Refunding Note Issued	960,000	960,000	833,650	(126,350)
Payment to Refund Note	(830,000)	(830,000)	(830,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>130,000</u>	<u>130,000</u>	<u>3,650</u>	<u>(126,350)</u>
<i>Net Change in Fund Balance</i>	0	(16,427)	(764,877)	(748,450)
<i>Fund Balance Beginning of Year</i>	14,250	14,250	14,250	0
Prior Year Encumbrances Appropriated	660,610	660,610	660,610	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$674,860</u>	<u>\$658,433</u>	<u>(\$90,017)</u>	<u>(\$748,450)</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*North Doovey Project Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay:				
North Doovey:				
Capital Outlay	17,000	17,000	9,402	7,598
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(17,000)	(17,000)	(9,402)	7,598
<b>Other Financing Sources</b>				
Transfers In	10,000	17,000	10,000	(7,000)
<i>Net Change in Fund Balance</i>	(7,000)	0	598	598
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	(\$7,000)	\$0	\$598	\$598

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
I-90 Interchange Study Fund  
For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Contributions and Donations	\$59,538	\$59,538	\$0	(\$59,538)
<b>Expenditures</b>				
Capital Outlay:				
I-90 Interchange:				
Capital Outlay	59,538	59,538	59,538	0
<i>Net Change in Fund Balance</i>	0	0	(59,538)	(59,538)
<i>Fund Balance Beginning of Year</i>	155	155	155	0
Prior Year Encumbrances Appropriated	59,538	59,538	59,538	0
<i>Fund Balance End of Year</i>	\$59,693	\$59,693	\$155	(\$59,538)

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# **City of Avon**

## Statistical Section

The following statistical table reflect the social and economic data, financial trends and fiscal capacity of the City.

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

	2005	2004	2003	2002	2001
<b>Governmental Activities</b>					
Invested in Capital Assets	\$44,490,395	\$39,667,395	\$36,408,687	\$30,075,143	\$28,762,982
Restricted:					
Capital Projects	3,206,175	5,411,319	2,124,737	1,659,080	1,409,760
Debt Service	1,489,650	2,339,940	2,156,992	2,461,360	2,213,739
Fire	1,884,793	815,856	2,275,314	0	0
Streets	752,640	906,927	1,051,272	0	0
Park Development, Operations	705,205	536,980	630,113	0	0
Other Purposes	529,634	451,805	124,131	3,169,282	1,548,768
Unrestricted	4,138,057	3,184,867	3,988,510	2,471,842	3,649,404
<i>Total Governmental Activities Net Assets</i>	<u>\$57,196,549</u>	<u>\$53,315,089</u>	<u>\$48,759,756</u>	<u>\$39,836,707</u>	<u>\$37,584,653</u>
<b>Business Type - Activities</b>					
Invested in Capital Assets, Net of Related Debt	\$23,298,295	\$20,753,823	\$17,442,509	\$16,625,219	\$15,317,633
Unrestricted	6,767,325	6,200,193	7,082,882	4,855,375	3,177,746
<i>Total Business-Type Activities Net Assets</i>	<u>\$30,065,620</u>	<u>\$26,954,016</u>	<u>\$24,525,391</u>	<u>\$21,480,594</u>	<u>\$18,495,379</u>
<b>Primary Government</b>					
Invested in Capital Assets, Net of Related Debt	\$67,788,690	\$60,421,218	\$53,851,196	\$46,700,362	\$44,080,615
Restricted	8,568,097	10,462,827	8,362,559	7,289,722	5,172,267
Unrestricted	10,905,382	9,385,060	11,071,392	7,327,217	6,827,150
<i>Total Primary Government Net Assets</i>	<u>\$87,262,169</u>	<u>\$80,269,105</u>	<u>\$73,285,147</u>	<u>\$61,317,301</u>	<u>\$56,080,032</u>



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

	2005	2004	2003	2002	2001
<b>Program Revenues</b>					
<b>Governmental Activities:</b>					
Charges for Services:					
General Government	\$1,186,202	\$1,343,467	\$1,068,732	\$849,259	\$758,999
Security of Persons and Property	10,036	9,223	37,214	350,848	331,987
Transportation	750	530	20	2,190	0
Community Environment	681,953	839,327	558,460	482,531	556,469
Basic Utility Services	32,247	34,000	52,556	278,824	116,410
Leisure Time Activities	454,726	461,048	365,797	317,280	444,769
Subtotal - Charges for Services	<u>2,365,914</u>	<u>2,687,595</u>	<u>2,082,779</u>	<u>2,280,932</u>	<u>2,208,634</u>
Operating Grants and Contributions:					
General Government	0	0	0	4,498	119,890
Security of Persons and Property	32,081	30,565	17,148	75,756	80,319
Transportation	860,389	763,940	561,904	494,385	605,767
Community Environment	68,001	100,527	113,505	111,480	146,375
Basic Utility Services	0	0	0	0	30,000
Leisure Time Activities	13,893	17,982	2,784	6,000	11,069
Subtotal - Operating Grants and Contributions	<u>974,364</u>	<u>913,014</u>	<u>695,341</u>	<u>692,119</u>	<u>993,420</u>
Capital Grants and Contributions:					
General Government	22,480	0	0	0	0
Security of Persons and Property	0	22,078	60,000	0	0
Transportation	4,008,031	5,163,299	6,709,012	1,302,781	2,466,085
Community Environment	217,267	0	0	0	0
Basic Utility Services	573,019	0	209,514	296,535	750,874
Leisure Time Activities	0	0	80,000	94,526	0
Subtotal - Capital Grants and Contributions	<u>4,820,797</u>	<u>5,185,377</u>	<u>7,058,526</u>	<u>1,693,842</u>	<u>3,216,959</u>
<i>Total Governmental Activities Program Revenues</i>	<u>8,161,075</u>	<u>8,785,986</u>	<u>9,836,646</u>	<u>4,666,893</u>	<u>6,419,013</u>
<b>Business-Type Activities:</b>					
Charges for Services:					
Water	2,258,379	2,046,470	1,962,762	1,213,560	1,075,991
Sewer	1,021,487	826,192	769,285	844,518	749,367
Subtotal - Charges for Services	<u>3,279,866</u>	<u>2,872,662</u>	<u>2,732,047</u>	<u>2,058,078</u>	<u>1,825,358</u>
Capital Grants and Contributions					
Water	1,248,608	1,290,440	612,910	1,157,408	1,474,796
Sewer	2,117,242	2,243,380	2,712,519	1,147,981	1,235,838
Subtotal - Capital Grants and Contributions	<u>3,365,850</u>	<u>3,533,820</u>	<u>3,325,429</u>	<u>2,305,389</u>	<u>2,710,634</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>6,645,716</u>	<u>6,406,482</u>	<u>6,057,476</u>	<u>4,363,467</u>	<u>4,535,992</u>
<i>Total Primary Government Program Revenues</i>	<u>\$14,806,791</u>	<u>\$15,192,468</u>	<u>\$15,894,122</u>	<u>\$9,030,360</u>	<u>\$10,955,005</u>

