

*City of*



*Avon*

Comprehensive Annual Financial Report

For the fiscal year ended December 31, 2015, for the City of Avon, Ohio

Bryan K. Jensen  
MAYOR



Council



L- R: Bob Butkowski - Ward 1, Mary Berges - Ward 3, Brian Fischer - Council at Large, Craig Witherspoon - Council President, Scott Radcliffe - Ward 4, Dennis McBride - Ward 2, Tammy Holtzmeier - Council at Large

Finance Dept.



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

**City of Avon, Ohio**

*Comprehensive Annual Financial Report*

For The Year Ended December 31, 2015

Prepared by:

Office of the Director of Finance

William D. Logan  
Director of Finance

**City of Avon, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2015*  
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# CITY OF AVON

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June 30, 2016

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2015.

This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38, which requires the cities reporting on a GAAP basis to file unaudited basic financial statements with the Auditor of State within 150 days of the fiscal year end. This report is submitted to satisfy that requirement for the year ended December 31, 2015.

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

Under Ohio law, regular audits are required to be performed on all financial related operations of the City. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting firm. For the year 2015, the City of Avon was audited by Ciuni & Panichi, Inc.

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

## **Profile of the Government**

The City of Avon was founded in 1814, incorporated as a village in 1917, and achieved city status in 1961. The City of Avon is located in Lorain County in northeast Ohio, 22 miles west of downtown Cleveland. The City is bounded on the north by the City of Avon Lake, on the east by the City of Westlake, on the west by the Village of Sheffield, and on the south by the City of North Ridgeville. The City covers 20.5 square miles, or a total of 16,000 acres. Avon is between 625 and 700 feet above sea level. The French Creek waterway runs throughout the City's relatively flat topography. The 2010 U.S. Census Bureau reports the City's population at 21,193, up 87 percent from 11,353 in 2000; however, the current estimated population of the City is 22,302.

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

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

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

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

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

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

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

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

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

## **Economic Conditions and Outlook**

### *Residential*

The City of Avon continues to be an attractive location for residential development as single family home construction remains stable despite weakness in the overall State and national economy. Avon is appealing to new residents because of their excellent schools and City services. The median family income in Avon, \$75,951 is 170 percent of the State average and 162 percent of the national average. The median age for Avon residents is 38. The approximate average length of time a home in Avon is for sale is 91 days. The number of new single-family home permits issued for the year 2015 was 120 with an approximate valuation of \$48,349,451 compared to 128 single-family home permits issued the previous year with a valuation of \$55,513,387.

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

### *Commercial & Industrial*

Commercial permits for new construction issued in 2015 had an approximate valuation of \$28,525,858, compared to \$75,203,490 in 2014. New commercial facilities that opened in 2015 or late 2014 include Cambria Suites, Bar 145, Winking Lizard (new location), Heck's Café, Primrose Daycare and The Woods of Avon Nursing Home. New commercial facilities that are currently under construction or scheduled to open in 2016 include The Cleveland Clinic Hospital, University Hospitals Rehabilitation Hospital, Select Medical Rehabilitation Hospital, The Residence Inn, Emerald Event Center, Get Go (the 2<sup>nd</sup> store to be located in Avon), Rose Senior Living, Cabela's and Levin Furniture. Planned commercial development includes Bendix Commercial Vehicle Systems, Meijer, Menard's, Dunkin Donuts, Panda Express and Ashley Furniture.

### *Assessed Valuations*

The assessed valuation for tax year 2015 for the City of Avon is \$815,953,830 per the Lorain County Auditor's Office. Property taxes will be collected on this valuation in 2016. This is \$60,762,400 more than tax year 2014 valuation. The City's assessed value equates to almost \$2.3 billion at full market value. See the history of assessed valuations in the Statistical Section of this report.

Because the City has thirteen Tax Increment Financing (TIF) agreements in place for much of the commercial property north of I-90, these values are considered exempt and therefore not included in the County Auditor's total taxable assessed valuations. The City and the Avon Local School District both collect Tax Increment Financing revenues as if they were property taxes. Presently, the City is collecting TIF revenues on an estimated commercial assessed valuation of about \$47,242,000.

### **Relevant Financial Policies**

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

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

### **Avon Aquatic Facility**

In July 2015, the City opened an Aquatic Facility in the center of town, adjacent to the Fire and Police Stations. The 2.5 acre facility includes a 50 meter competitive pool, a splash zone, a recreational pool, two giant slides and a pavilion. The pools contain 752,000 gallons of water which takes up to three days to fill. The Aquatic Facility construction cost was \$5,670,000, and will be paid for with Recreation Income Tax revenues. In the shortened 2015 swimming season, there were over 1,000 season packages sold, and overall attendance at the facility was over 13,000 people. The Aquatic Facility will experience tremendous growth in 2016, as season pass sales are already underway.

### **Avon Recreation Complex**

In November 2007, the voters of the City passed a 0.25 percent income tax for the purpose of building a recreation complex on the western side of the City at the intersection of I-90, State Route 611 and Miller Road. The first phase of the complex was completed in 2010 and consists of a recreation center, French Creek Family YMCA, and a baseball stadium, All-Pro Freight Stadium. In addition to the recreation center and baseball

stadium, plans call for the complex to eventually include an indoor volleyball facility, tennis courts, youth football and soccer fields. All-Pro Freight Stadium opened in the spring of 2009, and is the home of an expansion team in the Frontier League, the Lake Erie Crushers. The Frontier League is a professional baseball league made up of 12 teams in Ohio and neighboring states. The stadium has 3,500 traditional seats and 1,500 lawn seats, along with loges, concessions and playground areas for children. The stadium also has plenty of standing room on the concourse. In addition to the 48 Frontier League home games, the stadium has hosted concerts and other events each year since it has opened. The stadium is used by the Avon High School Varsity Baseball Team along with certain other schools and colleges who play many games here. The stadium has hosted the Mid-American Conference Tournament the last two years and will do so again in 2016. The stadium is owned by the City of Avon. However, the Frontier League team entered into a 15 year lease with the City for the use of the ball park and is responsible for the maintenance of the stadium. The 15 year lease has provisions for extension beyond its original term, which expires in 2023.

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

#### **Avon Healthcare Facilities**

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

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

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

Cleveland Clinic/Select Medical (a joint venture) built a 60 bed rehabilitation hospital near the Nagel Road Interchange. This facility opened in December, 2015. Also under construction in this area is the Rose Senior Living Facility, a 175 room congregate care facility, expected to open in late 2016. University Hospitals, in partnership with Center Healthcare Corporation, built a 50 room rehabilitation hospital near the S.R. 611 Interchange that opened in January, 2016. In June, 2015 the Woods of Avon Nursing Home, with 65 rooms, opened on the west side of the City.

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

## City Services

The Avon Fire Department is full-time with 34 firefighter paramedics that offer much more than fire protection and emergency services. The fire department is very service oriented. We offer many specialties such as CPR and First Aid training, a senior lock box program, the File of Life program, child safety seat inspections and installations, fire safety inspections for home and businesses, and fire extinguisher training with a propane powered simulator. This training is offered to businesses as well as Avon residents.

The Avon Fire Department responded to 2,483 calls in 2015. Of those calls, 1,810 were emergency medical calls and 673 were fire related calls, which included service and specialty rescue calls. Specialty rescue includes water and ice rescue, confined space rescue, rope rescue, and structural collapse rescue.

In February 2015, our Insurance Services Office (ISO) rating improved to a two. The businesses and homeowners in the City of Avon continue to benefit from this rating.

In 2015, the Avon Police Department handled 21,101 calls for service which resulted in 970 incident reports being taken and 1,165 traffic crashes being handled. The police department made 529 criminal arrests along with 2,399 traffic charges being filed. The police department also conducted approximately 7,500 physical checks of homes for residents who were away on vacation and an additional 3,133 physical premise checks were completed on residential and commercial properties.

The second safety fair was held in May bringing in several businesses, community groups and organizations to not only display services available to our residents but to showcase ways in which they can protect their homes and their families. There were many organizations donating products and services from free bicycle helmets to free on-site health screenings.

Two new programs the Police Department is proud of which were initiated was "Coffee with a Cop" and our Citizen's Police Academy. Coffee with a Cop is an event where police officers are present in local establishments and sit down with concerned residents to share information. It opens honest conversation to let us know how we are doing as an agency, what we can do better and how we can more positively impact the lives of the people we serve. The Citizens Police Academy is a ten week program where residents learn about many of the things the police department does to serve our community. They learn how and why we do things in a hands-on environment. We had a wonderful first class of students who taught us as an agency many things as well along the way. We are looking forward to our next class and staying in touch with those that attend the program.

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

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

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

The City of Avon has eight parks totaling over 315 acres. The Parks and Recreation Department offers various adult and youth programs, in addition to working with organizations such as Avon Little League, the Avon Soccer League Association and the Avon Local School District. In 2013, the City purchased 19-acres adjacent to Veterans Memorial Park. The ultimate use for this property is still under consideration. We are presently working on adding second entrances into both Schwartz Road Park and Veteran's Memorial Park. The City is continually looking for new park land that may be used for various recreational activities.

In 2011, the City renovated the Avon Isle, a City owned historic dance hall and community center. A large portion of the cost of the renovation was funded through an energy grant from the Northeast Ohio Public Energy Council. In 2013 the City paved the parking lot here. The Avon Isle is now available for residents to rent for parties, weddings and other events.

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

In May 2015, the City issued \$3,000,000 of bond anticipation notes for financing a water meter change-out project, where close to 10,000 water meters will be replaced throughout the City. The new meters and the software will allow the City to become much more efficient in reading meters and generating water and sanitary sewer bills.

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

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

The City issued \$9,800,000 of bond anticipation notes in February 2014, primarily for the construction of a 3,000,000 gallon water tower on the south side of town. This water tower will complement the existing 750,000 gallon tank in the center of town and provide needed capacity for new development. Additionally, it will provide water surplus in the event of an emergency. The estimated cost of this project is \$7,400,000. The other \$2,400,000 of the 2014 notes will finance a water transmission line that will run west from the new water tower to the City's border. These notes were paid down by \$500,000 in 2015 and the remainder was re-issued for another one year period.

The City issued \$7,500,000 of bond anticipation notes in September 2014 for the construction of an outdoor swimming pool/aquatic facility and related infrastructure improvements in the center of town. These notes were rolled over in September 2015 for a one year period. See the section above titled Avon Aquatic Facility.

As part of the City's long-term planning, thirteen Tax Increment Financing (TIF) Agreements have been implemented for much of the remaining undeveloped commercial and industrial property. The expected future payments in lieu of taxes will contribute to infrastructure improvements such as the interchange and to debt service on existing bonds that were used to finance qualified infrastructure related projects. Presently, we are collecting TIF revenues on over 225 parcels.

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

### **Awards and Acknowledgments**

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

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

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

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

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

Respectfully submitted,



Bryan K. Jensen  
Mayor



William D. Logan  
Director of Finance

**City of Avon, Ohio**  
*Principal Officials*  
*December 31, 2015*

***Elected Officials:***

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

***Directors:***

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

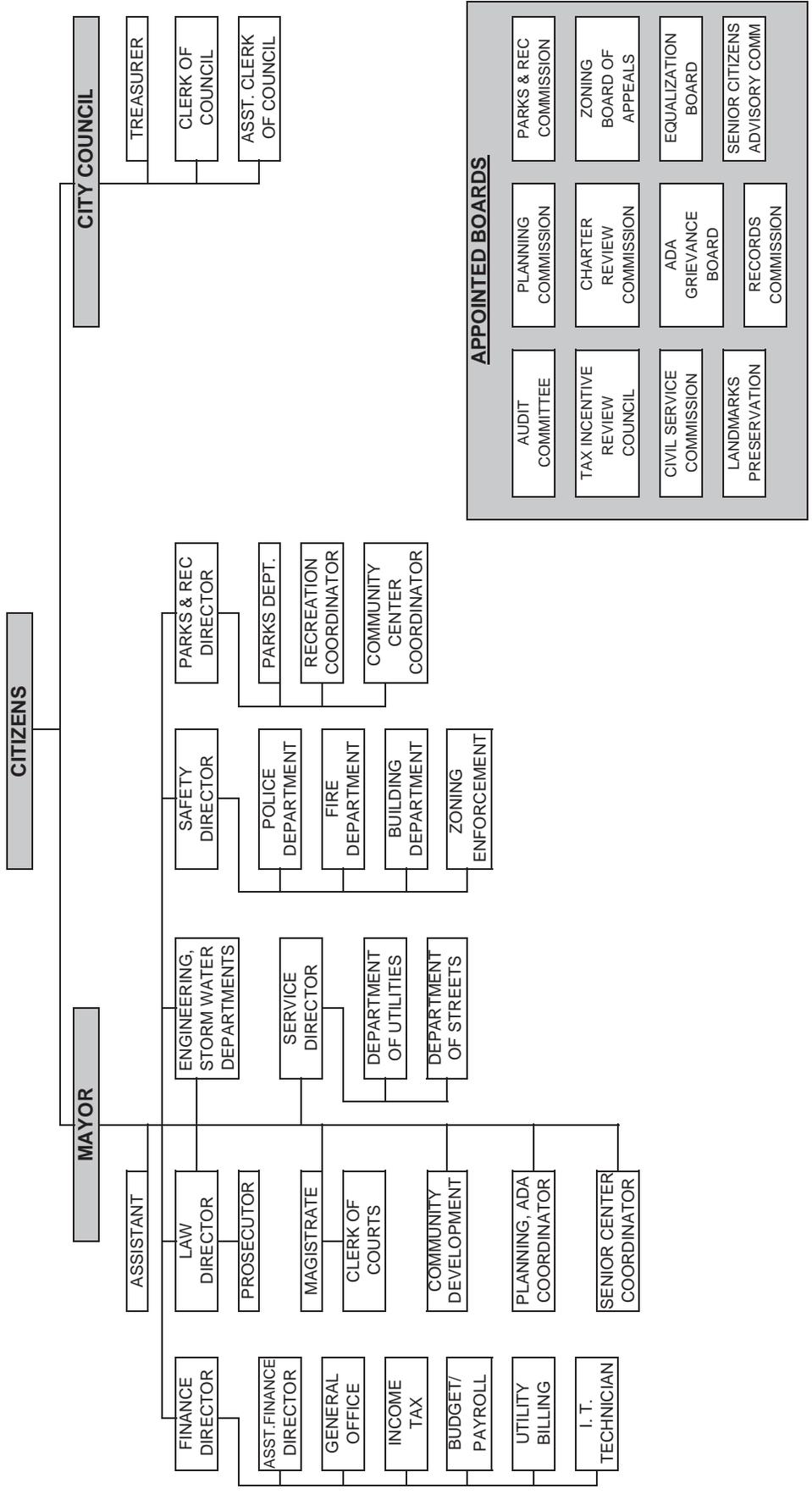
***Chairmen, Boards and Commissions:***

Board of Zoning and Building Appeals..... Randy Fratianne  
Planning Commission ..... Carolyn Witherspoon  
Civil Service Commission ..... Peter G. Kratt  
Park and Recreation Commission..... Thomas Mitchell

***Other Staff Members:***

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

**CITY OF AVON ORGANIZATIONAL CHART**





Government Finance Officers Association

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

Presented to

**City of Avon  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO

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FINANCIAL



*Avon  
Aquatic Facility*

## Independent Auditor's Report

Members of the City Council  
City of Avon, Ohio

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Avon, Ohio (the "City"), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Fire Department, Street Construction, Maintenance and Repair, and Police Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note 3 to the basic financial statements, during 2015, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, and as a result restated their December 31, 2014 net position. Our opinions are not modified with respect to this matter.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 16 and the schedules of the City's proportionate share of the net pension liability and schedules of the City's contributions on pages 84 through 89 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

Members of the City Council  
Avon, Ohio

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Ciuni + Panichi, Inc.*

Cleveland, Ohio  
June 30, 2016

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**City of Avon, Ohio**  
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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, 2015. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

### **Financial Highlights**

Key financial highlights for fiscal year 2015 are:

- The City issued \$3,000,000 in water revenue notes for a water meter change-out project. Every resident and business throughout the City will have a new meter installed that along with the meter-reading software will be much more efficient than the current system.
- The City re-issued \$7,750,000 in general obligation notes for the construction of an aquatic facility and supporting infrastructure. The facility opened in July of 2015.
- The City issued \$750,000 in general obligation notes for the construction of entrances for the Schwartz Road Park and Veterans Memorial Park.
- The City re-issued \$9,300,000 in water revenue notes for the construction of a 3,000,000-gallon elevated water storage tank and a 16-inch water transmission line. The water storage tank will be operational in June of 2016.
- Income tax collections increased on a cash basis by 7.9 percent over 2014. This is a result of increased employment and new commercial/industrial development in the City.

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

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

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

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

#### **Statement of Net Position and Statement of Activities**

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City do financially during 2015?" The statement of net position and the statement of activities answer this question. These statements include all assets and deferred outflows and liabilities and deferred inflows using the accrual basis of accounting similar to the accounting method used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

The statement of net position and the statement of activities are divided into the following categories:

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

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

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

The discussion of the City's funds begins on page 12. Fund financial statements provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds which account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Avon, the major funds are the general, fire department, street construction, maintenance and repair, police, general obligation bond retirement, special assessment bond retirement, municipal swimming pool, road and bridges, water and sewer.

### ***Governmental Funds***

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

### ***Proprietary Funds***

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

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**The City of Avon as a Whole**

The statement of net position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2015 compared to 2014.

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Assets</b>						
Current and Other Assets	\$30,339,609	\$35,351,685	\$12,616,805	\$13,819,778	\$42,956,414	\$49,171,463
Capital Assets, Net	112,695,063	102,497,624	38,512,428	33,650,561	151,207,491	136,148,185
<i>Total Assets</i>	<u>143,034,672</u>	<u>137,849,309</u>	<u>51,129,233</u>	<u>47,470,339</u>	<u>194,163,905</u>	<u>185,319,648</u>
<b>Deferred Outflows of Resources</b>						
Deferred Charge on Refunding Pension	218,473	251,068	0	0	218,473	251,068
	2,474,435	1,609,260	124,320	84,498	2,598,755	1,693,758
<i>Total Deferred Outflows of Resources</i>	<u>2,692,908</u>	<u>1,860,328</u>	<u>124,320</u>	<u>84,498</u>	<u>2,817,228</u>	<u>1,944,826</u>
<b>Liabilities</b>						
Current and Other Liabilities	11,430,320	8,856,057	2,462,235	1,571,019	13,892,555	10,427,076
Long-Term Liabilities:						
Due Within One Year	2,734,566	2,736,540	125,956	123,642	2,860,522	2,860,182
Due In More Than One Year:						
Net Pension Liability	17,918,865	16,992,548	692,730	677,084	18,611,595	17,669,632
Other Amounts	70,817,124	73,562,945	16,271,597	14,740,509	87,088,721	88,303,454
<i>Total Liabilities</i>	<u>102,900,875</u>	<u>102,148,090</u>	<u>19,552,518</u>	<u>17,112,254</u>	<u>122,453,393</u>	<u>119,260,344</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes	4,226,074	4,233,379	0	0	4,226,074	4,233,379
Payment in Lieu of Taxes	1,107,652	866,808	0	0	1,107,652	866,808
Pension	68,963	0	12,170	0	81,133	0
<i>Total Deferred Inflows of Resources</i>	<u>5,402,689</u>	<u>5,100,187</u>	<u>12,170</u>	<u>0</u>	<u>5,414,859</u>	<u>5,100,187</u>
<b>Net Position</b>						
Net Investment in Capital Assets	35,118,979	29,363,504	25,107,622	24,624,861	60,226,601	53,988,365
Restricted:						
Debt Service	6,970,159	7,274,056	0	0	6,970,159	7,274,056
Other Purposes	3,288,320	3,231,022	0	0	3,288,320	3,231,022
Unrestricted	(7,953,442)	(7,407,222)	6,581,243	5,817,722	(1,372,199)	(1,589,500)
<i>Total Net Position</i>	<u>\$37,424,016</u>	<u>\$32,461,360</u>	<u>\$31,688,865</u>	<u>\$30,442,583</u>	<u>\$69,112,881</u>	<u>\$62,903,943</u>

During 2015, the City adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed that follow, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability.

GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, from \$47,844,648 to \$32,461,360 for governmental activities and from \$31,035,169 to \$30,442,583 for business type activities.

Total assets increased during 2015 by \$8.8 million. The increase was primarily due to increases in capital assets during the year. Total net position increased during 2015 by \$6.2 million for the same reason.

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Total liabilities increased by \$3.2 million during 2015. The increase in liabilities is due to increased contracts payable and notes payable related to construction projects within the City, as well as an increase in the net pension liability over the prior year.

Table 2 shows the changes in net position for the year ended December 31, 2015.

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
Program Revenues:						
Charges for Services and Operating Assessments	\$4,711,814	\$3,968,959	\$7,150,178	\$6,581,466	\$11,861,992	\$10,550,425
Operating Grants and Contributions	1,382,185	1,420,108	0	0	1,382,185	1,420,108
Capital Grants and Contributions	5,224,039	1,195,585	2,003,839	111,193	7,227,878	1,306,778
<b>Total Program Revenues</b>	<b>11,318,038</b>	<b>6,584,652</b>	<b>9,154,017</b>	<b>6,692,659</b>	<b>20,472,055</b>	<b>13,277,311</b>
General Revenues:						
Property Taxes	4,177,536	4,249,177	0	0	4,177,536	4,249,177
Municipal Income Taxes	15,166,934	14,074,841	0	0	15,166,934	14,074,841
Grants and Entitlements	803,671	588,601	0	0	803,671	588,601
Unrestricted Contributions	225	150	0	0	225	150
Investment Earnings	70,407	124,974	11,791	19,561	82,198	144,535
Payment in Lieu of Taxes	1,808,063	2,580,037	0	0	1,808,063	2,580,037
Miscellaneous	556,817	562,343	56,791	88,492	613,608	650,835
<b>Total General Revenues</b>	<b>22,583,653</b>	<b>22,180,123</b>	<b>68,582</b>	<b>108,053</b>	<b>22,652,235</b>	<b>22,288,176</b>
<b>Total Revenues</b>	<b>33,901,691</b>	<b>28,764,775</b>	<b>9,222,599</b>	<b>6,800,712</b>	<b>43,124,290</b>	<b>35,565,487</b>
<b>Program Expenses</b>						
General Government	5,500,659	5,326,980	0	0	5,500,659	5,326,980
Security of Persons and Property	10,611,997	10,094,196	0	0	10,611,997	10,094,196
Transportation	5,453,943	5,862,901	0	0	5,453,943	5,862,901
Community Environment	2,147,727	1,728,765	0	0	2,147,727	1,728,765
Basic Utility Services	814,317	688,440	0	0	814,317	688,440
Leisure Time Activities	1,377,791	1,302,661	0	0	1,377,791	1,302,661
Interest and Fiscal Charges	3,032,601	2,976,565	0	0	3,032,601	2,976,565
Water	0	0	4,509,372	3,102,338	4,509,372	3,102,338
Sewer	0	0	3,466,945	3,555,325	3,466,945	3,555,325
<b>Total Expenses</b>	<b>28,939,035</b>	<b>27,980,508</b>	<b>7,976,317</b>	<b>6,657,663</b>	<b>36,915,352</b>	<b>34,638,171</b>
Increase (Decrease) in Net Position						
Before Transfers	4,962,656	784,267	1,246,282	143,049	6,208,938	927,316
Transfers	0	(4,622)	0	4,622	0	0
<b>Changes in Net Position</b>	<b>4,962,656</b>	<b>779,645</b>	<b>1,246,282</b>	<b>147,671</b>	<b>6,208,938</b>	<b>927,316</b>
Net Position, January 1 - Restated (See Note 3)	32,461,360	N/A	30,442,583	N/A	62,903,943	N/A
<b>Net Position, December 31</b>	<b>\$37,424,016</b>	<b>\$32,461,360</b>	<b>\$31,688,865</b>	<b>\$30,442,583</b>	<b>\$69,112,881</b>	<b>\$62,903,943</b>

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The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$1,693,758 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$1,867,339. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental Activities	Business-Type Activities	Total
Total 2015 program expense under GASB 68	\$28,939,035	\$7,976,317	\$36,915,352
Pension expense under GASB 68	(1,791,987)	(75,352)	(1,867,339)
2015 contractually required contribution	1,661,882	87,358	1,749,240
Adjusted 2015 program expenses	28,808,930	7,988,323	36,797,253
Total 2014 program expenses under GASB 27	27,980,508	6,657,663	34,638,171
Increase in program expenses not related to pension	\$828,422	\$1,330,660	\$2,159,082

Governmental program revenues increased primarily from increased capital grants and contributions. The significant change comes from ODOT grant proceeds and developer donated assets related to streets, storm sewers and waterlines. While program revenues provide considerable assistance in the provision of governmental services, the burden of governmental support is met by general revenues such as property taxes, municipal income taxes, and unrestricted grants and entitlements. General revenues increased from the prior year due to increased income taxes and grants and entitlements.

The two largest governmental activities expenses are related to security of persons and property and general government. Both of these expenses saw an increase in 2015, due to the cost of increased personal services for security of persons and property and increased contractual services for general government.

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

**GOVERNMENTAL ACTIVITIES**

Several revenue sources fund the City's governmental activities with City income tax being the largest contribution. The general income tax rate of 1 percent was established by City Ordinance No. 371-68, passed February 28, 1968. The Income Tax Ordinance was amended on November 2, 1993 requiring proposed tax rate changes be submitted to the electors of the City for approval or rejection. On November 6, 2002 the electors approved an increase in the income tax rate to 1-1/2 percent from 1 percent and a change in the tax credit for residents having income taxable in another community. In November 2007, the electors approved an increase in the income tax rate to 1-3/4 percent and a change in the tax credit. In 2015, the revenue from income taxes increased by 7.8 percent over the prior year.

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The City of Avon is very aggressive in collecting delinquent income tax. The City utilizes the Regional Income Tax Agency for income tax collections. Their collection efforts including subpoena programs and small claims court are very effective and cost justified. The City's strong and diversified commercial and industrial tax base provide the City with a predictable revenue stream. There are approximately 15,000 people working in Avon.

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

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

The Police Department is very efficient and continues to operate within its budget each year. The Police Department is partially funded by a continuous 2 mill levy, a portion of the 0.50 income tax revenue and through general fund transfers of revenues. The department has a 5 year, 0.50 mill equipment levy that is utilized for capital asset purchases, including vehicles.

The Fire Department is also very efficient and operates well within its annual budget. The department is fully funded through a .50 percent income tax that was passed by Avon voters in 2002, along with emergency rescue services revenue. Like the Police Department, the Fire Department also has a 5 year, 0.50 mill equipment levy that is utilized for capital asset purchases, including vehicles and equipment for both the Fire Department and rescue squad. The department continues to upgrade emergency fire and rescue equipment to better serve the community.

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

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

	Total Cost of Services		Net Cost of Services	
	2015	2014	2015	2014
General Government	\$5,500,659	\$5,326,980	(\$3,137,666)	(\$3,227,420)
Security of Persons and Property	10,611,997	10,094,196	(10,024,348)	(9,549,771)
Transportation	5,453,943	5,862,901	(553,715)	(3,924,210)
Community Environment	2,147,727	1,728,765	(643,878)	(635,876)
Basic Utility Services	814,317	688,440	746,631	(180,548)
Leisure Time Activities	1,377,791	1,302,661	(975,420)	(901,466)
Interest and Fiscal Charges	3,032,601	2,976,565	(3,032,601)	(2,976,565)
<b>Total Cost of Services</b>	<b>\$28,939,035</b>	<b>\$27,980,508</b>	<b>(\$17,620,997)</b>	<b>(\$21,395,856)</b>

***BUSINESS-TYPE ACTIVITIES***

The increase in charges for services in the water and sewer funds is due to a 13 percent increase in water usage rates and a 5 percent increase in sanitary sewer rates.

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**The City's Funds**

Information about the City's governmental funds begins on page 20. These funds are accounted for by using the modified accrual basis of accounting. All governmental funds had total revenues of \$32,064,889 and expenditures of \$39,180,818. The most significant fund is the general fund with a year-end fund balance of \$5,018,009, which included an unassigned fund balance of \$3,629,253, compared to annual expenditures of \$5,622,395. While revenues exceeded expenditures by \$7,419,079, the remainder of revenues and part of fund balance was transferred to other City funds. These transferred funds enabled the City to fund street improvements, police operations, service long-term and short-term debt and fund capital improvements. The net change in fund balance was a decrease of \$338,461.

The Fire Department has completed ten years as a full-time department in its building that was constructed in 2003. Expenditures in the fire department fund exceeded revenues by \$119,825. The fire department fund balance decreased due to increased costs and decreased income taxes collected by the fund. The street construction maintenance and repair fund had revenues and other financing sources that exceeded expenditures by \$108,365. This increase was due to a decrease in transportation expenditures and an increase in transfers in. The police fund balance increased by \$255,377, mainly due increases in income tax collected by the fund. The general obligation bond retirement fund balance increased by \$56,484 due to increases in charges for services and transfers in. The special assessment bond retirement fund balance decreased by \$20,966 due to debt service outpacing revenues. The municipal swimming pool fund had a decrease in fund balance and ended the year with a deficit due to the fund having a \$5,100,000 liability related to the note proceeds it received during the year. The road and bridges fund had an increase in fund balance due to a large increase to intergovernmental revenue due to ODOT grant proceeds.

**General Fund Budgeting Highlights**

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

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

The most significant budgeted fund is the general fund. During the course of 2015, the City amended its general fund budget for a total increase in certified revenues in the amount of \$1,674,025. For the general fund, the original budgeted revenues were \$11,239,154, and the final budgeted amount was \$12,913,179. Of this difference, most was due to increased income and property taxes and licenses and permits. The actual revenues of \$12,898,371 received by the City were \$14,808 less than the final budgeted amount.

**City of Avon, Ohio**  
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Original appropriations of \$3,563,961 were increased during the year by \$3,048,503 to establish final appropriations of \$6,612,464 for the year. These increases were due primarily to conservative budgeting at the beginning of the year. The actual expenditures of \$5,678,849 were \$933,615 less than the final budgeted amount. Final expenditures often are less than budget.

The City continued to maintain a respectable level of liquidity in the general fund by maintaining a cash fund balance at year-end of 18 percent of total actual revenues received during the year.

**Capital Assets and Debt Administration**

***Capital Assets***

Total capital assets (net of depreciation) for the governmental activities are \$112,695,063, which is a significant increase from the prior year. The increase is primarily due to additions to water lines and streets. Total capital assets (net of depreciation) for the business activities increased due to construction in progress related to the water tower project. Also, in addition to the capital outlay made by the sewer enterprise fund, it also received donated sewer lines from developers in the amount of \$2,003,839.

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$5,951,955	\$5,951,955	\$7,580	\$7,580	\$5,959,535	\$5,959,535
Construction in Progress	0	0	5,648,734	2,644,610	5,648,734	2,644,610
Land Improvements	366,040	379,004	25,755	28,785	391,795	407,789
Buildings and Improvements	43,223,512	38,866,895	889,313	909,644	44,112,825	39,776,539
Machinery and Equipment	2,031,848	2,039,946	206,481	146,467	2,238,329	2,186,413
Vehicles	1,960,996	2,103,384	438,705	463,316	2,399,701	2,566,700
Waterline Rights	0	0	1,250,586	1,291,604	1,250,586	1,291,604
Infrastructure:						
Park Improvements	659,974	698,597	0	0	659,974	698,597
Streets	29,164,815	27,153,425	0	0	29,164,815	27,153,425
Bridges and Culverts	2,368,584	2,423,596	0	0	2,368,584	2,423,596
Traffic Signals	3,160,803	2,636,183	0	0	3,160,803	2,636,183
Storm Sewer	19,526,591	18,241,438	0	0	19,526,591	18,241,438
Water Lines	4,279,945	2,003,201	12,183,943	11,662,947	16,463,888	13,666,148
Sewer Lines	0	0	17,861,331	16,495,608	17,861,331	16,495,608
<b>Total Capital Assets</b>	<b>\$112,695,063</b>	<b>\$102,497,624</b>	<b>\$38,512,428</b>	<b>\$33,650,561</b>	<b>\$151,207,491</b>	<b>\$136,148,185</b>

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

***Debt***

On December 31, 2015, the City of Avon had a total of \$88,097,693 in outstanding long-term debt obligations, with \$2,773,486 due within one year. Table 5 summarizes bonds, loans and contractual commitments outstanding.

