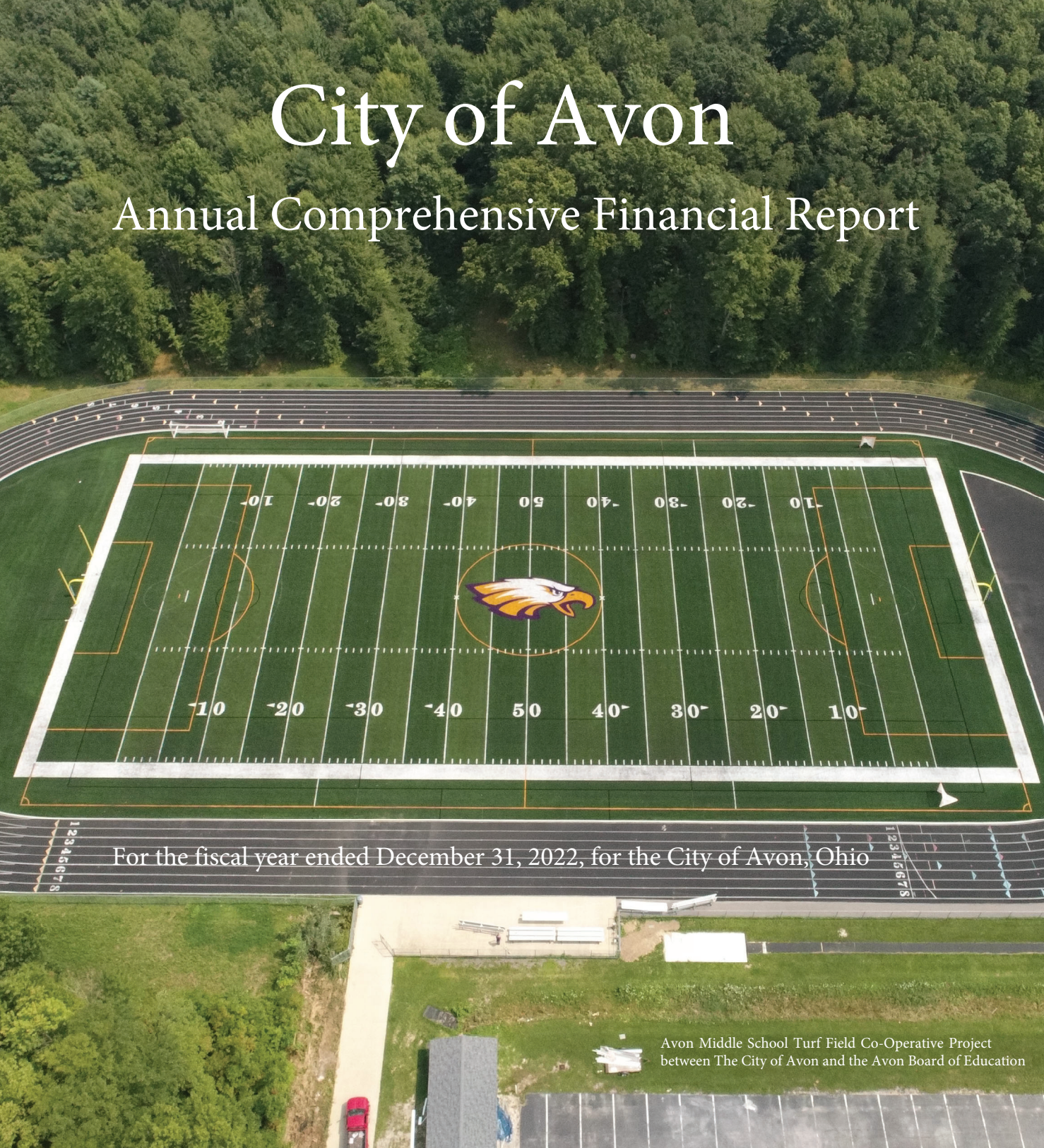




City of Avon

Annual Comprehensive Financial Report

For the fiscal year ended December 31, 2022, for the City of Avon, Ohio

Avon Middle School Turf Field Co-Operative Project
between The City of Avon and the Avon Board of Education

INTRODUCTORY SECTION

City of Avon, Ohio

Annual Comprehensive Financial Report

For The Year Ended December 31, 2022

Prepared by:

Office of the Director of Finance

Steven J. Presley
Director of Finance

City of Avon, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2022
Table of Contents

	<u>Page</u>
 <i>I. Introductory Section</i>	
Title Page	i
Table of Contents	ii
Letter of Transmittal	vi
Principal Officials	xii
Organizational Chart	xiii
GFOA Certificate of Achievement	xiv
 <i>II. Financial Section</i>	
Independent Auditor's Report	1
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements:	
Balance Sheet – Governmental Funds	20
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	22
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	25
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:	
General Fund	26
Fire Department Fund	27
Street Construction, Maintenance and Repair Fund	28
Police Fund	29
Statement of Fund Net Position – Proprietary Funds	30
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	31
Statement of Cash Flows – Proprietary Funds	32
Statement of Fiduciary Net Position – Custodial Fund	33
Statement of Changes in Fiduciary Net Position – Custodial Fund	34

City of Avon, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2022
Table of Contents (continued)

	<u>Page</u>
Notes to the Basic Financial Statements	35
 Required Supplementary Information:	
Schedule of the City's Proportionate Share of the Net Pension Liability – Ohio Public Employees Retirement System – Traditional Plan – Last Nine Years	94
Schedule of the City's Proportionate Share of the Net Pension Asset – Ohio Public Employees Retirement System – Combined Plan – Last Five Years	96
Schedule of the City's Proportionate Share of the Net Pension Liability – Ohio Police and Fire Pension Fund – Last Nine Years	98
Schedule of the City's Proportionate Share of the Net OPEB Liability – Ohio Public Employees Retirement System – Last Six Years.....	100
Schedule of the City's Proportionate Share of the Net OPEB Liability – Ohio Police and Fire Pension Fund – Last Six Years.....	102
Schedule of the City's Contributions – Ohio Public Employees Retirement System – Last Ten Years	104
Schedule of the City's Contributions – Ohio Police and Fire Pension Fund – Last Ten Years.....	106
Notes to the Required Supplementary Information	108
 Combining Statements and Individual Fund Schedules:	
Combining Statements – Nonmajor Governmental Funds:	
Fund Descriptions	114
Combining Balance Sheet – Nonmajor Governmental Funds	118
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	119
Combining Balance Sheet – Nonmajor Special Revenue Funds	120
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	122
Combining Balance Sheet – Nonmajor Capital Projects Funds	124
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	126

City of Avon, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2022
Table of Contents (continued)

	<u>Page</u>
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balances/Equity – Budget (Non-GAAP Basis) and Actual:	
Major Funds:	
General Fund	130
Fire Department Fund	134
Street Construction, Maintenance and Repair Fund	135
Police Fund	136
General Obligation Bond Retirement Fund	137
Special Assessment Bond Retirement Fund	138
Tax Increment Financing Fund	139
Road and Bridges Fund	140
Water Fund	141
Sewer Fund	142
Nonmajor Funds:	
Recycling Fund	143
State Highway Fund	144
Permissive Tax Fund	145
Mayor’s Court Computer Fund	146
Recreation Fund	147
Park Operating Fund	149
Park Development and Improvement Fund.....	150
Donations Fund	151
Economic Development and Tourism Fund	152
American Rescue Plan Fund	153
Opioid Settlement Fund	154
Lorain Public Library Fund	155
Equipment Fund	156
Storm Water Detention Fund	157
Land Purchases Fund	158
Sidewalk Programs Fund	159
Storm and Sanitary Sewers Fund	160
Municipal Swimming Pool Fund	161
Municipal Buildings Fund.....	162
Recreation Complex Fund.....	163
Stadium Marquee Fund	164
Capital Improvements Fund	165
Avon Veterans Memorial Construction Fund	166
City-Wide Bike Trails Fund	167
Storm Water Fund	168

City of Avon, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2022
Table of Contents (continued)

	<u>Page</u>
III. Statistical Section	
Net Position by Component – Last Ten Years	S2
Changes in Net Position – Last Ten Years	S4
Fund Balances, Governmental Funds – Last Ten Years	S10
Changes in Fund Balances, Governmental Funds – Last Ten Years	S12
Assessed Valuation and Estimated Actual Values of Taxable Property – Last Ten Years	S14
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years	S16
Property Tax Levies and Collections – Last Ten Tax Years	S20
Principal Real Property Taxpayers – Current and Nine Years Ago	S22
Income Tax Revenue Base and Collections – Last Ten Years	S23
Income Tax Statistics – Last Ten Tax Years	S24
Ratios of Outstanding Debt by Type – Last Ten Years	S26
Computation of Direct and Overlapping Governmental Activities Debt	S27
Legal Debt Margin – Last Ten Years	S28
Pledged Revenue Coverage – Sewer Fund – Last Ten Years.....	S30
Principal Employers – Current and Nine Years Ago.....	S31
Demographic and Economic Statistics – Last Ten Years.....	S32
Full-Time Equivalent City Government Employees by Function/Program – Last Ten Years	S34
Operating Indicators by Function/Program – Last Ten Years	S36
Capital Assets Statistics by Function/Program – Last Ten Years.....	S40



CITY OF AVON

36080 Chester Road · Avon, OH 44011 · Phone (440) 937-7800 · Fax (440) 937-7824 · www.cityofavon.com

September 25, 2023

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

We are pleased to submit the Annual Comprehensive Financial Report for the year ended December 31, 2022.