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

	2005	2004	2003	2002	2001
<b>Expenses</b>					
<b>Governmental Activities:</b>					
General Government	\$2,400,999	\$1,935,275	\$1,695,377	\$1,476,901	\$1,218,050
Security of Persons and Property	5,462,030	4,532,738	3,932,378	2,667,990	2,417,554
Transportation	5,285,670	4,470,599	3,288,035	2,551,456	2,994,870
Community Environment	1,395,945	1,222,720	1,091,550	939,638	960,122
Basic Utility Services	379,953	395,185	22,007	974,144	237,495
Leisure Time Activities	811,918	1,052,267	1,131,505	566,339	1,649,925
Interest and Fiscal Charges	619,776	522,343	479,473	550,325	499,035
<i>Total Governmental Activities Expenses</i>	<u>16,356,291</u>	<u>14,131,127</u>	<u>11,640,325</u>	<u>9,726,793</u>	<u>9,977,051</u>
<b>Business-Type Activities</b>					
Water	2,235,003	2,630,729	1,852,642	1,604,866	1,608,737
Wastewater	1,444,327	1,442,009	1,228,483	1,014,067	1,035,805
<i>Total Business-Type Activities Expenses</i>	<u>3,679,330</u>	<u>4,072,738</u>	<u>3,081,125</u>	<u>2,618,933</u>	<u>2,644,542</u>
<i>Total Primary Government Program Expenses</i>	<u>20,035,621</u>	<u>18,203,865</u>	<u>14,721,450</u>	<u>12,345,726</u>	<u>12,621,593</u>
<b>Net (Expense)/Revenue</b>					
Governmental Activities	(8,195,216)	(5,345,141)	(1,803,679)	(5,059,900)	(3,558,038)
Business-Type Activities	2,966,386	2,333,744	2,976,351	1,744,534	1,891,450
<i>Total Primary Government Net Expense</i>	<u>(\$5,228,830)</u>	<u>(\$3,011,397)</u>	<u>\$1,172,672</u>	<u>(\$3,315,366)</u>	<u>(\$1,666,588)</u>

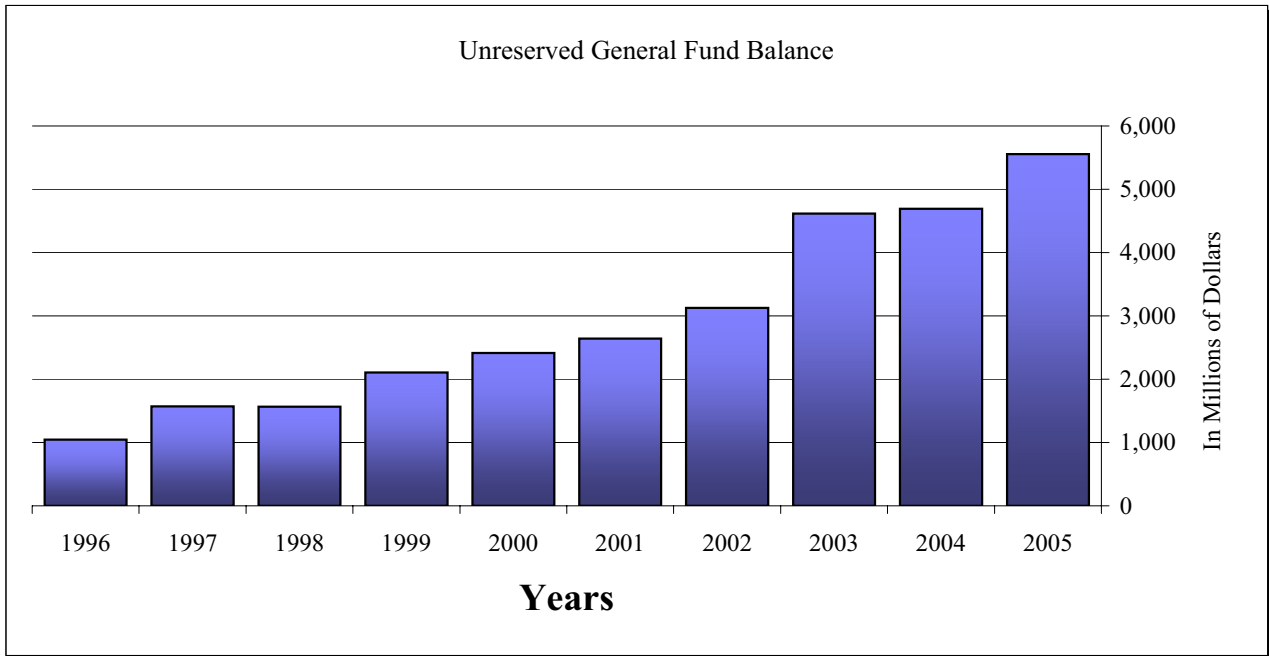
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**City of Avon, Ohio**  
*Changes in Net Assets (continued)*  
*Last Five Years*  
*(Accrual Basis of Accounting)*

	2005	2004	2003	2002	2001
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental Activities					
Taxes:					
Property and Other Local Taxes Levied For:					
General Purposes	\$1,217,503	\$1,037,165	\$870,500	\$698,768	\$614,100
Streets	725,131	654,620	693,349	0	0
Police	431,013	391,964	0	0	0
Other Purposes	375,759	343,569	660,143	1,133,835	991,071
Debt Service	85,628	79,395	83,291	84,537	90,642
Capital Projects	372,103	336,020	356,914	244,153	222,803
Municipal Income Taxes levied for:					
General Purposes	4,278,546	3,643,042	4,019,591	2,909,788	3,246,032
Fire	3,204,104	2,223,953	2,727,351	2,008,383	0
Grants and Entitlements not Restricted to					
Specific Programs	404,963	507,009	275,722	237,174	115,580
Investment Income	541,233	525,863	291,920	533,541	821,670
Gain on Sale of Capital Assets	0	0	647,650	0	0
Net Gain on the Loss of Impaired Asset	203,748	0	0	0	0
Miscellaneous	218,412	178,207	96,670	125,650	88,801
<i>Total Governmental Activities</i>	<u>12,058,143</u>	<u>9,920,807</u>	<u>10,723,101</u>	<u>7,975,829</u>	<u>6,190,699</u>
Business-Type Activities					
Investment Income	109,830	44,133	27,272	25,825	49,777
Miscellaneous	53,921	30,415	44,801	12,381	58,525
<i>Total Business-Type Activities</i>	<u>163,751</u>	<u>74,548</u>	<u>72,073</u>	<u>38,206</u>	<u>108,302</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>12,221,894</u>	<u>9,995,355</u>	<u>10,795,174</u>	<u>8,014,035</u>	<u>6,299,001</u>
<b>Transfers</b>					
Governmental Activities	18,533	(20,333)	3,627	490,629	369,202
Business-Type Activities	(18,533)	20,333	(3,627)	(490,629)	(369,202)
<b>Change in Net Assets</b>					
Governmental Activities	3,881,460	4,555,333	8,923,049	3,406,558	3,001,863
Business-Type Activities	3,111,604	2,428,625	3,044,797	1,292,111	1,630,550
<i>Total Primary Government Change in Net Assets</i>	<u>\$6,993,064</u>	<u>\$6,983,958</u>	<u>\$11,967,846</u>	<u>\$4,698,669</u>	<u>\$4,632,413</u>

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

	2005	2004	2003	2002
<b>General Fund</b>				
Reserved	\$27,802	\$47,714	\$31,677	\$67,424
Unreserved	5,556,819	4,692,475	4,618,368	3,123,883
<b>Total General Fund</b>	5,584,621	4,740,189	4,650,045	3,191,307
<b>All Other Governmental Funds</b>				
Reserved	1,001,146	3,468,055	2,721,875	2,379,265
Unreserved, Undesignated (Deficit), Reported in:				
Special Revenue funds	3,096,126	2,266,290	3,415,305	961,578
Debt Service funds	369,923	1,239,564	304,992	325,470
Capital Projects funds	(301,720)	411,653	914,847	1,640,611
<b>Total All Other Governmental Funds</b>	4,165,475	7,385,562	7,357,019	5,306,924
<b>Total Governmental Funds</b>	\$9,750,096	\$12,125,751	\$12,007,064	\$8,498,231