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$63,273,427	\$65,557,853	\$3,601,868	\$3,639,825	\$66,875,295	\$69,197,678
Special Assessment Bonds	8,205,732	8,603,358	1,157,669	1,164,806	9,363,401	9,768,164
OPWC Loans	345,137	366,796	0	0	345,137	366,796
Intergovernmental Payable	0	0	361,012	385,452	361,012	385,452
Notes Payable	0	0	10,950,000	9,300,000	10,950,000	9,300,000
Capital Lease	0	0	202,848	248,320	202,848	248,320
<b>Total</b>	<b>\$71,824,296</b>	<b>\$74,528,007</b>	<b>\$16,273,397</b>	<b>\$14,738,403</b>	<b>\$88,097,693</b>	<b>\$89,266,410</b>

General obligation bonds for governmental activities include Schneider Court Improvements, YMCA/Recreation Center and related recreation complex infrastructure improvements, Nagel road interchange improvements, and various refunding bonds. Governmental activities also include refunding bonds for the 1996 Detroit Road Park, Northgate Sewer Improvement and the 1997 New City Hall. These bond obligations are paid from monies transferred from the general fund into the debt service funds. The business-type activities general obligation bonds are in refunding bonds, payable from the water and sewer funds' charges for services.

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

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

During 1994 and again in 2009, the City of Avon entered into contractual agreements with the City of Avon Lake for the construction and future maintenance of two water trunk lines that service the City of Avon. The projects were financed mainly by general obligation bonds which were issued by the City of Avon Lake. All proceeds were received by the City of Avon Lake and the City of Avon Lake is responsible for the debt retirement and maintenance. The lines will be a capital asset of the City of Avon Lake. The total amount owed to the City of Avon Lake as of December 31, 2015 is \$361,012. This amount has been recorded on Avon's financial statements as a long-term liability in the water enterprise fund.

During 2015, the City issued \$7,950,000 and \$3,000,000 in bond anticipation notes to help finance water system improvements. The notes mature on February 3 and April 28, 2016, respectively, and have interest rates of 1 percent. At December 31, 2015, the City had unspent proceeds of \$4,667,406 for business-type activities related to the notes.

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

**City of Avon, Ohio**  
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The City's overall legal ten and one-half percent debt limitation (voted and unvoted) on December 31, 2015 was \$79,295,100. The aggregate outstanding debt subject to the ten and one-half percent limitation is \$11,621,188. The difference of \$67,673,912 between the maximum issuable amount and the outstanding amount represents the aggregate principal amount of additional voted and unvoted nonexempt debt which the City may issue without exceeding the ten and one-half percent limitation.

See Notes 12, 13, and 18 of the Notes to the Basic Financial Statements for additional information on the City's outstanding debt obligations.

**Current Financial Related Activities**

Over the past ten years the City has enjoyed strong growth in revenues as a result of new commercial and industrial development. The City, with the support of the school system, currently has five tax abatement agreements in effect with local companies. Each of these five companies has expanded in Avon from their original facility and employment base. Although property taxes have been partially deferred as a result of these abatements, the deferral has been more than offset by the significant increase in income tax collections as a result of the employment in these companies.

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

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

The City takes advantage of grants wherever possible. Some recent examples of grant funded capital projects include Chester Road re-location at S.R. 611, where the City was awarded over \$3,500,000 of Ohio Department of Transportation Safety funding, along with \$400,000 of Ohio Public Works Commission funding in the form of grants and "zero interest" loans. This project was substantially complete in late 2015.

The City received \$350,000 of Ohio Public Works Commission funding through grants and "zero interest" loans for a new bridge at Reigelsberger and Jaycox Roads. This project was completed in 2015.

In addition to seeking grant funding, the City is eager to collaborate with other governmental entities where it makes economic sense. For instance, the Cities of Avon and Avon Lake are collaborating on a project to resurface SR 83 from Detroit Road in Avon north to Lake Road in Avon Lake. This project has been awarded \$671,000 of grant funding through the Ohio Department of Transportation.

The Cities of Avon and North Ridgeville are working together with the Ohio Public Works Commission to obtain 80 percent grant and loan funding to finance a "roundabout" at the intersection of SR 83 and Mills Road, where the two cities meet.

The City was awarded Capital Budget grants in the amount of \$75,000 for renovations to the Avon Isle and \$50,000 for improvements at All-Pro Freight Stadium. The Avon Isle renovations have not taken place yet, but the All-Pro Freight Stadium improvements were recently completed.

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

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

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

**Contacting the City's Finance Department**

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

**City of Avon, Ohio**  
*Statement of Net Position*  
*December 31, 2015*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$10,118,353	\$10,576,256	\$20,694,609
Accrued Interest Receivable	599	77,783	78,382
Materials and Supplies Inventory	226,276	344,631	570,907
Accounts Receivable	10,932	542,385	553,317
Internal Balances	153,000	(153,000)	0
Intergovernmental Receivable	1,533,023	0	1,533,023
Prepaid Items	91,965	6,087	98,052
Municipal Income Taxes Receivable	4,569,415	0	4,569,415
Property Taxes Receivable	4,373,009	0	4,373,009
Payments in Lieu of Taxes Receivable	1,135,829	0	1,135,829
Special Assessments Receivable	8,127,208	1,222,663	9,349,871
Capital Assets, Non-Depreciable	5,951,955	5,656,314	11,608,269
Capital Assets, Depreciable, Net	106,743,108	32,856,114	139,599,222
<i>Total Assets</i>	<u>143,034,672</u>	<u>51,129,233</u>	<u>194,163,905</u>
<b>Deferred Outflows of Resources</b>			
Deferred Charge on Refunding Pension	218,473	0	218,473
	2,474,435	124,320	2,598,755
<i>Total Deferred Outflows of Resources</i>	<u>2,692,908</u>	<u>124,320</u>	<u>2,817,228</u>
<b>Liabilities</b>			
Accounts Payable	316,899	47,060	363,959
Contracts Payable	788,423	418,144	1,206,567
Accrued Wages and Benefits	320,869	25,573	346,442
Intergovernmental Payable	983,540	142,665	1,126,205
Retainage Payable	184,359	281,301	465,660
Accrued Interest Payable	288,785	197,492	486,277
Matured Compensated Absences Payable	47,445	0	47,445
Notes Payable	8,500,000	1,350,000	9,850,000
Long-Term Liabilities:			
Due Within One Year	2,734,566	125,956	2,860,522
Due In More Than One Year:			
Net Pension Liability (See Note 20)	17,918,865	692,730	18,611,595
Other Amounts Due in More Than One Year	70,817,124	16,271,597	87,088,721
<i>Total Liabilities</i>	<u>102,900,875</u>	<u>19,552,518</u>	<u>122,453,393</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	4,226,074	0	4,226,074
Payment in Lieu of Taxes	1,107,652	0	1,107,652
Pension	68,963	12,170	81,133
<i>Total Deferred Inflows of Resources</i>	<u>5,402,689</u>	<u>12,170</u>	<u>5,414,859</u>
<b>Net Position</b>			
Net Investment in Capital Assets	35,118,979	25,107,622	60,226,601
Restricted for:			
Debt Service	6,970,159	0	6,970,159
Fire Department	1,566,828	0	1,566,828
Street Construction, Maintenance and Repair	877,451	0	877,451
Other Purposes	844,041	0	844,041
Unrestricted	(7,953,442)	6,581,243	(1,372,199)
<i>Total Net Position</i>	<u>\$37,424,016</u>	<u>\$31,688,865</u>	<u>\$69,112,881</u>

See accompanying notes to the basic financial statements

**City of Avon, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2015

	Expenses	Program Revenues		
		Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government	\$5,500,659	\$2,290,540	\$0	\$72,453
Security of Persons and Property	10,611,997	488,084	99,565	0
Transportation	5,453,943	0	1,210,312	3,689,916
Community Environment	2,147,727	1,463,186	0	40,663
Basic Utility Services	814,317	139,941	0	1,421,007
Leisure Time Activities	1,377,791	330,063	72,308	0
Interest and Fiscal Charges	3,032,601	0	0	0
<i>Total Governmental Activities</i>	<u>28,939,035</u>	<u>4,711,814</u>	<u>1,382,185</u>	<u>5,224,039</u>
<b>Business-Type Activities</b>				
Water	4,509,372	3,545,630	0	0
Sewer	3,466,945	3,604,548	0	2,003,839
<i>Total Business-Type Activities</i>	<u>7,976,317</u>	<u>7,150,178</u>	<u>0</u>	<u>2,003,839</u>
<i>Total</i>	<u>\$36,915,352</u>	<u>\$11,861,992</u>	<u>\$1,382,185</u>	<u>\$7,227,878</u>

**General Revenues**

Property Taxes Levied for:

General Purposes

Streets

Police

Park Operating

Equipment

Municipal Income Taxes Levied for:

General Purposes

Fire Department

Police

Park Operating

Recreation Complex

Grants and Entitlements not Restricted to Specific Programs

Unrestricted Contributions

Investment Earnings

Payment in Lieu of Taxes

Miscellaneous

*Total General Revenues*

Change in Net Position

*Net Position Beginning of Year - Restated (See Note 3)*

*Net Position End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$3,137,666)	\$0	(\$3,137,666)
(10,024,348)	0	(10,024,348)
(553,715)	0	(553,715)
(643,878)	0	(643,878)
746,631	0	746,631
(975,420)	0	(975,420)
(3,032,601)	0	(3,032,601)
(17,620,997)	0	(17,620,997)
0	(963,742)	(963,742)
0	2,141,442	2,141,442
0	1,177,700	1,177,700
(17,620,997)	1,177,700	(16,443,297)
1,536,192	0	1,536,192
1,180,355	0	1,180,355
629,286	0	629,286
279,556	0	279,556
552,147	0	552,147
7,902,348	0	7,902,348
3,911,656	0	3,911,656
1,378,008	0	1,378,008
493,731	0	493,731
1,481,191	0	1,481,191
803,671	0	803,671
225	0	225
70,407	11,791	82,198
1,808,063	0	1,808,063
556,817	56,791	613,608
22,583,653	68,582	22,652,235
4,962,656	1,246,282	6,208,938
32,461,360	30,442,583	62,903,943
\$37,424,016	\$31,688,865	\$69,112,881

**City of Avon, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*December 31, 2015*

	General	Fire Department	Street Construction, Maintenance and Repair	Police
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,191,157	\$928,762	\$499,082	\$456,548
Materials and Supplies Inventory	0	28,875	146,095	51,306
Accounts Receivable	10,932	0	0	0
Interfund Receivable	1,711,100	0	0	0
Intergovernmental Receivable	226,328	0	503,099	36,176
Accrued Interest Receivable	599	0	0	0
Prepaid Items	33,465	20,500	6,500	25,500
Municipal Income Taxes Receivable	2,365,019	1,221,709	0	385,803
Property Taxes Receivable	1,607,944	0	1,235,814	653,990
Payments in Lieu of Taxes Receivable	0	0	0	0
Special Assessments Receivable	0	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	11,620	0	0	0
<i>Total Assets</i>	<u>\$8,158,164</u>	<u>\$2,199,846</u>	<u>\$2,390,590</u>	<u>\$1,609,323</u>
<b>Liabilities</b>				
Accounts Payable	\$63,465	\$5,958	\$74,000	\$29,992
Contracts Payable	31,620	0	0	0
Accrued Wages and Benefits	62,306	104,767	28,019	113,829
Interfund Payable	0	0	0	0
Intergovernmental Payable	72,256	125,816	25,763	123,513
Retainage Payable	0	0	0	0
Accrued Interest Payable	0	0	0	0
Matured Compensated Absences Payable	0	45,810	0	1,635
Notes Payable	0	0	0	0
<i>Total Liabilities</i>	<u>229,647</u>	<u>282,351</u>	<u>127,782</u>	<u>268,969</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	1,550,311	0	1,196,997	630,443
Payment in Lieu of Taxes	0	0	0	0
Unavailable Revenue	1,360,197	660,752	399,581	227,376
<i>Total Deferred Inflows of Resources</i>	<u>2,910,508</u>	<u>660,752</u>	<u>1,596,578</u>	<u>857,819</u>
<b>Fund Balances</b>				
Nonspendable	189,085	49,375	152,595	76,806
Restricted	0	1,207,368	487,628	405,729
Committed	0	0	0	0
Assigned	1,199,671	0	26,007	0
Unassigned (Deficit)	3,629,253	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>5,018,009</u>	<u>1,256,743</u>	<u>666,230</u>	<u>482,535</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$8,158,164</u>	<u>\$2,199,846</u>	<u>\$2,390,590</u>	<u>\$1,609,323</u>

See accompanying notes to the basic financial statements

General Obligation Bond Retirement	Special Assessment Bond Retirement	Municipal Swimming Pool	Road and Bridges	Other Governmental Funds	Total Governmental Funds
\$153,061	\$269,187	\$148,381	\$1,654,871	\$3,805,684	\$10,106,733
0	0	0	0	0	226,276
0	0	0	0	0	10,932
0	0	0	0	279,180	1,990,280
0	0	0	618,429	148,991	1,533,023
0	0	0	0	0	599
0	0	0	0	6,000	91,965
0	0	0	0	596,884	4,569,415
0	0	0	0	875,261	4,373,009
0	0	0	0	1,135,829	1,135,829
0	8,127,208	0	0	0	8,127,208
0	0	0	0	0	11,620
<u>\$153,061</u>	<u>\$8,396,395</u>	<u>\$148,381</u>	<u>\$2,273,300</u>	<u>\$6,847,829</u>	<u>\$32,176,889</u>
\$0	\$0	\$0	\$6,199	\$137,285	\$316,899
0	0	46,649	696,399	13,755	788,423
0	0	0	0	11,948	320,869
0	0	279,180	885,600	672,500	1,837,280
0	0	0	620,488	15,704	983,540
0	0	0	0	184,359	184,359
0	0	32,300	0	21,533	53,833
0	0	0	0	0	47,445
0	0	5,100,000	0	3,400,000	8,500,000
0	0	5,458,129	2,208,686	4,457,084	13,032,648
0	0	0	0	848,323	4,226,074
0	0	0	0	1,107,652	1,107,652
0	8,046,949	0	0	451,353	11,146,208
0	8,046,949	0	0	2,407,328	16,479,934
0	0	0	0	6,000	473,861
153,061	349,446	0	0	1,772,315	4,375,547
0	0	0	0	721,199	721,199
0	0	0	64,614	272,326	1,562,618
0	0	(5,309,748)	0	(2,788,423)	(4,468,918)
<u>153,061</u>	<u>349,446</u>	<u>(5,309,748)</u>	<u>64,614</u>	<u>(16,583)</u>	<u>2,664,307</u>
<u>\$153,061</u>	<u>\$8,396,395</u>	<u>\$148,381</u>	<u>\$2,273,300</u>	<u>\$6,847,829</u>	<u>\$32,176,889</u>

**City of Avon, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 December 31, 2015*

<b>Total Governmental Fund Balance</b>	\$2,664,307
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	112,695,063
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable in the funds:	
Delinquent Property Taxes	\$146,935
Delinquent Payment in Lieu of Taxes	28,177
Municipal Income Taxes	2,216,911
Intergovernmental	707,236
Special Assessments	<u>8,046,949</u>
Total	11,146,208
In the statement of activities, interest is accrued on outstanding bonds whereas in governmental funds, an interest expenditure is reported when due.	(234,952)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(63,273,427)
Special Assessment Bonds	(8,205,732)
OPWC Loans	(345,137)
Deferred Charge on Refunding	218,473
Compensated Absences	<u>(1,727,394)</u>
Total	(73,333,217)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:	
Deferred Outflows - Pension	2,474,435
Net Pension Liability	(17,918,865)
Deferred Inflows - Pension	<u>(68,963)</u>
Total	<u>(15,513,393)</u>
<i>Net Position of Governmental Activities</i>	<u><u>\$37,424,016</u></u>

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, 2015*

	General	Fire Department	Street Construction, Maintenance and Repair	Police	General Obligation Bond Retirement
<b>Revenues</b>					
Property Taxes	\$1,540,782	\$0	\$1,188,263	\$625,839	\$0
Payment in Lieu of Taxes	0	0	0	0	0
Municipal Income Taxes	8,059,654	3,996,119	0	1,369,759	0
Charges for Services	361,465	476,253	0	0	434,893
Licenses and Permits	1,772,096	0	0	397	0
Fines and Forfeitures	262,017	0	0	11,434	0
Intergovernmental	773,432	125	1,029,880	94,726	0
Special Assessments	0	0	0	0	0
Interest	60,412	0	1,424	0	0
Contributions and Donations	225	0	0	0	0
Rentals	8,142	0	0	0	0
Miscellaneous	203,249	4,440	28,184	32,621	37,943
<i>Total Revenues</i>	<u>13,041,474</u>	<u>4,476,937</u>	<u>2,247,751</u>	<u>2,134,776</u>	<u>472,836</u>
<b>Expenditures</b>					
Current:					
General Government	3,595,159	0	0	0	2,044
Security of Persons and Property	0	4,596,762	0	5,229,399	0
Transportation	0	0	2,286,936	0	0
Community Environment	2,009,810	0	0	0	0
Leisure Time Activities	17,426	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	135,000	0	1,103,748
Interest and Fiscal Charges	0	0	43,075	0	1,035,560
<i>Total Expenditures</i>	<u>5,622,395</u>	<u>4,596,762</u>	<u>2,465,011</u>	<u>5,229,399</u>	<u>2,141,352</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>7,419,079</u>	<u>(119,825)</u>	<u>(217,260)</u>	<u>(3,094,623)</u>	<u>(1,668,516)</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	2,868	0	625	0	0
Transfers In	0	0	325,000	3,350,000	1,725,000
Transfers Out	(7,760,408)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(7,757,540)</u>	<u>0</u>	<u>325,625</u>	<u>3,350,000</u>	<u>1,725,000</u>
<i>Net Change in Fund Balances</i>	(338,461)	(119,825)	108,365	255,377	56,484
<i>Fund Balances (Deficit) Beginning of Year</i>	5,356,470	1,376,568	557,865	227,158	96,577
<i>Fund Balances (Deficit) End of Year</i>	<u>\$5,018,009</u>	<u>\$1,256,743</u>	<u>\$666,230</u>	<u>\$482,535</u>	<u>\$153,061</u>

(continued)

**City of Avon, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds (continued)*  
*For the Year Ended December 31, 2015*

	Special Assessment Bond Retirement	Municipal Swimming Pool	Road and Bridges	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property Taxes	\$0	\$0	\$0	\$842,128	\$4,197,012
Payment in Lieu of Taxes	0	0	0	1,824,012	1,824,012
Municipal Income Taxes	0	0	0	2,026,302	15,451,834
Charges for Services	0	0	0	437,935	1,710,546
Licenses and Permits	0	0	0	200,875	1,973,368
Fines and Forfeitures	0	0	0	7,770	281,221
Intergovernmental	0	0	2,560,092	332,894	4,791,149
Special Assessments	744,494	0	0	0	744,494
Interest	0	4,793	0	3,778	70,407
Contributions and Donations	0	0	0	39,250	39,475
Rentals	0	0	0	416,412	424,554
Miscellaneous	0	110,434	97,650	42,296	556,817
<i>Total Revenues</i>	<u>744,494</u>	<u>115,227</u>	<u>2,657,742</u>	<u>6,173,652</u>	<u>32,064,889</u>
<b>Expenditures</b>					
Current:					
General Government	27,916	0	0	1,160,268	4,785,387
Security of Persons and Property	0	0	0	1,716	9,827,877
Transportation	0	0	0	259,644	2,546,580
Community Environment	0	0	0	130,138	2,139,948
Leisure Time Activities	0	0	0	1,106,334	1,123,760
Capital Outlay	0	5,287,034	4,474,998	3,285,411	13,047,443
Debt Service:					
Principal Retirement	387,083	0	0	995,734	2,621,565
Interest and Fiscal Charges	350,461	65,618	0	1,593,544	3,088,258
<i>Total Expenditures</i>	<u>765,460</u>	<u>5,352,652</u>	<u>4,474,998</u>	<u>8,532,789</u>	<u>39,180,818</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(20,966)</u>	<u>(5,237,425)</u>	<u>(1,817,256)</u>	<u>(2,359,137)</u>	<u>(7,115,929)</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	0	0	0	481	3,974
Transfers In	0	175,000	2,160,408	974,890	8,710,298
Transfers Out	0	0	(228,192)	(721,698)	(8,710,298)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>175,000</u>	<u>1,932,216</u>	<u>253,673</u>	<u>3,974</u>
<i>Net Change in Fund Balances</i>	<u>(20,966)</u>	<u>(5,062,425)</u>	<u>114,960</u>	<u>(2,105,464)</u>	<u>(7,111,955)</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>370,412</u>	<u>(247,323)</u>	<u>(50,346)</u>	<u>2,088,881</u>	<u>9,776,262</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$349,446</u>	<u>(\$5,309,748)</u>	<u>\$64,614</u>	<u>(\$16,583)</u>	<u>\$2,664,307</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, 2015*

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**Net Change in Fund Balances - Total Governmental Funds** (\$7,111,955)

*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 and contributions exceeded depreciation in the current period:

Capital Asset Additions:	
Capital Outlays	\$12,815,542
Capital Contributions	2,550,831
Current Year Depreciation	(5,137,746)

Total 10,228,627

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. (31,188)

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

Delinquent Property Taxes	(19,476)
Delinquent Payment in Lieu of Taxes	(15,949)
Municipal Income Taxes	(284,900)
Intergovernmental	28,665
Special Assessments	(422,369)

Total (714,029)

Repayment of bond, note and loan principal are expenditures in the governmental funds, but the repayments reduce the long-term liabilities in the statement of net position. 2,621,565

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

Accrued Interest	6,106
Amortization of Loss on Refunding	(32,595)
Amortization of Bond Premium	82,146

Total 55,657

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. 44,084

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 1,661,882

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (1,791,987)

*Change in Net Position of Governmental Activities* \$4,962,656

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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property Taxes	\$1,340,876	\$1,540,782	\$1,540,782	\$0
Municipal Income Taxes	6,891,971	7,919,469	7,919,469	0
Charges for Services	311,259	357,663	361,465	3,802
Licenses and Permits	1,537,864	1,767,138	1,772,096	4,958
Fines and Forfeitures	226,680	260,475	262,017	1,542
Intergovernmental	695,939	799,694	774,143	(25,551)
Interest	58,989	67,783	67,783	0
Contributions and Donations	223	225	225	0
Rentals	7,521	7,593	8,142	549
Miscellaneous	167,832	192,357	192,249	(108)
<i>Total Revenues</i>	11,239,154	12,913,179	12,898,371	(14,808)
<b>Expenditures</b>				
Current:				
General Government	2,156,783	4,207,065	3,618,651	588,414
Community Environment	1,385,878	2,384,099	2,041,867	342,232
Leisure Time Activities	21,300	21,300	18,331	2,969
<i>Total Expenditures</i>	3,563,961	6,612,464	5,678,849	933,615
<i>Excess of Revenues Over Expenditures</i>	7,675,193	6,300,715	7,219,522	918,807
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	2,868	2,868
Advances Out	(25,000)	(25,000)	(25,000)	0
Transfers In	8,401,000	8,401,000	8,401,000	0
Transfers Out	(16,400,408)	(16,400,408)	(16,150,408)	250,000
<i>Total Other Financing Sources (Uses)</i>	(8,024,408)	(8,024,408)	(7,771,540)	252,868
<i>Net Change in Fund Balance</i>	(349,215)	(1,723,693)	(552,018)	1,171,675
<i>Fund Balance Beginning of Year</i>	2,780,134	2,780,134	2,780,134	0
Prior Year Encumbrances Appropriated	98,847	98,847	98,847	0
<i>Fund Balance End of Year</i>	\$2,529,766	\$1,155,288	\$2,326,963	\$1,171,675

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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Municipal Income Taxes	\$4,035,601	\$4,090,995	\$4,090,995	\$0
Charges for Services	457,367	463,645	463,645	0
Intergovernmental	0	0	125	125
Miscellaneous	4,216	4,274	4,440	166
<i>Total Revenues</i>	4,497,184	4,558,914	4,559,205	291
<b>Expenditures</b>				
Current:				
Security of Persons and Property	4,853,739	4,853,739	4,686,933	166,806
<i>Net Change in Fund Balance</i>	(356,555)	(294,825)	(127,728)	167,097
<i>Fund Balance Beginning of Year</i>	942,570	942,570	942,570	0
Prior Year Encumbrances Appropriated	27,880	27,880	27,880	0
<i>Fund Balance End of Year</i>	<u>\$613,895</u>	<u>\$675,625</u>	<u>\$842,722</u>	<u>\$167,097</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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property Taxes	\$1,187,961	\$1,188,256	\$1,188,263	\$7
Intergovernmental	999,114	999,362	1,032,924	33,562
Interest	1,323	1,323	1,323	0
Miscellaneous	28,802	28,809	28,184	(625)
<i>Total Revenues</i>	<u>2,217,200</u>	<u>2,217,750</u>	<u>2,250,694</u>	<u>32,944</u>
<b>Expenditures</b>				
Current:				
Transportation	2,703,825	2,581,256	2,331,287	249,969
Debt Service:				
Principal Retirement	0	135,000	135,000	0
Interest and Fiscal Charges	0	44,242	43,075	1,167
<i>Total Expenditures</i>	<u>2,703,825</u>	<u>2,760,498</u>	<u>2,509,362</u>	<u>251,136</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(486,625)</u>	<u>(542,748)</u>	<u>(258,668)</u>	<u>284,080</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	625	625
Transfers In	350,000	350,000	350,000	0
Transfers Out	(25,000)	(25,000)	(25,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>325,000</u>	<u>325,000</u>	<u>325,625</u>	<u>625</u>
<i>Net Change in Fund Balance</i>	<u>(161,625)</u>	<u>(217,748)</u>	<u>66,957</u>	<u>284,705</u>
<i>Fund Balance Beginning of Year</i>	333,223	333,223	333,223	0
Prior Year Encumbrances Appropriated	4,242	4,242	4,242	0
<i>Fund Balance End of Year</i>	<u>\$175,840</u>	<u>\$119,717</u>	<u>\$404,422</u>	<u>\$284,705</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, 2015*

	<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 Taxes	\$628,301	\$625,839	\$625,839	\$0
Municipal Income Taxes	1,296,975	1,291,893	1,291,893	0
Licenses and Permits	399	397	397	0
Fines and Forfeitures	11,220	11,176	11,434	258
Intergovernmental	88,024	87,679	94,726	7,047
Miscellaneous	29,611	29,495	32,621	3,126
<i>Total Revenues</i>	2,054,530	2,046,479	2,056,910	10,431
<b>Expenditures</b>				
Current:				
Security of Persons and Property	5,941,098	5,833,098	5,405,755	427,343
<i>Excess of Revenues Under Expenditures</i>	(3,886,568)	(3,786,619)	(3,348,845)	437,774
<b>Other Financing Sources</b>				
Transfers In	3,575,000	3,575,000	3,350,000	(225,000)
<i>Net Change in Fund Balance</i>	(311,568)	(211,619)	1,155	212,774
<i>Fund Balance Beginning of Year</i>	377,879	377,879	377,879	0
Prior Year Encumbrances Appropriated	22,372	22,372	22,372	0
<i>Fund Balance End of Year</i>	<u>\$88,683</u>	<u>\$188,632</u>	<u>\$401,406</u>	<u>\$212,774</u>

See accompanying notes to the basic financial statements

**City of Avon, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Funds*  
*December 31, 2015*

	Business-Type Activities		
	Water	Sewer	Total
<b>Assets</b>			
<i>Current Assets</i>			
Equity in Pooled Cash and Cash Equivalents	\$6,866,837	\$3,709,419	\$10,576,256
Accrued Interest Receivable	0	77,783	77,783
Materials and Supplies Inventory	304,330	40,301	344,631
Accounts Receivable	229,642	312,743	542,385
Prepaid Items	3,250	2,837	6,087
Special Assessments Receivable	354,818	867,845	1,222,663
<i>Total Current Assets</i>	<u>7,758,877</u>	<u>5,010,928</u>	<u>12,769,805</u>
<i>Noncurrent Assets</i>			
Non-Depreciable Capital Assets	5,648,734	7,580	5,656,314
Depreciable Capital Assets, Net	13,170,328	19,685,786	32,856,114
<i>Total Noncurrent Assets</i>	<u>18,819,062</u>	<u>19,693,366</u>	<u>38,512,428</u>
<i>Total Assets</i>	<u>26,577,939</u>	<u>24,704,294</u>	<u>51,282,233</u>
<b>Deferred Outflows of Resources</b>			
Pension	62,160	62,160	124,320
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Accounts Payable	25,867	21,193	47,060
Contracts Payable	366,989	51,155	418,144
Retainage Payable	281,301	0	281,301
Accrued Wages and Benefits	12,821	12,752	25,573
Intergovernmental Payable	13,346	129,319	142,665
Interfund Payable	153,000	0	153,000
Compensated Absences Payable	4,287	4,287	8,574
Accrued Interest Payable	101,535	95,957	197,492
Avon Lake Intergovernmental Payable	25,060	0	25,060
Notes Payable	1,350,000	0	1,350,000
Capital Lease Payable	0	46,768	46,768
Bonds Payable	12,408	33,146	45,554
<i>Total Current Liabilities</i>	<u>2,346,614</u>	<u>394,577</u>	<u>2,741,191</u>
<i>Long-Term Liabilities (net of current portion)</i>			
Compensated Absences Payable	57,791	57,791	115,582
Avon Lake Intergovernmental Payable	335,952	0	335,952
Notes Payable	9,450,000	1,500,000	10,950,000
Capital Lease Payable	0	156,080	156,080
Bonds Payable	1,544,554	3,169,429	4,713,983
Net Pension Liability	346,365	346,365	692,730
<i>Total Long-Term Liabilities</i>	<u>11,734,662</u>	<u>5,229,665</u>	<u>16,964,327</u>
<i>Total Liabilities</i>	<u>14,081,276</u>	<u>5,624,242</u>	<u>19,705,518</u>
<b>Deferred Inflows of Resources</b>			
Pension	6,085	6,085	12,170
<b>Net Position</b>			
Net Investment in Capital Assets	8,819,679	16,287,943	25,107,622
Unrestricted	3,733,059	2,848,184	6,581,243
<i>Total Net Position</i>	<u>\$12,552,738</u>	<u>\$19,136,127</u>	<u>\$31,688,865</u>

See accompanying notes to the basic financial statements

**City of Avon, Ohio**  
*Statement of Revenues, Expenses  
and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2015*

	Business-Type Activities		
	Water	Sewer	Total
<b>Operating Revenues</b>			
Charges for Services	\$3,545,630	\$3,604,548	\$7,150,178
Other	52,539	4,252	56,791
<i>Total Operating Revenues</i>	<u>3,598,169</u>	<u>3,608,800</u>	<u>7,206,969</u>
<b>Operating Expenses</b>			
Personal Services	512,454	509,507	1,021,961
Materials and Supplies	2,907,274	1,983,977	4,891,251
Contractual Services	323,351	0	323,351
Other	4,487	4,698	9,185
Depreciation and Amortization	578,925	869,821	1,448,746
<i>Total Operating Expenses</i>	<u>4,326,491</u>	<u>3,368,003</u>	<u>7,694,494</u>
<i>Operating Income (Loss)</i>	<u>(728,322)</u>	<u>240,797</u>	<u>(487,525)</u>
<b>Non-Operating Revenues (Expenses)</b>			
Interest	11,791	0	11,791
Interest and Fiscal Charges	(182,881)	(98,942)	(281,823)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(171,090)</u>	<u>(98,942)</u>	<u>(270,032)</u>
<i>Income (Loss) Before Contributions</i>	<u>(899,412)</u>	<u>141,855</u>	<u>(757,557)</u>
Capital Contributions	<u>0</u>	<u>2,003,839</u>	<u>2,003,839</u>
<i>Change in Net Position</i>	<u>(899,412)</u>	<u>2,145,694</u>	<u>1,246,282</u>
<i>Net Position Beginning of Year - Restated (See Note 3)</i>	<u>13,452,150</u>	<u>16,990,433</u>	<u>30,442,583</u>
<i>Net Position End of Year</i>	<u><u>\$12,552,738</u></u>	<u><u>\$19,136,127</u></u>	<u><u>\$31,688,865</u></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, 2015*

	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	\$3,595,504	\$3,571,232	\$7,166,736
Other Operating Revenues	52,539	4,252	56,791
Cash Payments for Employee Services and Benefits	(523,171)	(520,288)	(1,043,459)
Cash Payments to Suppliers for Materials and Supplies	(2,531,425)	(1,961,395)	(4,492,820)
Cash Payments for Contractual Services	(247,093)	(135,590)	(382,683)
Other Operating Expenses	(4,487)	(4,698)	(9,185)
<i>Net Cash Provided by Operating Activities</i>	<u>341,867</u>	<u>953,513</u>	<u>1,295,380</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Advances In	50,265	0	50,265
Transfers In	11,290	267,834	279,124
Advances Out	(50,265)	0	(50,265)
Transfers Out	(11,290)	(267,834)	(279,124)
<i>Net Cash from Noncapital Financing Activities</i>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition of Capital Assets	(3,981,942)	(264,927)	(4,246,869)
Bond Anticipation Notes Issued	10,800,000	1,500,000	12,300,000
Principal Paid on General Obligation Bonds	(10,364)	(27,593)	(37,957)
Principal Paid on Special Assessment Bonds	(1,811)	(5,326)	(7,137)
Principal Paid on Intangible Asset	(24,440)	0	(24,440)
Principal Paid on Notes	(9,800,000)	0	(9,800,000)
Principal Paid on Capital Lease	0	(45,472)	(45,472)
Interest Paid on General Obligation Bonds	(51,496)	(70,411)	(121,907)
Interest Paid on Special Assessment Bonds	(26,890)	(11,297)	(38,187)
Interest Paid on Intangible Asset	(21,873)	0	(21,873)
Interest Paid on Notes	(76,297)	0	(76,297)
Interest Paid on Capital Lease	0	(7,077)	(7,077)
Payment on Manuscript Bonds	(8,000)	0	(8,000)
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(3,203,113)</u>	<u>1,067,897</u>	<u>(2,135,216)</u>
<b>Cash Flows from Investing Activities</b>			
Interest on Investments	11,791	0	11,791
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(2,849,455)</u>	<u>2,021,410</u>	<u>(828,045)</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>9,716,292</u>	<u>1,688,009</u>	<u>11,404,301</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$6,866,837</u></u>	<u><u>\$3,709,419</u></u>	<u><u>\$10,576,256</u></u>

(continued)

**City of Avon, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
For the Year Ended December 31, 2015

	Business-Type Activities		
	Water	Sewer	Totals
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>			
Operating Income (Loss)	(\$728,322)	\$240,797	(\$487,525)
<i>Adjustments:</i>			
Depreciation and Amortization	578,925	869,821	1,448,746
<i>(Increase) Decrease in Assets:</i>			
Materials and Supplies Inventory	361,762	4,195	365,957
Accounts Receivable	49,874	(33,316)	16,558
Prepaid Items	0	413	413
<i>(Increase) Decrease in Deferred Outflows - Pension</i>	3,191	3,191	6,382
<i>Increase (Decrease) in Liabilities:</i>			
Accounts Payable	(9,996)	1,923	(8,073)
Contracts Payable	100,341	15,320	115,661
Accrued Wages and Benefits	2,549	2,490	5,039
Intergovernmental Payable	(6,467)	(141,331)	(147,798)
Compensated Absences Payable	(796)	(796)	(1,592)
Net Pension Liability	(6,385)	(6,385)	(12,770)
<i>Increase (Decrease) in Deferred Inflows - Pension</i>	(2,809)	(2,809)	(5,618)
<i>Total Adjustments</i>	1,070,189	712,716	1,782,905
<i>Net Cash Provided by Operating Activities</i>	\$341,867	\$953,513	\$1,295,380

**Noncash Capital Financing Activities**

During 2015, the sewer enterprise fund received sewer lines from developers valued at \$2,003,839.