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, 2022.

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 2022, the City of Avon was audited by the Ohio Auditor of State's office.

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 13,120 acres. Avon is between 625 and 700 feet above sea level. The French Creek waterway runs throughout the City's relatively flat topography. The 2020 U.S. Census Bureau reports the City's population at 24,847, up 17 percent from 21,193 in 2010; however, the current estimated, non-Census population of the City is 25,375.

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, appropriations, borrowing money, and accepting bids for materials and services and other municipal purposes.

CITY DEPARTMENTS & SERVICES

The Avon Fire Department employs 40 full-time and 1 part-time firefighter paramedics that offer much more than fire protection and emergency services. The Avon Fire Department strives to exceed the expectations of the citizens and visitors to our City through a professional all hazards approach; guided by honor, integrity, pride, accountability, and the dedication of its 41 members. The Fire Department provides 24-hour fire protection, emergency medical services, hazardous material response, specialty rescue, fire prevention and public education.

In 2022, the department answered 3,969 calls for service which includes 3,186 calls for EMS, and 783 fire related calls. This is a 9.6 percent increase from 2021. Some members of the department are involved with a regional response team that specializes in unique dynamic emergencies that takes specialized training such as building collapse, trench rescue, water and ice surface and sub-surface rescue, lost person search and more. These individuals logged more than 700 hours of training beyond what the department provides and worked with other local departments from Avon Lake to Wellington to keep us all safer.

In 2022, the department certified 164 people in CPR/AED use and installed over 65 child car seats. Our Fire Prevention Bureau completed over 1,800 fire and safety inspections, and with the help of some on duty personnel brought a modified public education program to over 500 students from pre-K to 2nd grade. The department also installed over 40 residential lock boxes through the senior lock box program and even installed a few smoke detectors for those seniors who did not have anyone else to help. We will continue to address the needs of our community in the coming years.

The Avon Police Department handled 19,235 calls for service in 2022, which included 1,212 traffic crashes handled (both roadway and private property). There were 1,937 traffic citations issued for various violations and the agency took 866 criminal reports resulting in 480 criminal arrests.

In 2022, the Police Department continued to expand its participation in community events to include the Avon annual Safety Fair, BBQ with the Blue cook outs at our local parks, Summer Lunch Program, Movie Night at the Park, Trick or Treat, 4th of July Bike Parade, Shop with a Cop, and numerous other toy drives, food drives, fundraisers, and events throughout the City. Our School Resource Officers were active full time in the Middle School and High School along with our regular patrol officers conducting regular checks of all the schools in town. During the summer months, our School Resource Officers, along with our patrol staff, worked to help prepare our kindergarten class for school at Safety Town.

The Avon Police Department offers several programs to our residents to include vacation house checks, residential and commercial crime prevention surveys, teen home alone program, security camera registration, and emergency alert notifications. More information on these and other programs can be found on our website at WWW.AVONPD.COM as well as our social media channel at WWW.FACEBOOK.COM/AVONOHPOLICE.

The City of Avon Parks & Recreation Department offers a host of activities for children, adults, and families to enjoy throughout the year. Just to name a few are the Safety Town, Creative Cupcakes, Playground Days, Youth Volleyball and Basketball Leagues, Yoga programs and partnering with the Avon Local Schools coaches and staff members to offer a variety of seasonal sport camps throughout the year. We have several family-fun activities, free to the residents of Avon. These events showcase what our various parks and facilities have to offer our community. They include Movie Night in the Park, Not So Spooky Halloween, Family Bingo Night, Health and Safety Fair, Superhero Day and our annual Pool Party to celebrate the start of summer.

In 2021, the City purchased 17 acres of parkland adjacent to Veteran's Memorial Park on the City's west side. The City was awarded a grant through the Land and Water Conservation Funds program of the Ohio Department of Natural Resources to acquire this property. In addition, the seller of the property donated one-third of the property value to the City.

In 2022, the City and Avon Local School District partnered to build 8 tennis courts and 5 pickleball courts, with an additional 6 pickleball courts on the tennis courts. These courts are located at Avon High School and are available for residents to enjoy, along with tennis and pickleball programs.

The City Administration continues to seek parkland for use by residents and visitors alike.

The Avon Service Department is responsible for performing maintenance, repair, and improvements to the City-owned infrastructure in order to provide for the safe, efficient, and expeditious movement of motor vehicles and pedestrians throughout the City. Presently, there are over 160 miles of paved streets and roadways throughout the City. The Department maintains all the City vehicles and equipment.

The Avon Utilities Department is responsible to maintain over 237 miles of water and sanitary sewer lines throughout the City. Additionally, 3 water storage tanks, 2 water booster stations and 3 sewer lift stations are maintained daily. The Utilities Department sends in excess of 9,000 monthly invoices to all the residents and businesses for their water consumption and sewer discharge. The department is also responsible for ensuring all federal and state EPA regulations are followed for both water and sanitary sewer. In 2018, the City established a storm water fund that is used towards the maintenance and management of storm water throughout the City.

The Avon Building Department manages and inspects all construction activities within the City, ensuring that contractors are performing up to both the City and State building code. In addition, they are here to assist residents and businesses with all re-modeling and new construction projects. The Building Department reviewed and inspected over \$113,800,000 of building permit value in 2022.

The Avon Planning & Zoning Department's main function is being the channel through which all development applications are processed and development codes are enforced. The Planning Department is the platting authority of the City and ensures that development proposals adhere to City regulations and meet sound planning principles. The Planning & Zoning Department reviewed over 100 planning or zoning applications in 2022.

The Avon Finance Department is responsible for the accurate recording of all financial transactions for the City including monitoring of all assets and liabilities, keeping accurate accounting of all tax revenues and assessments, collecting all monies, payroll and benefits administration and authorization of all City purchasing functions.

The Avon Information Technology Department is responsible for the operation and maintenance of the City's hardware and software. The IT Department manages about 500 devices and 50 software programs.

Other services provided by the City include a Mayor's Court, facility rentals for parties and other events and general administrative services.

GENERAL INFORMATION ABOUT AVON

A number of major State and county roads traverse the City of Avon, including Interstate 90, Ohio State Routes 83, 254, and 611. The Ohio Turnpike is approximately ten miles 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 Center, City Centre and Market Place at Avon. Other retail facilities in Avon include Ashley Home Stores, Cabela's, Duluth Trading Company, Hobby Lobby, Levin Furniture, Meijer, Menard and various other stores. 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. The City of Avon is home to many fine restaurants, with more in the construction and planning phases. Banks with branches in the City include Fifth Third Bank, The First Federal Savings and Loan of Lorain, First National Bank, PNC Bank, Dollar Bank, Key Bank, Third Federal Savings and Loan, Northwest Bank, Huntington National Bank, First Federal of Lakewood and Chase Bank.

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. Avon Local School enrollment is approximately 4,326. 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.

CITY PROFILE – ECONOMIC CONDITIONS

Residential Information

The City of Avon is appealing to new residents because of their excellent schools and City services. The current estimated median household income in Avon, \$113,741, is 194 percent of the State average and 163 percent of the national average. The current estimated median age for Avon residents is 41. Over 52 percent of Avon residents have attained an Associate Degree or higher. The median property value for a residence in Avon is \$282,100. The number of new single-family home permits issued for the year 2022 was 40 with an approximate valuation of \$21,733,183 compared to 45 single-family home permits issued the previous year with a valuation of \$55,611,901.

There are now over 32 residential developments in the City of Avon. In addition, many residents still choose to live on the primary thoroughfares that traverse the City.

Commercial & Industrial Development

Commercial permits for new construction issued 2022 had an approximate valuation of \$67,976,497 compared to \$15,658,514 in 2021. There are numerous commercial projects and expansions presently underway in Avon.

Assessed Valuations

The assessed valuation for tax year 2022 for the City of Avon is \$1,119,405,070 per the Lorain County Auditor's Office. Property taxes will be collected on this valuation in 2023. This is 15,184,220 (1.4 percent) more than the tax year 2021 valuation. The City's assessed value equates to approximately \$3.1 billion at full market value. The Lorain County Auditors' Office performed a full six-year appraisal of all properties throughout the County in 2018. This re-appraisal resulted in about a 9 percent increase in valuation among both residential and commercial properties. The Lorain County Auditors' Office conducted a Triennial appraisal in 2021 resulting in about a 12 percent increase in valuations in Avon.

Because the City has fifteen 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 over \$182,000,000.

The City of Avon also has 4 Enterprise Zone Authority (EZA) Tax abatement agreements currently in effect. The City agreed to forego the collection of a portion of property taxes for businesses locating in Avon for up to 15 years. The City considers such agreements beneficial to the overall health and financial stability of the City as these businesses bring in many new employees as part of the EZA agreements. This adds to the income tax revenues of the City. Once the agreements expire the City then realizes an increase in property tax collections.

See the history of assessed valuations in the Statistical Section of this report.