2001	2000	1999	1998	1997	1996
\$34,075	\$48,742	\$43,104	\$26,915	\$12,989	\$9,869
2,643,086	2,413,698	2,105,548	1,565,954	1,569,326	1,046,633
2,677,161	2,462,440	2,148,652	1,592,869	1,582,315	1,056,502
491,796	209,986	101,246	278,291	142,398	101,890
(79,303)	1,045,816	1,000,126	560,374	369,317	476,259
136,764	17,855	(4,243)	198,719	134,944	104,908
1,428,307	1,387,231	704,585	643,039	437,303	304,998
1,977,564	2,660,888	1,801,714	1,680,423	1,083,962	988,055
\$4,654,725	\$5,123,328	\$3,950,366	\$3,273,292	\$2,666,277	\$2,044,557

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

	2005	2004	2003	2002
<b>Revenues</b>				
Property and Other Taxes	\$3,214,250	\$2,778,596	\$2,671,095	\$2,161,319
Municipal Income Taxes	7,437,862	6,434,671	6,181,819	5,148,048
Charges for Services	383,550	437,346	516,302	660,046
Fees, Licenses and Permits	1,640,246	1,913,733	1,282,688	1,301,949
Fines and Forfeitures	335,448	329,848	277,121	318,937
Intergovernmental	2,117,906	1,350,819	1,270,445	1,130,957
Special Assessments	196,332	188,089	184,848	174,939
Interest	541,233	525,863	291,920	533,541
Contributions and Donations	230	1,762	85,775	131,651
Other	218,412	178,207	96,670	125,650
<i>Total Revenues</i>	<u>16,085,469</u>	<u>14,138,934</u>	<u>12,858,683</u>	<u>11,687,037</u>
<b>Expenditures</b>				
Current:				
General Government	1,830,143	1,631,303	1,584,692	1,463,958
Security of Persons and Property	5,197,175	4,257,571	3,468,294	2,661,078
Transportation	1,631,227	1,463,490	1,101,163	947,671
Community Environment	1,321,262	1,125,113	920,261	910,906
Basic Utilities Services	19,997	26,022	22,007	33,541
Leisure Time Activities	609,671	783,976	705,439	775,672
Capital Outlay	4,853,222	4,449,799	3,827,534	2,659,213
Debt Service:				
Principal Retirement	524,442	404,039	361,333	351,428
Interest and Fiscal Charges	646,266	569,309	495,534	510,771
<i>Total Expenditures</i>	<u>16,633,405</u>	<u>14,710,622</u>	<u>12,486,257</u>	<u>10,314,238</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(547,936)</u>	<u>(571,688)</u>	<u>372,426</u>	<u>1,372,799</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	1,097,650	0
OPWC Loans	0	0	0	0
Insurance Recovery	203,748	0	0	0
Refunding Notes Issued	200,000	0	0	0
Payment to Refund Notes	(2,250,000)	(3,870,000)	(1,870,000)	0
General Obligation Bonds Issued	0	2,614,000	1,590,000	0
Special Assessment Bonds Issued	0	0	0	0
Notes Issued	0	2,600,000	3,870,000	1,870,000
Loans Received	0	0	45,000	0
Payments to Refunded Bond Escrow Agent	0	(131,990)	0	0
Bond Premium	0	11,000	0	0
Inception of Capital Lease	0	0	0	0
Transfers In	6,125,523	7,088,602	5,604,836	4,748,230
Transfers Out	(6,106,990)	(7,108,935)	(5,601,209)	(4,377,561)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,827,719)</u>	<u>1,202,677</u>	<u>4,736,277</u>	<u>2,240,669</u>
<i>Net Change in Fund Balances</i>	<u><u>(\$2,375,655)</u></u>	<u><u>\$630,989</u></u>	<u><u>\$5,108,703</u></u>	<u><u>\$3,613,468</u></u>
Debt Service as a Percentage of Noncapital Expenditures	11.9%	14.3%	32.3%	16.0%

2001	2000	1999	1998	1997	1996
\$1,884,810	\$1,671,106	\$1,598,049	\$1,210,030	\$1,114,457	\$983,316
2,639,125	2,321,334	1,931,461	1,802,915	1,452,289	1,281,103
440,916	384,792	259,262	243,356	214,312	334,070
1,450,399	1,159,788	1,305,564	745,385	592,380	821,153
317,319	173,153	225,127	188,972	186,569	0
1,396,646	1,317,935	1,174,431	1,264,970	1,180,320	2,248,201
124,577	458,449	179,288	354,190	70,222	149,649
821,670	504,273	241,127	233,579	244,381	226,370
36,000	0	0	0	0	0
88,801	117,489	134,587	114,000	77,599	18,592
9,200,263	8,108,319	7,048,896	6,157,397	5,132,529	6,062,454
1,260,416	1,052,166	1,066,278	985,736	834,400	791,157
2,267,977	1,939,213	1,665,211	1,613,884	1,409,250	1,255,728
1,032,355	923,213	882,931	718,903	665,352	535,762
884,742	731,479	577,816	477,229	367,821	333,113
25,722	54,984	21,836	20,860	26,372	27,922
1,631,866	322,900	270,963	414,757	417,208	73,415
2,942,272	1,978,321	1,271,920	956,665	1,991,327	2,163,537
357,418	338,382	308,898	251,000	150,770	437,229
520,877	525,031	345,771	373,251	226,912	329,424
10,923,645	7,865,689	6,411,624	5,812,285	6,089,412	5,947,287
(1,723,382)	242,630	637,272	345,112	(956,883)	115,167
0	0	0	0	0	0
0	0	0	0	0	12,308
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	585,000	0	0	1,550,800	1,710,000
590,000	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	0	0	142,130	0	9,650
4,357,479	3,168,850	2,073,540	2,333,797	1,480,132	2,021,925
(3,988,277)	(2,871,219)	(2,051,077)	(2,201,123)	(1,566,852)	(2,008,148)
959,202	882,631	22,463	274,804	1,464,080	1,745,735
(\$764,180)	\$1,125,261	\$659,735	\$619,916	\$507,197	\$1,860,902
11.0%	14.7%	12.7%	12.9%	9.2%	20.3%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2005	\$408,693,210	\$115,980,310	\$1,499,067,200	\$10,714,700	\$12,175,795
2004	367,405,730	100,851,970	1,337,879,143	10,960,870	12,455,534
2003	305,013,530	76,136,110	1,088,998,971	10,647,860	12,099,841
2002	272,215,560	61,781,660	954,277,771	11,260,440	12,795,955
2001	246,146,260	50,871,290	848,621,571	15,157,750	17,224,716
2000	206,489,480	36,940,130	695,513,171	18,578,450	21,111,875
1999	189,544,780	29,746,730	626,547,171	18,567,900	21,099,886
1998	165,816,340	33,477,260	569,410,286	18,503,330	21,026,511
1997	121,617,000	23,932,620	415,856,057	18,143,460	20,617,568
1996	107,767,500	18,963,440	362,088,400	17,265,820	19,620,250

Property is assessed every year. The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. 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 is assessed at 25 percent for everything except inventories, which are assessed at 23 percent.

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.