At December 31, 2014, the City had contracts payable and retainage payable related to the acquisition of capital assets of \$137,127 and \$251,783, respectively, in the water fund.

At December 31, 2015, the City had contracts payable and retainage payable related to the acquisition of capital assets of \$167,514 and \$281,301, respectively, in the water fund.

See accompanying notes to the basic financial statements

**City of Avon, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2015*

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<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$3,143,409</u>
<b>Liabilities</b>	
Deposits Held and Due to Others	<u>\$3,143,409</u>

See accompanying notes to the basic financial statements

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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

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

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

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

***Reporting Entity***

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

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

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

The City is associated with the Lorain County General Health District and the Northeast Ohio Public Energy Council, both jointly governed organizations, as presented in Note 15.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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

***Basis of Presentation***

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

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

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

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

***Fund Accounting***

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

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

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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

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

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

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

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

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

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

**Road and Bridges Fund** This fund accounts for and reports assigned monies received from transfers in for the road and bridge improvements made during the year that include activities such as resurfacing and blacktop upgrades.

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

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

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

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

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

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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***Measurement Focus***

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

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

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

***Basis of Accounting***

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 8). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 20.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue and pension. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance year 2016 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes delinquent property taxes, delinquent payments in lieu of taxes, municipal income taxes, intergovernmental grants, and special assessments. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 22. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 20).

***Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

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

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

***Budgetary Process***

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

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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

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

***Cash and Cash Equivalents***

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

During 2015, investments were made in federal home loan mortgage corporation notes, federal home loan bank notes, federal farm credit bonds, federal national mortgage association notes, and municipal notes. Investments are reported at fair value which is based on quoted market prices.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2015 amounted to \$60,412, which includes \$52,816 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.

***Inventory***

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

***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2015 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

***Restricted Assets***

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

***Capital Assets***

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

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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

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

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

***Interfund Balances***

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

***Compensated Absences***

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

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

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

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

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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

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

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

***Fund Balance***

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

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

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

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

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

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

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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City Council assigned fund balance to cover a gap between estimated revenue and appropriations in the 2016 appropriated budget. City Council also assigned fund balance for City administration, engineering and traffic signalization.

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

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

***Net Position***

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

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

***Contributions of Capital***

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

***Internal Activity***

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

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

***Operating Revenues and Expenses***

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

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2015*

***Deferred Charge on Refunding***

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

***Bond Premium***

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

***Estimates***

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

**Note 3 – Change in Accounting Principle and Restatement of Net Position**

For 2015, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2014:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Position December 31, 2014	\$47,844,648	\$31,035,169	\$78,879,817
Adjustments:			
Net Pension Liability	(16,992,548)	(677,084)	(17,669,632)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>1,609,260</u>	<u>84,498</u>	<u>1,693,758</u>
Restated Net Position December 31, 2014	<u>\$32,461,360</u>	<u>\$30,442,583</u>	<u>\$62,903,943</u>
			<u>Total</u>
	<u>Water</u>	<u>Sewer</u>	<u>Enterprise</u>
Net Position December 31, 2014	\$13,748,443	\$17,286,726	\$31,035,169
Adjustments:			
Net Pension Liability	(338,542)	(338,542)	(677,084)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>42,249</u>	<u>42,249</u>	<u>84,498</u>
Restated Net Position December 31, 2014	<u>\$13,452,150</u>	<u>\$16,990,433</u>	<u>\$30,442,583</u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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**Note 4 – Accountability and Compliance**

***Accountability***

At December 31, 2015, the municipal swimming pool, park development, land purchases, municipal buildings, and I-90 interchange funds had deficits of \$5,309,748, \$340,587, \$2,711, \$2,428,386, and \$16,239, respectively. The municipal swimming pool, park development and municipal buildings fund deficits are due to the issuance of short-term Bond Anticipation Notes which are used to finance the projects until Bonds are issued. Once the Notes are retired or Bonds are issued, the deficit will be eliminated. The land purchases fund deficit is due to an account payable. The deficit in the I-90 interchange fund is due to an interfund payable. The general fund is liable for any deficits in these funds and provides transfers when cash is required, rather than when accruals occur.

***Compliance***

Contrary to Ohio Revised Code Section 5705.39, the recycling special revenue fund had original and final appropriations in excess of certified available resources of \$5,544.

Contrary to Ohio Revised Code Section 5705.41(B), the recreation special revenue fund had expenditures plus encumbrances in excess of final appropriations in Youth Basketball materials and supplies by \$45.

Contrary to Ohio Revised Code Section 5705.39, the recreation complex capital projects fund had original appropriations in excess of certified available resources of \$16,091.

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

**Note 5 – Budgetary Basis of Accounting**

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

The major differences between the budget basis and the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.
3. Investments are reported at cost (budget) rather than fair value (GAAP).
4. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
5. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
6. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP basis).

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
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The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and for the three major special revenue funds.

	Net Change in Fund Balance			
	General	Fire Department	Street Construction, Maintenance and Repair	Police
GAAP Basis	(\$338,461)	(\$119,825)	\$108,365	\$255,377
Net Adjustment for Revenue Accruals	8,250,609	94,876	28,044	(77,866)
Unrecorded Cash Beginning of Year	23,495	35,061	12	0
Unrecorded Cash End of Year	(10,050)	(47,669)	(113)	0
Beginning Fair Value Adjustment for Investments	(38,821)	0	0	0
Ending Fair Value Adjustment for Investments	32,664	0	0	0
Net Adjustment for Expenditure Accruals	(8,384,094)	(51,800)	25,196	(121,214)
Advances Out	(25,000)	0	0	0
Encumbrances	(62,360)	(38,371)	(94,547)	(55,142)
Budget Basis	<u>(\$552,018)</u>	<u>(\$127,728)</u>	<u>\$66,957</u>	<u>\$1,155</u>

**Note 6 – Deposits and Investments**

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

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

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

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

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

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

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

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

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

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

### **Deposits**

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

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2015*

At year-end, the carrying amount of the City's deposits was \$17,106,593 and the bank balance was \$17,504,066. Of the uninsured bank balance of \$7,979,081, all was collateralized with securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**Investments**

Investments are reported at fair value. As of December 31, 2015, the City had the following investments:

Investment	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-2	2-3	3-5
Federal Home Loan Mortgage Corporation Notes	\$1,981,620	\$0	\$994,140	\$0	\$987,480
Federal Home Loan Bank Notes	993,500	0	0	0	993,500
Federal Farm Credit Bank Notes	995,180	0	0	995,180	0
Federal National Mortgage Association Notes	1,001,430	0	1,001,430	0	0
Municipal Notes	1,759,695	1,759,695	0	0	0
<b>Total</b>	<b>\$6,731,425</b>	<b>\$1,759,695</b>	<b>\$1,995,570</b>	<b>\$995,180</b>	<b>\$1,980,980</b>

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

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

**Concentration of Credit Risk** The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2015:

Investment	Percentage of Investments
Federal Home Loan Mortgage Corporation Notes	29.44 %
Federal Home Loan Bank Notes	14.76
Federal Farm Credit Banks Notes	14.78
Federal National Mortgage Association Notes	14.88
Municipal Notes	26.14
<b>Total</b>	<b>100.00 %</b>

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2015*

**Note 7 – Fund Balances**

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

Fund Balances	General	Fire Department	Street Construction, Maintenance and Repair	Police	General Obligation Bond Retirement
<u>Nonspendable:</u>					
Inventory	\$0	\$28,875	\$146,095	\$51,306	\$0
Prepays	33,465	20,500	6,500	25,500	0
Interfund Loans	144,000	0	0	0	0
Unclaimed Funds	11,620	0	0	0	0
<i>Total Nonspendable</i>	<u>189,085</u>	<u>49,375</u>	<u>152,595</u>	<u>76,806</u>	<u>0</u>
<u>Restricted for:</u>					
Fire Department	0	1,207,368	0	0	0
Street Maintenance	0	0	487,628	0	0
Police	0	0	0	405,729	0
Debt Retirement	0	0	0	0	153,061
Recycling	0	0	0	0	0
Mayor's Court	0	0	0	0	0
Park Operating	0	0	0	0	0
Equipment	0	0	0	0	0
<i>Total Restricted</i>	<u>0</u>	<u>1,207,368</u>	<u>487,628</u>	<u>405,729</u>	<u>153,061</u>
<u>Committed to:</u>					
Street Maintenance	0	0	0	0	0
Recreation	0	0	0	0	0
Stadium Marquee	0	0	0	0	0
K-9 and Memorial Programs	0	0	0	0	0
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Assigned to:</u>					
2016 Appropriations	1,140,767	0	0	0	0
City Administration	29,156	0	0	0	0
Engineering	5,052	0	0	0	0
Traffic Signalization	24,696	0	0	0	0
Street Maintenance	0	0	26,007	0	0
Storm Water and Storm Sewer	0	0	0	0	0
Roads and Bridges	0	0	0	0	0
Capital Improvements	0	0	0	0	0
French Creek Restoration	0	0	0	0	0
Sidewalk and Roads Programs	0	0	0	0	0
<i>Total Assigned</i>	<u>1,199,671</u>	<u>0</u>	<u>26,007</u>	<u>0</u>	<u>0</u>
Unassigned (Deficit)	<u>3,629,253</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Fund Balances (Deficit)</b>	<b><u>\$5,018,009</u></b>	<b><u>\$1,256,743</u></b>	<b><u>\$666,230</u></b>	<b><u>\$482,535</u></b>	<b><u>\$153,061</u></b>

(continued)

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
For the Year Ended December 31, 2015

Fund Balances	Special Assessment Bond Retirement	Municipal Swimming Pool	Road and Bridges	Other Governmental Funds	Total
<u>Nonspendable:</u>					
Inventory	\$0	\$0	\$0	\$0	\$226,276
Prepays	0	0	0	6,000	91,965
Interfund Loans	0	0	0	0	144,000
Unclaimed Funds	0	0	0	0	11,620
<i>Total Nonspendable</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,000</u>	<u>473,861</u>
<u>Restricted for:</u>					
Fire Department	0	0	0	0	1,207,368
Street Maintenance	0	0	0	332,306	819,934
Police	0	0	0	0	405,729
Debt Retirement	349,446	0	0	7,094	509,601
Recycling	0	0	0	3,488	3,488
Mayor's Court	0	0	0	83,304	83,304
Park Operating	0	0	0	295,305	295,305
Equipment	0	0	0	1,050,818	1,050,818
<i>Total Restricted</i>	<u>349,446</u>	<u>0</u>	<u>0</u>	<u>1,772,315</u>	<u>4,375,547</u>
<u>Committed to:</u>					
Street Maintenance	0	0	0	16	16
Recreation	0	0	0	673,714	673,714
Stadium Marquee	0	0	0	30,606	30,606
K-9 and Memorial Programs	0	0	0	16,863	16,863
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>721,199</u>	<u>721,199</u>
<u>Assigned to:</u>					
2016 Appropriations	0	0	0	0	1,140,767
City Administration	0	0	0	0	29,156
Engineering	0	0	0	0	5,052
Traffic Signalization	0	0	0	0	24,696
Street Maintenance	0	0	0	0	26,007
Storm Water and Storm Sewer	0	0	0	240,799	240,799
Roads and Bridges	0	0	64,614	0	64,614
Capital Improvements	0	0	0	10,374	10,374
French Creek Restoration	0	0	0	4,120	4,120
Sidewalk and Roads Programs	0	0	0	17,033	17,033
<i>Total Assigned</i>	<u>0</u>	<u>0</u>	<u>64,614</u>	<u>272,326</u>	<u>1,562,618</u>
Unassigned (Deficit)	<u>0</u>	<u>(5,309,748)</u>	<u>0</u>	<u>(2,788,423)</u>	<u>(4,468,918)</u>
<b>Total Fund Balances (Deficit)</b>	<u><u>\$349,446</u></u>	<u><u>(\$5,309,748)</u></u>	<u><u>\$64,614</u></u>	<u><u>(\$16,583)</u></u>	<u><u>\$2,664,307</u></u>

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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**Note 8 – Receivables**

Receivables at December 31, 2015, consisted primarily of municipal income taxes, property taxes, payment in lieu of taxes, special assessments, intergovernmental receivables arising from entitlements and shared revenues and accounts (billings for user charged services and court fines).

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

Special assessments expected to be collected in more than one year amount to \$7,767,365 in the special assessment bond retirement fund. The amount of delinquent special assessments outstanding at year-end is \$80,259.

***Property Taxes***

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2015 for real and public utility property taxes represents collections of 2014 taxes.

2015 real property taxes were levied after October 1, 2015, on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2015 real property taxes are collected in and intended to finance 2016.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2015 public utility property taxes which became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2016 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2015, was \$9.15 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2015 property tax receipts were based are as follows:

	Assessed Values
Real Property	
Residential/Agricultural	\$573,754,960
Commercial Industrial/Public Utility	168,064,920
Public Utility Property	<u>13,371,550</u>
Total Valuation	<u><u>\$755,191,430</u></u>

The Lorain County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Avon. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2015, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2015 operations is offset to deferred inflows of resources-property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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***Income Tax***

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

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

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

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

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

***Intergovernmental Receivables***

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

	<u>Amount</u>
ODOT Grant	\$618,429
Gasoline Tax	374,894
Homestead and Rollback	259,186
Local Government	100,539
Motor Vehicle Registration	86,734
Permissive Tax	59,908
ODNR Grant	33,333
Total	<u><u>\$1,533,023</u></u>

**City of Avon, Ohio**  
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For the Year Ended December 31, 2015

**Note 9 – Capital Assets**

Capital asset activity for the year ended December 31, 2015, was as follows:

	Balance 12/31/14	Additions	Deletions	Transfers	Balance 12/31/15
<b>Governmental Activities:</b>					
<i>Capital Assets, Not Being Depreciated:</i>					
Land	\$5,951,955	\$0	\$0	\$0	\$5,951,955
<i>Capital Assets, Being Depreciated:</i>					
Land Improvements	1,082,713	72,148	0	0	1,154,861
Buildings and Improvements	45,014,325	5,368,083	0	0	50,382,408
Machinery and Equipment	3,478,912	324,674	(24,651)	0	3,778,935
Vehicles	4,754,060	305,564	(107,260)	29,171	4,981,535
Infrastructure:					
Park Improvements	1,158,693	0	0	0	1,158,693
Streets	61,754,938	4,224,829	0	0	65,979,767
Bridges and Culverts	3,048,256	19,435	0	0	3,067,691
Traffic Signals	4,080,539	762,332	0	0	4,842,871
Storm Sewer	24,854,900	1,925,277	0	0	26,780,177
Water Lines	2,552,359	2,364,031	0	0	4,916,390
<i>Total Capital Assets, Being Depreciated</i>	<u>151,779,695</u>	<u>15,366,373</u>	<u>(131,911)</u>	<u>29,171</u>	<u>167,043,328</u>
Less Accumulated Depreciation:					
Land Improvements	(703,709)	(85,112)	0	0	(788,821)
Buildings and Improvements	(6,147,430)	(1,011,466)	0	0	(7,158,896)
Machinery and Equipment	(1,438,966)	(319,625)	11,504	0	(1,747,087)
Vehicles	(2,650,676)	(429,911)	89,219	(29,171)	(3,020,539)
Infrastructure:					
Park Improvements	(460,096)	(38,623)	0	0	(498,719)
Streets	(34,601,513)	(2,213,439)	0	0	(36,814,952)
Bridges and Culverts	(624,660)	(74,447)	0	0	(699,107)
Traffic Signals	(1,444,356)	(237,712)	0	0	(1,682,068)
Storm Sewer	(6,613,462)	(640,124)	0	0	(7,253,586)
Water Lines	(549,158)	(87,287)	0	0	(636,445)
<i>Total Accumulated Depreciation</i>	<u>(55,234,026)</u>	<u>(5,137,746) *</u>	<u>100,723</u>	<u>(29,171)</u>	<u>(60,300,220)</u>
Total Capital Assets, Being Depreciated, Net	<u>96,545,669</u>	<u>10,228,627</u>	<u>(31,188)</u>	<u>0</u>	<u>106,743,108</u>
Governmental Activities Capital Assets, Net	<u>\$102,497,624</u>	<u>\$10,228,627</u>	<u>(\$31,188)</u>	<u>\$0</u>	<u>\$112,695,063</u>

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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

General Government	\$750,685
Security of Persons and Property	610,522
Transportation	2,788,465
Community Environment	16,702
Basic Utility Services	727,411
Leisure Time Activities	<u>243,961</u>
<b>Total Depreciation Expense</b>	<b><u><u>\$5,137,746</u></u></b>

	Balance 12/31/14	Additions	Deletions	Transfers	Balance 12/31/15
<b>Business-Type Activities:</b>					
<i>Capital Assets, Not Being Depreciated:</i>					
Land	\$7,580	\$0	\$0	\$0	\$7,580
Construction in Progress	2,644,610	3,004,124	0	0	5,648,734
<i>Total Capital Assets Not Being Depreciated</i>	<u>2,652,190</u>	<u>3,004,124</u>	<u>0</u>	<u>0</u>	<u>5,656,314</u>
<i>Capital Assets, Being Depreciated:</i>					
Land Improvements	123,496	0	0	0	123,496
Buildings and Improvements	1,712,566	16,250	0	0	1,728,816
Machinery and Equipment	315,773	85,825	0	0	401,598
Vehicles	699,551	32,200	(19,602)	(29,171)	682,978
Waterline Rights	2,024,462	0	0	0	2,024,462
Infrastructure:					
Water Lines	20,005,985	998,798	0	0	21,004,783
Sewer Lines	24,891,156	2,173,416	0	0	27,064,572
<i>Total Capital Assets, Being Depreciated</i>	<u>49,772,989</u>	<u>3,306,489</u>	<u>(19,602)</u>	<u>(29,171)</u>	<u>53,030,705</u>
Less Accumulated Depreciation:					
Land Improvements	(94,711)	(3,030)	0	0	(97,741)
Buildings and Improvements	(802,922)	(36,581)	0	0	(839,503)
Machinery and Equipment	(169,306)	(25,811)	0	0	(195,117)
Vehicles	(236,235)	(56,811)	19,602	29,171	(244,273)
Waterline Rights	(732,858)	(41,018)	0	0	(773,876)
Infrastructure:					
Water Lines	(8,343,038)	(477,802)	0	0	(8,820,840)
Sewer Lines	(8,395,548)	(807,693)	0	0	(9,203,241)
<i>Total Accumulated Depreciation</i>	<u>(18,774,618)</u>	<u>(1,448,746)</u>	<u>19,602</u>	<u>29,171</u>	<u>(20,174,591)</u>
Total Capital Assets, Being Depreciated, Net	<u>30,998,371</u>	<u>1,857,743</u>	<u>0</u>	<u>0</u>	<u>32,856,114</u>
Business-Type Activities Capital Assets, Net	<u><u>\$33,650,561</u></u>	<u><u>\$4,861,867</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$38,512,428</u></u>

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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During 2015, the City received street improvements valued at \$1,096,155, traffic signals valued at \$33,669, storm sewer improvements valued at \$707,284, and water hydrants valued at \$713,723 from developers in governmental activities. The sewer enterprise fund received sewer lines from developers valued at \$2,003,839.

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

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

## **Note 10 – Contingencies**

### ***Grants***

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

### ***Litigation***

The City is not currently a party to any legal proceedings which would have a material impact on the financial statements.

## **Note 11 – Compensated Absences**

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

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

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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

**Note 12 – Note Debt**

A summary of note transactions for the year ended December 31, 2015 follows:

	Balance 12/31/14	Additions	Deletions	Balance 12/31/15
<b>Governmental Activities:</b>				
Municipal Swimming Pool Fund	\$4,850,000	\$5,100,000	\$4,850,000	\$5,100,000
Park Development Fund	0	750,000	0	750,000
Municipal Buildings Fund	2,650,000	2,650,000	2,650,000	2,650,000
<i>Total Governmental Funds</i>	<u>\$7,500,000</u>	<u>\$8,500,000</u>	<u>\$7,500,000</u>	<u>\$8,500,000</u>
<b>Business-Type Activities:</b>				
Water Fund	<u>\$500,000</u>	<u>\$1,350,000</u>	<u>\$500,000</u>	<u>\$1,350,000</u>

In 2015, the City issued \$8,500,000 in bond anticipation notes to help finance the municipal swimming pool, park and municipal buildings projects. The notes mature on September 8, 2016, and have interest rates of 2 percent.

In 2015, the City issued \$1,350,000 in short-term bond anticipation notes to help finance water system improvements. The notes mature on February 3, 2016, and have an interest rate of 1 percent.

All notes are backed by the full faith and credit of the City and mature within one year. The note liability is reflected in the fund which received the proceeds and will repay the debt. The notes are generally issued in anticipation of long-term bond financing and refinanced until such bonds are issued. At December 31, 2015, the City had unspent proceeds of \$1,150,123 for governmental activities and \$1,350,000 for business-type activities related to the notes.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
For the Year Ended December 31, 2015

**Note 13 – Long-Term Obligations**

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

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
<b>Governmental Activities:</b>			
<i>General Obligation Bonds:</i>			
Detroit Road Park Refunding - 2006	3.45-4.25 %	\$163,000	December 1, 2016
Northgate Sewer Improvement Refunding - 2006	3.45-4.25	271,000	December 1, 2016
New City Hall Refunding - 2006	3.45-4.25	626,000	December 1, 2017
Schneider Court Improvements Serial - 2006	3.45-4.25	111,132	December 1, 2026
Various Purpose Bonds - 2008	3.00-5.25	6,910,000	December 1, 2027
Various Purpose Bonds - 2009A	4.573-5.784	4,190,000	December 1, 2023
Various Purpose Bonds - 2009B	2.00-5.00	28,700,000	December 1, 2038
YMCA Bonds - 2011	2.00-4.50	5,760,000	December 1, 2031
Refunding Bonds - 2011	1.50-4.00	604,477	December 1, 2021
Various Purpose Bonds - 2012A	1.00-3.625	2,448,725	December 1, 2037
Various Purpose Bonds - 2012B	1.00-3.50	6,591,667	December 1, 2037
Refunding Bonds - 2012C	2.00-4.00	2,535,000	December 1, 2024
Various Purpose Bonds - 2013	3.00-5.25	8,735,028	December 1, 2038
Nagel Road Interchange Bonds - 2014	1.00-4.00	5,235,000	December 1, 2039
<i>Special Assessment Bonds:</i>			
Route 83 Sewer Improvements - 1995	4.20-6.50	520,000	December 1, 2015
Schneider Court Improvements - 2006	3.45-4.25	903,868	December 1, 2026
Refunding Bonds - 2011	1.50-4.00	2,015,523	December 1, 2021
Various Purpose Bonds - 2012A	1.00-3.625	1,606,275	December 1, 2037
Various Purpose Bonds - 2012B	1.00-3.50	2,128,333	December 1, 2037
Various Purpose Bonds - 2013	3.00-5.25	3,084,972	December 1, 2038
<i>Ohio Public Works Commission Loans:</i>			
Center Road Extension - 2007	0.00	92,152	December 1, 2017
Jaycox Road/Center Improvements	0.00	145,194	December 1, 2027
Detroit Road Improvement - Phase I	0.00	97,167	December 1, 2037
Detroit Road Improvement - Phase II	0.00	32,423	December 1, 2037
Reigelsberger-Jaycox Bridge	0.00	114,014	Not Finalized
<b>Business-Type Activities:</b>			
<i>General Obligation Bonds:</i>			
Various Purpose Bonds - 2012A - Water	1.00-3.625	863,981	December 1, 2037
Various Purpose Bonds - 2012B - Water	1.00-3.50	425,000	December 1, 2037
Various Purpose Bonds - 2008 - Sewer	3.00-5.25	330,000	December 1, 2027
Various Purpose Bonds - 2012A - Sewer	1.00-3.625	2,141,257	December 1, 2037
<i>Special Assessment Bonds:</i>			
Various Purpose Bonds - 2012A - Water	1.00-3.625	297,864	December 1, 2037
Various Purpose Bonds - 2012A - Sewer	1.00-3.625	876,898	December 1, 2037
<i>Long-Term Notes:</i>			
2015 Water System Improvements - Water	1.00	7,950,000	February 3, 2016
2015-2 Water System Improvements - Water	1.00	1,500,000	April 28, 2016
2015-2 Water System Improvements - Sewer	1.00	1,500,000	April 28, 2016

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2015*

Changes in bonds and other long-term obligations of the City during 2015 were as follows:

	Principal Outstanding 12/31/14	Additions	Deletions	Principal Outstanding 12/31/15	Due Within One Year
<b>Governmental Activities:</b>					
<i>General Obligation Bonds:</i>					
Detroit Road Park Refunding - 2006	\$39,000	\$0	\$20,000	\$19,000	\$19,000
Unamortized Premium	53	0	27	26	0
Northgate Sewer Improvement Refunding - 2006	59,000	0	30,000	29,000	29,000
Unamortized Premium	87	0	43	44	0
New City Hall Refunding - 2006	202,000	0	65,000	137,000	67,000
Schneider Court Improvements - 2006 - Serial	77,189	0	4,927	72,262	6,022
Unamortized Premium	291	0	24	267	0
Various Purpose Bonds - 2008	5,101,375	0	305,414	4,795,961	310,187
Various Purpose Bonds - 2009A	2,950,000	0	270,000	2,680,000	280,000
Various Purpose Bonds - 2009B	25,020,000	0	865,000	24,155,000	895,000
Unamortized Premium	301,342	0	12,556	288,786	0
YMCA Bonds Series - 2011 - Serial	2,695,000	0	225,000	2,470,000	230,000
YMCA Bonds Series - 2011 - Term	2,420,000	0	0	2,420,000	0
Unamortized Premium	60,729	0	3,572	57,157	0
Refunding Bonds - 2011	301,481	0	79,631	221,850	81,939
Unamortized Premium	9,000	0	1,421	7,579	0
Various Purpose Bonds - 2012A	2,426,639	0	14,869	2,411,770	14,869
Unamortized Premium	191,688	0	8,334	183,354	0
Various Purpose Bonds - 2012B - Serial	6,018,635	0	79,287	5,939,348	82,891
Various Purpose Bonds - 2012B - Term	439,685	0	0	439,685	0
Unamortized Premium	141,333	0	6,145	135,188	0
Refunding Bonds - 2012C	2,385,000	0	225,000	2,160,000	230,000
Unamortized Premium	145,736	0	14,574	131,162	0
Various Purpose Bonds - 2013 - Serial	1,363,455	0	3,695	1,359,760	3,695
Various Purpose Bonds - 2013 - Term	7,367,878	0	0	7,367,878	0
Unamortized Premium	394,471	0	16,436	378,035	0
Nagel Road Interchange Bonds - 2014 - Serial	630,000	0	25,000	605,000	25,000
Nagel Road Interchange Bonds - 2014 - Term	4,605,000	0	0	4,605,000	0
Unamortized Premium	211,786	0	8,471	203,315	0
<i>Total General Obligation Bonds</i>	<u>65,557,853</u>	<u>0</u>	<u>2,284,426</u>	<u>63,273,427</u>	<u>2,274,603</u>
<i>Special Assessment Bonds:</i>					
Route 83 Sewer Improvements - 1995	45,000	0	45,000	0	0
Schneider Court Improvements - 2006	627,811	0	40,073	587,738	48,978
Refunding Bonds - 2011	1,003,519	0	265,369	738,150	273,061
Unamortized Premium	30,007	0	4,738	25,269	0
Various Purpose Bonds - 2012A	1,588,757	0	9,735	1,579,022	9,735
Various Purpose Bonds - 2012B - Serial	1,943,312	0	25,601	1,917,711	26,764
Various Purpose Bonds - 2012B - Term	141,966	0	0	141,966	0
Various Purpose Bonds - 2013 - Serial	481,545	0	1,305	480,240	1,305
Various Purpose Bonds - 2013 - Term	2,602,122	0	0	2,602,122	0
Unamortized Premium	139,319	0	5,805	133,514	0
<i>Total Special Assessment Bonds</i>	<u>\$8,603,358</u>	<u>\$0</u>	<u>\$397,626</u>	<u>\$8,205,732</u>	<u>\$359,843</u>

(continued)

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
For the Year Ended December 31, 2015

	Principal Outstanding 12/31/14	Additions	Deletions	Principal Outstanding 12/31/15	Due Within One Year
<b>Governmental Activities (continued):</b>					
<i>OPWC Loans:</i>					
Center Road Extension - 2007	\$27,645	\$0	\$9,215	\$18,430	\$9,215
Jaycox Road/Chester Improvements	105,265	0	7,260	98,005	7,259
Detroit Road Improvement - Phase I	89,394	0	3,887	85,507	3,887
Detroit Road Improvement - Phase II	30,478	0	1,297	29,181	1,297
Reigelsberger-Jaycox Bridge	114,014	0	0	114,014	0
<i>Total OPWC Loans</i>	<u>366,796</u>	<u>0</u>	<u>21,659</u>	<u>345,137</u>	<u>21,658</u>
<i>Other Long-Term Obligation:</i>					
Compensated Absences	1,771,478	70,891	114,975	1,727,394	78,462
<i>Net Pension Liability:</i>					
OPERS	3,836,808	88,663	0	3,925,471	0
OPF	13,155,740	837,654	0	13,993,394	0
<i>Total Net Pension Liability</i>	<u>16,992,548</u>	<u>926,317</u>	<u>0</u>	<u>17,918,865</u>	<u>0</u>
<i>Total Governmental Activities</i>	<u>\$93,292,033</u>	<u>\$997,208</u>	<u>\$2,818,686</u>	<u>\$91,470,555</u>	<u>\$2,734,566</u>
<b>Business-Type Activities:</b>					
<i>General Obligation Bonds:</i>					
Various Purpose Bonds - 2012A - Water	\$857,078	\$0	\$5,252	\$851,826	\$5,252
Various Purpose Bonds - 2012B - Serial - Water	388,053	0	5,112	382,941	5,345
Various Purpose Bonds - 2012B - Term - Water	28,349	0	0	28,349	0
Various Purpose Bonds - 2008 - Sewer	243,625	0	14,586	229,039	14,813
Various Purpose Bonds - 2012A - Sewer	2,122,720	0	13,007	2,109,713	13,007
<i>Total General Obligation Bonds</i>	<u>3,639,825</u>	<u>0</u>	<u>37,957</u>	<u>3,601,868</u>	<u>38,417</u>
<i>Special Assessment Bonds:</i>					
Water Various Purpose Bonds - 2012A - Water	295,657	0	1,811	293,846	1,811
Sewer Various Purpose Bonds - 2012A - Sewer	869,149	0	5,326	863,823	5,326
<i>Total Special Assessment Bonds</i>	<u>1,164,806</u>	<u>0</u>	<u>7,137</u>	<u>1,157,669</u>	<u>7,137</u>
<i>Intergovernmental Payable:</i>					
Avon Lake Waterline - 1994	725	0	725	0	0
Avon Lake Waterline - 2009	384,727	0	23,715	361,012	25,060
<i>Total Intergovernmental Payable</i>	<u>385,452</u>	<u>0</u>	<u>24,440</u>	<u>361,012</u>	<u>25,060</u>
<i>Other Long-Term Obligations:</i>					
2014 Water System Improvements Notes - Water	9,300,000	0	9,300,000	0	0
2015 Water System Improvements Notes - Water	0	7,950,000	0	7,950,000	0
2015-2 Water System Improvements Notes - Water	0	1,500,000	0	1,500,000	0
2015-2 Water System Improvements Notes - Sewer	0	1,500,000	0	1,500,000	0
Capital Lease	248,320	0	45,472	202,848	46,768
Compensated Absences	125,748	7,044	8,636	124,156	8,574
<i>Total Other Long-Term Obligations</i>	<u>9,674,068</u>	<u>10,957,044</u>	<u>9,354,108</u>	<u>11,277,004</u>	<u>55,342</u>
<i>Net Pension Liability:</i>					
OPERS - Water	338,542	7,823	0	346,365	0
OPERS - Sewer	338,542	7,823	0	346,365	0
<i>Total Net Pension Liability</i>	<u>677,084</u>	<u>15,646</u>	<u>0</u>	<u>692,730</u>	<u>0</u>
<i>Total Business-Type Activities</i>	<u>\$15,541,235</u>	<u>\$10,972,690</u>	<u>\$9,423,642</u>	<u>\$17,090,283</u>	<u>\$125,956</u>

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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General obligation bonds will be paid from the general obligation bond retirement debt service fund, with the exception of portions being paid by the street, construction, maintenance and repair and park development special revenue funds and the equipment, municipal buildings and recreation complex capital projects funds. The Ohio Public Works Commission loans will be paid from the general obligation debt service fund. General obligation bonds reported in the enterprise funds will be paid from charges for services revenue in the respective enterprise funds.