Income Tax

In March of 2020, Ohio's General Assembly passed House Bill 197 in response to the COVID-19 pandemic. This bill addressed various topics, including local income tax collection. The provisions of this legislation are being challenged in court, and the ultimate disposition is not known. The City's income tax receivable/revenue reported in these statements has been calculated consistent with the provisions of House Bill 197.

REVELANT 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 require City Council authorization.

LONG-TERM FINANCIAL PLANNING

The City's Finance Department continuously reviews all monetary transactions. In addition, the Finance Department works diligently to manage and analyze revenues of the City so that all funds maintain optimal balances. The City's financial operations 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. The City maintains an efficient balance between debt funded and cash funded municipal projects.

The City of Avon has established fifteen Tax Increment Financing (TIF) Districts throughout the commercial and industrial zoned areas, primarily north of Interstate 90. The historical and future revenues received from these TIF districts contribute to various infrastructure improvements such as the Nagel Road Interchange and to debt service on existing bonds that were used to finance qualified infrastructure related projects. It is expected that the City will collect on over 450 parcels in 2023. All Tax Increment Financing agreements in place are "30 year agreements" and each one keeps the Avon Local School District whole.

On February 24, 2022, the City issued \$8,470,000, with a premium of \$1,061,271, in various purpose general obligation and special assessment improvement bonds to replace the municipal facility, various purpose, and street improvement notes. These bonds have a maturity date of December 1, 2042 and have interest rates of 3 to 4 percent. The bonds were issued for various road and recreational improvements.

AWARDS & ACKNOWLEDGEMENTS

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 Annual Comprehensive 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 Annual Comprehensive 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, 2013 and 2017 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 Annual Comprehensive 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 ensure 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,

A blue ink signature of Bryan K. Jensen, consisting of a stylized 'B' and 'J' followed by a horizontal line.

Bryan K. Jensen
Mayor

A blue ink signature of Steven J. Presley, featuring a large, flowing 'S' and 'P' followed by a long horizontal line.

Steven J. Presley, CPA
Director of Finance

City of Avon, Ohio
Principal Officials
December 31, 2022

Elected Officials:

Mayor..... Bryan K. Jensen
President of Council, At Large Brian Fischer
Council Member at Large Craig Witherspoon
Council Member at Large Tammy Holtzmeier
Council Member – Ward I..... Jennifer Demaline
Council Member – Ward II..... Dennis McBride
Council Member – Ward III Anthony Moore
Council Member – Ward IV Scott Radcliffe

Directors:

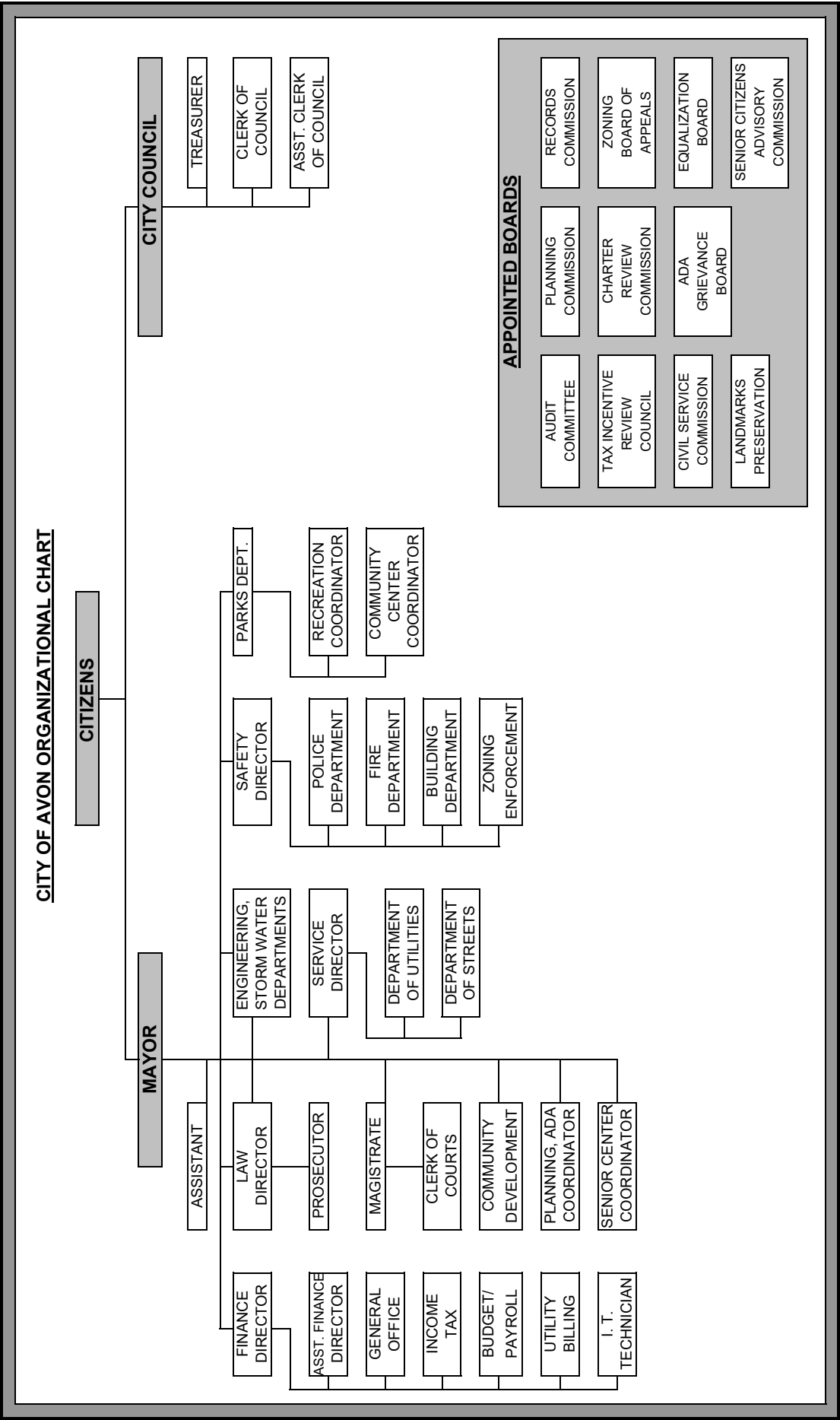
Director of Law..... John A. Gasior
Director of Finance Steven J. Presley
Director of Public Safety and Public Service..... Duane P. Streator

Chairmen, Boards and Commissions:

Board of Zoning and Building Appeals..... Mark Ladegaard
Planning Commission Carolyn Witherspoon
Civil Service Commission Peter G. Kratt

Other Staff Members:

Treasurer..... Kathleen Grisa
City Consulting Engineer Ryan Cummins, Chagrin Valley Engineering
Superintendent of Utilities Brian Bruce
Secretary to the Mayor..... Rose Seighman
Clerk of Council Barbara J. Brooks
Clerk of Court..... Susan Pintz
Assistant Director of Finance Beth A. Raicevich
Planning Coordinator..... Pam Fechter
Clerk Secretary of Planning Commission and Zoning Board of Appeals Nicole Rambo-Ackerman
Prosecutor Richard Kray
City Magistrate Thomas C. Stringer
Chief of Police Daniel N. Fischbach
Police Captain..... Lawrence M. Fischbach III
Chief of Fire..... David Swope
Assistant Chief of Fire Brett A. Bruehler
Chief Building Inspector..... Emily Hanson





Government Finance Officers Association

Certificate of
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**City of Avon
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

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

To the Members of Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Avon, Lorain County, Ohio (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Avon, Lorain County, Ohio as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Fire Department Fund, Street Construction, Maintenance and Repair Fund, and Police Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are 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 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 fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will also issue our report dated September 25, 2023, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the City's 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.

A handwritten signature in black ink, appearing to read "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

September 25, 2023

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

The discussion and analysis of the City of Avon's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2022. 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 2022 are:

- The City issued \$8,470,000 in Various Purpose General Obligation and Special Assessment Bonds with a premium of \$1,061,271. These bonds retired the municipal facility, various purpose and street improvement notes. These bonds have a maturity date of December 1, 2042 and have interest rates of 3 to 4 percent.
- Income tax collections increased by 15.01 percent over 2021. This is partially the result of an increase in individuals working from home here in Avon, the addition of the Bendix corporation and many other small businesses opening in Avon.
- Tax increment financing (TIF) revenues increased by almost 3 percent over 2021. This is primarily a result of commercial and industrial development and expansion in the City. TIF revenue growth has averaged 20.3 percent, annually, over the last 5 years.