Source: Lorain County, Ohio; County Auditor



<u>Tangible Personal Property</u>						
<u>General Business</u>		<u>Total</u>		<u>Ratio</u>	<u>Total Direct Tax Rate</u>	<u>Weighted Average</u>
<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>			
\$34,856,395	\$151,549,543	570,244,615	\$1,662,792,538	34.29 %	\$9.47	\$6.85
30,871,010	134,221,783	510,089,580	1,484,556,460	33.20	9.48	6.97
25,843,840	107,682,667	417,641,340	1,208,781,479	34.55	10.48	5.04
20,953,670	87,306,958	366,211,330	1,054,380,684	34.73	10.40	4.93
16,337,140	65,348,560	328,512,440	931,194,847	35.28	10.45	4.44
14,965,300	59,861,200	276,973,360	776,486,246	35.67	10.45	3.79
14,944,821	59,779,284	252,804,231	707,426,342	35.74	10.50	3.48
15,240,470	60,961,880	233,037,400	651,398,677	35.77	10.17	3.22
10,155,660	40,622,640	173,848,740	477,096,265	36.44	10.52	2.44
9,182,579	36,730,316	153,179,339	418,438,966	36.61	10.32	2.15

**City of Avon Ohio**

*Property Tax Rates - Direct and Overlapping Governments*

*(Per \$1,000 of Assessed Valuation)*

*Last Ten Years*

	2005	2004	2003	2002
<b>Unvoted Millage</b>				
Operating	\$2.30000	\$2.30000	\$2.30000	\$2.30000
Police Pension	0.30000	0.30000	0.30000	0.30000
<i>Total Unvoted Millage</i>	2.60000	2.60000	2.60000	2.60000
<b>Charter Millage</b>				
1984 Charter/Police	2.00000	2.00000	2.00000	2.00000
1994 Bond Levy	0.18000	0.20000	0.23000	0.30000
2001 Charter/Library	1.20000	1.20000	1.20000	1.20000
2002 Charter/Police	0.50000	0.50000	0.50000	0.50000
2002 Charter/Fire	0.50000	0.50000	0.50000	0.50000
2003 Street Improvement Levy	2.00000	2.00000	2.00000	2.00000
2003 Parks & Recreation	0.50000	0.50000	0.35000	0.35000
<i>Total Charter Millage</i>	6.88000	6.90000	6.78000	6.85000
<b>Total Millage</b>	<b>\$9.48000</b>	<b>\$9.50000</b>	<b>\$9.38000</b>	<b>\$9.45000</b>
<b>Overlapping Rates by Taxing District</b>				
Avon City School District				
Residential/Agricultural Real	32.47200	28.46811	28.46811	28.46811
Commercial/Industrial and Public Utility Real	32.46553	28.87921	28.87921	28.87921
General Business and Public Utility Personal	49.61000	46.85000	46.85000	46.85000
Lorain County Commissioner				
Residential/Agricultural Real	10.75974	10.12129	10.12129	10.12129
Commercial/Industrial and Public Utility Real	12.03049	11.66770	11.66770	11.66770
General Business and Public Utility Personal	13.19000	12.89000	12.89000	12.89000
Special Taxing Districts (1)				
Residential/Agricultural Real	2.61479	2.62220	2.62220	2.62220
Commercial/Industrial and Public Utility Real	2.78307	2.79673	2.79673	2.79673
General Business and Public Utility Personal	3.45000	3.45000	3.45000	3.45000

Source: Lorain County, Ohio; County Auditor

Note:

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Charter millage is consistently applied to all types of property as opposed to the voted levies of the overlapping taxing districts.

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

(1) Lorain County Joint Vocational School, Lorain County Health District

2001	2000	1999	1998	1997	1996
\$2.30000	\$2.30000	\$2.30000	\$2.30000	\$2.30000	\$2.30000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
2.60000	2.60000	2.60000	2.60000	2.60000	2.60000
2.00000	2.00000	2.00000	2.00000	2.00000	2.00000
0.21000	0.35000	0.37000	0.72000	0.72000	0.72000
1.20000	1.20000	1.20000	1.20000	1.20000	1.20000
0.50000	0.50000	0.50000	0.50000	0.50000	0.50000
0.50000	0.50000	0.50000	0.50000	0.50000	0.50000
1.00000	2.00000	2.00000	2.00000	1.00000	2.00000
0.35000	0.35000	0.35000	0.35000	0.00000	0.00000
5.76000	6.90000	6.92000	7.27000	5.92000	6.92000
\$8.36000	\$9.50000	\$9.52000	\$9.87000	\$8.52000	\$9.52000
28.46811	28.46811	28.46811	28.46811	28.46811	28.46811
28.87921	28.87921	28.87921	28.87921	28.87921	28.87921
46.85000	46.85000	46.85000	46.85000	46.85000	46.85000
10.12129	10.12129	10.12129	10.12129	10.12129	10.12129
11.66770	11.66770	11.66770	11.66770	11.66770	11.66770
12.89000	12.89000	12.89000	12.89000	12.89000	12.89000
2.62220	2.62220	2.62220	2.62220	2.62220	2.62220
2.79673	2.79673	2.79673	2.79673	2.79673	2.79673
3.45000	3.45000	3.45000	3.45000	3.45000	3.45000

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

Collection Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections
2005	\$3,216,199	\$3,127,969	97.26%	\$49,128
2004	2,995,687	2,877,724	96.06	60,579
2003	2,486,377	2,431,912	97.81	56,519
2002	2,209,111	2,160,415	97.80	68,527
2001	2,015,612	1,954,837	96.98	54,316
2000	1,785,912	1,742,455	97.57	52,846
1999	1,679,130	1,618,904	96.41	38,080
1998	1,299,724	1,259,756	96.92	23,636
1997	1,162,180	1,124,799	96.78	17,473
1996	1,033,712	1,016,174	98.30	15,559

Source: Lorain County, Ohio; County Auditor

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

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

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<u>Total Tax Collections (1)</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
\$3,177,097	98.78%	\$129,729	4.03%
2,938,303	98.08	137,819	4.60
2,488,431	100.08	66,901	2.69
2,228,942	100.90	62,792	2.84
2,009,153	99.68	74,869	3.71
1,795,301	100.53	60,392	3.38
1,656,984	98.68	69,858	4.16
1,283,392	98.74	45,374	3.49
1,142,272	98.29	39,913	3.43
1,031,733	99.81	18,818	1.82

**City of Avon, Ohio**  
*Principal Real Property Taxpayers*  
*January 1, 2004 and January 1, 1995*

<i>January 1, 2004</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Total Assessed Valuation
First Interstate Avon, LTD.	\$16,524,270	3.15 %
AERC Avon LLC	6,919,500	1.32
Manco Incorporated	6,515,050	1.24
Timber Lake Apartments	5,530,000	1.05
Avon Board of Education	4,650,770	0.89
Wal Mart Real Estate	4,457,640	0.85
Chester Properties, LTD.	4,395,870	0.84
First Interstate Avon	3,932,730	0.75
Comprehensive Healthcare	3,926,340	0.75
BJ Avon Portfolio	3,413,110	0.65
<b>Total</b>	<b>\$60,265,280</b>	<b>11.49 %</b>
<b>Total Assessed Valuation</b>	<b>\$524,673,520</b>	

<i>January 1, 1995</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Total Assessed Valuation
CEI	\$10,901,920	8.63 %
CTU Company	3,274,550	2.59
Columbia Gas	2,697,140	2.13
Avon Oaks Country Club	1,172,380	0.93
David Kirschenbaum (Good Samaritan)	1,116,500	0.88
French Creek	960,750	0.76
Parker Hannifin	612,510	0.48
Avon Bearings Corporation	612,300	0.48
R & J Investment Company	562,120	0.44
Avon Industrial	507,200	0.40
<b>Total</b>	<b>\$22,417,370</b>	<b>17.74 %</b>
<b>Total Assessed Valuation</b>	<b>\$126,386,940</b>	

Source: Lorain County, Ohio; County Auditor

Note: Real Property assessed at 35% of Fair Market Value.

Real Property taxes paid in 2005 are based on January 1, 2004 values.