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

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

On April 12, 2006, the City issued \$1,660,000 in general obligation refunding bonds and \$1,015,000 in Schneider Court Improvement serial bonds at interest rates varying from 3.45 percent to 4.25 percent. Proceeds were used to refund \$1,565,000 of the outstanding 1996 bonds and 1997 New City Hall Bonds. As a result, \$1,565,000 of these bonds were considered defeased and the liability for the refunded bonds had been removed from the basic financial statements. The amount still outstanding at December 31, 2015 is \$189,452.

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

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

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

On May 10, 2011, the City issued \$5,760,000 in governmental general obligation bonds with a maturity date of December 1, 2031 and an interest rate of 2 to 4.5 percent. The bonds were for the YMCA construction project.

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

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

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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

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

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

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

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

On June 28, 2012, the City issued \$8,235,000 in general obligation and special assessment bonds with a maturity date of December 1, 2037 and interest rates varying from 1 to 3.625 percent. The bonds were issued for various projects in the City.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

During 1994, the City of Avon entered into a contractual agreement with the City of Avon Lake for the construction and future maintenance of a water trunk line that runs through Avon. Avon purchased waterline rights allowing residents to tap into the line. The project was financed mainly by general obligation bonds which were issued in

**City of Avon, Ohio**  
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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. This amount was recorded on Avon's books as a long-term liability in the water enterprise fund with an annual interest rate ranging from 4.3 percent to 6.5 percent. A corresponding amount was recorded as an intangible asset in the water enterprise fund. This amount will be amortized over the life of the waterline. In 2015, a final payment was made to the City of Avon Lake in the amount of \$725 from the enterprise water fund.

During 2009, the City of Avon entered into another contractual agreement with the City of Avon Lake for the construction and future maintenance of a water trunk line that runs through Avon. Avon purchased waterline rights allowing residents to tap into the line. All proceeds were received by the City of Avon Lake and the City of Avon Lake is responsible for the debt retirement and maintenance. The line will be a capital asset of the City of Avon Lake. This amount has been recorded on Avon's books as a long-term liability in the water enterprise fund. The annual interest rate of this obligation is 5.672 percent. A corresponding amount was recorded as an intangible asset in the water enterprise fund. This amount will be amortized over the life of the waterline. In 2015, \$23,715 was paid from the water enterprise fund. The total amount owed to the City of Avon Lake as of December 31, 2015, is \$361,012.

In 2015, the City issued \$7,950,000 and \$3,000,000 in bond anticipation notes to help finance water system improvements. The notes mature on February 3 and April 28, 2016, respectively, and have interest rates of 1 percent. At December 31, 2015, the City had unspent proceeds of \$4,667,406 for business-type activities related to the notes.

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

The City's overall legal debt margin was \$67,673,912 and an unvoted debt margin of \$29,914,341 at December 31, 2015. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2015 are as follows:

**Governmental Activities:**

Years	General Obligation Bonds		Special Assessment Bonds		OPWC	Total	
	Principal	Interest	Principal	Interest	Loans	Principal	Interest
2016	\$2,274,603	\$2,590,462	\$359,843	\$298,660	\$21,658	\$2,656,104	\$2,889,122
2017	2,281,579	2,523,164	284,713	288,938	21,658	2,587,950	2,812,102
2018	2,277,972	2,451,877	242,405	280,458	12,444	2,532,821	2,732,335
2019	2,515,407	2,376,380	191,351	271,682	12,443	2,719,201	2,648,062
2020	2,599,814	2,285,588	165,637	265,886	12,444	2,777,895	2,551,474
2021-2025	15,144,429	9,537,804	1,324,845	1,238,649	62,217	16,531,491	10,776,453
2026-2030	14,812,051	6,075,224	2,022,176	918,969	51,323	16,885,550	6,994,193
2031-2035	12,127,939	3,245,769	2,226,932	501,459	25,917	14,380,788	3,747,228
2036-2039	7,854,720	705,227	1,229,047	88,045	11,019	9,094,786	793,272
Total	<u>\$61,888,514</u>	<u>\$31,791,495</u>	<u>\$8,046,949</u>	<u>\$4,152,746</u>	<u>\$231,123</u>	<u>\$70,166,586</u>	<u>\$35,944,241</u>

**City of Avon, Ohio**  
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***Business-Type Activities:***

Years	General Obligation Bonds		Special Assessment Bonds		Avon Lake		Total Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$38,417	\$121,060	\$7,137	\$38,081	\$25,060	\$20,528	\$70,614	\$179,669
2017	48,003	120,179	10,705	37,973	26,481	19,106	85,189	177,258
2018	48,919	119,082	10,705	37,799	27,983	17,604	87,607	174,485
2019	58,969	117,785	14,273	37,585	29,570	16,017	102,812	171,387
2020	67,421	116,072	17,128	37,300	31,247	14,340	115,796	167,712
2021-2025	655,895	537,695	189,831	176,773	184,921	43,016	1,030,647	757,484
2026-2030	1,082,516	377,219	353,257	129,130	35,750	12,731	1,471,523	519,080
2031-2035	1,126,190	192,802	388,939	67,032	0	0	1,515,129	259,834
2036-2039	475,538	25,785	165,694	8,824	0	0	641,232	34,609
Total	<u>\$3,601,868</u>	<u>\$1,727,679</u>	<u>\$1,157,669</u>	<u>\$570,497</u>	<u>\$361,012</u>	<u>\$143,342</u>	<u>\$5,120,549</u>	<u>\$2,441,518</u>

The capital lease will be paid from the sewer enterprise fund. Compensated absences will be paid from the general fund, the fire department special revenue fund, the street construction, maintenance and repair special revenue fund, the police special revenue fund, the park operating special revenue fund, and the water and sewer enterprise funds. The City pays obligations related to employee compensation from the fund benefitting from their service.

**Note 14 – Risk Management**

***Property and Liability***

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2015, the City negotiated with Custis Insurance Company for commercial insurance coverage relating to general liability, police professional, public officials, employment practices liability, property, fire, auto and employee bonds and public official bonds.

This coverage includes a \$1,000,000/\$3,000,000 general liability policy, a \$1,000,000/\$3,000,000 employee benefits liability coverage policy, a \$1,000,000 public officials liability coverage policy, a \$1,000,000 employment practices liability, a \$500,000 crime coverage policy, a \$500,000 EDP policy, a \$66,754,997 blanket building and contents policy, inland marine coverage of \$4,438,160 all with \$1,000 deductibles, a \$1,000,000 vehicle policy and a \$9,000,000 excess umbrella policy.

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

***Workers' Compensation***

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

**City of Avon, Ohio**  
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*For the Year Ended December 31, 2015*

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***Employee Insurance Benefits***

Prior to January 1, 2014, the City participated in the Lorain County Health Care Program, which is a shared risk pool that provided insurance benefits for the employees of the City. Effective January 1, 2015, the City was fully insured with Aetna for medical and prescription drugs and with Delta Dental and Anthem Vision. Employees who choose to enroll are enrolled in all three plans. Enrolled individuals pay monthly premiums of \$136.06 for single coverage and \$366.12 for family coverage.

**Note 15 – Jointly Governed Organizations**

***Lorain County General Health District***

The City participates in the Lorain County General Health District (Health District), a jointly governed organization, which provides health services to the citizens within the Health District. The Health District is governed by the Board of Health which represents the area served by the Health District and oversees the operation of the Health District. The Health District's Board exercises total control over the operations of the organization including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Board. The Board of Health members are appointed to staggered five-year terms. One member is appointed by the City of North Ridgeville, one member is jointly appointed by the cities of Avon and Sheffield Lake and one member is appointed jointly by the cities of Amherst and Oberlin. The remaining five members are appointed by the various mayors of villages, chairmen of the township trustees and the County Commissioners. The City contributed \$104,471 during 2015 for the operation of the Health District. Financial information can be obtained by contacting the Lorain County General Health District, 9880 S. Murray Ridge Road, Elyria, Ohio, 44035.

***Northeast Ohio Public Energy Council***

The City is a member of The Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC's Board exercises total control over the operations of the organization including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Board. NOPEC is currently comprised of over 200 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Avon did not contribute to NOPEC during 2015. Financial information can be obtained by contacting Ron McVoy, Board Chairman, 31320 Solon Road, Suite 20 Solon, Ohio 44139 or at the website [www.nopecinfo.org](http://www.nopecinfo.org).

**City of Avon, Ohio**  
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**Note 16 – Interfund Transfers and Balances**

***Interfund Transfers***

Transfers are primarily from the general fund to various funds within the City. The general fund transferred funds to help finance the various programs accounted for in other special revenue funds and to provide start-up funds for new capital projects funds established by Council. Funds from the general fund are also transferred to the police fund to cover the shortfall of income tax collections and to cover the cost of street improvement projects within the capital improvements fund.

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

Transfers made during the year ended December 31, 2015, were as follows:

<b>Transfers To</b>	<b>Transfers From</b>			<b>Total</b>
	General	Road and Bridges	Other Governmental Funds	
Street Construction, Maintenance and Repair	\$0	\$0	\$325,000	\$325,000
Police	3,350,000	0	0	3,350,000
General Obligation Bond Retirement	1,725,000	0	0	1,725,000
Municipal Swimming Pool	175,000	0	0	175,000
Road and Bridges	2,160,408	0	0	2,160,408
Other Governmental Funds	350,000	228,192	396,698	974,890
<b>Total</b>	<b>\$7,760,408</b>	<b>\$228,192</b>	<b>\$721,698</b>	<b>\$8,710,298</b>

***Interfund Balances***

On the fund financial statements interfund balances at December 31, 2015, were:

	Receivables		Payable	
	Manuscript Bonds	Advances To Other Funds	Manuscript Bonds	Advances From Other Funds
General	\$153,000	\$1,558,100	\$0	\$0
Municipal Swimming Pool	0	0	0	279,180
Road and Bridges	0	0	0	885,600
Other Governmental Funds	0	279,180	0	672,500
Water	0	0	153,000	0
<b>Total</b>	<b>\$153,000</b>	<b>\$1,837,280</b>	<b>\$153,000</b>	<b>\$1,837,280</b>

The general fund had \$1,558,100 interfund receivable due to the timing of the receipt of grant monies. Once the grant monies are received, the interfund balances are anticipated to be repaid within one year. The other governmental funds interfund receivable is due to the recreation complex fund advancing monies to the municipal swimming pool fund for preliminary costs associated with building a pool.

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The Jaycox Road Watermain Improvement interfund balance of \$153,000 represents a manuscript bond that was issued on September 2, 2008, at 5.10 percent. This bond matures on December 1, 2028 and was used for the purpose of the cost of construction of a watermain extension on Jaycox Road. A repayment schedule for the remaining outstanding balance is as follows:

Years	Jaycox Road Watermain Improvement		
	Principal	Interest	Total
2016	\$9,000	\$7,185	\$16,185
2017	9,000	7,185	16,185
2018	9,000	7,185	16,185
2019	10,000	6,185	16,185
2020	10,000	6,185	16,185
2021-2025	61,000	19,925	80,925
2026-2028	45,000	3,555	48,555
Total	\$153,000	\$57,405	\$210,405

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

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

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

During 2015, the City has pledged tap-in-fees in the amount of \$8,320 to repay the Jaycox Road Sewer Line Improvement manuscript bonds. The bonds are payable solely from and to the extent tap-in-fees are received by the City in connection with the improvement for which the bonds were issued and are payable through 2027. Currently; the City is unable to determine the amount of revenue to be collected from tap-in fees because a large portion of the land is undeveloped and it is not known who will purchase the land and when it will be connected to the sewer. Accordingly, because of such unknowns, an accurate debt repayment schedule has not been established.

**City of Avon, Ohio**  
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**Note 17 – Significant Commitments**

***Contractual Commitments***

At December 31, 2015, the various projects within the City had contractual commitments consisting of the following:

Project	Contract Amount	Amount Paid	Remaining on Contract
Mills Road Water Tower	\$7,554,826	\$6,148,918	\$1,405,908
Municipal Swimming Pool	3,176,400	3,142,409	33,991
Municipal Complex Infrastructure	2,400,812	2,059,004	341,808
Mills Road Watermain Transmission Line	1,891,991	1,463,394	428,597
2014 Road Program	859,471	615,953	243,518
Jaycox Road Improvements	717,725	291,056	426,669
Riegelsberger/Jaycox Bridge	651,222	588,195	63,027
Chester Road Relocation	523,371	434,640	88,731
Chester Road Widening	412,189	0	412,189
Elizabeth/Puth/Joseph Sewer	140,000	45,613	94,387
Nagel Road Improvements	140,000	69,981	70,019
Chester Road Widening - WalMart	75,000	68,731	6,269
Nagel South Flood Control	25,000	5,252	19,748
SR 83 and I-90 Improvements	5,000	4,865	135
<b>Total</b>	<b>\$18,573,007</b>	<b>\$14,938,011</b>	<b>\$3,634,996</b>

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

***Encumbrances***

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

General	\$62,360
Fire Department	38,371
Street Construction, Maintenance and Repair	94,547
Police	55,142
Municipal Swimming Pool	41,120
Road and Bridges	1,298,088
Other Governmental Funds	705,570
Water	4,079,514
Sewer	2,204,310
<b>Total</b>	<b>\$8,579,022</b>

**City of Avon, Ohio**  
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**Note 18 – Capital Lease**

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

The asset acquired through capital leases is as follows:

	Business-Type Activities
Asset:	
Sewer Camera Truck	\$300,869
Less: Accumulated depreciation	(45,130)
Total	\$255,739

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

	Business-Type Activities
2016	\$52,549
2017	52,549
2018	52,549
2019	60,174
Total Minimum Lease Payment	217,821
Less: Amount Representing Interest	(14,973)
Present Value of Minimum Lease Payments	\$202,848

**Note 19 – Operating Leases**

During 2008, the City entered into an operating lease with the United States Postal Service, for the period of February 1, 2008 to January 31, 2023, for the rental of the space located at 36225 Detroit Road. The terms of the lease require payment in monthly installments in the amount of \$10,833. The cost of the building was \$1,607,697. As of December 31, 2015, the accumulated depreciation is \$200,962, leaving a carrying amount of \$1,406,735.

During 2009, the City entered into an operating lease with Avon Baseball, LLC, for the period of 15 years, to be primarily used for professional baseball events located at the baseball stadium at the corner of Interstate 90 and State Route 611. Avon Baseball, LLC is responsible for all operating costs and the City will be responsible for capital item replacements. The terms of the lease require payment in annual installments in the amount of \$250,000. The cost of the building was \$13,773,746. As of December 31, 2015, the accumulated depreciation is \$1,721,718, leaving a carrying amount of \$12,052,028.

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**Note 20 – Defined Benefit Pension Plans**

***Net Pension Liability***

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others.

While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description – City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

**City of Avon, Ohio**  
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Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
<b>2015 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0
 <b>2015 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$582,381 for 2015. Of this amount, \$69,906 is reported as an intergovernmental payable.

***Plan Description – Ohio Police & Fire Pension Fund (OPF)***

Plan Description – City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member’s average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

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Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
<b>2015 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50	11.50
July 2, 2015 through December 31, 2015	12.25	12.25
 <b>2015 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
 Total Employer	<u><u>19.50 %</u></u>	<u><u>24.00 %</u></u>
 Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$1,166,859 for 2015. Of this amount \$157,023 is reported as an intergovernmental payable.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$4,618,201	\$13,993,394	\$18,611,595
Proportion of the Net Pension Liability	0.03829000%	0.27012100%	
Pension Expense	\$502,348	\$1,364,991	\$1,867,339

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At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OPF	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$246,413	\$603,102	\$849,515
City contributions subsequent to the measurement date	582,381	1,166,859	1,749,240
Total Deferred Outflows of Resources	\$828,794	\$1,769,961	\$2,598,755
<b>Deferred Inflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$81,133	\$0	\$81,133

The \$1,749,240 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	OPF	Total
Fiscal Year Ended June 30:			
2016	\$24,168	\$150,776	\$174,944
2017	24,168	150,775	174,943
2018	55,340	150,776	206,116
2019	61,604	150,775	212,379
Total	\$165,280	\$603,102	\$768,382

***Actuarial Assumptions – OPERS***

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	4.25 to 10.05 percent including wage inflation 3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

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Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	<u>100.00 %</u>	<u>5.28 %</u>

**Discount Rate** The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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***Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$8,496,168	\$4,618,201	\$1,352,020

***Actuarial Assumptions – OPF***

OPF's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented as follows:

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2014 are summarized as follows:

**City of Avon, Ohio**  
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Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
<b>Total</b>	<b>120.00 %</b>	

\* levered 2x

OPF’s Board of Trustees has incorporated the “risk parity” concept into OPF’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$19,354,981	\$13,993,394	\$9,453,760

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**Note 21 – Postemployment Benefits**

***Ohio Public Employees Retirement System***

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

OPERS maintains two cost-sharing, multiple-employer defined benefit postemployment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a health reimbursement arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml> by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, state and local employers contributed at a rate of 14 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2 percent during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2 percent for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5 percent.

**City of Avon, Ohio**  
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Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2015, 2014, and 2013 was \$97,063, \$93,886 and \$44,423, respectively. For 2015, 89.71 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

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

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

OPF provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an Other Postemployment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contribution made to the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2015, the employer contribution allocated to the health care plan was .5 percent of covered payroll. The amount of employer contribution allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OPF Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contribution to OPF which was allocated to fund postemployment health care benefits for police and firefighters was \$13,894 and \$13,593 for the year ended December 31, 2015, \$14,111 and \$13,496 for the year ended December 31, 2014, and \$97,763 and \$91,648 for the year ended December 31, 2013. For 2015, 86.54 percent has been contributed for both police and firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

**City of Avon, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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**Note 22 – Subsequent Events**

On January 27, 2016, the City issued \$4,000,000 in general obligation bond anticipation notes for the purpose of acquiring parkland and for property acquisition and utilities re-location associated with the widening of Chester Road.

On February 2, 2016, the City rolled over \$7,950,000 in water revenue notes for the purpose of constructing a 3,000,000-gallon elevated water storage tank and 16-inch water transmission line.

On February 25, 2016, the City issued \$27,045,000 in advance refunding general obligation bonds for the Series 2008 and Series 2009B various purpose bonds.

On March 17, 2016, the City issued \$2,025,000 in general obligation bond anticipation notes for the purpose of widening a portion of Chester Road.

On April 27, 2016, the City issued \$6,230,000 in general obligation bond anticipation notes for the purpose of widening a portion of Chester Road.

On April 27, 2016, the City rolled over \$3,000,000 in water revenue notes for the purpose of the installation of new water meters and related meter reading software.

The City was involved in a legal case which resulted in a settlement agreement dated February 23, 2016, whereas the City agreed to purchase property for the sum of \$2,356,345. The City made this purchase on February 24, 2016. The City intends to utilize this property for recreational purposes.

**Required Supplementary Information**

**City of Avon, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the Net Pension Liability*  
*Ohio Public Employees Retirement System - Traditional Plan*  
*Last Two Years (1)*

	2014	2013
City's Proportion of the Net Pension Liability	0.03829000%	0.03829000%
City's Proportionate Share of the Net Pension Liability	\$4,618,201	\$4,513,892
City's Covered-Employee Payroll	\$4,694,325	\$4,442,337
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	98.38%	101.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%

(1) Information prior to 2013 is not available.

Amounts presented as of the City's measurement date, which is the prior year end.

**City of Avon, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the Net Pension Liability*  
*Ohio Police and Fire Pension Fund*  
*Last Two Years (1)*

	2014	2013
City's Proportion of the Net Pension Liability	0.27012100%	0.27012100%
City's Proportionate Share of the Net Pension Liability	\$13,993,394	\$13,155,740
City's Covered-Employee Payroll	\$5,331,475	\$5,231,361
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	262.47%	251.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%

(1) Information prior to 2013 is not available.

Amounts presented as of the City's measurement date, which is the prior year end.

**City of Avon, Ohio**  
*Required Supplementary Information*  
*Schedule of City Contributions*  
*Ohio Public Employees Retirement System - Traditional Plan*  
*Last Three Years (1)*

	2015	2014	2013
Contractually Required Contribution	\$582,381	\$563,319	\$577,504
Contributions in Relation to the Contractually Required Contribution	(582,381)	(563,319)	(577,504)
Contribution Deficiency (Excess)	\$0	\$0	\$0
City Covered-Employee Payroll	\$4,853,171	\$4,694,325	\$4,442,337
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available.

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**City of Avon, Ohio**  
*Required Supplementary Information*  
*Schedule of City Contributions*  
*Ohio Police and Fire Pension Fund*  
*Last Ten Years*

	2015	2014	2013	2012
Contractually Required Contribution	\$1,166,859	\$1,130,439	\$944,826	\$721,015
Contributions in Relation to the Contractually Required Contribution	(1,166,859)	(1,130,439)	(944,826)	(721,015)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0
City Covered-Employee Payroll	\$5,497,478	\$5,331,475	\$5,231,361	\$4,824,628
Contributions as a Percentage of Covered-Employee Payroll:	21.23%	21.20%	18.06%	14.94%

2011	2010	2009	2008	2007	2006
\$701,720	\$725,609	\$617,383	\$531,603	\$476,946	\$452,781
(701,720)	(725,609)	(617,383)	(531,603)	(476,946)	(452,781)
\$0	\$0	\$0	\$0	\$0	\$0
\$4,705,906	\$4,893,590	\$4,167,635	\$3,592,954	\$3,243,515	\$3,313,642
14.91%	14.83%	14.81%	14.80%	14.70%	13.66%

## Combining and Individual Fund Statements and Schedules

### Fund Descriptions – Nonmajor Funds

#### *Nonmajor Special Revenue Funds*

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

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

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

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

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

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

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

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

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

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

#### *Nonmajor Debt Service Funds*

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

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

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

(continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**City of Avon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2015*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,735,886	\$7,094	\$2,062,704	\$3,805,684
Interfund Receivable	0	0	279,180	279,180
Intergovernmental Receivable	112,552	0	36,439	148,991
Prepaid Items	5,500	0	500	6,000
Municipal Income Taxes Receivable	149,221	0	447,663	596,884
Property Taxes Receivable	292,692	0	582,569	875,261
Payments in Lieu of Taxes Receivable	0	1,135,829	0	1,135,829
<i>Total Assets</i>	<u>\$2,295,851</u>	<u>\$1,142,923</u>	<u>\$3,409,055</u>	<u>\$6,847,829</u>
<b>Liabilities</b>				
Accounts Payable	\$25,044	\$0	\$112,241	\$137,285
Contracts Payable	1,253	0	12,502	13,755
Accrued Wages and Benefits	11,694	0	254	11,948
Interfund Payable	622,500	0	50,000	672,500
Intergovernmental Payable	12,678	0	3,026	15,704
Retainage Payable	0	0	184,359	184,359
Accrued Interest Payable	4,750	0	16,783	21,533
Notes Payable	750,000	0	2,650,000	3,400,000
<i>Total Liabilities</i>	<u>1,427,919</u>	<u>0</u>	<u>3,029,165</u>	<u>4,457,084</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	283,499	0	564,824	848,323
Payment in Lieu of Taxes	0	1,107,652	0	1,107,652
Unavailable Revenue	159,924	28,177	263,252	451,353
<i>Total Deferred Inflows of Resources</i>	<u>443,423</u>	<u>1,135,829</u>	<u>828,076</u>	<u>2,407,328</u>
<b>Fund Balances</b>				
Nonspendable	5,500	0	500	6,000
Restricted	714,403	7,094	1,050,818	1,772,315
Committed	45,193	0	676,006	721,199
Assigned	0	0	272,326	272,326
Unassigned (Deficit)	(340,587)	0	(2,447,836)	(2,788,423)
<i>Total Fund Balances</i>	<u>424,509</u>	<u>7,094</u>	<u>(448,186)</u>	<u>(16,583)</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,295,851</u>	<u>\$1,142,923</u>	<u>\$3,409,055</u>	<u>\$6,847,829</u>

**City of Avon, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2015*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property Taxes	\$281,429	\$0	\$560,699	\$842,128
Payment in Lieu of Taxes	0	1,824,012	0	1,824,012
Municipal Income Taxes	506,576	0	1,519,726	2,026,302
Charges for Services	121,758	0	316,177	437,935
Licenses and Permits	200,875	0	0	200,875
Fines and Forfeitures	7,770	0	0	7,770
Intergovernmental	255,682	0	77,212	332,894
Interest	668	0	3,110	3,778
Contributions and Donations	0	0	39,250	39,250
Rentals	0	0	416,412	416,412
Miscellaneous	8,878	0	33,418	42,296
<i>Total Revenues</i>	<u>1,383,636</u>	<u>1,824,012</u>	<u>2,966,004</u>	<u>6,173,652</u>
<b>Expenditures</b>				
Current:				
General Government	0	1,160,268	0	1,160,268
Security of Persons and Property	1,716	0	0	1,716
Transportation	259,644	0	0	259,644
Community Environment	130,138	0	0	130,138
Leisure Time Activities	1,106,334	0	0	1,106,334
Capital Outlay	0	0	3,285,411	3,285,411
Debt Service:				
Principal Retirement	108,599	112,187	774,948	995,734
Interest and Fiscal Charges	30,042	559,090	1,004,412	1,593,544
<i>Total Expenditures</i>	<u>1,636,473</u>	<u>1,831,545</u>	<u>5,064,771</u>	<u>8,532,789</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(252,837)</u>	<u>(7,533)</u>	<u>(2,098,767)</u>	<u>(2,359,137)</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	481	0	0	481
Transfers In	445,000	0	529,890	974,890
Transfers Out	0	0	(721,698)	(721,698)
<i>Total Other Financing Sources (Uses)</i>	<u>445,481</u>	<u>0</u>	<u>(191,808)</u>	<u>253,673</u>
<i>Net Change in Fund Balances</i>	192,644	(7,533)	(2,290,575)	(2,105,464)
<i>Fund Balances Beginning of Year</i>	<u>231,865</u>	<u>14,627</u>	<u>1,842,389</u>	<u>2,088,881</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$424,509</u></u>	<u><u>\$7,094</u></u>	<u><u>(\$448,186)</u></u>	<u><u>(\$16,583)</u></u>

**City of Avon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2015*

	Recycling	ADA Parking Violations	State Highway	Permissive Tax
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$3,740	\$16	\$253,123	\$61,620
Intergovernmental Receivable	0	0	34,622	59,908
Prepaid Items	0	0	0	0
Municipal Income Taxes Receivable	0	0	0	0
Property Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$3,740</u>	<u>\$16</u>	<u>\$287,745</u>	<u>\$121,528</u>
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$0	\$13,947
Contracts Payable	0	0	0	0
Accrued Wages and Benefits	217	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	35	0	0	0
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
<i>Total Liabilities</i>	<u>252</u>	<u>0</u>	<u>0</u>	<u>13,947</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	0	0	0	0
Unavailable Revenue	0	0	23,081	39,939
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>23,081</u>	<u>39,939</u>
<b>Fund Balances</b>				
Nonspendable	0	0	0	0
Restricted	3,488	0	264,664	67,642
Committed	0	16	0	0
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>3,488</u>	<u>16</u>	<u>264,664</u>	<u>67,642</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$3,740</u>	<u>\$16</u>	<u>\$287,745</u>	<u>\$121,528</u>

Mayor's Court Computer	Recreation	Park Operating	Park Development	Donations	Total Nonmajor Special Revenue Funds
\$83,304	\$29,814	\$248,238	\$1,039,168	\$16,863	\$1,735,886
0	0	18,022	0	0	112,552
0	0	5,500	0	0	5,500
0	0	149,221	0	0	149,221
0	0	292,692	0	0	292,692
<u>\$83,304</u>	<u>\$29,814</u>	<u>\$713,673</u>	<u>\$1,039,168</u>	<u>\$16,863</u>	<u>\$2,295,851</u>
\$0	\$0	\$9,845	\$1,252	\$0	\$25,044
0	0	0	1,253	0	1,253
0	1,006	10,471	0	0	11,694
0	0	0	622,500	0	622,500
0	494	12,149	0	0	12,678
0	0	0	4,750	0	4,750
0	0	0	750,000	0	750,000
<u>0</u>	<u>1,500</u>	<u>32,465</u>	<u>1,379,755</u>	<u>0</u>	<u>1,427,919</u>
0	0	283,499	0	0	283,499
0	0	96,904	0	0	159,924
<u>0</u>	<u>0</u>	<u>380,403</u>	<u>0</u>	<u>0</u>	<u>443,423</u>
0	0	5,500	0	0	5,500
83,304	0	295,305	0	0	714,403
0	28,314	0	0	16,863	45,193
0	0	0	(340,587)	0	(340,587)
<u>83,304</u>	<u>28,314</u>	<u>300,805</u>	<u>(340,587)</u>	<u>16,863</u>	<u>424,509</u>
<u>\$83,304</u>	<u>\$29,814</u>	<u>\$713,673</u>	<u>\$1,039,168</u>	<u>\$16,863</u>	<u>\$2,295,851</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, 2015*