Using This Annual Comprehensive Financial Report

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 2022?" The statement of net position and the statement of activities answer this question. These statements include all assets and deferred outflows and liabilities and deferred inflows using the accrual basis of accounting similar to the accounting method used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

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

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

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 at December 31, 2022 compared to December 31, 2021.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	Restated 2021	2022	Restated 2021	2022	Restated 2021
Assets						
Current and Other Assets	\$70,137,207	\$64,561,482	\$10,530,773	\$10,274,961	\$80,667,980	\$74,836,443
Net Pension Asset	85,521	49,298	17,511	9,389	103,032	58,687
Net OPEB Asset	1,013,283	545,414	207,534	103,882	1,220,817	649,296
Capital Assets, Net	124,313,237	123,860,976	40,337,633	40,704,030	164,650,870	164,565,006
<i>Total Assets</i>	<i>195,549,248</i>	<i>189,017,170</i>	<i>51,093,451</i>	<i>51,092,262</i>	<i>246,642,699</i>	<i>240,109,432</i>
Deferred Outflows of Resources						
Deferred Charge on Refunding	2,637,434	2,833,112	111,400	117,958	2,748,834	2,951,070
Pension	7,373,247	3,962,205	349,224	132,528	7,722,471	4,063,518
OPEB	1,661,180	2,060,158	14,749	53,103	1,675,929	2,093,144
<i>Total Deferred Outflows of Resources</i>	<i>11,671,861</i>	<i>8,855,475</i>	<i>475,373</i>	<i>303,589</i>	<i>12,147,234</i>	<i>9,107,732</i>
Liabilities						
Current and Other Liabilities	6,302,074	7,600,194	1,359,656	2,308,334	7,661,730	9,908,528
Long-Term Liabilities:						
Due Within One Year	4,951,919	4,141,025	216,083	204,865	5,168,002	4,345,890
Due In More Than One Year:						
Other Amounts	67,036,946	71,317,138	4,504,473	4,656,985	71,541,419	75,974,123
Net Pension Liability	20,645,656	23,895,199	588,157	884,515	21,233,813	24,779,714
Net OPEB Liability	3,118,396	2,992,081	0	0	3,118,396	2,992,081
<i>Total Liabilities</i>	<i>102,054,991</i>	<i>109,945,637</i>	<i>6,668,369</i>	<i>8,054,699</i>	<i>108,723,360</i>	<i>118,000,336</i>
Deferred Inflows of Resources						
Property Taxes	7,567,484	7,484,009	0	0	7,567,484	7,484,009
Payments in Lieu of Taxes	3,908,686	3,830,407	0	0	3,908,686	3,830,407
Leases	2,602,943	3,022,968	0	0	2,602,943	3,022,968
Pension	9,244,017	4,020,875	732,379	448,143	9,976,396	4,437,803
OPEB	2,276,929	3,020,701	220,228	351,778	2,497,157	3,352,362
<i>Total Deferred Inflows of Resources</i>	<i>25,600,059</i>	<i>21,378,960</i>	<i>952,607</i>	<i>799,921</i>	<i>26,552,666</i>	<i>22,127,549</i>
Net Position						
Net Investment in Capital Assets	58,157,066	51,629,402	35,280,827	34,470,471	93,437,893	86,099,873
Restricted:						
Capital Projects	1,785,896	1,414,255	0	0	1,785,896	1,414,255
Debt Service	12,175,220	12,152,012	0	0	12,175,220	12,152,012
Other Purposes	8,401,091	7,740,927	15,985	6,922	8,417,076	7,747,849
Unrestricted (Deficit)	(953,214)	(6,388,548)	8,651,036	8,063,838	7,697,822	1,675,290
<i>Total Net Position</i>	<i>\$79,566,059</i>	<i>\$66,548,048</i>	<i>\$43,947,848</i>	<i>\$42,541,231</i>	<i>\$123,513,907</i>	<i>\$109,089,279</i>

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

The net pension liability (NPL) is one of the largest single liabilities reported by the City at December 31, 2022. GASB notes that pension and OPEB 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 and other postemployment benefits. 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 these liabilities. 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 Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

Total assets increased during 2022 by \$6.5 million. The largest increases were seen in cash and cash equivalents. Cash and cash equivalents increased due to revenues outpacing operational needs for the City as a whole. Total liabilities decreased by \$9.3 million during 2022. The decrease in overall liabilities is due to decreased long-term liabilities due to the payment of debt obligations, most notably note payable obligations, and a decrease in the net pension liability.

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

Table 2 shows the changes in net position for the year ended December 31, 2022.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for Services and Operating Assessments	\$6,421,752	\$5,034,252	\$10,425,386	\$10,216,980	\$16,847,138	\$15,251,232
Operating Grants and Contributions	2,338,372	2,458,007	0	0	2,338,372	2,458,007
Capital Grants and Contributions	3,726,917	989,446	735,000	732,230	4,461,917	1,721,676
Total Program Revenues	12,487,041	8,481,705	11,160,386	10,949,210	23,647,427	19,430,915
General Revenues:						
Property Taxes	7,486,735	6,479,769	0	0	7,486,735	6,479,769
Municipal Income Taxes	27,649,761	24,041,269	0	0	27,649,761	24,041,269
Grants and Entitlements	1,042,871	966,183	0	0	1,042,871	966,183
Unrestricted Contributions	13,889	125	0	0	13,889	125
Investment Earnings/Interest	(363,311)	(56,669)	0	0	(363,311)	(56,669)
Payments in Lieu of Taxes	3,568,398	3,476,170	0	0	3,568,398	3,476,170
Gain on Sale of Capital Assets	21,084	21,595	0	0	21,084	21,595
Miscellaneous	735,386	599,406	52,305	22,515	787,691	621,921
Total General Revenues	40,154,813	35,527,848	52,305	22,515	40,207,118	35,550,363
Total Revenues	52,641,854	44,009,553	11,212,691	10,971,725	63,854,545	54,981,278
Program Expenses						
General Government	6,287,817	4,892,138	0	0	6,287,817	4,892,138
General Government - Intergovernmental	2,028,402	1,304,162	0	0	2,028,402	1,304,162
Security of Persons and Property	15,271,596	13,591,320	0	0	15,271,596	13,591,320
Transportation	7,102,533	4,966,239	0	0	7,102,533	4,966,239
Community Environment	2,937,305	2,144,885	0	0	2,937,305	2,144,885
Basic Utility Services	982,002	707,967	0	0	982,002	707,967
Leisure Time Activities	3,186,822	2,257,863	0	0	3,186,822	2,257,863
Interest	1,844,391	1,624,599	0	0	1,844,391	1,624,599
Water	0	0	4,249,346	3,390,774	4,249,346	3,390,774
Sewer	0	0	5,233,417	4,265,971	5,233,417	4,265,971
Storm Water	0	0	306,286	275,981	306,286	275,981
Total Expenses	39,640,868	31,489,173	9,789,049	7,932,726	49,429,917	39,421,899
Increase in Net Position Before Transfers	13,000,986	12,520,380	1,423,642	3,038,999	14,424,628	15,559,379
Transfers	17,025	86,481	(17,025)	(86,481)	0	0
Changes in Net Position	13,018,011	12,606,861	1,406,617	2,952,518	14,424,628	15,559,379
Net Position, January 1	66,548,048	53,941,187	42,541,231	39,588,713	109,089,279	93,529,900
Net Position, December 31	\$79,566,059	\$66,548,048	\$43,947,848	\$42,541,231	\$123,513,907	\$109,089,279

Governmental program revenues increased primarily from increased capital grants and contributions from American Rescue Plan Act (ARPA) and Ohio Department of Transportation (ODOT) grants for road projects. While program revenues provide considerable assistance in the provision of governmental services, the burden of governmental support is met by general revenues such as property taxes, municipal income taxes, and grants and entitlements. General revenues increased from the prior year mainly due to increases in municipal income taxes, property taxes, and payments in lieu of taxes due to an improving economy and increased assessed values.

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

The three largest governmental activities expenses are related to security of persons and property, general government, and transportation. All three increased due to higher personal services and materials and supplies expenditures for security of persons and property, higher contractual services and capital expenditures and payables for general government, and higher materials and supplies and contractual services expenditures for transportation.

Program revenues make up a significant portion of the total revenues for business-type activities. Charges for services and operating assessments slightly increased due to increased charges for all three business-type activities. Capital grants and contributions slightly increased from the prior year due to ARPA grant funding, which offset the decreased donated assets from developers for water and sewer lines.

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 2022, the revenue from municipal income taxes increased by \$3.6 million from the prior year as a result of the economy continuing to improve since the pandemic.

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's an estimated 21,554 people working in Avon.

Charges for services represents receipts from the Mayor's Court, cable television, building permits, park development and improvement 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 partially funded with a portion of the .50 percent income tax that was passed by Avon voters in 2002, along with emergency rescue services revenue and through transfers from the general fund. 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.

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

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
Total Cost and Net Cost of Services

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
General Government	\$6,287,817	\$4,892,138	(\$3,029,514)	(\$2,838,001)
General Government - Intergovernmental	2,028,402	1,304,162	(2,028,402)	(1,304,162)
Security of Persons and Property	15,271,596	13,591,320	(14,063,899)	(12,544,774)
Transportation	7,102,533	4,966,239	(2,246,098)	(2,601,494)
Community Environment	2,937,305	2,144,885	(1,057,582)	(363,634)
Basic Utility Services	982,002	707,967	(809,702)	(73,637)
Leisure Time Activities	3,186,822	2,257,863	(2,074,239)	(1,657,167)
Interest and Fiscal Charges	1,844,391	1,624,599	(1,844,391)	(1,624,599)
Total Cost of Services	<u>\$39,640,868</u>	<u>\$31,489,173</u>	<u>(\$27,153,827)</u>	<u>(\$23,007,468)</u>

BUSINESS-TYPE ACTIVITIES

The increase in expenses for business-type activities funds were due to overall increases in materials and supplies expenses for water and sewer funds, as well as increased personal services expenses for all funds.