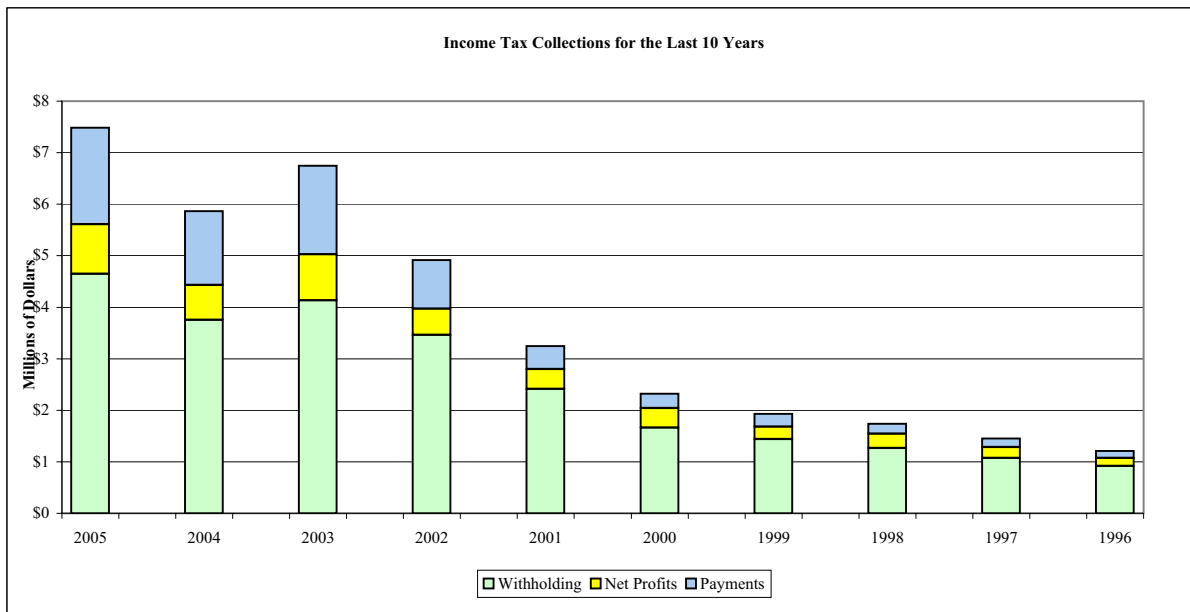
Real Property taxes paid in 1996 are based on January 1, 1995 values.

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

Tax Year	Tax Rate (2)	Total Tax Collected (1)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individual Payments	Percentage of Taxes from Individual Payments
2005	1.50%	\$7,482,649	\$4,650,652	62.15%	\$960,062	12.83%	\$1,871,936	25.02%
2004	1.50	5,866,995	3,754,459	63.99	676,258	11.53	1,436,278	24.48
2003	1.50	6,746,942	4,131,969	61.24	896,146	13.28	1,718,826	25.48
2002	1.50	4,918,171	3,465,989	70.47	503,988	10.25	948,194	19.28
2001	1.00	3,246,032	2,411,926	74.30	385,302	11.87	448,804	13.83
2000	1.00	2,321,334	1,662,693	71.63	378,319	16.30	280,321	12.08
1999	1.00	1,931,461	1,437,501	74.43	245,958	12.73	248,003	12.84
1998	1.00	1,740,194	1,265,323	72.71	280,109	16.10	194,762	11.19
1997	1.00	1,449,217	1,073,939	74.10	211,974	14.63	163,304	11.27
1996	1.00	1,209,685	917,115	75.81	159,230	13.16	133,340	11.02

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

- (1) 2001 through 2005 are on an Accrual Basis and 1996 through 2000 are on a Modified Accrual Basis.
- (2) Effective January 1, 2002 City of Avon Electors voted to increase the City income tax by .5%



**City of Avon, Ohio**

*Income Tax Statistics*

*Last Five Years*

<u>Tax Year</u>	<u>Income Range</u>	<u>Number of Filers</u>	<u>Percent of Filers</u>	<u>Taxable Income</u>	<u>Percent of Taxable Income</u>
2004	\$0 - 24,999	1,636	29.15 %	\$14,815,608	3.91 %
2004	25,000 - 49,999	900	16.03	31,741,150	8.38
2004	50,000 - 74,999	857	15.27	51,278,424	13.53
2004	75,000 - 99,999	795	14.16	66,822,259	17.63
2004	Over 100,000	<u>1,425</u>	25.39	<u>214,276,863</u>	56.55
	Total	<u><u>5,613</u></u>		<u><u>\$378,934,304</u></u>	
2003	\$0 - 24,999	1,535	29.96 %	\$14,383,257	4.33 %
2003	25,000 - 49,999	845	16.49	30,316,444	9.12
2003	50,000 - 74,999	831	16.22	49,714,424	14.95
2003	75,000 - 99,999	741	14.46	62,547,823	18.81
2003	Over 100,000	<u>1,172</u>	22.87	<u>175,541,667</u>	52.79
	Total	<u><u>5,124</u></u>		<u><u>\$332,503,615</u></u>	
2002	\$0 - 24,999	1,394	29.30 %	\$12,651,259	4.27 %
2002	25,000 - 49,999	866	18.20	30,643,037	10.35
2002	50,000 - 74,999	810	17.02	48,550,536	16.39
2002	75,000 - 99,999	677	14.23	57,253,860	19.33
2002	Over 100,000	<u>1,011</u>	21.25	<u>147,086,590</u>	49.66
	Total	<u><u>4,758</u></u>		<u><u>\$296,185,282</u></u>	
2001	\$0 - 24,999	1,265	28.06 %	\$11,227,014	4.07 %
2001	25,000 - 49,999	877	19.45	31,527,108	11.44
2001	50,000 - 74,999	820	18.19	49,029,914	17.79
2001	75,000 - 99,999	635	14.08	53,502,498	19.42
2001	Over 100,000	<u>912</u>	20.23	<u>130,255,254</u>	47.27
	Total	<u><u>4,509</u></u>		<u><u>\$275,541,788</u></u>	
2000	\$0 - 24,999	1,213	28.74 %	\$11,595,566	4.72 %
2000	25,000 - 49,999	873	20.68	31,059,580	12.66
2000	50,000 - 74,999	767	18.17	46,202,446	18.83
2000	75,000 - 99,999	599	14.19	51,068,605	20.81
2000	Over 100,000	<u>769</u>	18.22	<u>105,501,764</u>	42.99
	Total	<u><u>4,221</u></u>		<u><u>\$245,427,961</u></u>	

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



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

Year	Governmental Activities		Per Capita (2)	Other Governmental Activities Debt			
	Net General Obligation Bonds	Percentage of Actual Taxable Value of Property (1)		Special Assessment Bonds	OPWC Loans	Capital Leases	Bond Anticipation Notes
2005	\$6,268,816	0.38	\$547.69	\$3,406,724	\$22,500	\$0	\$2,873,650
2004	6,565,767	0.44	\$573.63	3,596,389	56,540	0	3,805,000
2003	4,283,189	0.35	\$377.27	3,777,810	90,580	0	3,870,000
2002	2,842,209	0.31	\$250.35	3,955,990	79,713	0	1,870,000
2001	2,984,471	0.32	\$262.88	4,130,929	113,940	0	N/A
2000	3,123,320	0.40	\$275.11	3,683,479	148,167	41,792	N/A
1999	3,251,539	0.46	\$443.17	3,226,660	182,394	89,547	N/A
1998	3,177,290	0.49	\$433.05	2,550,309	216,621	134,817	N/A
1997	3,292,426	0.69	\$448.74	2,273,774	250,847	860	N/A
1996	1,805,387	0.43	\$246.07	737,413	285,074	5,803	N/A
	Business-Type Activities						
Year	Mortgage Revenue Bonds	Avon Lake Debt	OWDA Loans	Total Debt (3)	Percentage of Personal Income (2)	Per Capita (2)	
2005	\$397,014	\$946,533	\$872,356	\$14,787,593	4.56 %	\$1,291.94	
2004	447,732	1,024,120	973,532	16,469,080	5.08	1,438.85	
2003	504,000	1,099,312	1,071,526	14,696,417	4.53	1,294.50	
2002	541,800	1,169,941	1,165,371	11,625,024	3.58	1,023.96	
2001	579,600	1,236,731	1,255,837	10,301,508	3.18	907.38	
2000	613,200	1,305,504	1,343,099	10,258,561	3.16	903.60	
1999	646,800	1,391,967	1,427,323	10,216,230	N/A	1,392.43	
1998	680,400	1,448,777	1,508,077	9,716,291	N/A	1,324.29	
1997	709,800	1,501,048	1,586,676	9,615,431	N/A	1,310.54	
1996	739,200	1,535,358	1,662,670	6,770,905	N/A	922.84	

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

(1) See S10-11 for taxable property value data.