	Recycling	ADA Parking Violations	State Highway	Permissive Tax
<b>Revenues</b>				
Property Taxes	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	0	0	70,304	113,402
Interest	0	0	668	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>70,972</u>	<u>113,402</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	0	0	0	0
Transportation	0	0	56,570	203,074
Community Environment	121,616	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>121,616</u>	<u>0</u>	<u>56,570</u>	<u>203,074</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(121,616)</u>	<u>0</u>	<u>14,402</u>	<u>(89,672)</u>
<b>Other Financing Sources</b>				
Sale of Capital Assets	0	0	0	0
Transfers In	125,000	0	0	50,000
<i>Total Other Financing Sources</i>	<u>125,000</u>	<u>0</u>	<u>0</u>	<u>50,000</u>
<i>Net Change in Fund Balances</i>	3,384	0	14,402	(39,672)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>104</u>	<u>16</u>	<u>250,262</u>	<u>107,314</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$3,488</u>	<u>\$16</u>	<u>\$264,664</u>	<u>\$67,642</u>

Mayor's Court Computer	Recreation	Park Operating	Park Development	Donations	Total Nonmajor Special Revenue Funds
\$0	\$0	\$281,429	\$0	\$0	\$281,429
0	0	506,576	0	0	506,576
0	121,758	0	0	0	121,758
0	0	15,619	185,256	0	200,875
7,770	0	0	0	0	7,770
0	0	71,976	0	0	255,682
0	0	0	0	0	668
0	817	2,029	0	6,032	8,878
<u>7,770</u>	<u>122,575</u>	<u>877,629</u>	<u>185,256</u>	<u>6,032</u>	<u>1,383,636</u>
0	0	0	0	1,716	1,716
0	0	0	0	0	259,644
8,522	0	0	0	0	130,138
0	163,490	930,543	12,301	0	1,106,334
0	0	0	108,599	0	108,599
0	0	0	30,042	0	30,042
<u>8,522</u>	<u>163,490</u>	<u>930,543</u>	<u>150,942</u>	<u>1,716</u>	<u>1,636,473</u>
<u>(752)</u>	<u>(40,915)</u>	<u>(52,914)</u>	<u>34,314</u>	<u>4,316</u>	<u>(252,837)</u>
0	0	481	0	0	481
0	35,000	225,000	0	10,000	445,000
<u>0</u>	<u>35,000</u>	<u>225,481</u>	<u>0</u>	<u>10,000</u>	<u>445,481</u>
(752)	(5,915)	172,567	34,314	14,316	192,644
<u>84,056</u>	<u>34,229</u>	<u>128,238</u>	<u>(374,901)</u>	<u>2,547</u>	<u>231,865</u>
<u>\$83,304</u>	<u>\$28,314</u>	<u>\$300,805</u>	<u>(\$340,587)</u>	<u>\$16,863</u>	<u>\$424,509</u>

**City of Avon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Debt Service Funds*  
*December 31, 2015*

	Library Bond Retirement	Tax Increment Financing	Total Nonmajor Debt Service Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$1,762	\$5,332	\$7,094
Payments in Lieu of Taxes Receivable	0	1,135,829	1,135,829
<i>Total Assets</i>	<u>\$1,762</u>	<u>\$1,141,161</u>	<u>\$1,142,923</u>
<b>Deferred Inflows of Resources</b>			
Payment in Lieu of Taxes	\$0	\$1,107,652	\$1,107,652
Unavailable Revenue	0	28,177	28,177
<i>Total Deferred Inflows of Resources</i>	0	1,135,829	1,135,829
<b>Fund Balances</b>			
Restricted	1,762	5,332	7,094
<i>Total Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,762</u>	<u>\$1,141,161</u>	<u>\$1,142,923</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, 2015*

	Library Bond Retirement	Tax Increment Financing	Total Nonmajor Debt Service Funds
<b>Revenues</b>			
Payment in Lieu of Taxes	\$0	\$1,824,012	\$1,824,012
<b>Expenditures</b>			
Current:			
General Government	0	1,160,268	1,160,268
Debt Service:			
Principal Retirement	0	112,187	112,187
Interest and Fiscal Charges	0	559,090	559,090
<i>Total Expenditures</i>	0	1,831,545	1,831,545
<i>Net Change in Fund Balances</i>	0	(7,533)	(7,533)
<i>Fund Balances Beginning of Year</i>	1,762	12,865	14,627
<i>Fund Balances End of Year</i>	\$1,762	\$5,332	\$7,094

**City of Avon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2015*

	Equipment	Storm Water Detention	Land Purchases	French Creek Restoration	Sidewalk Programs
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$1,088,801	\$132,182	\$4,284	\$4,120	\$21,847
Interfund Receivable	0	0	0	0	0
Intergovernmental Receivable	36,439	0	0	0	0
Prepaid Items	0	0	0	0	0
Municipal Income Taxes Receivable	0	0	0	0	0
Property Taxes Receivable	582,569	0	0	0	0
<i>Total Assets</i>	<u>\$1,707,809</u>	<u>\$132,182</u>	<u>\$4,284</u>	<u>\$4,120</u>	<u>\$21,847</u>
<b>Liabilities</b>					
Accounts Payable	\$37,983	\$0	\$6,995	\$0	\$0
Contracts Payable	0	4,896	0	0	4,814
Accrued Wages and Benefits	0	0	0	0	0
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Retainage Payable	0	0	0	0	0
Accrued Interest Payable	0	0	0	0	0
Notes Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>37,983</u>	<u>4,896</u>	<u>6,995</u>	<u>0</u>	<u>4,814</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes	564,824	0	0	0	0
Unavailable Revenue	54,184	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>619,008</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>					
Nonspendable	0	0	0	0	0
Restricted	1,050,818	0	0	0	0
Committed	0	0	0	0	0
Assigned	0	127,286	0	4,120	17,033
Unassigned (Deficit)	0	0	(2,711)	0	0
<i>Total Fund Balances (Deficit)</i>	<u>1,050,818</u>	<u>127,286</u>	<u>(2,711)</u>	<u>4,120</u>	<u>17,033</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,707,809</u>	<u>\$132,182</u>	<u>\$4,284</u>	<u>\$4,120</u>	<u>\$21,847</u>

Storm Sewers	Municipal Buildings	I-90 Interchange	Recreation Complex	Stadium Marquee	Capital Improvements	Total Nonmajor Capital Projects Funds
\$116,305	\$492,799	\$33,761	\$127,625	\$30,606	\$10,374	\$2,062,704
0	0	0	279,180	0	0	279,180
0	0	0	0	0	0	36,439
0	500	0	0	0	0	500
0	0	0	447,663	0	0	447,663
0	0	0	0	0	0	582,569
<u>\$116,305</u>	<u>\$493,299</u>	<u>\$33,761</u>	<u>\$854,468</u>	<u>\$30,606</u>	<u>\$10,374</u>	<u>\$3,409,055</u>
\$0	\$67,263	\$0	\$0	\$0	\$0	\$112,241
2,792	0	0	0	0	0	12,502
0	254	0	0	0	0	254
0	0	50,000	0	0	0	50,000
0	3,026	0	0	0	0	3,026
0	184,359	0	0	0	0	184,359
0	16,783	0	0	0	0	16,783
0	2,650,000	0	0	0	0	2,650,000
<u>2,792</u>	<u>2,921,685</u>	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,029,165</u>
0	0	0	0	0	0	564,824
0	0	0	209,068	0	0	263,252
<u>0</u>	<u>0</u>	<u>0</u>	<u>209,068</u>	<u>0</u>	<u>0</u>	<u>828,076</u>
0	500	0	0	0	0	500
0	0	0	0	0	0	1,050,818
0	0	0	645,400	30,606	0	676,006
113,513	0	0	0	0	10,374	272,326
0	(2,428,886)	(16,239)	0	0	0	(2,447,836)
<u>113,513</u>	<u>(2,428,386)</u>	<u>(16,239)</u>	<u>645,400</u>	<u>30,606</u>	<u>10,374</u>	<u>(448,186)</u>
<u>\$116,305</u>	<u>\$493,299</u>	<u>\$33,761</u>	<u>\$854,468</u>	<u>\$30,606</u>	<u>\$10,374</u>	<u>\$3,409,055</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, 2015*

	Equipment	Storm Water Detention	Land Purchases	French Creek Restoration	Sidewalk Programs
<b>Revenues</b>					
Property Taxes	\$560,699	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0	0
Charges for Services	0	139,941	0	0	0
Intergovernmental	75,799	0	0	0	1,413
Interest	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Rentals	0	0	0	0	0
Miscellaneous	960	0	0	0	4,931
<i>Total Revenues</i>	<u>637,458</u>	<u>139,941</u>	<u>0</u>	<u>0</u>	<u>6,344</u>
<b>Expenditures</b>					
Capital Outlay	618,762	103,985	122,711	0	51,259
Debt Service:					
Principal Retirement	99,448	0	0	0	0
Interest and Fiscal Charges	77,028	0	0	0	0
<i>Total Expenditures</i>	<u>795,238</u>	<u>103,985</u>	<u>122,711</u>	<u>0</u>	<u>51,259</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(157,780)</u>	<u>35,956</u>	<u>(122,711)</u>	<u>0</u>	<u>(44,915)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	0	120,000	0	50,000
Transfers Out	0	0	(6,651)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>113,349</u>	<u>0</u>	<u>50,000</u>
<i>Net Change in Fund Balances</i>	<u>(157,780)</u>	<u>35,956</u>	<u>(9,362)</u>	<u>0</u>	<u>5,085</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,208,598</u>	<u>91,330</u>	<u>6,651</u>	<u>4,120</u>	<u>11,948</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$1,050,818</u></u>	<u><u>\$127,286</u></u>	<u><u>(\$2,711)</u></u>	<u><u>\$4,120</u></u>	<u><u>\$17,033</u></u>

Storm Sewers	Municipal Buildings	I-90 Interchange	Recreation Complex	Stadium Marquee	Capital Improvements	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$560,699
0	0	0	1,519,726	0	0	1,519,726
0	176,236	0	0	0	0	316,177
0	0	0	0	0	0	77,212
0	3,110	0	0	0	0	3,110
0	39,250	0	0	0	0	39,250
0	416,412	0	0	0	0	416,412
0	27,527	0	0	0	0	33,418
0	662,535	0	1,519,726	0	0	2,966,004
23,929	2,295,606	5,322	63,837	0	0	3,285,411
0	270,000	0	405,500	0	0	774,948
0	144,989	0	782,395	0	0	1,004,412
23,929	2,710,595	5,322	1,251,732	0	0	5,064,771
(23,929)	(2,048,060)	(5,322)	267,994	0	0	(2,098,767)
50,000	50,000	0	0	25,000	234,890	529,890
0	(47)	(325,000)	(175,000)	0	(215,000)	(721,698)
50,000	49,953	(325,000)	(175,000)	25,000	19,890	(191,808)
26,071	(1,998,107)	(330,322)	92,994	25,000	19,890	(2,290,575)
87,442	(430,279)	314,083	552,406	5,606	(9,516)	1,842,389
\$113,513	(\$2,428,386)	(\$16,239)	\$645,400	\$30,606	\$10,374	(\$448,186)

### ***Fiduciary Funds***

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

### ***Agency Funds***

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

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

***Avon Visitors Bureau*** – This fund accounts for the collection of a hotel/motel tax in the amount of 3 percent of gross receipts. These funds will be used solely in the operation of a Visitors Bureau.

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

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

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

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

**City of Avon, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2015*

	Beginning Balance 12/31/14	Additions	Deductions	Ending Balance 12/31/15
<b>Deposits</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$630,850	\$1,119,083	\$1,070,109	\$679,824
<b>Liabilities</b>				
Deposits Held and Due to Others	\$630,850	\$1,119,083	\$1,070,109	\$679,824
 <b>Lorain Public Library</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$441,279	\$441,279	\$0
<b>Liabilities</b>				
Intergovernmental Payable	\$0	\$441,279	\$441,279	\$0
 <b>Avon Visitors Bureau</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$140,105	\$0	\$140,105
<b>Liabilities</b>				
Deposits Held and Due to Others	\$0	\$140,105	\$0	\$140,105
 <b>Avon Lake Sanitary Sewer Trunk Fees</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$182,052	\$315,804	\$179,316	\$318,540
<b>Liabilities</b>				
Deposits Held and Due to Others	\$182,052	\$315,804	\$179,316	\$318,540

(continued)

**City of Avon, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds (continued)*  
*For the Year Ended December 31, 2015*

	Beginning Balance 12/31/14	Additions	Deductions	Ending Balance 12/31/15
<b>Clearing Fund</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$3,211	\$408,992	\$408,269	\$3,934
<b>Liabilities</b>				
Deposits Held and Due to Others	\$3,211	\$408,992	\$408,269	\$3,934
<b>Subdivisions</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,496,711	\$1,117,005	\$612,710	\$2,001,006
<b>Liabilities</b>				
Deposits Held and Due to Others	\$1,496,711	\$1,117,005	\$612,710	\$2,001,006
<b>Mayor's Court</b>				
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	\$0	\$243,912	\$243,912	\$0
<b>Liabilities</b>				
Deposits Held and Due to Others	\$0	\$243,912	\$243,912	\$0
<b>Total - All Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,312,824	\$3,542,268	\$2,711,683	\$3,143,409
Cash and Cash Equivalents in Segregated Accounts	0	243,912	243,912	0
<b>Total Assets</b>	<b>\$2,312,824</b>	<b>\$3,786,180</b>	<b>\$2,955,595</b>	<b>\$3,143,409</b>
<b>Liabilities</b>				
Deposits Held and Due to Others	\$2,312,824	\$3,344,901	\$2,514,316	\$3,143,409
Intergovernmental Payable	0	441,279	441,279	0
<b>Total Liabilities</b>	<b>\$2,312,824</b>	<b>\$3,786,180</b>	<b>\$2,955,595</b>	<b>\$3,143,409</b>

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

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property Taxes	\$1,340,876	\$1,540,782	\$1,540,782	\$0
Municipal Income Taxes	6,891,971	7,919,469	7,919,469	0
Charges for Services	311,259	357,663	361,465	3,802
Licenses and Permits	1,537,864	1,767,138	1,772,096	4,958
Fines and Forfeitures	226,680	260,475	262,017	1,542
Intergovernmental	695,939	799,694	774,143	(25,551)
Interest	58,989	67,783	67,783	0
Contributions and Donations	223	225	225	0
Rentals	7,521	7,593	8,142	549
Miscellaneous	167,832	192,357	192,249	(108)
<i>Total Revenues</i>	<u>11,239,154</u>	<u>12,913,179</u>	<u>12,898,371</u>	<u>(14,808)</u>
<b>Expenditures</b>				
Current:				
General Government:				
Mayor:				
Personal Services	135,960	265,211	257,604	7,607
Materials and Supplies	5,264	10,269	6,266	4,003
Contractual Services	61,730	120,415	86,063	34,352
<b>Total Mayor</b>	<u>202,954</u>	<u>395,895</u>	<u>349,933</u>	<u>45,962</u>
Finance:				
Personal Services	300,362	585,906	469,070	116,836
Materials and Supplies	8,324	16,237	12,944	3,293
Contractual Services	68,897	134,277	116,811	17,466
Capital Outlay	10,253	20,000	14,354	5,646
<b>Total Finance</b>	<u>387,836</u>	<u>756,420</u>	<u>613,179</u>	<u>143,241</u>
Treasurer:				
Personal Services	10,049	19,602	19,599	3
Materials and Supplies	1,035	2,019	1,214	805
Contractual Services	113	221	170	51
<b>Total Treasurer</b>	<u>11,197</u>	<u>21,842</u>	<u>20,983</u>	<u>859</u>
Law Director:				
Personal Services	87,344	170,380	165,495	4,885
Materials and Supplies	1,822	3,555	2,738	817
Contractual Services	163,020	318,000	299,797	18,203
<b>Total Law Director</b>	<u>\$252,186</u>	<u>\$491,935</u>	<u>\$468,030</u>	<u>\$23,905</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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Council:</b>				
Personal Services	\$104,339	\$203,532	\$191,637	\$11,895
Materials and Supplies	7,797	15,210	6,319	8,891
Contractual Services	17,419	33,978	18,307	15,671
<b>Total Council</b>	<b>129,555</b>	<b>252,720</b>	<b>216,263</b>	<b>36,457</b>
<b>City Hall:</b>				
Personal Services	13,844	27,006	25,192	1,814
Materials and Supplies	42,929	83,741	76,163	7,578
Contractual Services	209,674	409,006	348,450	60,556
Capital Outlay	16,240	31,679	30,072	1,607
Other	4,614	9,000	2,801	6,199
<b>Total City Hall</b>	<b>287,301</b>	<b>560,432</b>	<b>482,678</b>	<b>77,754</b>
<b>Civil Service</b>				
Personal Services	2,667	5,203	4,353	850
Materials and Supplies	51	100	0	100
Contractual Services	7,690	15,000	8,772	6,228
Other	82	160	20	140
<b>Total Civil Service</b>	<b>10,490</b>	<b>20,463</b>	<b>13,145</b>	<b>7,318</b>
<b>Records:</b>				
Personal Services	4,853	9,467	8,226	1,241
Materials and Supplies	1,025	2,000	0	2,000
Contractual Services	513	1,000	0	1,000
<b>Total Records</b>	<b>6,391</b>	<b>12,467</b>	<b>8,226</b>	<b>4,241</b>
<b>Statutory Accounts:</b>				
Personal Services	76,313	148,861	148,861	0
Contractual Services	150,973	294,500	246,039	48,461
<b>Total Statutory Accounts</b>	<b>227,286</b>	<b>443,361</b>	<b>394,900</b>	<b>48,461</b>
<b>Legal:</b>				
Personal Services	1,893	3,692	3,377	315
Materials and Supplies	51	100	0	100
Contractual Services	103	200	200	0
<b>Total Legal</b>	<b>\$2,047</b>	<b>\$3,992</b>	<b>\$3,577</b>	<b>\$415</b>

(continued)

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2015*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Engineer:				
Personal Services	\$93,562	\$182,510	\$104,325	\$78,185
Materials and Supplies	1,648	3,214	1,362	1,852
Contractual Services	299,304	583,845	534,721	49,124
Capital Outlay	15,379	30,000	20,000	10,000
<b>Total Engineer</b>	<b>409,893</b>	<b>799,569</b>	<b>660,408</b>	<b>139,161</b>
Human Resources:				
Personal Services	45,658	89,064	67,670	21,394
Materials and Supplies	641	1,250	155	1,095
Contractual Services	4,357	8,500	1,105	7,395
<b>Total Human Resources</b>	<b>50,656</b>	<b>98,814</b>	<b>68,930</b>	<b>29,884</b>
Grant Coordinator:				
Contractual Services	12,816	25,000	11,000	14,000
Project Coordinator:				
Personal Services	27,750	54,131	54,111	20
Materials and Supplies	1,025	2,000	0	2,000
Contractual Services	1,025	2,000	0	2,000
<b>Total Project Coordinator</b>	<b>29,800</b>	<b>58,131</b>	<b>54,111</b>	<b>4,020</b>
Income Tax Department:				
Contractual Services	136,375	266,024	253,288	12,736
<b>Total General Government</b>	<b>2,156,783</b>	<b>4,207,065</b>	<b>3,618,651</b>	<b>588,414</b>
Community Environment:				
Avon Seniors:				
Personal Services	211,524	211,524	193,884	17,640
Materials and Supplies	30,599	30,599	15,620	14,979
Contractual Services	42,361	42,361	34,334	8,027
Capital Outlay	50,281	50,281	36,967	13,314
Other	100	100	0	100
<b>Total Avon Seniors</b>	<b>334,865</b>	<b>334,865</b>	<b>280,805</b>	<b>54,060</b>
Planning Commission:				
Personal Services	134,268	261,914	216,662	45,252
Materials and Supplies	3,385	6,603	3,967	2,636
Contractual Services	32,540	63,474	16,634	46,840
Other	513	1,000	310	690
<b>Total Planning Commission</b>	<b>\$170,706</b>	<b>\$332,991</b>	<b>\$237,573</b>	<b>\$95,418</b>

(continued)

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Cemetery:				
Contractual Services	\$1,000	\$1,000	\$0	\$1,000
Building Inspector:				
Personal Services	484,644	945,384	896,912	48,472
Materials and Supplies	22,574	44,034	23,332	20,702
Contractual Services	163,198	318,346	225,082	93,264
Capital Outlay	48,701	95,000	87,152	7,848
Other	7,690	15,000	8,115	6,885
Total Building Inspector	726,807	1,417,764	1,240,593	177,171
Traffic/Signalization:				
Personal Services	43,218	84,305	73,542	10,763
Materials and Supplies	54,086	105,504	105,315	189
Contractual Services	12,845	25,057	24,048	1,009
Total Traffic/Signalization	110,149	214,866	202,905	11,961
Safety Director/Zoning Officer				
Personal Services	41,574	81,097	79,595	1,502
Materials and Supplies	128	250	225	25
Contractual Services	649	1,266	171	1,095
Total Safety Director/Zoning Officer	42,351	82,613	79,991	2,622
Total Community Environment	1,385,878	2,384,099	2,041,867	342,232
Leisure Time Activities				
Community Center:				
Personal Services	16,482	16,482	14,337	2,145
Materials and Supplies	1,500	1,500	1,492	8
Contractual Services	2,818	2,818	2,327	491
Other	500	500	175	325
Total Leisure Time Activities	21,300	21,300	18,331	2,969
<i>Total Expenditures</i>	3,563,961	6,612,464	5,678,849	933,615
<i>Excess of Revenues Over Expenditures</i>	7,675,193	6,300,715	7,219,522	918,807
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	2,868	2,868
Advances Out	(25,000)	(25,000)	(25,000)	0
Transfers In	8,401,000	8,401,000	8,401,000	0
Transfers Out	(16,400,408)	(16,400,408)	(16,150,408)	250,000
<i>Total Other Financing Sources (Uses)</i>	(8,024,408)	(8,024,408)	(7,771,540)	252,868
<i>Net Change in Fund Balance</i>	(349,215)	(1,723,693)	(552,018)	1,171,675
<i>Fund Balance Beginning of Year</i>	2,780,134	2,780,134	2,780,134	0
Prior Year Encumbrances Appropriated	98,847	98,847	98,847	0
<i>Fund Balance End of Year</i>	\$2,529,766	\$1,155,288	\$2,326,963	\$1,171,675

**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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Municipal Income Taxes	\$4,035,601	\$4,090,995	\$4,090,995	\$0
Charges for Services	457,367	463,645	463,645	0
Intergovernmental	0	0	125	125
Miscellaneous	4,216	4,274	4,440	166
<i>Total Revenues</i>	<u>4,497,184</u>	<u>4,558,914</u>	<u>4,559,205</u>	<u>291</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire Department:				
Personal Services	4,309,544	4,309,544	4,190,780	118,764
Materials and Supplies	206,374	206,374	193,698	12,676
Contractual Services	337,821	337,821	302,455	35,366
<i>Total Expenditures</i>	<u>4,853,739</u>	<u>4,853,739</u>	<u>4,686,933</u>	<u>166,806</u>
<i>Net Change in Fund Balance</i>	(356,555)	(294,825)	(127,728)	167,097
<i>Fund Balance Beginning of Year</i>	942,570	942,570	942,570	0
Prior Year Encumbrances Appropriated	27,880	27,880	27,880	0
<i>Fund Balance End of Year</i>	<u>\$613,895</u>	<u>\$675,625</u>	<u>\$842,722</u>	<u>\$167,097</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, 2015*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Property Taxes	\$1,187,961	\$1,188,256	\$1,188,263	\$7
Intergovernmental	999,114	999,362	1,032,924	33,562
Interest	1,323	1,323	1,323	0
Miscellaneous	28,802	28,809	28,184	(625)
<i>Total Revenues</i>	<u>2,217,200</u>	<u>2,217,750</u>	<u>2,250,694</u>	<u>32,944</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Department:				
Personal Services	1,442,481	1,377,091	1,308,314	68,777
Materials and Supplies	780,955	745,553	596,748	148,805
Contractual Services	263,416	251,475	227,964	23,511
Capital Outlay	216,973	207,137	198,261	8,876
Total Transportation	<u>2,703,825</u>	<u>2,581,256</u>	<u>2,331,287</u>	<u>249,969</u>
Debt Service:				
Principal Retirement	0	135,000	135,000	0
Interest and Fiscal Charges	0	44,242	43,075	1,167
Total Debt Service	<u>0</u>	<u>179,242</u>	<u>178,075</u>	<u>1,167</u>
<i>Total Expenditures</i>	<u>2,703,825</u>	<u>2,760,498</u>	<u>2,509,362</u>	<u>251,136</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(486,625)</u>	<u>(542,748)</u>	<u>(258,668)</u>	<u>284,080</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	625	625
Transfers In	350,000	350,000	350,000	0
Transfers Out	(25,000)	(25,000)	(25,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>325,000</u>	<u>325,000</u>	<u>325,625</u>	<u>625</u>
<i>Net Change in Fund Balance</i>	(161,625)	(217,748)	66,957	284,705
<i>Fund Balance Beginning of Year</i>	333,223	333,223	333,223	0
Prior Year Encumbrances Appropriated	4,242	4,242	4,242	0
<i>Fund Balance End of Year</i>	<u>\$175,840</u>	<u>\$119,717</u>	<u>\$404,422</u>	<u>\$284,705</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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property Taxes	\$628,301	\$625,839	\$625,839	\$0
Municipal Income Taxes	1,296,975	1,291,893	1,291,893	0
Licenses and Permits	399	397	397	0
Fines and Forfeitures	11,220	11,176	11,434	258
Intergovernmental	88,024	87,679	94,726	7,047
Miscellaneous	29,611	29,495	32,621	3,126
<i>Total Revenues</i>	<u>2,054,530</u>	<u>2,046,479</u>	<u>2,056,910</u>	<u>10,431</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police Department:				
Personal Services	5,204,149	5,109,545	4,782,160	327,385
Materials and Supplies	300,859	295,390	221,269	74,121
Contractual Services	436,090	428,163	402,326	25,837
<i>Total Expenditures</i>	<u>5,941,098</u>	<u>5,833,098</u>	<u>5,405,755</u>	<u>427,343</u>
<i>Excess of Revenues Under Expenditures</i>	(3,886,568)	(3,786,619)	(3,348,845)	437,774
<b>Other Financing Sources</b>				
Transfers In	3,575,000	3,575,000	3,350,000	(225,000)
<i>Net Change in Fund Balance</i>	(311,568)	(211,619)	1,155	212,774
<i>Fund Balance Beginning of Year</i>	377,879	377,879	377,879	0
Prior Year Encumbrances Appropriated	22,372	22,372	22,372	0
<i>Fund Balance End of Year</i>	<u>\$88,683</u>	<u>\$188,632</u>	<u>\$401,406</u>	<u>\$212,774</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Obligation Bond Retirement Fund*  
*For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for Services	\$2,748,883	\$440,979	\$440,927	(\$52)
Miscellaneous	37,943	37,943	37,943	0
<i>Total Revenues</i>	<u>2,786,826</u>	<u>478,922</u>	<u>478,870</u>	<u>(52)</u>
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive:				
Contractual Services	3,956	5,003	3,603	1,400
Debt Service:				
Principal Retirement	877,718	1,109,974	1,109,782	192
Interest and Fiscal Charges	818,922	1,035,620	1,035,560	60
<i>Total Debt Service</i>	<u>1,696,640</u>	<u>2,145,594</u>	<u>2,145,342</u>	<u>252</u>
<i>Total Expenditures</i>	<u>1,700,596</u>	<u>2,150,597</u>	<u>2,148,945</u>	<u>1,652</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	1,086,230	(1,671,675)	(1,670,075)	1,600
<b>Other Financing Sources</b>				
Transfers In	1,725,000	1,725,000	1,725,000	0
<i>Net Change in Fund Balance</i>	2,811,230	53,325	54,925	1,600
<i>Fund Balance Beginning of Year</i>	<u>98,136</u>	<u>98,136</u>	<u>98,136</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,909,366</u>	<u>\$151,461</u>	<u>\$153,061</u>	<u>\$1,600</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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Special Assessments	\$775,000	\$777,295	\$777,295	\$0
<b>Expenditures</b>				
Current:				
General Government:				
Special Assessment Bond Retirement:				
Contractual Services	33,000	33,000	27,916	5,084
Debt Service:				
Principal Retirement	386,742	386,742	379,715	7,027
Interest and Fiscal Charges	361,687	361,687	350,461	11,226
Total Debt Service	748,429	748,429	730,176	18,253
<i>Total Expenditures</i>	781,429	781,429	758,092	23,337
<i>Net Change in Fund Balance</i>	(6,429)	(4,134)	19,203	23,337
<i>Fund Balance Beginning of Year</i>	249,984	249,984	249,984	0
<i>Fund Balance End of Year</i>	\$243,555	\$245,850	\$269,187	\$23,337

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Municipal Swimming Pool Fund  
For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Interest	\$4,151	\$5,787	\$5,787	\$0
Miscellaneous	1,849	110,434	110,434	0
<i>Total Revenues</i>	6,000	116,221	116,221	0
<b>Expenditures</b>				
Capital Outlay:				
Municipal Swimming Pool:				
Capital Outlay	4,849,546	5,342,546	5,284,575	57,971
Debt Service:				
Principal Retirement	0	4,850,000	4,850,000	0
Interest and Fiscal Charges	0	48,365	48,365	0
<i>Total Debt Service</i>	0	4,898,365	4,898,365	0
<i>Total Expenditures</i>	4,849,546	10,240,911	10,182,940	57,971
<i>Excess of Revenues Under Expenditures</i>	(4,843,546)	(10,124,690)	(10,066,719)	57,971
<b>Other Financing Sources</b>				
Bond Anticipation Notes Issued	0	5,100,000	5,100,000	0
Transfers In	0	175,000	175,000	0
<i>Total Other Financing Sources</i>	0	5,275,000	5,275,000	0
<i>Net Change in Fund Balance</i>	(4,843,546)	(4,849,690)	(4,791,719)	57,971
<i>Fund Balance Beginning of Year</i>	4,852,764	4,852,764	4,852,764	0
Prior Year Encumbrances Appropriated	46,216	46,216	46,216	0
<i>Fund Balance End of Year</i>	\$55,434	\$49,290	\$107,261	\$57,971