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 \$52,029,831 and expenditures of \$55,050,934. The most significant fund is the general fund with a year-end fund balance of \$16,933,615, which included an unassigned fund balance of \$15,697,651, compared to annual expenditures of \$8,698,386. While revenues far exceeded expenditures, \$10,435,000 was transferred to other funds, leaving the general fund with a net change of \$1,832,003, with other financing sources included. The transferred funds enabled the City to fund police and fire operations, street improvement and other capital improvements projects, as well as to service long-term and short-term debt obligations.

Even with an increase in municipal income tax revenues, expenditures in the fire department fund exceeded revenues; however, the fire department fund ended with a positive fund balance due to transfers in from the general fund. The street construction, maintenance and repair and police funds were similar as revenues and expenditures increased over the prior year. The street construction, maintenance and repair fund was able to cover its expenditures, while the police fund required a transfer from general fund to cover operations. The general obligation bond retirement fund's debt service requirements continue to receive transfers in from other funds to meet debt service payments. The fund had a positive net change during the year of \$12,939. The special assessment bond retirement fund saw a slight negative change in fund balance as debt service requirements exceeded collected revenue. The tax increment financing fund saw a positive net change as payments in lieu of taxes revenue exceeded its debt service requirements. The road and bridges fund saw an operating surplus as it received ARPA and ODOT grant funding and proceeds from a debt issuance, which exceeded the capital outlay made for the year.

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

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 2022, the City amended its general fund budget for a total increase in certified revenues. Most revenues were expected to increase, mainly municipal income taxes. Actual revenues received by the City were slightly below the final budgeted amount due to municipal income taxes coming in lower than projected.

Original appropriations were increased during the year to establish final appropriated expenditures of \$14,913,963 for the year.

The increases from originally budgeted revenues and expenditures when compared to final budgets were primarily due to conservative budgeting at the beginning of the year.

The City continued to maintain a respectable level of liquidity in the general fund by maintaining a fund balance at year-end of 76.5 percent of total actual revenues received during the year.

Capital Assets and Debt Administration

Capital Assets

Total capital assets (net of depreciation/amortization) for the governmental activities are \$124,313,237, which is an increase over the prior year. Total governmental capital asset additions were \$6,913,813, with \$3,455,572 of this amount being infrastructure additions. Total capital assets (net of depreciation/amortization) for the business-type activities are \$40,337,633, which is a decrease from the prior year. Total business-type activities' capital asset additions were \$1,668,903, which were mostly infrastructure, as well.

See Note 13 of the Notes to the Basic Financial Statements for additional information on the City's capital assets.

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

Debt Administration

On December 31, 2022, the City of Avon had a total of \$74,265,378 in outstanding long-term debt obligations (excluding compensated absences, NPL, and OPEB), with \$4,900,070 due within one year.

General obligation bonds for governmental activities include Schneider Court Improvements, various refunding bonds, and improvement bonds.. The business-type activities general obligation bonds are 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 Schneider Court Improvements, improvement bonds, 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 Jaycox Road/Chester Improvements, the Detroit Road Improvement, Phases I and II, the Reigelsberger-Jaycox Bridge project, the Chester Road relocation project, the Chester Road American Roadway Improvements, and the Nagel Road Widening Phase I. These OPWC loans are paid from the bond retirement fund.

The leases payable relate to a copier lease entered by the City.

During 2009, the City of Avon entered into contractual agreements with the City of Avon Lake for the construction and future maintenance of a water trunk line that services the City of Avon. The project was 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 line 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, 2022, is \$152,758. This amount has been recorded on Avon's financial statements as a long-term liability in the water enterprise fund.

During 2022, the City issued \$2,000,000 in general obligation and special assessment notes to help finance various street improvements.

See Notes 14 and 15 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 and expansion. The City, with the support of the school system, currently has four tax abatement agreements in effect with local companies. Bendix Commercial Vehicle Systems, LLC opened a new facility in October 2021. Bendix has been granted a 14-year property tax abatement. Each of the other three 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 15 areas designated as TIF districts. The revenues derived from these districts are used for infrastructure related projects and the associated debt service.

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

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 commercial and 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. Recent examples of grant funded capital projects include:

- State Routes 83 and 254 Intersection Improvements, Ohio Department of Transportation Safety Funding, \$4,616,000. Construction may begin on this project in 2023.
- Moore Road Rehabilitation, Northeast Ohio Areawide Coordinating Agency (NOACA)/Ohio Department of Transportation TIP Award, up to \$427,743 or 80 percent of the construction costs. This project will begin in 2022.
- Chester Road Widening Phase 2, Ohio Public Works Commission, total grant/loan awarded \$750,000.
- Purchase of Park Property, Land & Water Conservation Grant, \$310,000.
- Park Improvements, Ohio Department of Natural Resources, Capital Improvement Grant, \$98,000.
- Park Improvements, Ohio Department of Natural Resources, Natureworks Local Assistance Grant, \$42,425.

In addition to these capital improvement grants, the City receives various grant funding for issues such as Drug Use Prevention, Safety/Workers' Compensation, Northeast Ohio Public Energy Council (NOPEC) and other sources.

From a commercial/industrial standpoint, the City of Avon has seen steady growth. Many businesses in Avon are expanding. Hospitals and other health care related organizations have opened in Avon. 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 about 100 houses annually.

The City employs 193 people, 152 full-time and 41 permanent part-time. This does not include City Council or other Commission members, nor does it include seasonal hires.

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. The City pays down principal amounts on short-term debt continuously. 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.

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

The City of Avon has committed itself to financial excellence. The City has received the Government Finance Officers Certificate of Achievement for Excellence in Financial Reporting Award every year since 1991, the year of our first Annual Comprehensive 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 Annual Comprehensive Financial Report. 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, 2013 and 2017 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.

Basic Financial Statements

City of Avon, Ohio
Statement of Net Position
December 31, 2022

	Governmental Activities	Business-Type Activities *	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$35,746,080	\$8,142,944	\$43,889,024
Accrued Interest Receivable	59,355	77,783	137,138
Materials and Supplies Inventory	377,112	549,105	926,217
Accounts Receivable	0	847,417	847,417
Internal Balances	83,000	(83,000)	0
Intergovernmental Receivable	1,381,304	0	1,381,304
Municipal Income Taxes Receivable	6,327,694	0	6,327,694
Property Taxes Receivable	7,638,146	0	7,638,146
Payments in Lieu of Taxes Receivable	3,925,233	0	3,925,233
Special Assessments Receivable	11,996,340	996,524	12,992,864
Leases Receivable	2,602,943	0	2,602,943
Net Pension Asset (See Note 19)	85,521	17,511	103,032
Net OPEB Asset (See Note 20)	1,013,283	207,534	1,220,817
Capital Assets, Non-Depreciable	8,245,878	615,188	8,861,066
Capital Assets, Depreciable, Net	116,067,359	39,722,445	155,789,804
<i>Total Assets</i>	<i>195,549,248</i>	<i>51,093,451</i>	<i>246,642,699</i>
Deferred Outflows of Resources			
Deferred Charge on Refunding	2,637,434	111,400	2,748,834
Pension	7,373,247	349,224	7,722,471
OPEB	1,661,180	14,749	1,675,929
<i>Total Deferred Outflows of Resources</i>	<i>11,671,861</i>	<i>475,373</i>	<i>12,147,234</i>
Liabilities			
Accounts Payable	531,592	136,768	668,360
Contracts Payable	1,114,349	641,788	1,756,137
Accrued Wages and Benefits	254,027	21,203	275,230
Intergovernmental Payable	399,910	473,892	873,802
Payroll Withholding Payable	26,104	1,828	27,932
Deposits Held Payable	2,803,339	0	2,803,339
Unearned Revenue	1,028,314	0	1,028,314
Accrued Interest Payable	144,439	84,177	228,616
Long-Term Liabilities:			
Due Within One Year	4,951,919	216,083	5,168,002
Due In More Than One Year:			
Other Amounts Due in More Than One Year	67,036,946	4,504,473	71,541,419
Net Pension Liability (See Note 19)	20,645,656	588,157	21,233,813
Net OPEB Liability (See Note 20)	3,118,396	0	3,118,396
<i>Total Liabilities</i>	<i>102,054,991</i>	<i>6,668,369</i>	<i>108,723,360</i>
Deferred Inflows of Resources			
Property Taxes	7,567,484	0	7,567,484
Payments in Lieu of Taxes	3,908,686	0	3,908,686
Leases	2,602,943	0	2,602,943
Pension	9,244,017	732,379	9,976,396
OPEB	2,276,929	220,228	2,497,157
<i>Total Deferred Inflows of Resources</i>	<i>25,600,059</i>	<i>952,607</i>	<i>26,552,666</i>
Net Position			
Net Investment in Capital Assets	58,157,066	35,280,827	93,437,893
Restricted for:			
Capital Projects	1,785,896	0	1,785,896
Debt Service	12,175,220	0	12,175,220
Fire Department	2,077,657	0	2,077,657
Street Construction, Maintenance and Repair	2,357,990	0	2,357,990
Police	1,509,952	0	1,509,952
Park Operating	2,036,269	0	2,036,269
Pension Plan	58,399	11,578	69,977
OPEB Plan	0	4,407	4,407
Other Purposes	360,824	0	360,824
Unrestricted (Deficit)	(953,214)	8,651,036	7,697,822
<i>Total Net Position</i>	<i>\$79,566,059</i>	<i>\$43,947,848</i>	<i>\$123,513,907</i>

See accompanying notes to the basic financial statements

* After deferred outflows of resources and deferred inflows of resources related to the change in internal proportionate share of pension and OPEB related items have been eliminated.