(2) See S24 for population and personal income data.

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

**City of Avon**  
*Ratios of Bonded Debt Outstanding and Legal Debt Margin*  
*Last Ten Years*

	2005	2004	2003	2002
Total Assessed Property Value	\$570,244,615	\$510,089,580	\$417,641,340	\$366,211,330
General Bonded Debt Outstanding:				
General Obligation Notes/Bonds	\$6,289,074	\$6,612,611	\$4,283,189	\$2,842,209
General Obligation Revenue Notes/Bonds	424,200	456,000	504,000	541,800
Special Assessment Bonds	3,406,724	3,596,389	3,777,810	3,955,990
Bond Anticipation Notes	2,873,650	3,805,000	3,870,000	5,300,000
Bond Anticipation Notes Enterprise	991,350	1,470,000	1,400,000	0
OPWC Loans	22,500	56,540	90,580	79,713
OWDA Loans	872,356	974,117	1,071,526	1,165,371
Contractual Debt Obligation	946,533	1,024,845	1,099,312	1,169,941
Total Gross Indebtedness	15,826,387	17,995,502	16,096,417	15,055,024
Less:				
General Obligation Revenue Notes/Bonds	(424,200)	(456,000)	(504,000)	(541,800)
Special Assessment Bonds	(3,406,724)	(3,596,389)	(3,777,810)	(3,955,990)
Bond Anticipation Notes Enterprise	(991,350)	(1,470,000)	(1,400,000)	0
OWDA Loans	(872,356)	(974,117)	(1,071,526)	(1,165,371)
OPWC Loans	0	0	0	0
Contractual Debt Obligation	(946,533)	(1,024,120)	(1,099,312)	(1,169,941)
General Obligation Bond Retirement Fund Balance	0	(95,356)	0	(8,543)
Total Net Debt Applicable to Debt Limit	9,185,224	10,379,520	8,243,769	8,213,379
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	59,875,685	53,559,406	43,852,341	38,452,190
Legal Debt Margin Within 10 ½ % Limitations	\$50,690,461	\$43,179,886	\$35,608,572	\$30,238,811
Legal Debt Margin as a Percentage of the Debt Limit	84.66%	80.62%	81.20%	78.64%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	\$31,363,454	\$28,054,927	\$22,970,274	\$20,141,623
Total Gross Indebtedness	15,826,387	17,995,502	16,096,417	15,055,024
Less:				
General Obligation Revenue Notes/Bonds	(424,200)	(456,000)	(504,000)	(541,800)
Special Assessment Bonds	(3,406,724)	(3,596,389)	(3,777,810)	(3,955,990)
Bond Anticipation Notes Enterprise	(991,350)	(1,470,000)	(1,400,000)	0
OWDA Loans	(872,356)	(974,117)	(1,071,526)	(1,165,371)
OPWC Loans	0	0	0	0
Contractual Debt Obligation	(946,533)	(1,024,845)	(1,099,312)	(1,169,941)
General Obligation Bond Retirement Fund Balance	0	(95,356)	0	(8,543)
Net Debt Within 5 ½ % Limitations	9,185,224	10,378,795	8,243,769	8,213,379
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$22,178,230	\$17,676,132	\$14,726,505	\$11,928,244
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	70.71%	63.01%	64.11%	59.22%

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

\* These numbers are based on the Net Debt. This reflects only debt that is supported through real estate value.

2001	2000	1999	1998	1997	1996
<u>\$328,512,440</u>	<u>\$276,973,360</u>	<u>\$252,804,231</u>	<u>\$233,037,400</u>	<u>\$173,848,740</u>	<u>\$153,179,339</u>
\$2,984,471	\$3,123,320	\$3,251,539	\$3,177,290	\$3,292,426	\$1,805,387
579,600	613,200	646,800	680,400	709,800	739,200
4,130,929	3,683,479	3,226,660	2,550,309	2,273,774	737,413
2,301,000	2,151,000	1,480,000	0	1,688,200	0
0	0	0	1,040,000	0	0
113,940	148,167	182,394	216,621	250,847	285,074
1,255,837	1,343,099	1,427,323	1,508,077	1,586,676	1,662,670
1,236,731	1,305,504	1,391,967	1,448,777	1,501,048	1,535,358
12,602,508	12,367,769	11,606,683	10,621,474	11,302,771	11,234,602
(579,600)	(613,200)	(646,800)	(680,400)	(709,800)	(739,200)
(4,130,929)	(3,683,479)	(3,226,660)	(2,550,309)	(2,273,774)	(737,413)
0	0	(1,390,000)	(1,040,000)	(1,388,200)	(3,114,000)
(1,255,837)	(1,343,099)	(1,427,323)	(1,508,077)	(1,586,676)	(1,662,670)
0	0	0	0	0	0
(1,236,731)	(1,305,504)	(1,391,967)	(1,448,777)	(1,501,048)	(1,535,358)
(22,379)	(17,855)	(35,467)	(168,479)	(39,366)	(12,024)
5,377,032	5,404,632	3,488,466	3,225,432	3,803,907	3,433,937
34,493,806	29,082,203	26,544,444	24,468,927	18,254,118	16,083,831
<u>\$29,116,774</u>	<u>\$23,677,571</u>	<u>\$23,055,978</u>	<u>\$21,243,495</u>	<u>\$14,450,211</u>	<u>\$12,649,894</u>
84.41%	81.42%	86.86%	86.82%	79.16%	78.65%
<u>\$18,068,184</u>	<u>\$15,233,535</u>	<u>\$13,904,233</u>	<u>\$12,817,057</u>	<u>\$9,561,681</u>	<u>\$8,424,864</u>
12,602,508	12,367,769	11,606,683	10,621,474	11,302,771	11,234,602
(579,600)	(613,200)	(646,800)	(680,400)	(709,800)	(739,200)
(4,130,929)	(3,683,479)	(3,226,660)	(2,550,309)	(2,273,774)	(737,413)
0	0	(1,390,000)	(1,040,000)	(1,388,200)	(3,114,000)
(1,255,837)	(1,343,099)	(1,427,323)	(1,508,077)	(1,586,676)	(1,662,670)
0	0	0	0	0	0
(1,236,731)	(1,305,504)	(1,391,967)	(1,448,777)	(1,501,048)	(1,535,358)
(22,379)	(17,855)	(35,467)	(168,479)	(39,366)	(12,024)
5,377,032	5,404,632	3,488,466	3,225,432	3,803,907	3,433,937
<u>\$12,691,152</u>	<u>\$9,828,903</u>	<u>\$10,415,767</u>	<u>\$9,591,625</u>	<u>\$5,757,774</u>	<u>\$4,990,927</u>
70.24%	64.52%	74.91%	74.83%	60.22%	59.24%

**City of Avon, Ohio**  
*Computation of Direct and Overlapping General Obligation Bonded Debt*  
*December 31, 2005*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to the City of Avon
<b>Direct - City of Avon</b>			
General Obligation Bonds	\$6,268,816	100.00%	\$6,268,816
Special Assessment Bonds	3,406,724	100.00%	3,406,724
OPWC Loans	22,500	100.00%	22,500
<i>Total Direct Debt</i>	<u>9,698,040</u>		<u>9,698,040</u>
<b>Overlapping</b>			
Avon City School District			
General Obligation Bonds	<u>28,165,000</u>	5.80%	<u>1,633,570</u>
<i>Total Overlapping Debt</i>	<u>28,165,000</u>		<u>1,633,570</u>
<b>Total</b>	<u><u>\$37,863,040</u></u>		<u><u>\$11,331,610</u></u>