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Road and Bridges Fund  
For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental	\$0	\$2,264,754	\$1,941,663	(\$323,091)
Miscellaneous	87,706	97,650	97,650	0
<i>Total Revenues</i>	87,706	2,362,404	2,039,313	(323,091)
<b>Expenditures</b>				
Capital Outlay:				
Road and Bridge Programs:				
Capital Outlay	2,135,869	4,910,766	4,510,429	400,337
<i>Excess of Revenues Under Expenditures</i>	(2,048,163)	(2,548,362)	(2,471,116)	77,246
<b>Other Financing Sources (Uses)</b>				
Advances In	0	25,000	25,000	0
Transfers In	1,990,125	2,192,125	2,192,125	0
Transfers Out	(287,644)	(287,644)	(228,192)	59,452
<i>Total Other Financing Sources (Uses)</i>	1,702,481	1,929,481	1,988,933	59,452
<i>Net Change in Fund Balance</i>	(345,682)	(618,881)	(482,183)	136,698
<i>Fund Balance Beginning of Year</i>	403,640	403,640	403,640	0
Prior Year Encumbrances Appropriated	435,326	435,326	435,326	0
<i>Fund Balance End of Year</i>	<u>\$493,284</u>	<u>\$220,085</u>	<u>\$356,783</u>	<u>\$136,698</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Water Fund*  
*For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for Services	\$2,380,281	\$3,829,819	\$3,609,642	(\$220,177)
Interest	7,952	12,795	12,795	0
Other Operating Revenues	12,503	20,117	52,539	32,422
Bond Anticipation Notes Issued	10,800,000	10,800,000	10,800,000	0
<i>Total Revenues</i>	<u>13,200,736</u>	<u>14,662,731</u>	<u>14,474,976</u>	<u>(187,755)</u>
<b>Expenses</b>				
Personal Services	19,864	562,970	523,171	39,799
Materials and Supplies	385,519	2,630,190	2,561,674	68,516
Contractual Services	15,216	431,228	268,223	163,005
Other	529	15,000	4,487	10,513
Capital Outlay	0	8,295,730	8,010,077	285,653
Debt Service:				
Principal Retirement	9,850,752	9,850,752	9,850,752	0
Interest and Fiscal Charges	176,976	176,976	176,557	419
<i>Total Expenses</i>	<u>10,448,856</u>	<u>21,962,846</u>	<u>21,394,941</u>	<u>567,905</u>
<i>Excess of Revenues Over (Under) Expenses Before Advances and Transfers</i>	2,751,880	(7,300,115)	(6,919,965)	380,150
Advances In	50,265	50,265	50,265	0
Transfers In	11,290	11,290	11,290	0
Advances Out	(50,265)	(50,265)	(50,265)	0
Transfers Out	(11,290)	(11,290)	(11,290)	0
<i>Net Change in Fund Equity</i>	2,751,880	(7,300,115)	(6,919,965)	380,150
<i>Fund Equity Beginning of Year</i>	5,111,167	5,111,167	5,111,167	0
Prior Year Encumbrances Appropriated	4,642,708	4,642,708	4,642,708	0
<i>Fund Equity End of Year</i>	<u>\$12,505,755</u>	<u>\$2,453,760</u>	<u>\$2,833,910</u>	<u>\$380,150</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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for Services	\$2,408,379	\$3,905,887	\$3,558,429	(\$347,458)
Other Operating Revenues	2,622	4,252	4,252	0
Bond Anticipation Notes Issued	1,500,000	1,500,000	1,500,000	0
<i>Total Revenues</i>	<u>3,911,001</u>	<u>5,410,139</u>	<u>5,062,681</u>	<u>(347,458)</u>
<b>Expenses</b>				
Personal Services	351,363	551,806	520,288	31,518
Materials and Supplies	1,361,100	2,213,895	1,969,412	244,483
Contractual Services	117,401	165,511	146,902	18,609
Other	4,457	7,000	4,698	2,302
Capital Outlay	1,649,676	2,563,285	2,449,908	113,377
Debt Service:				
Principal Retirement	65,588	65,588	65,588	0
Interest and Fiscal Charges	88,788	88,788	88,785	3
<i>Total Expenses</i>	<u>3,638,373</u>	<u>5,655,873</u>	<u>5,245,581</u>	<u>410,292</u>
<i>Excess of Revenues Under Expenses Before Transfers</i>	272,628	(245,734)	(182,900)	62,834
Transfers In	267,834	267,834	267,834	0
Transfers Out	(288,363)	(288,363)	(267,834)	20,529
<i>Net Change in Fund Equity</i>	252,099	(266,263)	(182,900)	83,363
<i>Fund Equity Beginning of Year</i>	1,647,423	1,647,423	1,647,423	0
Prior Year Encumbrances Appropriated	40,586	40,586	40,586	0
<i>Fund Equity End of Year</i>	<u>\$1,940,108</u>	<u>\$1,421,746</u>	<u>\$1,505,109</u>	<u>\$83,363</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Recycling Fund*  
*For the Year Ended December 31, 2015*

	<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>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Expenditures</b>				
Current:				
Community Environment:				
Recycling:				
Personal Services	6,300	6,300	5,681	619
Material and Supplies	6,008	6,008	4,413	1,595
Contractual Services	<u>118,550</u>	<u>118,550</u>	<u>111,480</u>	<u>7,070</u>
<i>Total Expenditures</i>	<u>130,858</u>	<u>130,858</u>	<u>121,574</u>	<u>9,284</u>
<i>Excess of Revenues Under Expenditures</i>	(130,858)	(130,858)	(121,574)	9,284
<b>Other Financing Sources</b>				
Transfers In	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(5,858)	(5,858)	3,426	9,284
<i>Fund Balance Beginning of Year</i>	306	306	306	0
Prior Year Encumbrances Appropriated	<u>8</u>	<u>8</u>	<u>8</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$5,544)</u>	<u>(\$5,544)</u>	<u>\$3,740</u>	<u>\$9,284</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*ADA Parking Violations Fund*  
*For the Year Ended December 31, 2015*

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

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*State Highway Fund*  
*For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental	\$66,396	\$65,810	\$70,550	\$4,740
Interest	622	617	617	0
<i>Total Revenues</i>	<u>67,018</u>	<u>66,427</u>	<u>71,167</u>	<u>4,740</u>
<b>Expenditures</b>				
Current:				
Transportation:				
State Highway:				
Material and Supplies	110,300	110,300	63,496	46,804
Contractual Services	40,091	40,091	1,037	39,054
<i>Total Expenditures</i>	<u>150,391</u>	<u>150,391</u>	<u>64,533</u>	<u>85,858</u>
<i>Net Change in Fund Balance</i>	(83,373)	(83,964)	6,634	90,598
<i>Fund Balance Beginning of Year</i>	239,112	239,112	239,112	0
Prior Year Encumbrances Appropriated	391	391	391	0
<i>Fund Balance End of Year</i>	<u>\$156,130</u>	<u>\$155,539</u>	<u>\$246,137</u>	<u>\$90,598</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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental	\$101,816	\$112,449	\$112,449	\$0
<b>Expenditures</b>				
Current:				
Transportation:				
Permissive Tax:				
Contractual Services	215,000	215,000	200,584	14,416
<i>Excess of Revenues Under Expenditures</i>	(113,184)	(102,551)	(88,135)	14,416
<b>Other Financing Sources</b>				
Transfers In	50,000	50,000	50,000	0
<i>Net Change in Fund Balance</i>	(63,184)	(52,551)	(38,135)	14,416
<i>Fund Balance Beginning of Year</i>	99,755	99,755	99,755	0
<i>Fund Balance End of Year</i>	\$36,571	\$47,204	\$61,620	\$14,416

**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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Fines and Forfeitures	\$6,000	\$7,350	\$7,770	\$420
<b>Expenditures</b>				
Current:				
Community Environment:				
Mayor's Court Computer:				
Capital Outlay	15,000	15,000	10,503	4,497
<i>Net Change in Fund Balance</i>	(9,000)	(7,650)	(2,733)	4,917
<i>Fund Balance Beginning of Year</i>	84,056	84,056	84,056	0
<i>Fund Balance End of Year</i>	<u>\$75,056</u>	<u>\$76,406</u>	<u>\$81,323</u>	<u>\$4,917</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Recreation Fund*  
*For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues</b>				
Charges for Services	\$128,200	\$129,255	\$121,758	(\$7,497)
Miscellaneous	0	0	817	817
<i>Total Revenues</i>	<u>128,200</u>	<u>129,255</u>	<u>122,575</u>	<u>(6,680)</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Recreation Department:				
Personal Services	60,669	60,669	44,639	16,030
Materials and Supplies	3,543	3,543	3,540	3
Contractual Services	13,207	13,207	11,528	1,679
Other	1,000	1,000	0	1,000
Total Recreation Department	78,419	78,419	59,707	18,712
Tennis Camp:				
Materials and Supplies	8,000	8,000	7,402	598
Adult Volleyball:				
Materials and Supplies	2,000	2,000	2,000	0
Men's Basketball:				
Materials and Supplies	500	500	500	0
Youth Basketball:				
Materials and Supplies	18,000	18,000	18,045	(45)
Adult Softball:				
Materials and Supplies	3,500	3,500	2,043	1,457
T-Ball:				
Materials and Supplies	2,500	2,500	2,000	500
Flag Football:				
Materials and Supplies	10,000	10,000	7,432	2,568
Safety Town:				
Materials and Supplies	7,500	7,500	7,476	24
Little Eagles:				
Materials and Supplies	13,000	13,000	8,722	4,278
Fishing:				
Materials and Supplies	\$1,200	\$1,200	\$1,200	\$0

(continued)

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Recreation Fund (continued)  
For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Theater:				
Materials and Supplies	\$3,000	\$3,000	\$3,000	\$0
Youth Wrestling:				
Materials and Supplies	6,000	6,000	4,215	1,785
Youth Football:				
Materials and Supplies	15,000	15,000	15,000	0
Running Club:				
Materials and Supplies	6,000	6,000	5,080	920
Fitness Camp:				
Materials and Supplies	5,000	5,000	5,000	0
Educational:				
Materials and Supplies	4,000	4,000	3,988	12
Youth Baseball:				
Materials and Supplies	12,000	12,000	11,930	70
<i>Total Expenditures</i>	<u>195,619</u>	<u>195,619</u>	<u>164,740</u>	<u>30,879</u>
<i>Excess of Revenues Under Expenditures</i>	(67,419)	(66,364)	(42,165)	24,199
<b>Other Financing Sources</b>				
Transfers In	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(32,419)	(31,364)	(7,165)	24,199
<i>Fund Balance Beginning of Year</i>	<u>36,969</u>	<u>36,969</u>	<u>36,969</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,550</u></u>	<u><u>\$5,605</u></u>	<u><u>\$29,804</u></u>	<u><u>\$24,199</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, 2015*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Property Taxes	\$270,078	\$281,429	\$281,429	\$0
Municipal Income Taxes	479,525	499,679	499,679	0
Licenses and Permits	14,989	15,619	15,619	0
Intergovernmental	69,073	71,976	71,976	0
Miscellaneous	1,521	1,585	2,029	444
<i>Total Revenues</i>	<u>835,186</u>	<u>870,288</u>	<u>870,732</u>	<u>444</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Park Operating:				
Personal Services	636,140	636,140	536,381	99,759
Materials and Supplies	97,773	97,773	84,467	13,306
Contractual Services	231,798	231,798	206,987	24,811
Capital Outlay	162,709	162,709	112,829	49,880
Other	1,000	1,000	25	975
<i>Total Expenditures</i>	<u>1,129,420</u>	<u>1,129,420</u>	<u>940,689</u>	<u>188,731</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(294,234)</u>	<u>(259,132)</u>	<u>(69,957)</u>	<u>189,175</u>
<b>Other Financing Sources</b>				
Sale of Capital Assets	0	0	481	481
Transfers In	225,000	225,000	225,000	0
<i>Total Other Financing Sources</i>	<u>225,000</u>	<u>225,000</u>	<u>225,481</u>	<u>481</u>
<i>Net Change in Fund Balance</i>	(69,234)	(34,132)	155,524	189,656
<i>Fund Balance Beginning of Year</i>	53,735	53,735	53,735	0
Prior Year Encumbrances Appropriated	32,880	32,880	32,880	0
<i>Fund Balance End of Year</i>	<u>\$17,381</u>	<u>\$52,483</u>	<u>\$242,139</u>	<u>\$189,656</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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Licenses and Permits	\$185,000	\$185,000	\$185,256	\$256
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Park Development:				
Contractual Services	2,045	3,245	3,245	0
Other	0	12,656	11,695	961
Total Leisure Time Activities	2,045	15,901	14,940	961
Debt Service:				
Principal Retirement	108,599	108,599	108,599	0
Interest and Fiscal Charges	25,326	25,326	25,292	34
Total Debt Service	133,925	133,925	133,891	34
<i>Total Expenditures</i>	135,970	149,826	148,831	995
<i>Excess of Revenues Over Expenditures</i>	49,030	35,174	36,425	1,251
<b>Other Financing Sources</b>				
Bond Anticipation Notes Issued	0	750,000	750,000	0
<i>Net Change in Fund Balance</i>	49,030	785,174	786,425	1,251
<i>Fund Balance Beginning of Year</i>	240,996	240,996	240,996	0
Prior Year Encumbrances Appropriated	3,245	3,245	3,245	0
<i>Fund Balance End of Year</i>	\$293,271	\$1,029,415	\$1,030,666	\$1,251

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Donations Fund*  
*For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Miscellaneous	\$1,000	\$6,032	\$6,032	\$0
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Donations:				
Contractual Services	10,000	10,000	9,716	284
<i>Excess of Revenues Under Expenditures</i>	(9,000)	(3,968)	(3,684)	284
<b>Other Financing Sources</b>				
Transfers In	10,000	10,000	10,000	0
<i>Net Change in Fund Balance</i>	1,000	6,032	6,316	284
<i>Fund Balance Beginning of Year</i>	2,547	2,547	2,547	0
<i>Fund Balance End of Year</i>	\$3,547	\$8,579	\$8,863	\$284

**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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
General Government:				
Contractual Services	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	1,762	1,762	1,762	0
<i>Fund Balance End of Year</i>	\$1,762	\$1,762	\$1,762	\$0

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Tax Increment Financing Fund  
For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Payment in Lieu of Taxes	\$3,186,772	\$1,841,772	\$1,824,012	(\$17,760)
<b>Expenditures</b>				
Current:				
General Government:				
Contractual Services	2,355,000	1,180,000	1,160,268	19,732
Debt Service:				
Principal Retirement	112,187	112,187	112,187	0
Interest and Fiscal Charges	559,090	559,090	559,090	0
Total Debt Service	671,277	671,277	671,277	0
<i>Total Expenditures</i>	3,026,277	1,851,277	1,831,545	19,732
<i>Net Change in Fund Balance</i>	160,495	(9,505)	(7,533)	1,972
<i>Fund Balance Beginning of Year</i>	12,865	12,865	12,865	0
<i>Fund Balance End of Year</i>	\$173,360	\$3,360	\$5,332	\$1,972

**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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Property Taxes	\$565,083	\$560,699	\$560,699	\$0
Intergovernmental	76,392	75,799	75,799	0
Miscellaneous	968	960	960	0
<i>Total Revenues</i>	642,443	637,458	637,458	0
<b>Expenditures</b>				
Capital Outlay:				
Equipment:				
Materials and Supplies	16,739	19,700	8,748	10,952
Capital Outlay	734,031	863,865	777,365	86,500
<i>Total Capital Outlay</i>	750,770	883,565	786,113	97,452
Debt Service:				
Principal Retirement	99,448	99,448	99,448	0
Interest and Fiscal Charges	77,028	77,028	77,028	0
<i>Total Debt Service</i>	176,476	176,476	176,476	0
<i>Total Expenditures</i>	927,246	1,060,041	962,589	97,452
<i>Net Change in Fund Balance</i>	(284,803)	(422,583)	(325,131)	97,452
<i>Fund Balance Beginning of Year</i>	1,191,492	1,191,492	1,191,492	0
Prior Year Encumbrances Appropriated	25,070	25,070	25,070	0
<i>Fund Balance End of Year</i>	\$931,759	\$793,979	\$891,431	\$97,452

**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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for Services	\$55,000	\$139,941	\$139,941	\$0
<b>Expenditures</b>				
Capital Outlay:				
Storm Water Detention:				
Contractual Services	75,000	125,000	102,895	22,105
<i>Net Change in Fund Balance</i>	(20,000)	14,941	37,046	22,105
<i>Fund Balance Beginning of Year</i>	91,330	91,330	91,330	0
<i>Fund Balance End of Year</i>	\$71,330	\$106,271	\$128,376	\$22,105

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Land Purchases Fund  
For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay:				
Land Purchases:				
Capital Outlay	50,000	120,000	115,716	4,284
<i>Excess of Revenues Under Expenditures</i>	(50,000)	(120,000)	(115,716)	4,284
<b>Other Financing Sources (Uses)</b>				
Transfers In	50,000	120,000	120,000	0
Transfers Out	(6,651)	(6,651)	(6,651)	0
<i>Total Other Financing Sources (Uses)</i>	43,349	113,349	113,349	0
<i>Net Change in Fund Balance</i>	(6,651)	(6,651)	(2,367)	4,284
<i>Fund Balance Beginning of Year</i>	6,651	6,651	6,651	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$4,284	\$4,284

**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, 2015*

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

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Sidewalk Programs Fund  
For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental	\$367	\$1,413	\$1,413	\$0
Miscellaneous	1,033	3,971	4,931	960
<i>Total Revenues</i>	1,400	5,384	6,344	960
<b>Expenditures</b>				
Capital Outlay:				
Sidewalk Programs:				
Capital Outlay	17,442	61,442	46,445	14,997
<i>Excess of Revenues Under Expenditures</i>	(16,042)	(56,058)	(40,101)	15,957
<b>Other Financing Sources</b>				
Transfers In	50,000	50,000	50,000	0
<i>Net Change in Fund Balance</i>	33,958	(6,058)	9,899	15,957
<i>Fund Balance Beginning of Year</i>	9,506	9,506	9,506	0
Prior Year Encumbrances Appropriated	2,442	2,442	2,442	0
<i>Fund Balance End of Year</i>	<u>\$45,906</u>	<u>\$5,890</u>	<u>\$21,847</u>	<u>\$15,957</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Storm Sewers Fund  
For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay:				
Storm Sewers:				
Capital Outlay	84,698	134,698	116,375	18,323
<i>Excess of Revenues Under Expenditures</i>	(84,698)	(134,698)	(116,375)	18,323
<b>Other Financing Sources</b>				
Transfers In	50,000	50,000	50,000	0
<i>Net Change in Fund Balance</i>	(34,698)	(84,698)	(66,375)	18,323
<i>Fund Balance Beginning of Year</i>	13,595	13,595	13,595	0
Prior Year Encumbrances Appropriated	74,698	74,698	74,698	0
<i>Fund Balance End of Year</i>	<u>\$53,595</u>	<u>\$3,595</u>	<u>\$21,918</u>	<u>\$18,323</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Municipal Buildings Fund*  
*For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for Services	\$197,608	\$173,596	\$176,236	\$2,640
Interest	3,974	3,491	3,491	0
Contributions and Donations	9,107	8,000	39,250	31,250
Rentals	484,179	425,345	416,412	(8,933)
Miscellaneous	1,252	27,527	27,527	0
<i>Total Revenues</i>	<u>696,120</u>	<u>637,959</u>	<u>662,916</u>	<u>24,957</u>
<b>Expenditures</b>				
Capital Outlay:				
Municipal Buildings:				
Personal Services	0	156,936	146,349	10,587
Materials and Supplies	0	38,232	34,632	3,600
Contractual Services	0	108,618	93,787	14,831
Capital Outlay	0	2,171,354	2,119,947	51,407
Other	0	3,000	1,035	1,965
Total Capital Outlay	<u>0</u>	<u>2,478,140</u>	<u>2,395,750</u>	<u>82,390</u>
Debt Service:				
Principal Retirement	2,920,000	2,920,000	2,920,000	0
Interest and Fiscal Charges	47,860	136,428	136,428	0
Total Debt Service	<u>2,967,860</u>	<u>3,056,428</u>	<u>3,056,428</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,967,860</u>	<u>5,534,568</u>	<u>5,452,178</u>	<u>82,390</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,271,740)</u>	<u>(4,896,609)</u>	<u>(4,789,262)</u>	<u>107,347</u>
<b>Other Financing Sources (Uses)</b>				
Bond Anticipation Notes Issued	0	2,650,000	2,650,000	0
Transfers In	50,000	50,000	50,000	0
Transfers Out	(47)	(47)	(47)	0
<i>Total Other Financing Sources (Uses)</i>	<u>49,953</u>	<u>2,699,953</u>	<u>2,699,953</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(2,221,787)</u>	<u>(2,196,656)</u>	<u>(2,089,309)</u>	<u>107,347</u>
<i>Fund Balance Beginning of Year</i>	243,009	243,009	243,009	0
Prior Year Encumbrances Appropriated	<u>1,986,554</u>	<u>1,986,554</u>	<u>1,986,554</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$7,776</u>	<u>\$32,907</u>	<u>\$140,254</u>	<u>\$107,347</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay:				
I-90 Interchange:				
Capital Outlay	35,000	35,000	6,432	28,568
<i>Excess of Revenues Under Expenditures</i>	(35,000)	(35,000)	(6,432)	28,568
<b>Other Financing Uses</b>				
Transfers Out	(325,000)	(325,000)	(325,000)	0
<i>Net Change in Fund Balance</i>	(360,000)	(360,000)	(331,432)	28,568
<i>Fund Balance Beginning of Year</i>	355,193	355,193	355,193	0
Prior Year Encumbrances Appropriated	10,000	10,000	10,000	0
<i>Fund Balance End of Year</i>	<u>\$5,193</u>	<u>\$5,193</u>	<u>\$33,761</u>	<u>\$28,568</u>

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Recreation Complex Fund  
For the Year Ended December 31, 2015*

	<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	\$1,439,462	\$1,499,036	\$1,499,036	\$0
<b>Expenditures</b>				
Current:				
General Government:				
Contractual Services	147,979	71,184	67,757	3,427
Debt Service:				
Principal Retirement	405,500	405,500	405,500	0
Interest and Fiscal Charges	782,395	782,395	782,395	0
Total Debt Service	1,187,895	1,187,895	1,187,895	0
<i>Total Expenditures</i>	1,335,874	1,259,079	1,255,652	3,427
<i>Excess of Revenues Over Expenditures</i>	103,588	239,957	243,384	3,427
<b>Other Financing Uses</b>				
Transfers Out	(175,000)	(175,000)	(175,000)	0
<i>Net Change in Fund Balance</i>	(71,412)	64,957	68,384	3,427
<i>Fund Balance Beginning of Year</i>	55,321	55,321	55,321	0
<i>Fund Balance End of Year</i>	(\$16,091)	\$120,278	\$123,705	\$3,427

**City of Avon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Stadium Marquee Fund*  
*For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay:				
Stadium Marquee:				
Capital Outlay	25,000	25,000	22,100	2,900
<i>Excess of Revenues Under Expenditures</i>	(25,000)	(25,000)	(22,100)	2,900
<b>Other Financing Sources</b>				
Transfers In	79,000	25,000	25,000	0
<i>Net Change in Fund Balance</i>	54,000	0	2,900	2,900
<i>Fund Balance Beginning of Year</i>	5,606	5,606	5,606	0
<i>Fund Balance End of Year</i>	\$59,606	\$5,606	\$8,506	\$2,900

**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, 2015*

	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:				
Capital Improvements:				
Capital Outlay	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0	0
<b>Other Financing Sources (Uses)</b>				
Transfers In	219,002	234,890	234,890	0
Transfers Out	(225,000)	(246,718)	(246,717)	1
<i>Total Other Financing Sources (Uses)</i>	(5,998)	(11,828)	(11,827)	1
<i>Net Change in Fund Balance</i>	(5,998)	(11,828)	(11,827)	1
<i>Fund Balance Beginning of Year</i>	22,201	22,201	22,201	0
<i>Fund Balance End of Year</i>	\$16,203	\$10,373	\$10,374	\$1

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**The city has constructed a 3,000,000 gallon elevated water storage tank, with a price tag of \$7.3 million. This water tower will provide the much needed reserves and water pressure necessary to accommodate the explosive commercial and residential growth the city is experiencing. It is expected to be in full service by July 1, 2016.**

# Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>S2-S13</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax and the municipal income tax.	<b>S14-S25</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	<b>S26-S31</b>
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>S33-S37</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	<b>S38-S43</b>

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

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

	2015 (1)	2014	2013	2012
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$35,118,979	\$29,363,504	\$35,478,485	\$42,052,213
Restricted:				
Capital Projects	0	0	0	2,865,172
Debt Service	6,970,159	7,274,056	7,431,775	5,139,122
Fire Department	1,566,828	1,763,116	1,487,099	1,035,146
Street Construction, Maintenance and Repair	877,451	758,676	1,294,404	1,471,867
Other Purposes	844,041	709,230	478,438	665,960
Unrestricted (Deficit)	(7,953,442)	(7,407,222)	894,802	(7,415,865)
<i>Total Governmental Activities Net Position</i>	<u>37,424,016</u>	<u>32,461,360</u>	<u>47,065,003</u>	<u>45,813,615</u>
<b>Business Type - Activities:</b>				
Net Investment in Capital Assets	25,107,622	24,624,861	25,528,673	25,871,513
Unrestricted (Deficit)	6,581,243	5,817,722	5,358,825	5,481,758
<i>Total Business-Type Activities Net Position</i>	<u>31,688,865</u>	<u>30,442,583</u>	<u>30,887,498</u>	<u>31,353,271</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	60,226,601	53,988,365	61,007,158	67,923,726
Restricted	10,258,479	10,505,078	10,691,716	11,177,267
Unrestricted (Deficit)	(1,372,199)	(1,589,500)	6,253,627	(1,934,107)
<i>Total Primary Government Net Position</i>	<u>\$69,112,881</u>	<u>\$62,903,943</u>	<u>\$77,952,501</u>	<u>\$77,166,886</u>

(1) The City reported the impact of GASB Statement No. 68 beginning in 2015.

2011	2010	2009	2008	2007	2006
\$48,907,059	\$54,276,654	\$46,612,947	\$47,659,906	\$50,184,764	\$50,319,254
1,890,372	0	1,129,478	0	2,474,044	2,213,629
2,015,083	1,347,716	1,445,051	1,714,977	2,255,097	1,407,892
710,228	376,263	1,297,579	1,876,277	3,369,930	2,613,979
1,440,649	1,760,913	1,368,224	1,072,610	836,575	734,079
44,024	488,915	849,084	936,764	884,183	1,034,770
(8,747,905)	(1,799,650)	6,779,793	5,976,457	2,488,208	2,805,147
46,259,510	56,450,811	59,482,156	59,236,991	62,492,801	61,128,750
29,636,176	26,368,440	27,616,704	27,306,773	25,494,999	24,570,995
(182,452)	3,170,654	3,559,010	3,980,420	5,272,777	6,414,575
29,453,724	29,539,094	31,175,714	31,287,193	30,767,776	30,985,570
78,543,235	80,645,094	74,229,651	74,966,679	75,679,763	74,890,249
6,100,356	3,973,807	6,089,416	5,600,628	9,819,829	8,004,349
(8,930,357)	1,371,004	10,338,803	9,956,877	7,760,985	9,219,722
\$75,713,234	\$85,989,905	\$90,657,870	\$90,524,184	\$93,260,577	\$92,114,320

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

	2015 (1)	2014	2013	2012
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
Charges for Services and Operating Assessments				
General Government	\$2,290,540	\$2,016,543	\$6,309,922	\$6,766,870
Security of Persons and Property	488,084	435,775	440,527	488,240
Transportation	0	0	1,251,613	95,000
Community Environment	1,463,186	1,092,889	779,557	885,991
Basic Utility Services	139,941	87,182	34,791	18,911
Leisure Time Activities	330,063	336,570	277,233	234,889
Subtotal - Charges for Services	<u>4,711,814</u>	<u>3,968,959</u>	<u>9,093,643</u>	<u>8,489,901</u>
Operating Grants and Contributions:				
General Government	0	7,778	5,168	7,851
Security of Persons and Property	99,565	108,650	89,373	75,479
Transportation	1,210,312	1,239,055	1,178,946	1,177,492
Community Environment	0	0	0	0
Basic Utility Services	0	0	0	0
Leisure Time Activities	72,308	64,625	70,213	24,594
Subtotal - Operating Grants and Contributions	<u>1,382,185</u>	<u>1,420,108</u>	<u>1,343,700</u>	<u>1,285,416</u>
Capital Grants and Contributions:				
General Government	72,453	75,239	108,822	74,772
Transportation	3,689,916	699,636	628,713	110,124
Community Environment	40,663	420,710	364,393	0
Basic Utility Services	1,421,007	0	0	0
Subtotal - Capital Grants and Contributions	<u>5,224,039</u>	<u>1,195,585</u>	<u>1,101,928</u>	<u>184,896</u>
<i>Total Governmental Activities Program Revenues</i>	<u>11,318,038</u>	<u>6,584,652</u>	<u>11,539,271</u>	<u>9,960,213</u>
<b>Business-Type Activities:</b>				
Charges for Services:				
Water	3,545,630	3,250,484	2,561,315	3,170,442
Sewer	3,604,548	3,330,982	1,788,695	2,738,682
Subtotal - Charges for Services	<u>7,150,178</u>	<u>6,581,466</u>	<u>4,350,010</u>	<u>5,909,124</u>
Capital Grants and Contributions				
Water	0	0	318,715	87,805
Sewer	2,003,839	111,193	230,520	185,721
Subtotal - Capital Grants and Contributions	<u>2,003,839</u>	<u>111,193</u>	<u>549,235</u>	<u>273,526</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>9,154,017</u>	<u>6,692,659</u>	<u>4,899,245</u>	<u>6,182,650</u>
<i>Total Primary Government Program Revenues</i>	<u>\$20,472,055</u>	<u>\$13,277,311</u>	<u>\$16,438,516</u>	<u>\$16,142,863</u>

2011	2010	2009	2008	2007	2006
\$1,628,202	\$1,122,652	\$1,420,788	\$1,109,333	\$2,058,970	\$367,172
1,816	2,340	1,771	88,885	11,871	10,213
0	0	0	0	0	50
394,643	457,238	429,764	470,431	555,772	1,272,496
0	0	20,052	30,219	450	16,828
221,838	272,808	219,656	296,925	333,573	365,727
2,246,499	1,855,038	2,092,031	1,995,793	2,960,636	2,032,486
9,033	150,827	8,810	131,238	51,326	0
10,448	230,744	150,203	175,872	101,026	0
1,112,132	1,239,397	1,178,652	1,382,026	1,017,795	991,097
11,955	87,280	81,575	163,341	70,429	70,429
0	0	0	150,000	0	0
21,675	65,314	56,530	56,496	20,246	42,815
1,165,243	1,773,562	1,475,770	2,058,973	1,260,822	1,104,341
325,251	0	105,407	0	0	0
246,075	0	1,142,925	0	0	1,816,365
0	0	0	0	0	0
0	0	0	0	0	0
571,326	0	1,248,332	0	0	1,816,365
3,983,068	3,628,600	4,816,133	4,054,766	4,221,458	4,953,192
2,105,969	2,613,627	2,007,943	2,144,366	2,350,121	2,137,300
1,644,692	1,356,918	1,628,898	1,322,418	1,267,601	1,143,598
3,750,661	3,970,545	3,636,841	3,466,784	3,617,722	3,280,898
77,010	0	0	507,811	121,800	276,477
63,408	310,925	453,148	587,409	242,036	406,870
140,418	310,925	453,148	1,095,220	363,836	683,347
3,891,079	4,281,470	4,089,989	4,562,004	3,981,558	3,964,245
\$7,874,147	\$7,910,070	\$8,906,122	\$8,616,770	\$8,203,016	\$8,917,437

(continued)

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

	2015 (1)	2014	2013	2012
<b>Expenses</b>				
Governmental Activities:				
General Government	\$5,500,659	\$5,326,980	\$6,098,761	\$5,244,263
Security of Persons and Property	10,611,997	10,094,196	10,444,993	9,315,052
Transportation	5,453,943	5,862,901	6,538,774	6,284,978
Community Environment	2,147,727	1,728,765	1,544,542	1,521,616
Basic Utility Services	814,317	688,440	996,170	618,381
Leisure Time Activities	1,377,791	1,302,661	1,888,391	1,432,240
Interest and Fiscal Charges	3,032,601	2,976,565	2,822,762	2,688,373
<i>Total Governmental Activities Expenses</i>	<u>28,939,035</u>	<u>27,980,508</u>	<u>30,334,393</u>	<u>27,104,903</u>
Business-Type Activities				
Water	4,509,372	3,102,338	3,063,812	3,239,898
Sewer	3,466,945	3,555,325	2,311,111	1,142,172
<i>Total Business-Type Activities Expenses</i>	<u>7,976,317</u>	<u>6,657,663</u>	<u>5,374,923</u>	<u>4,382,070</u>
<i>Total Primary Government Program Expenses</i>	<u>36,915,352</u>	<u>34,638,171</u>	<u>35,709,316</u>	<u>31,486,973</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(17,620,997)	(21,395,856)	(18,795,122)	(17,144,690)
Business-Type Activities	1,177,700	34,996	(475,678)	1,800,580
<i>Total Primary Government Net Expense</i>	<u>(\$16,443,297)</u>	<u>(\$21,360,860)</u>	<u>(\$19,270,800)</u>	<u>(\$15,344,110)</u>

2011	2010	2009	2008	2007	2006
\$4,525,898	\$4,349,901	\$3,042,622	\$2,968,222	\$2,269,262	\$2,739,914
8,769,685	8,611,264	7,948,875	7,572,725	6,789,884	5,739,141
4,150,279	6,025,615	5,140,893	6,638,018	4,449,451	3,824,122
1,320,973	1,236,395	1,406,060	1,680,851	1,256,537	1,272,107
682,667	862,479	495,523	848,296	430,858	419,887
1,464,779	1,104,319	1,130,300	1,217,094	829,313	1,173,141
2,300,130	2,211,663	1,669,318	1,761,494	757,830	671,474
23,214,411	24,401,636	20,833,591	22,686,700	16,783,135	15,839,786
2,338,775	3,924,685	2,392,503	2,594,517	2,757,452	1,505,362
1,662,416	1,871,978	2,127,598	1,725,241	2,008,071	2,224,019
4,001,191	5,796,663	4,520,101	4,319,758	4,765,523	3,729,381
27,215,602	30,198,299	25,353,692	27,006,458	21,548,658	19,569,167
(19,231,343)	(20,773,036)	(16,017,458)	(18,631,934)	(12,561,677)	(10,886,594)
(110,112)	(1,515,193)	(430,112)	242,246	(783,965)	234,864
(\$19,341,455)	(\$22,288,229)	(\$16,447,570)	(\$18,389,688)	(\$13,345,642)	(\$10,651,730)