City of Avon, Ohio
Statement of Activities
For the Year Ended December 31, 2022

		Program Revenues		
		Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions
	Expenses			
Governmental Activities				
General Government	\$6,287,817	\$3,258,303	\$0	\$0
General Government - Intergovernmental	2,028,402	0	0	0
Security of Persons and Property	15,271,596	1,020,557	125,119	62,021
Transportation	7,102,533	11,167	1,876,683	2,968,585
Community Environment	2,937,305	1,613,722	236,108	29,893
Basic Utility Services	982,002	172,300	0	0
Leisure Time Activities	3,186,822	345,703	100,462	666,418
Interest	1,844,391	0	0	0
<i>Total Governmental Activities</i>	<u>39,640,868</u>	<u>6,421,752</u>	<u>2,338,372</u>	<u>3,726,917</u>
Business-Type Activities				
Water	4,249,346	4,957,322	0	0
Sewer	5,233,417	4,987,725	0	735,000
Storm Water	306,286	480,339	0	0
<i>Total Business-Type Activities</i>	<u>9,789,049</u>	<u>10,425,386</u>	<u>0</u>	<u>735,000</u>
<i>Total</i>	<u>\$49,429,917</u>	<u>\$16,847,138</u>	<u>\$2,338,372</u>	<u>\$4,461,917</u>

General Revenues

Property Taxes Levied for:

General Purposes

Streets

Police

Park Operating

Lorain Public Library

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/Interest

Payments in Lieu of Taxes

Gain on Sale of Capital Assets

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$3,029,514)	\$0	(\$3,029,514)
(2,028,402)	0	(2,028,402)
(14,063,899)	0	(14,063,899)
(2,246,098)	0	(2,246,098)
(1,057,582)	0	(1,057,582)
(809,702)	0	(809,702)
(2,074,239)	0	(2,074,239)
(1,844,391)	0	(1,844,391)
(27,153,827)	0	(27,153,827)
0	707,976	707,976
0	489,308	489,308
0	174,053	174,053
0	1,371,337	1,371,337
(27,153,827)	1,371,337	(25,782,490)
2,230,342	0	2,230,342
1,346,786	0	1,346,786
765,308	0	765,308
318,975	0	318,975
2,013,467	0	2,013,467
811,857	0	811,857
15,041,788	0	15,041,788
4,490,147	0	4,490,147
4,490,148	0	4,490,148
1,813,839	0	1,813,839
1,813,839	0	1,813,839
1,042,871	0	1,042,871
13,889	0	13,889
(363,311)	0	(363,311)
3,568,398	0	3,568,398
21,084	0	21,084
735,386	52,305	787,691
40,154,813	52,305	40,207,118
17,025	(17,025)	0
40,171,838	35,280	40,207,118
13,018,011	1,406,617	14,424,628
66,548,048	42,541,231	109,089,279
\$79,566,059	\$43,947,848	\$123,513,907

City of Avon, Ohio

Balance Sheet

Governmental Funds

December 31, 2022

	General	Fire Department	Street Construction, Maintenance and Repair	Police
Assets				
Equity in Pooled Cash and Cash Equivalents	\$14,014,813	\$2,026,070	\$1,445,915	\$1,725,337
Materials and Supplies Inventory	0	15,556	345,437	16,119
Interfund Receivable	786,918	0	0	0
Intergovernmental Receivable	371,887	0	783,834	50,042
Accrued Interest Receivable	57,377	0	1,782	0
Municipal Income Taxes Receivable	3,476,888	993,594	0	993,594
Property Taxes Receivable	2,283,672	0	1,384,101	786,408
Payments in Lieu of Taxes Receivable	0	0	0	0
Special Assessments Receivable	0	0	0	0
Leases Receivable	541,147	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	2,784,725	0	0	0
<i>Total Assets</i>	<u>\$24,317,427</u>	<u>\$3,035,220</u>	<u>\$3,961,069</u>	<u>\$3,571,500</u>
Liabilities				
Accounts Payable	\$221,734	\$49,484	\$22,879	\$95,395
Contracts Payable	249,362	0	343	0
Accrued Wages and Benefits	49,172	75,268	19,686	97,976
Interfund Payable	0	0	0	0
Intergovernmental Payable	52,835	97,701	20,174	106,964
Payroll Withholding Payable	4,320	11,908	0	9,207
Deposits Held Payable from Restricted Assets	2,772,539	0	0	0
Deposits Held Payable	0	0	0	0
Unearned Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>3,349,962</u>	<u>234,361</u>	<u>63,082</u>	<u>309,542</u>
Deferred Inflows of Resources				
Property Taxes	2,261,823	0	1,370,859	778,705
Payments in Lieu of Taxes	0	0	0	0
Unavailable Revenue	1,230,880	270,100	563,316	321,811
Leases	541,147	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>4,033,850</u>	<u>270,100</u>	<u>1,934,175</u>	<u>1,100,516</u>
Fund Balances				
Nonspendable	83,186	15,556	345,437	16,119
Restricted	0	2,515,203	1,503,569	2,145,323
Committed	0	0	0	0
Assigned	1,152,778	0	114,806	0
Unassigned (Deficit)	15,697,651	0	0	0
<i>Total Fund Balances</i>	<u>16,933,615</u>	<u>2,530,759</u>	<u>1,963,812</u>	<u>2,161,442</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$24,317,427</u>	<u>\$3,035,220</u>	<u>\$3,961,069</u>	<u>\$3,571,500</u>

See accompanying notes to the basic financial statements

General Obligation Bond Retirement	Special Assessment Bond Retirement	Tax Increment Financing	Road and Bridges	Other Governmental Funds	Total Governmental Funds
\$139,264	\$783,799	\$1,030,868	\$2,769,755	\$9,025,534	\$32,961,355
0	0	0	0	0	377,112
0	0	0	0	0	786,918
0	0	0	0	175,541	1,381,304
0	0	0	0	196	59,355
0	0	0	0	863,618	6,327,694
0	0	0	0	3,183,965	7,638,146
0	0	3,925,233	0	0	3,925,233
0	11,996,340	0	0	0	11,996,340
0	0	0	0	2,061,796	2,602,943
0	0	0	0	0	2,784,725
<u>\$139,264</u>	<u>\$12,780,139</u>	<u>\$4,956,101</u>	<u>\$2,769,755</u>	<u>\$15,310,650</u>	<u>\$70,841,125</u>
\$0	\$0	\$0	\$0	\$142,100	\$531,592
0	0	0	295,597	569,047	1,114,349
0	0	0	0	11,925	254,027
0	0	0	0	703,918	703,918
0	0	0	110,714	11,522	399,910
0	0	0	0	669	26,104
0	0	0	0	0	2,772,539
0	0	0	0	30,800	30,800
0	0	0	0	1,028,314	1,028,314
0	0	0	406,311	2,498,295	6,861,553
0	0	0	0	3,156,097	7,567,484
0	0	3,908,686	0	0	3,908,686
0	11,996,340	16,547	0	397,039	14,796,033
0	0	0	0	2,061,796	2,602,943
0	11,996,340	3,925,233	0	5,614,932	28,875,146
0	0	0	0	0	460,298
139,264	783,799	1,030,868	0	3,594,773	11,712,799
0	0	0	0	1,823,083	1,823,083
0	0	0	2,363,444	1,789,170	5,420,198
0	0	0	0	(9,603)	15,688,048
139,264	783,799	1,030,868	2,363,444	7,197,423	35,104,426
<u>\$139,264</u>	<u>\$12,780,139</u>	<u>\$4,956,101</u>	<u>\$2,769,755</u>	<u>\$15,310,650</u>	<u>\$70,841,125</u>

City of Avon, Ohio
*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2022*

Total Governmental Fund Balance:	\$35,104,426
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	124,313,237
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Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable in the funds:

Delinquent Property Taxes	70,662	
Delinquent Payments in Lieu of Taxes	16,547	
Municipal Income Taxes	1,720,131	
Intergovernmental	992,353	
Special Assessments	11,996,340	
Total	14,796,033	14,796,033

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(144,439)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Deferred Charge on Refunding	2,637,434	
General Obligation Bonds	(56,158,379)	
Special Assessment Bonds	(12,689,873)	
OPWC Loans	(636,593)	
Lease	(239,144)	
Compensated Absences	(2,264,876)	
Total	(69,351,431)	(69,351,431)

The net pension asset, net pension liability, net OPEB asset, and net OPEB liability are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds:

Net Pension Asset	85,521	
Net OPEB Asset	1,013,283	
Deferred Outflows - Pension	7,373,247	
Deferred Outflows - OPEB	1,661,180	
Net Pension Liability	(20,645,656)	
Net OPEB Liability	(3,118,396)	
Deferred Inflows - Pension	(9,244,017)	
Deferred Inflows - OPEB	(2,276,929)	
Total	(25,151,767)	(25,151,767)