Source: Lorain County, Ohio; County Auditor

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

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

<b>2005</b>		
Employer	Employees	Percentage of Total City Employment
Henkel	499	3.79%
Our Lad of the Wayside	314	2.39
Avon Local Schools	300	2.28
Willoway Nurseries	212	1.61
A.J. Rose Manufacturing Company	219	1.67
Walmart	195	1.48
Good Samaritan Nursing Home	172	1.31
Target	170	1.29
Avon Oaks Nursing Home	150	1.14
Home Depot	135	1.02
<b>Total</b>	<b>2,366</b>	<b>17.98%</b>
<b>Total Employment within the City</b>	<b>13,153</b>	

<b>1996</b>	
Employer	Employees
Good Samaritan Nursing Home	260
Our Lady of the Wayside Nursing Home	175
Willoway Nurseries	170
Avon Local School District	131
Avon Oaks Nursing Home	130
Xerxes Corporation	110
Parker Hannifin Corporation	107
Avon Bearings	102
City of Avon	90
Westlake Tool and Die	50
<b>Total</b>	<b>1,325</b>
<b>Total City Employees</b>	<b>n/a</b>

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

n/a - Information not available

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

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<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (5)</u>	<u>Personal Income Per Capita</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>
2005	11,466	\$324,877,644	\$28,334	\$66,747	38
2004	11,466	324,877,644	28,334	66,747	38
2003	11,353	321,675,902	28,334	66,747	38
2002	11,353	321,675,902	28,334	66,747	38
2001	11,353	321,675,902	28,334	66,747	38
2000	11,353	321,675,902	28,334	66,747	38

(1) Source: U. S. Census

(a) Years 2000 through 2005 - 2000 Federal Census

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

(3) Ohio Department of Job and Family Services

(4) Source: Lorain County Auditor

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

Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Lorain County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
32.3%	2,962	5.8%	\$123,820	\$570,244,615
32.3	2,699	6.3	123,820	510,089,580
32.3	2,474	6.6	121,510	417,641,340
32.3	2,266	6.3	N/A	366,211,330
32.3	1,921	5.8	N/A	328,512,440
32.3	1,747	5.4	N/A	276,973,360

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

Function/Program	2005	2004	2003
<b>General Government</b>			
Council	4.00	4.00	4.00
Finance	4.00	4.00	3.50
Finance Director	1.00	1.00	1.00
Law	0.50	0.50	0.50
Administration	2.00	2.00	2.00
Planning	4.50	4.00	3.50
Civil Service	0.00	1.50	1.50
Court	0.50	0.50	0.50
Zoning	3.50	3.50	3.50
<b>Security of Persons and Property</b>			
Police	26.00	24.00	22.00
Police - Dispatchers/Office/Other	6.00	6.00	5.00
Safety Director	0.50	0.50	0.50
Fire	24.50	22.00	22.00
Fire - Dispatchers/Office/Other	1.00	1.00	1.00
<b>Leisure Time Activities</b>			
Recreation and Parks	7.50	6.50	5.00
<b>Community Development</b>			
Building	10.00	10.50	10.00
<b>Transportation</b>			
Service/Street M&R	12.00	12.00	12.00
<b>Basic Utility Services</b>			
Water and Sewer	11.50	11.50	11.00
Totals:	<u>119.00</u>	<u>115.00</u>	<u>108.50</u>

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

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

Some employees work in two different departments.

(1) Data prior to 2003 is not available.



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

Function/Program	2005	2004	2003
Date of Incorporation as a Village	1917		
Date of Incorporation as a City	1961		
<b>General Government</b>			
<i><b>Council and Clerk</b></i>			
Number of Ordinances Passed	175	197	265
Number of Resolutions Passed	23	39	46
<i><b>Planning Commission/Zoning Board of Appeals</b></i>			
Number of Planning Commission docket items	183	204	238
Zoning Board of Appeals docket items	41	60	57
<i><b>Finance Department</b></i>			
Number of checks/ vouchers issued	0	0	0
Amount of checks written	\$28,632,549	\$27,249,268	\$23,041,609
Interest earnings for fiscal year (cash basis)	\$428,468	\$214,154	\$140,428
Number of Receipts issued	6,543	6,665	6,111
Number of Budget Adjustments issued	35	41	42
Agency Ratings - Moody's Financial Services	Aa2	Aa2	Aa2
General Fund Receipts (cash basis in thousands)	\$9,400	\$6,600	\$7,800
General Fund Expenditures (cash basis in thousands)	\$8,100	\$7,400	\$7,500
General Fund Cash Balances including Income Tax (in thousands)	\$4,600	\$3,700	\$3,500
<i><b>Income Tax Department</b></i>			
Number of Annual withholding forms processed	9,727	8,931	7,546
Number of Business net profit forms processed	1,405	1,072	741
Number of Individual forms processed	7,186	6,698	6,333
Amount of Penalties and Interest Collected	\$41,506	\$43,662	\$23,549
Annual number of balance due/estimated payment forms processed	8,742	8,212	8,020
Annual number of reconciliations of withholdings processed	1,315	1,532	693
<i><b>Engineer Contracted Services</b></i>			
Dollar amount of Construction overseen by Engineer	\$8,139,674	\$8,754,750	\$8,264,517
<i><b>Mayor's Court</b></i>			
Number of Traffic cases	1,617	1,572	1,149
Number of Criminal cases	92	182	171
<i><b>Civil Service</b></i>			
Number of police entry tests administered	0	1	0
Number of fire entry tests administered	0	1	0
Number of police promotional tests administered	2	2	0
Number of fire promotional tests administered	2	1	3
Number of hires of Police Officers from certified lists	1	3	0
Number of hires of Fire/Medics from certified lists	2	1	0
Number of promotions from police certified lists	4	4	3
Number of promotions from fire certified lists	2	1	1
<i><b>Building Department Indicators</b></i>			
Single Family Permits Issued	350	402	397
Commercial Permits Issued	316	260	248
Estimated Value of Construction	\$123,988,313	\$194,077,164	\$123,628,234
Number of permits issued (all types)	2,311	2,471	2,477
Amount of Revenue generated from permits	\$1,158,571	\$31,397,505	\$877,982
Number of contract registrations issued	1,170	1,075	1,377

2002	2001	2000	1999	1998	1997	1996
180	175	193	191	203	218	218
46	33	46	52	48	69	28
240	219	220	281	171	278	238
50	43	45	60	58	58	59
0	n/a	n/a	n/a	n/a	n/a	n/a
\$0	n/a	n/a	n/a	n/a	n/a	n/a
\$188,577	\$404,313	\$395,751	\$182,060	\$144,371	\$114,066	\$143,389
n/a	n/a	n/a	n/a	n/a	n/a	n/a
27	27	16	12	14	14	8
Aa3	Aa3	A1	A1	A1	A1	A1
\$6,700	\$5,700	\$4,600	\$3,800	\$4,000	\$2,800	\$2,300
\$6,000	\$5,600	\$4,700	\$3,900	\$4,000	\$2,900	\$2,300
\$2,200	\$2,200	\$2,000	\$1,600	\$1,100	\$1,200	\$900
6,871	6,490	n/a	n/a	n/a	n/a	n/a
845	901	n/a	n/a	n/a	n/a	n/a
5,468	5,415	n/a	n/a	n/a	n/a	n/a
\$16,790	\$13,453	n/a	n/a	n/a	n/a	n/a
5,320	2,006	n/a	n/a	n/a	n/a	n/a
1,248	391	n/a	n/a	n/a	n/a	n/a
\$9,528,967	\$6,268,915	\$7,755,220	\$8,249,283	\$6,023,969	\$4,357,164	\$3,512,425
1,283	1,756	1,310	1,839	1,838	1,597	1,973
148	138	113	161	163	163	145
1	0	1	0	1	0	1
0	1	1	0	0	1	0
0	0	0	1	0	0	0
2	0	0	0	0	2	0
0	1	5	3	0	0	2
0	5	5	0	0	5	2
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
397	321	300	295	204	206	221
161	256	209	274	229	151	120
\$118,276,888	\$177,630,180	\$117,518,188	\$122,901,870	\$88,245,272	\$72,716,774	\$57,719,864
1,611	1,622	1,188	1,295	1,117	968	793
\$941,744	\$1,060,934	\$878,119	\$841,980	\$496,584	\$378,025	\$351,705
1,448	1,025	1,208	1,243	1,176	1,126	729