(continued)

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

	2015 (1)	2014	2013	2012
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$1,536,192	\$1,532,142	\$1,455,757	\$1,612,249
Streets	1,180,355	1,188,229	1,136,911	1,268,453
Police	629,286	625,571	593,648	637,761
Police Pension	0	0	0	0
Park Operating	279,556	281,422	269,269	300,430
Library Bond Retirement	0	61,569	50,171	69,927
Equipment	552,147	560,244	540,442	580,310
Municipal Income Taxes levied for:				
General Purposes	7,902,348	7,018,713	7,177,133	6,336,213
Fire Department	3,911,656	4,229,098	4,406,655	3,839,955
Police	1,378,008	983,874	660,266	564,936
Park Operating	493,731	617,848	0	0
Recreation Complex	1,481,191	1,225,308	1,907,862	1,613,687
Grants and Entitlements not Restricted to				
Specific Programs	803,671	588,601	983,110	1,537,673
Unrestricted Contributions	225	150	0	0
Investment Earnings	70,407	124,974	(17,879)	154,534
Payment in Lieu of Taxes	1,808,063	2,580,037	2,373,141	2,150,075
Miscellaneous	556,817	562,343	258,370	302,223
<i>Total Governmental Activities</i>	<u>22,583,653</u>	<u>22,180,123</u>	<u>21,794,856</u>	<u>20,968,426</u>
Business-Type Activities				
Investment Earnings	11,791	19,561	0	1,714
Miscellaneous	56,791	88,492	34,879	123,264
<i>Total Business-Type Activities</i>	<u>68,582</u>	<u>108,053</u>	<u>34,879</u>	<u>124,978</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>22,652,235</u>	<u>22,288,176</u>	<u>21,829,735</u>	<u>21,093,404</u>
<b>Transfers</b>				
Governmental Activities	0	(4,622)	24,974	26,011
Business-Type Activities	0	4,622	(24,974)	(26,011)
<b>Special Item</b>				
I-90 Interchange Project	0	0	(1,773,320)	(4,295,642)
<b>Change in Net Position</b>				
Governmental Activities	4,962,656	779,645	1,251,388	(445,895)
Business-Type Activities	1,246,282	147,671	(465,773)	1,899,547
<i>Total Primary Government Change in Net Position</i>	<u>\$6,208,938</u>	<u>\$927,316</u>	<u>\$785,615</u>	<u>\$1,453,652</u>

(1) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015

2011	2010	2009	2008	2007	2006
\$1,566,237	\$1,496,579	\$1,520,272	\$1,520,015	\$1,543,962	\$1,333,155
1,228,341	1,223,635	1,268,806	776,504	806,201	788,160
629,793	613,253	411,556	433,011	464,321	461,994
0	0	198,297	198,262	201,386	173,609
293,924	289,808	297,378	244,631	251,185	244,487
74,421	78,640	72,822	71,874	86,093	98,426
568,618	559,583	559,752	575,854	414,954	405,525
5,478,107	4,692,358	4,726,399	4,639,884	4,326,837	4,933,050
4,164,144	3,386,770	3,343,630	3,519,526	3,466,344	3,155,090
143,118	0	0	0	0	0
0	0	0	0	0	0
1,413,615	1,179,680	1,172,927	1,256,991	0	0
1,223,337	1,837,467	979,590	1,139,985	940,842	1,257,304
0	0	0	0	0	0
64,712	293,374	315,399	865,425	1,151,966	1,001,612
1,701,068	1,319,031	668,139	0	0	0
453,527	607,322	1,165,347	185,009	501,637	297,451
19,002,962	17,577,500	16,700,314	15,426,971	14,155,728	14,149,863
3,818	8,309	7,499	49,163	261,204	423,066
2,696	34,455	16,746	33,858	74,967	55,806
6,514	42,764	24,245	83,021	336,171	478,872
19,009,476	17,620,264	16,724,559	15,509,992	14,491,899	14,628,735
(18,228)	164,191	(294,388)	(194,150)	(230,000)	0
18,228	(164,191)	294,388	194,150	230,000	0
(9,944,692)	0	0	0	0	0
(10,191,301)	(3,031,345)	388,468	(3,399,113)	1,364,051	3,263,269
(85,370)	(1,636,620)	(111,479)	519,417	(217,794)	713,736
(\$10,276,671)	(\$4,667,965)	\$276,989	(\$2,879,696)	\$1,146,257	\$3,977,005

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

	2015	2014	2013	2012
<b>General Fund</b>				
Nonspendable	\$189,085	\$202,048	\$1,168,421	\$1,170,558
Restricted	0	0	0	0
Assigned	1,199,671	863,715	341,665	1,742,480
Unassigned	3,629,253	4,290,707	4,569,321	6,058,076
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
<b>Total General Fund</b>	<b>5,018,009</b>	<b>5,356,470</b>	<b>6,079,407</b>	<b>8,971,114</b>
<b>All Other Governmental Funds</b>				
Nonspendable	284,776	228,638	242,741	201,058
Restricted	4,375,547	5,927,793	6,055,705	6,180,850
Committed	721,199	594,804	417,020	497,513
Assigned	362,947	244,226	307,741	683,639
Unassigned (Deficit)	(8,098,171)	(2,575,669)	(6,832,098)	(18,792,013)
Reserved	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:				
Special Revenue funds	N/A	N/A	N/A	N/A
Debt Service funds	N/A	N/A	N/A	N/A
Capital Projects funds	N/A	N/A	N/A	N/A
<b>Total All Other Governmental Funds (Deficit)</b>	<b>(2,353,702)</b>	<b>4,419,792</b>	<b>191,109</b>	<b>(11,228,953)</b>
<b>Total Governmental Funds (Deficit)</b>	<b>\$2,664,307</b>	<b>\$9,776,262</b>	<b>\$6,270,516</b>	<b>(\$2,257,839)</b>

Note: During 2010, the City implemented GASB 54.

2011	2010	2009	2008	2007	2006
\$1,250,272	\$25,615	\$23,773	N/A	N/A	N/A
0	974,616	973,798	N/A	N/A	N/A
107,024	83,948	50,844	N/A	N/A	N/A
7,509,648	8,632,072	6,854,374	N/A	N/A	N/A
N/A	N/A	N/A	\$178,261	\$189,529	\$170,059
N/A	N/A	N/A	6,319,932	6,577,416	6,558,172
8,866,944	9,716,251	7,902,789	6,498,193	6,766,945	6,728,231
178,349	166,340	151,638	N/A	N/A	N/A
4,539,257	8,171,553	8,058,375	N/A	N/A	N/A
565,102	186,029	598,223	N/A	N/A	N/A
39,389	86,605	214,528	N/A	N/A	N/A
(18,668,420)	(10,782,800)	(159,044)	N/A	N/A	N/A
N/A	N/A	N/A	25,344,685	3,799,554	1,171,829
N/A	N/A	N/A	3,083,916	3,990,801	3,579,484
N/A	N/A	N/A	643,228	531,928	371,855
N/A	N/A	N/A	1,684,436	(347,899)	986,929
(13,346,323)	(2,172,273)	8,863,720	30,756,265	7,974,384	6,110,097
(\$4,479,379)	\$7,543,978	\$16,766,509	\$37,254,458	\$14,741,329	\$12,838,328

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

	2015	2014	2013	2012
<b>Revenues</b>				
Property Taxes	\$4,197,012	\$4,234,545	\$4,043,296	\$4,388,175
Payment in Lieu of Taxes	1,824,012	2,535,911	2,373,141	2,150,075
Municipal Income Taxes	15,451,834	14,129,864	13,227,628	12,036,712
Charges for Services	1,710,546	1,383,468	2,563,870	3,018,040
Licenses and Permits	1,973,368	1,472,885	1,110,765	770,884
Fines and Forfeitures	281,221	262,517	188,494	399,610
Intergovernmental	4,791,149	2,247,864	2,612,270	2,953,599
Special Assessments	744,494	837,217	2,026,513	481,394
Interest	70,407	124,974	(17,879)	154,534
Contributions and Donations	39,475	4,606	1,803	0
Rentals	424,554	422,160	411,833	391,088
Miscellaneous	556,817	562,343	258,330	302,223
<i>Total Revenues</i>	<u>32,064,889</u>	<u>28,218,354</u>	<u>28,800,064</u>	<u>27,046,334</u>
<b>Expenditures</b>				
Current:				
General Government	4,785,387	4,585,168	4,795,581	4,528,308
Security of Persons and Property	9,827,877	9,752,745	9,457,216	8,751,701
Transportation	2,546,580	2,809,212	2,382,597	2,235,594
Community Environment	2,139,948	1,742,815	1,510,405	1,439,019
Basic Utility Services	0	0	0	8,587
Leisure Time Activities	1,123,760	1,119,428	1,614,582	1,272,269
Capital Outlay	13,047,443	4,350,175	5,836,420	10,969,183
Debt Service:				
Principal Retirement	2,621,565	2,602,713	2,443,614	2,051,057
Interest and Fiscal Charges	3,088,258	3,226,688	2,740,512	2,380,527
Bond Issuance Costs	0	106,786	176,031	206,242
Payment to Refunded Bond Escrow Agent	0	0	0	0
<i>Total Expenditures</i>	<u>39,180,818</u>	<u>30,295,730</u>	<u>30,956,958</u>	<u>33,842,487</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(7,115,929)</u>	<u>(2,077,376)</u>	<u>(2,156,894)</u>	<u>(6,796,153)</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	3,974	22,322	25,141	0
General Obligation Bonds Issued	0	5,235,000	8,735,028	11,575,392
Special Assessment Bonds Issued	0	0	3,084,972	3,734,608
Current Refunding Bonds Issued	0	0	0	0
Bond Premium	0	211,786	556,031	536,863
Notes Issued	0	0	0	0
Note Premium	0	0	0	0
Loans Issued	0	114,014	32,423	97,167
Payment to Refunded Bond Escrow Agent	0	0	0	(2,656,706)
Refunding Principal	0	0	0	0
Transfers In	8,710,298	8,700,814	11,872,993	8,410,863
Transfers Out	(8,710,298)	(8,700,814)	(11,848,019)	(8,384,852)
<i>Total Other Financing Sources (Uses)</i>	<u>3,974</u>	<u>5,583,122</u>	<u>12,458,569</u>	<u>13,313,335</u>
Special Item	0	0	(1,773,320)	(4,295,642)
<i>Net Change in Fund Balances</i>	<u>(\$7,111,955)</u>	<u>\$3,505,746</u>	<u>\$8,528,355</u>	<u>\$2,221,540</u>
Debt Service as a Percentage of Noncapital Expenditures	21.7%	22.3%	18.7%	17.9%

2011	2010	2009	2008	2007	2006
\$4,506,378	\$4,248,951	\$4,330,690	\$3,854,146	\$3,702,610	\$3,451,462
1,701,068	1,319,031	668,139	0	0	0
10,555,273	9,710,548	9,378,759	9,294,659	7,681,269	7,688,999
811,160	617,297	903,298	814,606	832,369	711,413
742,571	1,090,059	745,232	974,480	1,068,752	1,268,486
203,505	147,987	115,165	206,707	212,817	183,256
3,286,920	3,296,064	3,672,996	3,581,433	2,137,538	2,293,477
410,752	249,816	240,379	243,986	227,188	202,342
64,712	293,374	315,399	853,783	1,151,966	1,001,612
625	5,000	6,575	40,650	0	0
380,000	380,000	328,361	0	0	0
453,527	227,322	1,165,347	185,009	501,637	297,451
<u>23,116,491</u>	<u>21,585,449</u>	<u>21,870,340</u>	<u>20,049,459</u>	<u>17,516,146</u>	<u>17,098,498</u>
3,644,554	3,451,160	2,824,337	2,664,209	2,169,720	2,247,763
8,403,805	7,834,770	7,526,545	7,134,465	6,268,041	5,513,657
2,474,040	2,035,160	1,982,203	1,632,598	1,649,383	1,649,507
1,268,823	1,204,080	1,386,408	1,282,138	1,239,252	1,275,204
46,497	15,286	14,838	99,491	22,410	24,473
1,350,087	840,942	986,909	1,071,323	1,134,764	1,058,069
3,816,253	11,799,587	23,767,231	20,549,738	7,163,756	3,566,729
7,530,941	7,326,169	40,432,357	7,729,043	1,205,994	575,200
2,363,849	2,191,887	2,009,751	1,354,369	581,977	575,686
178,073	0	0	0	0	59,145
0	0	0	0	0	585
<u>31,076,922</u>	<u>36,699,041</u>	<u>80,930,579</u>	<u>43,517,374</u>	<u>21,435,297</u>	<u>16,546,018</u>
<u>(7,960,431)</u>	<u>(15,113,592)</u>	<u>(59,060,239)</u>	<u>(23,467,915)</u>	<u>(3,919,151)</u>	<u>552,480</u>
0	0	0	0	0	0
5,760,000	0	32,890,000	6,910,000	0	2,675,000
0	0	0	0	0	0
2,620,000	0	0	0	0	0
133,036	0	376,678	0	0	27,558
0	5,675,000	5,600,000	39,120,000	6,910,000	1,700,000
0	51,870	0	0	0	0
0	0	0	145,194	242,152	0
(2,613,042)	0	0	0	0	(1,647,760)
0	0	0	0	(1,100,000)	(200,000)
9,652,720	11,341,838	8,676,343	14,475,111	6,912,643	6,110,550
<u>(9,670,948)</u>	<u>(11,177,647)</u>	<u>(8,970,731)</u>	<u>(14,669,261)</u>	<u>(7,142,643)</u>	<u>(6,110,550)</u>
<u>5,881,766</u>	<u>5,891,061</u>	<u>38,572,290</u>	<u>45,981,044</u>	<u>5,822,152</u>	<u>2,554,798</u>
<u>(9,944,692)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(\$12,023,357)</u>	<u>(\$9,222,531)</u>	<u>(\$20,487,949)</u>	<u>\$22,513,129</u>	<u>\$1,903,001</u>	<u>\$3,107,278</u>
37.1%	33.4%	73.2%	33.8%	11.5%	9.9%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2015	\$573,754,960	\$168,064,920	\$2,119,485,371	\$13,371,550	\$15,194,943
2014	559,668,300	170,425,410	2,085,982,029	12,652,910	14,378,307
2013	550,176,210	169,038,370	2,054,898,800	11,582,520	13,161,955
2012	591,340,020	170,542,580	2,176,807,429	10,591,870	12,036,216
2011	577,927,270	191,542,460	2,198,484,943	10,293,520	11,697,182
2010	567,702,900	176,422,410	2,126,072,314	9,888,710	11,237,170
2009	578,232,900	170,637,860	2,139,630,743	9,597,120	10,905,818
2008	560,820,750	173,342,630	2,097,609,657	8,051,870	9,149,852
2007	534,209,880	167,992,780	2,006,293,314	10,155,460	11,540,295
2006	453,889,000	138,900,170	1,693,683,343	10,162,370	11,548,148

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

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

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

Source: Lorain County, Ohio; County Auditor

<u>Tangible Personal Property</u>						
<u>General Business</u>		<u>Total</u>		<u>Ratio</u>	<u>Total Tax Rate (mills)</u>	<u>Weighted Average (mills)</u>
<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>			
\$0	\$0	\$755,191,430	\$2,134,680,315	35.38 %	\$9.15	\$6.62
0	0	742,746,620	2,100,360,335	35.36	9.15	6.87
0	0	730,797,100	2,068,060,755	35.34	9.24	6.98
0	0	772,474,470	2,188,843,645	35.29	9.23	6.99
0	0	779,763,250	2,210,182,125	35.28	9.25	6.93
388,577	3,108,616	754,402,597	2,140,418,101	35.25	9.27	7.12
407,606	3,260,848	758,875,486	2,153,797,409	35.23	9.26	7.07
11,458,960	91,671,680	753,674,210	2,198,431,189	34.28	9.41	6.33
34,724,120	277,792,960	747,082,240	2,295,626,569	32.54	9.47	6.67
37,150,490	198,135,947	640,102,030	1,903,367,436	33.63	9.47	6.83

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

	2015	2014	2013	2012
<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>	<u>2.60000</u>	<u>2.60000</u>	<u>2.60000</u>	<u>2.60000</u>
<b>Voted Millage - by levy</b>				
1984 Police				
General Business and Public Utility Personal	2.00000	2.00000	2.00000	2.00000
Residential/Agricultural Real	0.55535	0.59993	0.60160	0.60220
Commercial/Industrial and Public Utility Real	0.63513	0.63809	0.65150	0.66340
1994 Bond	0.00000	0.00000	0.09200	0.08000
1996 Library				
General Business and Public Utility Personal	1.20000	1.20000	1.20000	1.20000
Residential/Agricultural Real	0.56378	0.60904	0.61070	0.61130
Commercial/Industrial and Public Utility Real	0.46721	0.46939	0.47920	0.48800
2002 Fire - 5 years (2)				
General Business and Public Utility Personal	0.50000	0.50000	0.50000	0.50000
Residential/Agricultural Real	0.37799	0.40833	0.40940	0.40980
Commercial/Industrial and Public Utility Real	0.24505	0.24620	0.25140	0.26000
2007 Police - 10 years (4)				
General Business and Public Utility Personal	0.50000	0.50000	0.50000	0.50000
Residential/Agricultural Real	0.46113	0.49815	0.49950	0.50000
Commercial/Industrial and Public Utility Real	0.37128	0.37301	0.38090	0.38780
2008 Park & Recreation - 5 years (3)				
General Business and Public Utility Personal	0.45000	0.45000	0.45000	0.45000
Residential/Agricultural Real	0.41502	0.44833	0.44950	0.45000
Commercial/Industrial and Public Utility Real	0.33415	0.33571	0.34280	0.34900
2008 Street Improvement - 10 years (5)				
General Business and Public Utility Personal	1.90000	1.90000	1.90000	1.90000
Residential/Agricultural Real	1.75229	1.89296	1.89810	1.90000
Commercial/Industrial and Public Utility Real	<u>1.41086</u>	<u>1.41743</u>	<u>1.44730</u>	<u>1.47360</u>
<i>Total Voted Millage by Type of Property</i>				
General Business and Public Utility Personal	\$6.55000	\$6.55000	\$6.64200	\$6.63000
Residential/Agricultural Real	4.12556	4.45673	4.56080	4.55330
Commercial/Industrial and Public Utility Real	3.46369	3.47981	3.64510	3.70180
<i>Total Millage by Type of Property</i>				
General Business and Public Utility Personal	\$9.15000	\$9.15000	\$9.24200	\$9.23000
Residential/Agricultural Real	6.72556	7.05673	7.16080	7.15330
Commercial/Industrial and Public Utility Real	6.06369	6.07981	6.24510	6.30180
<i>Total Weighted Average Tax Rate</i>	<u>\$6.62119</u>	<u>\$6.86824</u>	<u>\$6.98198</u>	<u>\$6.99379</u>

2011	2010	2009	2008	2007	2006
\$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
0.55225	0.55410	0.53226	0.53285	0.60280	0.61950
0.69723	0.81900	0.82591	0.85532	0.97680	1.03290
0.10000	0.12000	0.11000	0.11000	0.17000	0.17000
1.20000	1.20000	1.20000	1.20000	1.20000	1.20000
0.56064	0.56250	0.54034	0.54090	0.61190	0.62890
0.51289	0.60250	0.60760	0.62919	0.71860	0.75990
0.50000	0.50000	0.50000	0.50000	0.50000	0.50000
0.37588	0.37710	0.36220	0.36268	0.41030	0.42170
0.26901	0.31600	0.31870	0.33001	0.37690	0.39850
0.50000	0.50000	0.50000	0.50000	0.50000	0.50000
0.49837	0.50000	0.49570	0.49630	0.26300	0.27040
0.40758	0.47880	0.48280	0.50000	0.29940	0.31660
0.45000	0.45000	0.45000	0.50000	0.50000	0.50000
0.44853	0.45000	0.44950	0.37191	0.42070	0.43240
0.36682	0.43090	0.43450	0.34928	0.39890	0.42180
1.90000	1.90000	1.90000	2.00000	2.00000	2.00000
1.89380	1.90000	1.89790	1.18352	1.33880	1.37600
1.54880	1.81930	1.83470	1.04860	1.19760	1.26640
\$6.65000	\$6.67000	\$6.66000	\$6.81000	\$6.87000	\$6.87000
4.42947	4.46370	4.38790	3.59816	3.81750	3.91890
3.90234	4.58650	4.61421	3.82240	4.13820	4.36610
\$9.25000	\$9.27000	\$9.26000	\$9.41000	\$9.47000	\$9.47000
7.02947	7.06370	6.98790	6.19816	6.41750	6.51890
6.50234	7.18650	7.21421	6.42240	6.73820	6.96610
\$6.92929	\$7.12247	\$7.06874	\$6.33288	\$6.67299	\$6.83407

(continued)

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

	2015	2014	2013	2012
<b><i>Overlapping Rates by Taxing District</i></b>				
<b>Avon Local School District</b>				
General Business and Public Utility Personal	\$58.53000	\$56.83000	\$57.03000	\$57.28000
Residential/Agricultural Real	41.88248	41.45910	41.70590	41.97290
Commercial/Industrial and Public Utility Real	40.92124	39.22470	39.44030	39.70420
<b>Lorain County Voted Millage</b>				
General Business and Public Utility Personal	15.08200	14.48200	14.48200	13.65500
Residential/Agricultural Real	14.20966	14.08570	14.09270	12.85340
Commercial/Industrial and Public Utility Real	14.37154	13.77480	13.71860	12.51930
<b>Special Taxing Districts (1)</b>				
General Business and Public Utility Personal	3.45000	3.45000	3.45000	3.45000
Residential/Agricultural Real	3.17538	3.31090	3.31370	3.31610
Commercial/Industrial and Public Utility Real	3.01105	3.01670	2.98580	2.98470

Source: Lorain County Auditor

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

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

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

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

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

2011	2010	2009	2008	2007	2006
\$56.57000	\$50.49000	\$50.44000	\$50.49000	\$43.70000	\$42.10000
39.83377	33.80550	33.13120	33.18246	26.52920	24.96200
39.03372	33.09590	33.05389	33.20530	26.49000	24.95550
13.69000	13.39000	13.39000	13.39000	13.49000	13.19000
12.22255	11.53460	10.93800	10.96180	12.17460	10.75970
12.48408	11.97180	11.84360	11.90610	12.77980	12.03060
3.45000	3.45000	3.45000	3.45000	3.45000	3.45000
3.11836	3.11540	2.99490	2.99750	2.60800	2.61480
2.97790	3.01200	2.98470	3.00560	2.76750	2.78310

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

Tax Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collection to Current Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)
2014	\$4,748,618	\$4,584,585	96.55%	\$36,755	\$4,621,340
2013	4,750,344	4,694,267	98.82	54,351	4,748,618
2012	4,674,336	4,565,633	97.67	76,128	4,641,761
2011	4,931,999	4,858,738	98.51	93,250	4,951,988
2010	5,208,709	5,509,845	105.78	35,867	5,545,712
2009	4,935,250	4,667,972	94.58	94,251	4,762,223
2008	4,936,187	4,675,241	94.71	144,098	4,819,339
2007	4,311,718	3,851,783	89.33	140,881	3,992,664
2006	4,118,715	3,697,890	89.78	127,526	3,825,416
2005	3,550,966	3,495,653	98.44	65,689	3,561,342

Source: Lorain County, Ohio; County Auditor

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

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

Percent of Total Tax Collection to Current Tax Levy	Accumulated Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Total Tax Levy
97.32%	\$159,993	3.37%
99.96	181,775	3.83
99.30	165,855	3.55
100.41	148,792	3.02
106.47	73,805	1.42
96.49	231,539	4.69
97.63	190,617	3.86
92.60	268,151	6.22
92.88	309,555	7.52
100.29	121,001	3.41

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

<b>2015</b>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage
First Interstate Avon, LTD	\$18,383,630	2.48 %
Cleveland Electric Illuminating Company	8,389,960	1.13
Sir Properties Trust	6,891,000	0.93
AERC Avon, LLC	6,822,430	0.92
Orion Properties	5,839,170	0.79
NWQ Jaycox I-90, LLC	4,952,970	0.67
Wal Mart Real Estate Business Trust	4,654,480	0.63
Chester Properties, LTD	4,357,240	0.59
First Interstate Commons East, LLC	4,193,720	0.56
Comprehensive Healthcare of Ohio	4,001,350	0.53
<b>Total</b>	<b>\$68,485,950</b>	<b>9.23 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$741,819,880</b>	
<b>2006</b>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage
First Interstate Avon, LTD	\$21,970,530	3.71 %
Franciscan Communities	7,195,020	1.21
AERC Avon, LLC	7,123,310	1.21
Henkel	7,086,080	1.20
Avon Local School District	6,695,160	1.13
Timberlake Apartments	6,599,710	1.11
Wal Mart Real Estate Business Trust	4,768,000	0.80
Comprehensive Healthcare of Ohio	4,701,630	0.79
Chester Properties, LTD	4,533,400	0.76
BJ Avon Portfolio	3,413,110	0.58
<b>Total</b>	<b>\$74,085,950</b>	<b>12.50 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$592,789,170</b>	

Source: Lorain County, Ohio; County Auditor

(1) The amounts presented represent the assessed values upon which 2015 and 2006 collections were based.

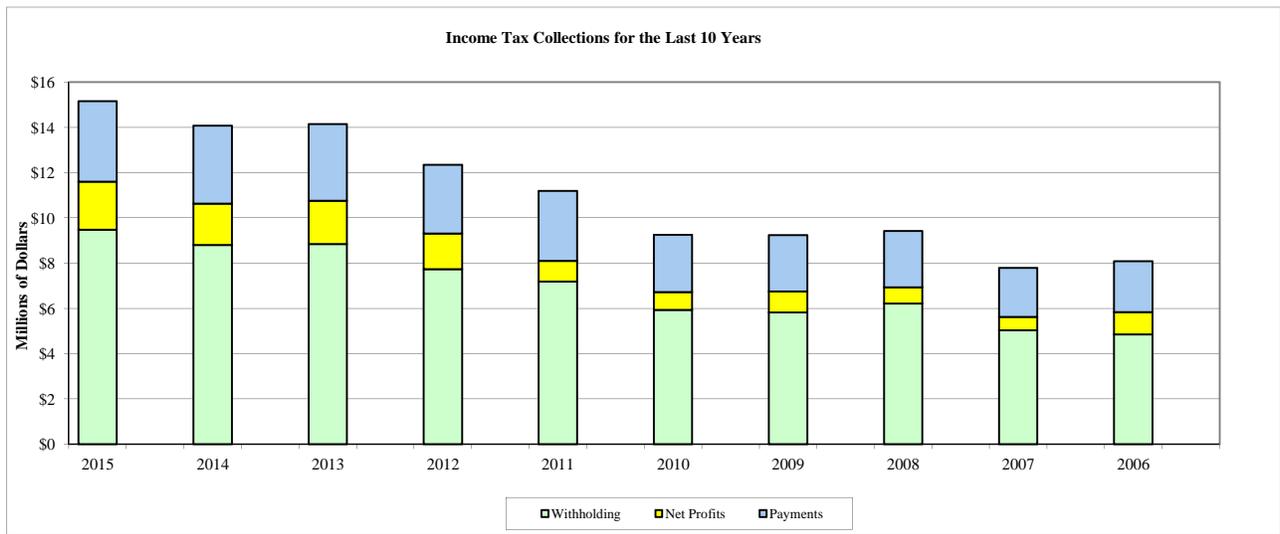
**City of Avon, Ohio**  
*Income Tax Revenue Base and Collections*  
*Last Ten Years*

Tax Year	Tax Rate (2)	Total Tax Collected (1)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individual Payments	Percentage of Taxes from Individual Payments
2015	1.75%	\$15,166,934	\$9,485,400	62.54%	\$2,112,754	13.93%	\$3,568,780	23.53%
2014	1.75	14,074,841	8,803,814	62.55	1,833,952	13.03	3,437,076	24.42
2013	1.75	14,151,916	8,844,948	62.50	1,916,169	13.54	3,390,799	23.96
2012	1.75	12,354,791	7,731,628	62.58	1,581,413	12.80	3,041,750	24.62
2011	1.75	11,198,984	7,184,484	64.15	916,189	8.18	3,098,311	27.67
2010	1.75	9,258,808	5,932,674	64.08	784,221	8.47	2,541,913	27.45
2009	1.75	9,242,956	5,822,877	63.00	935,017	10.12	2,485,061	26.88
2008	1.75	9,416,401	6,214,542	66.00	717,436	7.62	2,484,423	26.38
2007	1.50	7,793,181	5,037,200	64.64	588,775	7.55	2,167,206	27.81
2006	1.50	8,088,140	4,853,127	60.00	990,878	12.25	2,244,135	27.75

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

(1) Accrual Basis

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



**City of Avon, Ohio**

*Income Tax Statistics*

*Last Ten Years*

<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>
2014	\$0 - 24,999	1,838	26.15 %	\$17,061,544	2.36 %
2014	25,000 - 49,999	919	13.07	34,214,734	4.73
2014	50,000 - 74,999	812	11.55	50,502,423	6.99
2014	75,000 - 99,999	791	11.25	68,780,514	9.52
2014	Over 100,000	<u>3,048</u>	43.36	<u>626,035,615</u>	86.62
	Total	<u>7,408</u>		<u>\$796,594,830</u>	
2013	\$0 - 24,999	1,824	24.94 %	\$17,314,080	2.27 %
2013	25,000 - 49,999	967	13.22	36,038,652	4.73
2013	50,000 - 74,999	842	11.51	52,691,022	6.91
2013	75,000 - 99,999	776	10.61	67,801,465	8.89
2013	Over 100,000	<u>2,906</u>	39.72	<u>588,594,129</u>	77.20
	Total	<u>7,315</u>		<u>\$762,439,348</u>	
2012	\$0 - 24,999	1,759	25.02 %	\$16,842,101	2.33 %
2012	25,000 - 49,999	924	13.14	34,254,980	4.74
2012	50,000 - 74,999	844	12.01	53,186,130	7.36
2012	75,000 - 99,999	784	11.15	68,562,392	9.49
2012	Over 100,000	<u>2,719</u>	38.68	<u>549,889,680</u>	76.08
	Total	<u>7,030</u>		<u>\$722,735,283</u>	
2011	\$0 - 24,999	1,700	24.85 %	\$16,127,434	2.42 %
2011	25,000 - 49,999	917	13.41	33,904,856	5.09
2011	50,000 - 74,999	840	12.28	52,554,531	7.89
2011	75,000 - 99,999	787	11.51	68,587,179	10.30
2011	Over 100,000	<u>2,596</u>	37.95	<u>494,819,519</u>	74.30
	Total	<u>6,840</u>		<u>\$665,993,519</u>	
2010	\$0 - 24,999	1,722	25.59 %	\$16,658,792	2.69 %
2010	25,000 - 49,999	912	13.55	33,707,542	5.45
2010	50,000 - 74,999	932	13.85	58,240,162	9.41
2010	75,000 - 99,999	794	11.80	69,330,417	11.20
2010	Over 100,000	<u>2,370</u>	35.21	<u>440,989,347</u>	71.25
	Total	<u>6,730</u>		<u>\$618,926,260</u>	

(continued)

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

Tax Year	Income Range	Number of Filers	Percent of Filers	Taxable Income	of Taxable Income
2009	\$0 - 24,999	1,727	25.88 %	\$16,838,135	2.90 %
2009	25,000 - 49,999	973	14.58	36,223,361	6.23
2009	50,000 - 74,999	897	13.44	56,187,628	9.67
2009	75,000 - 99,999	826	12.38	71,685,920	12.34
2009	Over 100,000	<u>2,251</u>	33.72	<u>400,195,682</u>	68.86
	Total	<u><u>6,674</u></u>		<u><u>\$581,130,726</u></u>	
2008	\$0 - 24,999	1,739	26.11 %	\$17,229,483	3.09 %
2008	25,000 - 49,999	967	14.52	35,954,446	6.43
2008	50,000 - 74,999	976	14.65	60,897,408	10.90
2008	75,000 - 99,999	776	11.65	67,571,451	12.09
2008	Over 100,000	<u>2,203</u>	33.07	<u>377,157,371</u>	67.49
	Total	<u><u>6,661</u></u>		<u><u>\$558,810,159</u></u>	
2007	\$0 - 24,999	1,748	26.67 %	\$16,916,794	3.19 %
2007	25,000 - 49,999	1,032	15.74	38,442,879	7.25
2007	50,000 - 74,999	936	14.28	58,398,823	11.02
2007	75,000 - 99,999	777	11.85	67,801,989	12.79
2007	Over 100,000	<u>2,062</u>	31.46	<u>348,394,384</u>	65.75
	Total	<u><u>6,555</u></u>		<u><u>\$529,954,869</u></u>	
2006	\$0 - 24,999	1,731	28.10 %	\$16,146,506	3.24 %
2006	25,000 - 49,999	924	15.00	34,682,455	6.96
2006	50,000 - 74,999	866	14.06	54,220,032	10.88
2006	75,000 - 99,999	761	12.35	66,550,102	13.36
2006	Over 100,000	<u>1,878</u>	30.49	<u>326,560,796</u>	65.56
	Total	<u><u>6,160</u></u>		<u><u>\$498,159,891</u></u>	
2005	\$0 - 24,999	1,666	28.43 %	\$15,728,218	3.35 %
2005	25,000 - 49,999	909	15.51	33,990,464	7.23
2005	50,000 - 74,999	882	15.05	55,326,557	11.78
2005	75,000 - 99,999	827	14.11	72,287,420	15.39
2005	Over 100,000	<u>1,577</u>	26.91	<u>292,492,967</u>	62.26
	Total	<u><u>5,861</u></u>		<u><u>\$469,825,626</u></u>	

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

As of December 31, 2015, year 2015 information has not been compiled.