<i>Net Position of Governmental Activities</i>	<u><u>\$79,566,059</u></u>
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See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	General	Fire Department	Street Construction, Maintenance and Repair	Police	General Obligation Bond Retirement
Revenues					
Property Taxes	\$2,226,976	\$0	\$1,344,654	\$763,819	\$0
Payments in Lieu of Taxes	0	0	0	0	0
Municipal Income Taxes	15,171,804	4,539,828	0	4,539,829	0
Charges for Services	290,974	979,837	0	0	327,116
Licenses and Permits	1,697,737	350	11,167	32,666	0
Fines, Forfeitures, and Settlements	147,321	0	0	1,397	0
Intergovernmental	1,024,734	0	1,637,531	118,187	0
Special Assessments	0	0	0	0	0
Investment Earnings/Interest	(369,152)	0	(9,756)	0	0
Contributions and Donations	13,889	0	0	0	0
Lease Revenue	56,798	0	0	0	0
Rentals	60,231	0	0	0	0
Miscellaneous	496,257	7,133	16,812	125,518	44,305
<i>Total Revenues</i>	<u>20,817,569</u>	<u>5,527,148</u>	<u>3,000,408</u>	<u>5,581,416</u>	<u>371,421</u>
Expenditures					
Current:					
General Government	5,447,924	0	0	0	0
Security of Persons and Property	0	6,492,813	0	8,260,532	0
Transportation	0	0	2,796,619	0	0
Community Environment	3,199,077	0	0	0	0
Leisure Time Activities	29,682	0	0	0	0
Intergovernmental	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	18,027	4,507	167,482	4,507	1,737,867
Interest	3,676	919	18,385	919	220,615
Issuance Costs	0	0	0	0	0
<i>Total Expenditures</i>	<u>8,698,386</u>	<u>6,498,239</u>	<u>2,982,486</u>	<u>8,265,958</u>	<u>1,958,482</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>12,119,183</u>	<u>(971,091)</u>	<u>17,922</u>	<u>(2,684,542)</u>	<u>(1,587,061)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	10,221	0	15,771	0	0
Inception of Lease	137,599	34,400	34,400	34,400	0
General Obligation Bonds Issued	0	0	0	0	0
Premium on General Obligation Bonds Issued	0	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0	0
Premium on Special Assessment Bonds Issued	0	0	0	0	0
Transfers In	0	1,500,000	0	3,000,000	1,600,000
Transfers Out	(10,435,000)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(10,287,180)</u>	<u>1,534,400</u>	<u>50,171</u>	<u>3,034,400</u>	<u>1,600,000</u>
<i>Net Change in Fund Balances</i>	<u>1,832,003</u>	<u>563,309</u>	<u>68,093</u>	<u>349,858</u>	<u>12,939</u>
<i>Fund Balances Beginning of Year</i>	<u>15,101,612</u>	<u>1,967,450</u>	<u>1,895,719</u>	<u>1,811,584</u>	<u>126,325</u>
<i>Fund Balances End of Year</i>	<u>\$16,933,615</u>	<u>\$2,530,759</u>	<u>\$1,963,812</u>	<u>\$2,161,442</u>	<u>\$139,264</u>

(continued)

City of Avon, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds (continued)
For the Year Ended December 31, 2022

	Special Assessment Bond Retirement	Tax Increment Financing	Road and Bridges	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$0	\$0	\$0	\$3,139,941	\$7,475,390
Payments in Lieu of Taxes	0	3,566,861	0	0	3,566,861
Municipal Income Taxes	0	0	0	3,664,134	27,915,595
Charges for Services	0	0	0	690,893	2,288,820
Licenses and Permits	0	0	0	105,145	1,847,065
Fines, Forfeitures, and Settlements	0	0	0	11,169	159,887
Intergovernmental	0	0	2,685,160	1,392,876	6,858,488
Special Assessments	872,545	0	0	0	872,545
Investment Earnings/Interest	0	0	0	15,597	(363,311)
Contributions and Donations	0	0	0	50,551	64,440
Lease Revenue	0	0	0	363,227	420,025
Rentals	0	0	0	128,409	188,640
Miscellaneous	0	0	0	45,361	735,386
<i>Total Revenues</i>	<u>872,545</u>	<u>3,566,861</u>	<u>2,685,160</u>	<u>9,607,303</u>	<u>52,029,831</u>
Expenditures					
Current:					
General Government	22,676	0	0	0	5,470,600
Security of Persons and Property	0	0	0	10,690	14,764,035
Transportation	0	0	0	265,507	3,062,126
Community Environment	0	0	0	261,751	3,460,828
Leisure Time Activities	0	0	0	2,646,539	2,676,221
Intergovernmental	0	0	0	2,028,402	2,028,402
Capital Outlay	0	0	5,182,441	3,126,032	8,308,473
Debt Service:					
Principal Retirement	403,551	2,356,029	1,500,000	7,088,782	13,280,752
Interest	527,676	772,370	0	248,830	1,793,390
Issuance Costs	0	0	35,959	170,148	206,107
<i>Total Expenditures</i>	<u>953,903</u>	<u>3,128,399</u>	<u>6,718,400</u>	<u>15,846,681</u>	<u>55,050,934</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(81,358)</u>	<u>438,462</u>	<u>(4,033,240)</u>	<u>(6,239,378)</u>	<u>(3,021,103)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	0	0	0	9,897	35,889
Inception of Lease	0	0	0	34,400	275,199
General Obligation Bonds Issued	0	0	1,840,000	5,585,000	7,425,000
Premium on General Obligation Bonds Issued	0	0	200,751	749,457	950,208
Special Assessment Bonds Issued	0	0	0	1,045,000	1,045,000
Premium on Special Assessment Bonds Issued	0	0	0	111,063	111,063
Transfers In	0	0	3,700,000	1,839,007	11,639,007
Transfers Out	0	0	(990,136)	(213,871)	(11,639,007)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>4,750,615</u>	<u>9,159,953</u>	<u>9,842,359</u>
<i>Net Change in Fund Balances</i>	<u>(81,358)</u>	<u>438,462</u>	<u>717,375</u>	<u>2,920,575</u>	<u>6,821,256</u>
<i>Fund Balances Beginning of Year</i>	<u>865,157</u>	<u>592,406</u>	<u>1,646,069</u>	<u>4,276,848</u>	<u>28,283,170</u>
<i>Fund Balances End of Year</i>	<u>\$783,799</u>	<u>\$1,030,868</u>	<u>\$2,363,444</u>	<u>\$7,197,423</u>	<u>\$35,104,426</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, 2022*

Net Change in Fund Balances - Total Governmental Funds	\$6,821,256
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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/amortization in the current period:

Capital Asset Additions:		
Capital Outlays	6,630,388	
Capital Contributions	300,450	
Current Year Depreciation/Amortization	(6,463,772)	
Total		467,066

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.	(14,805)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Delinquent Property Taxes	11,345	
Delinquent Payments in Lieu of Taxes	1,537	
Municipal Income Taxes	(265,834)	
Intergovernmental	(84,304)	
Special Assessments	644,770	
Total		307,514

Other financing sources in the governmental funds increase long-term liabilities in the statement of net position:

Inception of Lease	(275,199)	
General Obligation Bonds Issued	(7,425,000)	
Premium on General Obligation Bonds Issued	(950,208)	
Special Assessment Bonds Issued	(1,045,000)	
Premium on Special Assessment Bonds Issued	(111,063)	
Total		(9,806,470)

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.	13,280,752
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In the statement of activities, interest is accrued on outstanding bonds and deferred charges 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	3,346	
Amortization of Loss on Refunding	(195,678)	
Amortization of Bond and Note Premiums	141,331	
Total		(51,001)

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.	(146,315)
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Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:

Pension	2,421,573	
OPEB	47,033	
Total		2,468,606

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liabilities are reported as pension/OPEB expense in the statement of activities:

Pension	(947,908)	
OPEB	639,316	
Total		(308,592)