(continued)

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

Function/Program	2005	2004	2003
<b>Security of Persons and Property</b>			
<i>Police</i>			
Total Calls for Services	20,992	18,640	18,151
Number of traffic citations issued	2,361	2,012	1,451
Number of parking citations issued	58	53	64
Number of criminal arrests	608	461	391
Number of accident reports completed	555	526	461
Part 1 Offenses (major offenses)	262	254	263
DUI Arrests	184	138	90
Prisoners	480	336	257
Prisoner meal costs	\$90	\$170	\$80
Motor Vehicle Accidents	555	526	461
Property damage accidents	428	377	359
Fatalities from Motor Vehicle Accidents	1	0	4
Gasoline costs of fleet	\$45,365	\$28,552	\$29,335
<i>Fire</i>			
EMS Calls	1,204	1,073	1,022
Ambulance Billing Collections (net)	\$29,521	\$67,112	\$83,403
Fire Calls	440	371	309
Fires with Loss	32	17	25
Fires with Losses exceeding \$10K	8	4	3
Fire Losses	\$916,625	\$793,020	\$298,150
Fire Safety Inspections	415	532	461
Number of times Mutual Aid given to Fire and EMS	4	10	16
Number of times Mutual Aid received for Fire and EMS	11	13	15
<b>Leisure Time Activities</b>			
<i>Recreation</i>			
Recreation Men's and Women's Leagues receipts	\$3,619	\$8,341	\$3,200
Recreation Youth Activities receipts	\$89,347	\$68,881	\$22,830
<b>Transportation</b>			
Street Improvements - asphalt overlay (linear feet)	23,420	19,130	11,500
Crackseal Coating Program (Miles)	30	30	30
Street Repair (Curbs, aprons, berms, asphalt) (hours)	150	180	200
Guardrail Repair (hours)	40	40	40
Paint Striping (hours)	80	80	80
Cold Patch (hours)	150	150	150
Snow & Ice Removal overtime hours	349	523	326
Tons of snow melting salt purchased (Nov-May - winter season)	3,900	3,911	4,111
Cost of salt purchased	\$185,337	\$104,855	\$111,533
<b>Water Department</b>			
Water Rates per 1st 6,000 gallons of water used (per thousand)	\$2.33	\$2.33	\$2.33
Average gallons of water billed monthly (in thousands)	40,400	47,500	43,800
Total Water Collections Annually (Including P&I) (in thousands)	\$1,600	\$1,300	\$1,200
<b>Wastewater Department</b>			
Sewer Rates per 1,000 gallons of water used	\$4.01	\$4.01	\$4.01
Average gallons of sewer billed monthly (in thousands)	26,400	27,600	24,300
Total Sewer Collections Annually (Including penalties and interest) (in thousands)	\$900	\$750	\$700
Total North Ridgeville Sewer Collections Annually (in thousands)	\$900	\$750	\$700

(1) Information for some years is not available

2002	2001	2000	1999	1998	1997	1996
18,259	19,573	17,379	18,466	18,132	n/a	n/a
1,703	n/a	n/a	n/a	n/a	n/a	n/a
69	23	37	n/a	n/a	n/a	n/a
542	n/a	n/a	n/a	n/a	n/a	n/a
393	455	430	309	369	429	342
261	208	196	n/a	n/a	n/a	n/a
179	107	72	n/a	n/a	n/a	n/a
406	130	n/a	n/a	n/a	n/a	n/a
\$90	n/a	n/a	n/a	n/a	n/a	n/a
393	455	430	309	390	429	342
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
\$24,867	\$27,411	n/a	n/a	n/a	n/a	n/a
818	661	529	463	460	449	390
\$181,397	\$213,553	\$253,168	\$76,376	n/a	n/a	n/a
244	263	218	191	198	183	n/a
20	28	27	23	21	18	n/a
6	4	3	5	6	0	n/a
\$370,400	\$181,750	\$164,510	\$771,380	\$373,349	\$21,650	n/a
356	303	206	n/a	n/a	n/a	n/a
1	4	1	n/a	n/a	n/a	n/a
8	2	0	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
14,050	30,500	15,200	29,300	14,500	7,127	7,920
30	25	40	30	30	10	n/a
200	200	200	200	250	280	300
40	40	40	0	0	0	0
80	80	80	80	80	n/a	n/a
175	175	180	180	220	240	240
668	521	525	532	n/a	n/a	n/a
1,825	3,789		2,287		1,932	
\$55,734	\$83,640	\$57,002	\$80,058	n/a	n/a	n/a
\$2.33	\$2.33	\$2.33	\$2.33	\$2.33	\$2.33	\$2.33
46,100	39,500	32,400	33,500	30,100	26,600	28,100
\$1,100	\$900	\$900	\$900	\$800	\$700	\$700
\$4.01	\$4.01	\$4.01	\$4.01	\$4.01	\$4.01	\$4.01
23,800	20,900	17,300	16,500	15,300	12,100	10,600
\$650	\$600	\$500	\$500	\$700	\$500	\$400
\$600	\$450	\$400	\$400	\$300	\$300	\$250

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

Function/Program	2005	2004	2003	2002
<b>General Government</b>				
Inspection Vehicles	9	8	8	5
<b>Security of Persons and Property</b>				
<b>Police</b>				
Stations	1	1	1	1
Vehicles	24	18	14	12
<b>Fire</b>				
Stations	1	1	1	1
Vehicles	15	15	13	13
<b>Leisure Time Activities</b>				
<b>Recreation</b>				
Number of Parks	6	6	6	5
Number of Ice Rinks	3	3	3	2
Number of Skateboarding Areas	1	1	0	0
Number of Baseball Diamonds	11	11	11	7
Number of Tot Lots	3	3	3	2
Number of Soccer Fields	10	10	8	5
Vehicles	5	4	3	3
<b>Transportation</b>				
<b>Service</b>				
Buildings	1	1	1	1
Service Vehicles	14	12	11	11
Streets (miles)	120.00	94.18	120.00	120.00
<b>Water and Sewer</b>				
Buildings	9	8	8	8
Water Lines (miles)	106.50	101.00	88.00	90.00
Sanitary Sewers (miles)	84.50	79.00	63.00	66.00
Vehicles	8	6	5	5

2001	2000	1999	1998	1997	1996
5	4	4	4	3	3
1	1	1	1	1	1
11	9	n/a	n/a	n/a	n/a
2	2	2	2	2	2
11	11	10	9	9	9
5	5	5	5	5	5
2	2	2	2	1	1
0	0	0	0	0	0
7	7	7	7	7	7
2	2	1	1	1	1
5	5	5	5	5	5
3	3	3	3	3	3
1	1	1	1	1	1
10	9	9	7	7	6
120.00	120.00	103.00	n/a	n/a	n/a
7	7	6	4	4	3
88.00	79.00	75.00	n/a	n/a	n/a
63.00	56.00	53.00	n/a	n/a	n/a
4	4	4	n/a	n/a	n/a

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**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**CITY OF AVON  
LORAIN COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 25, 2006**