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

Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)	Governmental Activities Debt		
				General Obligation Bonds	Special Assessment Bonds	OPWC Loans
2015	\$66,875,295	3.13 %	\$3,155.54	\$63,273,427	\$8,205,732	\$345,137
2014	69,197,678	3.29	3,265.12	65,557,853	8,603,358	366,796
2013	66,059,675	3.19	3,117.05	62,382,911	8,989,810	274,441
2012	59,049,585	2.70	2,786.28	55,348,374	6,125,921	263,028
2011	47,759,093	2.16	2,253.53	47,407,470	2,720,771	182,336
2010	43,406,999	2.03	2,048.18	42,987,841	2,959,042	198,811
2009	44,931,915	2.09	2,496.22	44,441,334	3,208,858	215,286
2008	12,809,258	0.58	1,117.15	12,251,682	3,449,237	223,523
2007	7,008,741	0.31	611.26	6,717,363	2,866,244	242,044
2006	7,438,804	0.39	648.77	7,096,708	3,073,713	13,500

Year	Business-Type Activities Debt					
	General Obligation Bonds	Special Assessment Bonds	Avon Lake Debt	Bond Anticipation Notes	OWDA Loans	Capital Lease
2015	\$3,601,868	\$1,157,669	\$361,012	\$10,950,000	\$0	\$202,848
2014	3,639,825	1,164,806	385,452	9,300,000	0	248,320
2013	3,676,764	1,171,813	539,171	0	0	0
2012	3,701,211	1,174,762	684,008	0	38,610	0
2011	351,623	0	821,698	0	173,081	0
2010	419,158	0	952,191	0	301,923	0
2009	490,581	0	1,074,817	0	425,464	0
2008	557,576	0	683,979	0	544,006	0
2007	291,378	0	776,103	730,000	657,830	0
2006	342,096	0	863,621	0	767,198	0

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

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

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Bond  
Anticipation  
Notes

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

<u>Total Debt (3)</u>	<u>Percentage of Personal Income (2)</u>	<u>Per Capita (2)</u>
\$88,097,693	12.04 %	\$4,156.92
89,266,410	12.20	4,212
77,034,910	10.52	3,635
67,335,914	9.20	3,177
51,656,979	7.06	2,437
53,545,836	7.32	2,527
55,456,340	10.87	3,081
56,830,003	17.52	4,956
19,190,962	5.92	1,674
13,856,836	4.27	1,209

**City of Avon, Ohio**  
*Legal Debt Margin*  
*Last Ten Years*

	2015	2014	2013	2012
Total Assessed Property Value	<u>\$755,191,430</u>	<u>\$742,746,620</u>	<u>\$730,797,100</u>	<u>\$772,474,470</u>
General Bonded Debt Outstanding:				
General Obligation Notes/Bonds	\$76,440,382	\$77,041,162	\$72,928,246	\$58,098,800
General Obligation Revenue Notes/Bonds	0	0	0	0
Special Assessment Bonds	9,204,618	9,598,838	9,981,754	7,261,200
Bond Anticipation Notes	8,500,000	7,500,000	8,180,000	19,490,000
Bond Anticipation Notes Enterprise	1,350,000	500,000	0	0
OPWC Loans	345,137	366,796	274,441	263,028
OWDA Loans	0	0	0	38,610
Contractual Debt Obligation	<u>361,012</u>	<u>385,452</u>	<u>539,171</u>	<u>684,008</u>
Total Gross Indebtedness	96,201,149	95,392,248	91,903,612	85,835,646
Less Exempt Outstanding:				
General Obligation Bonds	(65,011,270)	(50,416,381)	(54,490,082)	(40,484,768)
General Obligation Revenue Notes/Bonds	0	0	0	0
Special Assessment Bonds	(9,204,618)	(9,598,838)	(9,981,754)	(7,261,200)
Bond Anticipation Notes	(8,500,000)	(7,500,000)	(8,180,000)	(19,490,000)
Bond Anticipation Notes Enterprise	(1,350,000)	(500,000)	0	0
OWDA Loans	0	0	0	(38,610)
Contractual Debt Obligation	(361,012)	(385,452)	(539,171)	(684,008)
General Obligation Bond Retirement Fund Balance	<u>(153,061)</u>	<u>(96,577)</u>	<u>(63,560)</u>	<u>(102,117)</u>
Total Net Debt Applicable to Debt Limit	<u>11,621,188</u>	<u>26,895,000</u>	<u>18,649,045</u>	<u>17,774,943</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>79,295,100</u>	<u>77,988,395</u>	<u>76,733,696</u>	<u>81,109,819</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$67,673,912</u>	<u>\$51,093,395</u>	<u>\$58,084,651</u>	<u>\$63,334,876</u>
Legal Debt Margin as a Percentage of the Debt Limit	85.34%	65.51%	75.70%	78.09%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$41,535,529</u>	<u>\$40,851,064</u>	<u>\$40,193,841</u>	<u>\$42,486,096</u>
Total Gross Indebtedness	96,201,149	95,392,248	91,903,612	85,835,646
Less Exempt Outstanding:				
General Obligation Bonds	(65,011,270)	(50,416,381)	(54,490,082)	(40,484,768)
General Obligation Revenue Notes/Bonds	0	0	0	0
Special Assessment Bonds	(9,204,618)	(9,598,838)	(9,981,754)	(7,261,200)
Bond Anticipation Notes	(8,500,000)	(7,500,000)	(8,180,000)	(19,490,000)
Bond Anticipation Notes Enterprise	(1,350,000)	(500,000)	0	0
OWDA Loans	0	0	0	(38,610)
Contractual Debt Obligation	(361,012)	(385,452)	(539,171)	(684,008)
General Obligation Bond Retirement Fund Balance	<u>(153,061)</u>	<u>(96,577)</u>	<u>(63,560)</u>	<u>(102,117)</u>
Net Debt Within 5 ½ % Limitations	<u>11,621,188</u>	<u>26,895,000</u>	<u>18,649,045</u>	<u>17,774,943</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$29,914,341</u>	<u>\$13,956,064</u>	<u>\$21,544,796</u>	<u>\$24,711,153</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	72.02%	34.16%	53.60%	58.16%

Source: City Financial Records and Prior Year CAFRS.

2011	2010	2009	2008	2007	2006
<u>\$779,763,250</u>	<u>\$754,402,597</u>	<u>\$758,875,486</u>	<u>\$753,674,210</u>	<u>\$747,082,240</u>	<u>\$640,102,030</u>
\$47,348,171	\$42,987,841	\$44,441,334	\$12,251,682	\$6,780,967	\$7,165,884
67,200	130,200	193,200	252,000	310,800	365,400
2,657,553	2,959,042	3,208,858	3,449,237	2,866,244	3,073,713
28,945,000	5,675,000	5,600,000	39,120,000	6,910,000	2,110,000
0	0	0	0	1,530,000	1,150,000
182,336	198,811	215,286	223,523	242,044	13,500
173,081	301,923	425,464	544,006	657,830	767,198
821,698	952,191	1,074,817	683,979	776,103	863,621
80,195,039	53,205,008	55,158,959	56,524,427	20,073,988	15,509,316
(30,865,000)	(31,675,000)	(32,970,000)	0	0	0
(67,200)	(130,200)	(193,200)	(252,000)	(310,800)	(365,400)
(2,657,553)	(2,959,042)	(3,208,858)	(3,449,237)	(2,866,244)	(3,073,713)
(28,945,000)	(5,675,000)	(5,600,000)	(39,120,000)	(6,910,000)	(2,110,000)
0	0	0	0	(1,530,000)	(1,150,000)
(173,081)	(301,923)	(425,464)	(544,006)	(657,830)	(767,198)
(821,698)	(952,191)	(1,074,817)	(683,979)	(776,103)	(863,621)
(44,968)	(64,469)	(52,292)	(48,136)	(168,549)	(26,725)
16,620,539	11,447,183	11,634,328	12,427,069	6,854,462	7,152,659
81,875,141	79,212,273	79,681,926	79,135,792	78,443,635	67,210,713
<u>\$65,254,602</u>	<u>\$67,765,090</u>	<u>\$68,047,598</u>	<u>\$66,708,723</u>	<u>\$71,589,173</u>	<u>\$60,058,054</u>
79.70%	85.55%	85.40%	84.30%	91.26%	89.36%
<u>\$42,886,979</u>	<u>\$41,492,143</u>	<u>\$41,738,152</u>	<u>\$41,452,082</u>	<u>\$41,089,523</u>	<u>\$35,205,612</u>
80,195,039	53,205,008	55,158,959	56,524,427	20,073,988	15,509,316
(30,865,000)	(31,675,000)	(32,970,000)	0	0	0
(67,200)	(130,200)	(193,200)	(252,000)	(310,800)	(365,400)
(2,657,553)	(2,959,042)	(3,208,858)	(3,449,237)	(2,866,244)	(3,073,713)
(28,945,000)	(5,675,000)	(5,600,000)	(39,120,000)	0	0
0	0	0	0	(1,530,000)	(1,150,000)
(173,081)	(301,923)	(425,464)	(544,006)	(657,830)	(767,198)
(821,698)	(952,191)	(1,074,817)	(683,979)	(776,103)	(863,621)
(44,968)	(64,469)	(52,292)	(48,136)	(168,549)	(26,725)
16,620,539	11,447,183	11,634,328	12,427,069	13,764,462	9,262,659
<u>\$26,266,440</u>	<u>\$30,044,960</u>	<u>\$30,103,824</u>	<u>\$29,025,013</u>	<u>\$27,325,061</u>	<u>\$25,942,953</u>
61.25%	72.41%	72.13%	70.02%	66.50%	73.69%

**City of Avon, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
*December 31, 2015*

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	\$63,273,427	100.00%	\$63,273,427
Special Assessment Bonds	8,205,732	100.00%	8,205,732
OPWC Loans	345,137	100.00%	345,137
<i>Total Direct Debt</i>	<u>71,824,296</u>		<u>71,824,296</u>
<b>Overlapping:</b>			
Avon Local School District			
General Obligation Bonds	61,601,686	100.00%	61,601,686
Lorain County			
General Obligation Bonds	22,785,000	11.99%	2,731,922
<i>Total Overlapping Debt</i>	<u>84,386,686</u>		<u>64,333,608</u>
<b>Total</b>	<u><u>\$156,210,982</u></u>		<u><u>\$136,157,904</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.

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

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

Year	Sewer Operating Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2015	\$0	\$0	\$0	\$0	\$0	0.00
2014	0	0	0	0	0	0.00
2013	1,794,967	1,526,056	268,911	38,610	752	6.83
2012	1,865,750	956,508	909,242	134,471	13,692	6.14
2011	1,646,944	1,028,665	618,279	128,842	16,612	4.25
2010	1,360,364	1,240,708	119,656	123,541	16,612	0.85
2009	1,629,741	1,526,181	103,560	118,542	21,447	0.74
2008	1,333,487	1,102,775	230,712	113,824	25,745	1.65
2007	1,405,083	1,496,430	(91,347)	109,368	31,839	(0.65)
2006	1,396,730	1,028,961	367,769	105,158	33,908	2.64

Note: During 2013, the City paid down the outstanding OWDA debt in the sewer fund; therefore, the City has no pledged revenue in 2015.

(1) Revenues include interest and operating grants.

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

Source: City Financial Records

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

<b>2015</b>		
Employer	Employees	Percentage of Total City Employment
Cleveland Clinic Foundation	779	5.19 %
Avon Local School District	736	4.91
Our Lady of the Wayside	706	4.71
ShurTech Brands, LLC	464	3.09
A.J. Rose Manufacturing Company	279	1.86
Costco Wholesale	232	1.55
Technifab	207	1.38
All Pro Freight Systems, Incorporated	204	1.36
City of Avon	195	1.30
Jenne Distributors, Incorporated	134	0.89
<b>Total</b>	<b>3,936</b>	<b>26.24 %</b>
<b>Total Estimated Employment within the City</b>	<b>15,000</b>	

<b>2006</b>		
Employer	Employees	Percentage of Total City Employment
Henkel	487	3.70 %
Our Lady of the Wayside Nursing Home	313	2.38
Avon Local School District	318	2.42
Willoway Nurseries, Incorporated	243	1.85
A.J. Rose Manufacturing Company	299	2.27
Walmart	200	1.52
Good Samaritan Nursing Home	160	1.22
Target	170	1.29
Avon Oaks Nursing Home	153	1.16
City of Avon	154	1.17
<b>Total</b>	<b>2,497</b>	<b>18.98 %</b>
<b>Total Employment within the City</b>	<b>13,153</b>	

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

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

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Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita	Median Household Income (1)	Median Age (1)
2015	21,193	\$731,963,834	\$34,538	\$75,951	38
2014	21,193	731,963,834	34,538	75,951	38
2013	21,193	731,963,834	34,538	75,951	38
2012	21,193	731,963,834	34,538	75,951	38
2011	21,193	731,963,834	34,538	75,951	38
2010	21,193	731,963,834	34,538	75,951	38
2009	18,000	510,012,000	28,334	66,747	38
2008	11,466	324,877,644	28,334	66,747	38
2007	11,466	324,877,644	28,334	66,747	38
2006	11,466	324,877,644	28,334	66,747	38

(1) Source: U. S. Census

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

(b) Years 2010 through 2015 - 2010 Federal Census

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

(3) Ohio Department of Job and Family Services

(4) Source: Lorain County Auditor

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

Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Lorain County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
32.3%	4,246	4.5%	\$260,000	\$755,191,430
32.3	4,102	5.7	260,000	742,746,620
32.3	4,153	9.3	260,000	730,797,100
32.3	4,076	7.0	260,000	772,474,470
32.3	4,078	7.7	260,000	779,763,250
32.3	3,976	8.8	260,000	754,402,597
32.3	3,580	9.4	245,000	758,875,486
32.3	3,136	7.0	251,011	753,674,210
32.3	3,128	6.2	239,730	747,082,240
32.3	2,988	5.5	213,590	640,102,030

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

Function/Program	2015	2014	2013	2012
General Government				
Council	5.50	5.50	5.50	5.50
Finance	4.00	4.00	4.00	4.00
Finance Director	1.00	1.00	1.00	1.00
Law	1.00	1.00	1.00	1.00
Mayor's Office	2.00	2.00	2.00	2.00
Human Resources	0.50	0.50	0.50	0.00
Planning	3.50	3.50	3.50	3.50
Civil Service	1.50	1.50	1.50	1.50
Court	1.50	1.50	1.50	1.50
Zoning	3.50	3.50	3.50	3.50
Information Technology	1.00	0.00	1.00	1.00
Senior Center	4.50	4.00	3.50	3.50
Engineering	0.50	1.00	1.00	1.00
Project Manager	0.00	1.00	1.00	1.00
Security of Persons and Property				
Police	35.00	32.50	31.00	32.00
Police - Dispatchers/Office/Other	8.50	10.50	10.50	10.50
Safety Director	0.00	0.00	0.00	0.00
Fire	34.00	32.50	32.00	32.00
Fire - Dispatchers/Office/Other	1.00	1.00	1.00	1.00
Leisure Time Activities				
Recreation and Parks	10.50	12.00	12.50	12.50
Landmarks Preservation	2.00	2.00	2.00	2.00
Community Development				
Building	9.50	7.00	7.00	7.00
Transportation				
Service/Street M&R	14.50	15.50	18.00	16.00
Basic Utility Services				
Water and Sewer	13.50	12.00	11.00	12.00
Totals:	<u>158.50</u>	<u>155.00</u>	<u>155.50</u>	<u>155.00</u>

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

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

Note: Some employees work in two different departments.

2011	2010	2009	2008	2007	2006
5.50	5.50	5.50	5.50	5.00	4.00
4.00	4.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.50	0.50
2.00	2.00	2.00	2.00	2.00	2.00
0.00	0.00	0.00	0.00	0.00	0.00
3.50	3.50	3.50	3.50	4.50	4.50
1.50	1.50	1.50	1.50	1.50	1.50
1.50	1.50	1.50	1.50	1.50	1.50
3.50	3.50	3.50	3.50	3.50	3.50
1.00	0.00	0.00	0.00	0.00	0.00
3.50	3.00	3.00	2.50	1.00	1.00
1.00	0.00	0.00	0.00	0.00	0.00
1.00	0.00	1.00	1.00	0.00	0.00
31.00	34.00	34.00	30.00	30.00	28.00
9.00	10.50	10.50	8.00	8.00	6.00
0.00	0.00	0.50	0.50	0.50	0.50
33.00	32.00	30.00	28.00	28.00	25.50
1.00	1.00	1.00	1.00	1.00	1.00
14.00	14.50	15.50	13.50	12.00	10.50
2.00	2.00	2.00	2.00	2.00	2.00
7.50	7.50	6.50	9.50	8.50	10.00
15.00	15.50	15.00	13.00	12.50	12.00
10.50	9.50	10.50	11.00	10.50	11.50
<u>153.00</u>	<u>153.00</u>	<u>153.00</u>	<u>143.50</u>	<u>138.50</u>	<u>130.50</u>

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

Function/Program	2015	2014	2013	2012
Date of Incorporation as a Village	1917			
Date of Incorporation as a City	1961			
<b>General Government</b>				
<i>Council and Clerk</i>				
Number of Ordinances Passed	152	142	137	134
Number of Resolutions Passed	17	23	35	33
<i>Planning Commission/Zoning Board of Appeals</i>				
Number of Planning Commission docket items	91	111	131	78
Zoning Board of Appeals docket items	31	23	26	14
<i>Finance Department</i>				
Amount of checks written	\$68,238,526	\$49,976,640	\$59,114,557	\$79,149,951
Interest earnings for fiscal year (cash basis)	\$91,796	\$73,481	\$71,310	\$80,715
Number of Receipts issued	4,903	4,684	4,306	3,584
Number of Budget Adjustments issued	23	22	29	22
Agency Ratings - Moody's Financial Services:	Aa1	Aa1	Aa1	Aa1
General Fund Receipts (cash basis in thousands)	\$13,000	\$12,542	\$12,554	\$11,224
General Fund Expenditures (cash basis in thousands)	\$13,494	\$12,885	\$13,269	\$10,739
General Fund Cash Balances including Income Tax (in thousands)	\$2,275	\$2,769	\$3,113	\$3,828
<i>Income Tax Department</i>				
Number of Annual withholding forms processed	22,758	20,184	19,814	18,616
Number of Business net profit forms processed	3,930	4,077	3,466	3,279
Number of Individual forms processed	20,376	19,000	18,887	17,504
Amount of Penalties and Interest Collected	N/A	N/A	N/A	N/A
Annual number of balance due/estimated payment forms processed	N/A	N/A	N/A	N/A
Annual number of reconciliations of withholdings processed	2,394	2,184	1,957	1,917
<i>Engineer Contracted Services</i>				
Dollar amount of Construction overseen by Engineer	\$12,707,077	\$5,415,017	\$2,107,283	\$4,022,623
<i>Mayor's Court</i>				
Number of Traffic cases	2,088	2,260	1,233	784
Number of Criminal cases	51	59	40	41
<i>Civil Service</i>				
Number of police entry tests administered	1	0	0	2
Number of fire entry tests administered	1	0	0	1
Number of police promotional tests administered	0	0	0	2
Number of fire promotional tests administered	3	0	0	1
Number of hires of Police Officers from certified lists	3	1	1	4
Number of hires of Fire/Medics from certified lists	1	0	1	2
Number of promotions from police certified lists	0	0	1	3
Number of promotions from fire certified lists	3	0	0	0
<i>Building Department Indicators</i>				
Single Family Permits Issued	120	128	122	96
Commercial Permits Issued	283	270	217	131
Estimated Value of Construction	\$135,229,296	\$190,769,916	\$88,664,341	\$72,114,502
Number of permits issued (all types)	1,590	1,540	1,142	1,112
Amount of Revenue generated from permits	\$2,280,180	\$2,451,429	\$1,199,584	\$847,201
Number of contractor registrations issued	865	788	862	810

2011	2010	2009	2008	2007	2006
116	113	132	168	142	151
22	39	18	44	41	31
76	60	74	121	149	105
17	17	20	26	29	37
\$53,594,606	\$42,389,310	\$37,724,785	\$30,942,350	\$32,987,641	\$37,732,774
\$95,029	\$112,699	\$231,386	\$665,519	\$1,181,222	\$1,177,582
3,687	4,018	3,658	3,661	3,704	4,090
35	32	26	44	51	31
Aa1	Aa1	Aa2	Aa2	Aa2	Aa2
\$12,821	\$13,284	\$9,254	\$7,555	\$9,728	\$7,800
\$15,015	\$11,466	\$9,029	\$9,887	\$3,334	\$8,600
\$3,343	\$5,570	\$3,752	\$3,527	\$5,668	\$5,450
16,323	13,275	11,009	11,066	10,697	10,357
2,893	2,075	1,882	1,559	1,437	1,272
17,619	8,883	12,204	8,616	8,205	7,346
N/A	\$125,422	\$88,437	\$63,898	\$61,456	\$60,813
8,874	10,195	11,165	9,234	9,926	9,048
1,862	N/A	1,251	1,215	1,124	1,529
\$9,550,735	\$1,899,519	\$2,471,597	\$7,854,087	\$4,880,288	\$3,997,969
1,103	982	880	867	2,079	1,508
40	62	44	50	82	77
0	0	1	0	0	1
0	0	0	1	0	1
1	0	0	0	0	2
0	0	0	2	0	2
0	1	5	0	2	5
0	1	1	0	1	4
1	0	0	0	0	2
0	5	2	0	2	9
113	146	115	142	179	222
228	137	109	210	249	183
\$40,702,895	\$113,771,043	\$47,821,980	\$67,973,353	\$84,863,809	\$81,389,840
1,199	1,112	1,022	1,124	1,269	2,085
\$972,849	\$1,464,343	\$506,654	\$1,281,070	\$1,478,453	\$1,225,686
769	932	609	694	1,086	1,096

(continued)

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

Function/Program	2015	2014	2013	2012
<b>Security of Persons and Property</b>				
<i>Police</i>				
Total Calls for Services	21,101	20,204	17,748	18,789
Number of traffic citations issued	2,399	2,178	1,770	1,495
Number of parking citations issued	458	513	384	475
Number of criminal arrests	529	369	466	579
Number of accident reports completed	731	653	598	569
Part 1 Offenses (major offenses)	508	389	494	481
DUI Arrests	66	72	85	100
Prisoners	306	375	461	358
Prisoner meal costs	\$0	\$0	\$0	\$0
Motor Vehicle Accidents	1,165	1,123	1,073	911
Fatalities from Motor Vehicle Accidents	1	1	0	2
Gasoline costs of fleet	\$73,531	\$114,883	\$105,400	\$99,212
<i>Fire</i>				
EMS Calls	1,810	1,657	1,737	1,666
Ambulance Billing Collections (net)	\$417,407	\$398,467	\$418,414	\$458,386
Fire Calls	673	635	623	589
Fires with Loss	31	10	14	16
Fires with Losses exceeding \$10K	8	3	1	4
Fire Losses	\$448,405	\$258,052	\$186,450	\$240,550
Fire Safety Inspections	1,215	832	727	682
Number of times Mutual Aid given to Fire and EMS and Auto Aid	113	99	73	67
Number of times Mutual Aid received for Fire and EMS and Auto Aid	58	85	54	86
<b>Leisure Time Activities</b>				
Recreation Men's and Women's Leagues receipts	\$3,923	\$4,993	\$5,056	\$4,041
Recreation Youth Activities receipts	\$118,652	\$113,981	\$94,373	\$87,527
<b>Transportation</b>				
Street Improvements - asphalt overlay (linear feet)	N/A	N/A	N/A	N/A
Crackseal Coating Program (Miles)	N/A	N/A	N/A	N/A
Street Repair (Curbs, aprons, berms, asphalt) (hours)	N/A	N/A	N/A	N/A
Guardrail Repair (hours)	N/A	N/A	N/A	N/A
Paint Striping (hours)	N/A	N/A	N/A	N/A
Cold Patch (hours)	N/A	N/A	N/A	N/A
Snow and Ice Removal overtime hours	N/A	N/A	N/A	N/A
Street Improvements Cost	\$112,196	\$137,092	\$186,735	\$139,421
Street Improvements Cost per mile	\$853	\$1,063	\$1,503	\$1,134
Miles of City Streets	132	129	124	123
Tons of snow melting salt purchased (November - May - winter season)	4,951	5,961	3,850	4,083
Cost of salt purchased	\$271,643	\$205,480	\$177,714	\$188,538
<b>Water Department</b>				
Water Rates per 1st 6,000 gallons of water used (per thousand)	\$3.98	\$3.51	\$3.05	\$2.94
Average gallons of water billed monthly (in thousands)	62,048	66,366	63,206	71,913
Total Water Collections Annually (Including P&I) (in thousands)	\$2,985	\$2,594	\$2,183	\$2,316
<b>Wastewater Department</b>				
Sewer Rates per 1,000 gallons of water used	\$6.08	\$5.79	\$5.79	\$5.79
Average gallons of sewer billed monthly (in thousands)	44,349	43,065	41,409	42,831
Total Sewer Collections Annually (Including P&I) (in thousands)	\$3,233	\$2,979	\$1,630	\$1,630

(1) Information for some years is not available.

Source: City of Avon Records

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

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

Function/Program	2015	2014	2013	2012
<b>General Government</b>				
Inspection Vehicles	9	8	8	8
<b>Security of Persons and Property</b>				
<b>    Police</b>				
Stations	1	1	1	1
Vehicles	36	34	34	35
<b>    Fire</b>				
Stations	1	1	1	1
Vehicles	15	15	15	15
<b>Leisure Time Activities</b>				
<b>    Recreation</b>				
Number of Parks	7	7	7	7
Number of Ice Rinks	1	1	1	1
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	12	12	12	12
Number of Tot Lots	4	4	4	4
Number of Soccer Fields	16	16	16	16
Number of Swimming Pools	1	0	0	0
Vehicles	10	9	8	8
<b>Transportation</b>				
<b>    Service</b>				
Buildings	1	1	1	1
Service Vehicles	22	20	20	23
Streets (miles)	131.58	128.91	123.00	123.00
<b>Water and Sewer</b>				
Buildings	10	10	10	10
Water Lines (miles)	122.43	118.70	117.80	117.30
Sanitary Sewers (miles)	100.75	97.10	96.70	96.30
Vehicles	13	14	9	7

Source: City of Avon Records

2011	2010	2009	2008	2007	2006
8	7	8	9	9	9
1	1	1	1	1	1
33	37	34	27	27	27
1	1	1	1	1	1
15	14	15	16	16	16
7	7	7	7	6	6
1	1	1	1	1	3
1	1	1	1	1	1
12	12	12	11	11	11
4	4	4	4	3	3
14	14	14	14	14	10
0	0	0	0	0	0
8	9	10	6	6	5
1	1	1	1	1	1
22	21	17	16	16	16
121.00	120.00	120.00	120.00	120.00	120.00
9	9	9	9	9	9
115.80	114.10	113.58	111.55	108.38	106.50
95.20	93.30	92.97	91.34	89.06	84.50
7	10	9	9	9	8

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CITY OF AVON  
EST 1814

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

*Bryan K. Jensen, Mayor*

# **City of Avon, Ohio**

**Single Audit Reports  
For the Year Ended December 31, 2015**

**City of Avon, Ohio**

**For the Year Ended December 31, 2015**

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

Members of the City Council  
City of Avon, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Avon, Ohio (the "City"), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2016, wherein we noted that the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, and as a result restated their December 31, 2014 net position, as disclosed in Note 3 to the basic financial statements.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be a material weakness (Finding No. 2015-001).

Members of the City Council  
City of Avon, Ohio

### **Compliance and Other Matters**

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

### **The City's Response to Findings**

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

*Ciuni + Panichi, Inc.*

Cleveland, Ohio  
June 30, 2016

**Independent Auditor's Report on Compliance for Each Major Program; Internal Control over Compliance Required by the Uniform Guidance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

Members of the City Council  
City of Avon, Ohio

**Report on Compliance for Major Federal Program**

We have audited the City of Avon, Ohio's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2015. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Members of the City Council  
City of Avon, Ohio

### ***Opinion on Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2015.

### **Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 30, 2016, which contained an unmodified opinion on those financial statements, wherein we noted that the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made*

Members of the City Council  
City of Avon, Ohio

*Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, and as a result restated their December 31, 2014 net position, as disclosed in Note 3 to the basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Cimini + Panichi, Inc.*

Cleveland, Ohio  
June 30, 2016

**City of Avon, Ohio**

**Schedule of Expenditures of Federal Awards**

**For the Year Ended December 31, 2015**

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<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Grant or Pass-Through Number</u>	<u>Catalog of Federal Domestic Assistance No.</u>	<u>Federal Cash Disbursements</u>
U.S Department of Transportation:			
Passed through the Ohio Department of Transportation:			
Highway Planning and Construction	PID 94622	20.205	\$ <u>1,839,342</u>
Total Federal Assistance			\$ <u><u>1,839,342</u></u>

The accompanying notes are an integral part of this schedule

# City of Avon, Ohio

## Notes to the Schedule of Expenditures of Federal Awards

### For the Year Ended December 31, 2015

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#### **Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Avon, Ohio, and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

#### **Note 2: Indirect Cost Rate**

The City did not use the 10 percent de minimis indirect cost rate and did not charge indirect costs to the Highway Planning and Construction program.

# City of Avon, Ohio

## Schedule of Findings and Questioned Costs

**For the Year Ended December 31, 2015**

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### 1. Summary of Auditor's Results

(d)(I)(I)	Type of Financial Statement Opinion	Unmodified
(d)(I)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
(d)(I)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(I)(iii)	Was there any material noncompliance reported at the financial statement level (GAGAS)?	No
(d)(I)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(I)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(I)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(I)(vi)	Are there any reportable findings under Section .510(a)?	No
(d)(I)(vii)	Major Programs	CFDA # 20.205, Highway Planning and Construction
(d)(I)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: All Others
(d)(I)(ix)	Low Risk Auditee?	No

### 2. Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

#### 2015-001 – Material Weakness in internal control over financial reporting:

**Condition:**

We noted the City improperly excluded accounts payable, intergovernmental payable and accounts receivable balances resulting from improper cutoff procedures which resulted in material adjustments made to these asset and liability accounts and the related revenue and expense accounts.

**Criteria:**

The internal control structure and processes should provide for the accurate cutoff procedures at year-end.

**Cause:**

Controls were not in place to ensure compliance with the City's cutoff procedures.

**Effect:**

The lack of controls over the cutoff procedures relating to accounts payable, intergovernmental payable and accounts receivable balances may result in errors or irregularities going undetected and decrease the reliability of financial data throughout the year.

# City of Avon, Ohio

## Schedule of Findings and Questioned Costs

**For the Year Ended December 31, 2015**

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### **2. Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS (continued)**

**2015-001 – Material Weakness in internal control over financial reporting (continued):**

**Recommendation:**

We recommend the City implement controls over the year-end cutoff procedures to help ensure that a proper cutoff is achieved, thereby increasing the reliability of the financial data at year-end.

**Management's Response:**

The City is taking the necessary steps to ensure proper cutoff is achieved.

### **3. Findings for Federal Awards**

None.