<i>Change in Net Position of Governmental Activities</i>	\$13,018,011
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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, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	\$1,987,727	\$2,235,717	\$2,226,976	(\$8,741)
Municipal Income Taxes	13,212,888	14,861,331	14,803,229	(58,102)
Charges for Services	259,714	292,116	290,974	(1,142)
Licenses and Permits	1,513,184	1,704,209	1,697,737	(6,472)
Fines, Forfeitures, and Settlements	128,785	144,852	144,286	(566)
Intergovernmental	872,061	980,860	977,025	(3,835)
Investment Earnings/Interest	277,911	312,583	311,361	(1,222)
Contributions and Donations	9,717	13,706	13,889	183
Rentals	119,895	138,898	138,699	(199)
Miscellaneous	441,163	498,184	496,257	(1,927)
<i>Total Revenues</i>	<u>18,823,045</u>	<u>21,182,456</u>	<u>21,100,433</u>	<u>(82,023)</u>
Expenditures				
Current:				
General Government	5,564,116	8,239,968	6,156,631	2,083,337
Community Environment	4,733,303	6,602,018	3,954,155	2,647,863
Leisure Time Activities	48,921	50,274	39,226	11,048
Debt Service:				
Principal Retirement	18,027	18,027	18,027	0
Interest	3,676	3,676	3,676	0
<i>Total Expenditures</i>	<u>10,368,043</u>	<u>14,913,963</u>	<u>10,171,715</u>	<u>4,742,248</u>
<i>Excess of Revenues Over Expenditures</i>	<u>8,455,002</u>	<u>6,268,493</u>	<u>10,928,718</u>	<u>4,660,225</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	10,221	10,221	10,221	0
Transfers Out	(10,435,000)	(10,435,000)	(10,435,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(10,424,779)</u>	<u>(10,424,779)</u>	<u>(10,424,779)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(1,969,777)</u>	<u>(4,156,286)</u>	<u>503,939</u>	<u>4,660,225</u>
<i>Fund Balance Beginning of Year</i>	<u>13,456,120</u>	<u>13,456,120</u>	<u>13,456,120</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>2,180,845</u>	<u>2,180,845</u>	<u>2,180,845</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$13,667,188</u>	<u>\$11,480,679</u>	<u>\$16,140,904</u>	<u>\$4,660,225</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Department Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Municipal Income Taxes	\$4,131,127	\$4,372,524	\$4,447,304	\$74,780
Charges for Services	899,953	952,540	968,831	16,291
Licenses and Permits	325	344	350	6
Miscellaneous	6,626	7,013	7,133	120
<i>Total Revenues</i>	<u>5,038,031</u>	<u>5,332,421</u>	<u>5,423,618</u>	<u>91,197</u>
Expenditures				
Current:				
Security of Persons and Property	6,564,807	6,663,593	6,484,035	179,558
Debt Service:				
Principal Retirement	4,507	4,507	4,507	0
Interest	919	919	919	0
<i>Total Expenditures</i>	<u>6,570,233</u>	<u>6,669,019</u>	<u>6,489,461</u>	<u>179,558</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,532,202)</u>	<u>(1,336,598)</u>	<u>(1,065,843)</u>	<u>270,755</u>
Other Financing Sources				
Transfers In	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(32,202)</u>	<u>163,402</u>	<u>434,157</u>	<u>270,755</u>
<i>Fund Balance Beginning of Year</i>	<u>1,361,472</u>	<u>1,361,472</u>	<u>1,361,472</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>65,052</u>	<u>65,052</u>	<u>65,052</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,394,322</u></u>	<u><u>\$1,589,926</u></u>	<u><u>\$1,860,681</u></u>	<u><u>\$270,755</u></u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2022*

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	\$1,349,657	\$1,335,021	\$1,344,654	\$9,633
Licenses and Permits	11,209	11,087	11,167	80
Intergovernmental	1,645,472	1,627,628	1,639,373	11,745
Investment Earnings/Interest	12,071	11,940	12,026	86
Miscellaneous	16,932	16,578	16,812	234
<i>Total Revenues</i>	<u>3,035,341</u>	<u>3,002,254</u>	<u>3,024,032</u>	<u>21,778</u>
Expenditures				
Current:				
Transportation	3,360,271	3,656,964	2,938,762	718,202
Debt Service:				
Principal Retirement	153,043	167,482	167,482	0
Interest	16,868	18,419	18,385	34
<i>Total Expenditures</i>	<u>3,530,182</u>	<u>3,842,865</u>	<u>3,124,629</u>	<u>718,236</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(494,841)</u>	<u>(840,611)</u>	<u>(100,597)</u>	<u>740,014</u>
Other Financing Sources				
Sale of Capital Assets	<u>15,771</u>	<u>15,771</u>	<u>15,771</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(479,070)</u>	<u>(824,840)</u>	<u>(84,826)</u>	<u>740,014</u>
<i>Fund Balance Beginning of Year</i>	<u>1,076,816</u>	<u>1,076,816</u>	<u>1,076,816</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>313,602</u>	<u>313,602</u>	<u>313,602</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$911,348</u></u>	<u><u>\$565,578</u></u>	<u><u>\$1,305,592</u></u>	<u><u>\$740,014</u></u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	\$730,081	\$763,794	\$763,819	\$25
Municipal Income Taxes	4,250,867	4,447,161	4,447,305	144
Licenses and Permits	31,223	32,665	32,666	1
Fines, Forfeitures, and Settlements	1,335	1,397	1,397	0
Intergovernmental	107,199	112,149	112,153	4
Miscellaneous	119,974	125,514	125,518	4
<i>Total Revenues</i>	<u>5,240,679</u>	<u>5,482,680</u>	<u>5,482,858</u>	<u>178</u>
Expenditures				
Current:				
Security of Persons and Property	8,277,608	8,639,129	8,332,913	306,216
Debt Service:				
Principal Retirement	4,507	4,507	4,507	0
Interest	919	919	919	0
<i>Total Expenditures</i>	<u>8,283,034</u>	<u>8,644,555</u>	<u>8,338,339</u>	<u>306,216</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,042,355)</u>	<u>(3,161,875)</u>	<u>(2,855,481)</u>	<u>306,394</u>
Other Financing Sources				
Transfers In	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(42,355)</u>	<u>(161,875)</u>	<u>144,519</u>	<u>306,394</u>
<i>Fund Balance Beginning of Year</i>	<u>1,089,148</u>	<u>1,089,148</u>	<u>1,089,148</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>230,850</u>	<u>230,850</u>	<u>230,850</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,277,643</u></u>	<u><u>\$1,158,123</u></u>	<u><u>\$1,464,517</u></u>	<u><u>\$306,394</u></u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2022

	Business-Type Activities			
	Water	Sewer	Nonmajor Storm Water	Total
Assets				
<i>Current Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$3,192,207	\$4,663,496	\$287,241	\$8,142,944
Accrued Interest Receivable	0	77,783	0	77,783
Materials and Supplies Inventory	532,693	16,412	0	549,105
Accounts Receivable	339,300	459,612	48,505	847,417
Special Assessments Receivable	260,636	735,888	0	996,524
<i>Total Current Assets</i>	<u>4,324,836</u>	<u>5,953,191</u>	<u>335,746</u>	<u>10,613,773</u>
<i>Noncurrent Assets</i>				
Restricted Assets:				
Net Pension Asset	8,241	7,210	2,060	17,511
Net OPEB Asset	97,664	85,457	24,413	207,534
Capital Assets, Non-Depreciable	36,003	579,185	0	615,188
Capital Assets, Depreciable, Net	17,448,261	22,260,943	13,241	39,722,445
<i>Total Noncurrent Assets</i>	<u>17,590,169</u>	<u>22,932,795</u>	<u>39,714</u>	<u>40,562,678</u>
<i>Total Assets</i>	<u>21,915,005</u>	<u>28,885,986</u>	<u>375,460</u>	<u>51,176,451</u>
Deferred Outflows of Resources				
Deferred Charge on Refunding	38,895	72,505	0	111,400
Pension	188,881	124,858	35,650	349,389
OPEB	10,187	3,548	1,014	14,749
<i>Total Deferred Outflows of Resources</i>	<u>237,963</u>	<u>200,911</u>	<u>36,664</u>	<u>475,538</u>
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	86,096	37,431	13,241	136,768
Contracts Payable	38,223	603,565	0	641,788
Accrued Wages and Benefits	9,696	9,350	2,157	21,203
Intergovernmental Payable	223,420	248,773	1,699	473,892
Payroll Withholding Payable	914	914	0	1,828
Interfund Payable	83,000	0	0	83,000
Accrued Interest Payable	2,335	81,842	0	84,177
Compensated Absences Payable	4,271	4,271	4,010	12,552
Avon Lake Intergovernmental Payable	36,872	0	0	36,872
Leases Payable	3,106	3,106	0	6,212
Bonds Payable	48,821	111,626	0	160,447
<i>Total Current Liabilities</i>	<u>536,754</u>	<u>1,100,878</u>	<u>21,107</u>	<u>1,658,739</u>
<i>Long-Term Liabilities (net of current portion)</i>				
Compensated Absences Payable	75,146	75,146	16,323	166,615
Avon Lake Intergovernmental Payable	115,886	0	0	115,886
Leases Payable	11,840	11,840	0	23,680
Bonds Payable	1,415,827	2,782,465	0	4,198,292
Net Pension Liability	276,780	242,183	69,194	588,157
<i>Total Long-Term Liabilities</i>	<u>1,895,479</u>	<u>3,111,634</u>	<u>85,517</u>	<u>5,092,630</u>
<i>Total Liabilities</i>	<u>2,432,233</u>	<u>4,212,512</u>	<u>106,624</u>	<u>6,751,369</u>
Deferred Inflows of Resources				
Pension	344,527	301,799	86,218	732,544
OPEB	103,444	90,832	25,952	220,228
<i>Total Deferred Inflows of Resources</i>	<u>447,971</u>	<u>392,631</u>	<u>112,170</u>	<u>952,772</u>
Net Position				
Net Investment in Capital Assets	15,840,835	19,439,992	0	35,280,827
Restricted for Pension Plan	5,314	4,857	1,407	11,578
Restricted for OPEB Plan	4,407	0	0	4,407
Unrestricted	3,422,208	5,036,905	191,923	8,651,036
<i>Total Net Position</i>	<u>\$19,272,764</u>	<u>\$24,481,754</u>	<u>\$193,330</u>	<u>\$43,947,848</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, 2022*

	Business-Type Activities			
	Water	Sewer	Nonmajor Storm Water	Total
Operating Revenues				
Charges for Services	\$4,957,322	\$4,987,725	\$480,339	\$10,425,386
Other	45,957	6,348	0	52,305
<i>Total Operating Revenues</i>	<u>5,003,279</u>	<u>4,994,073</u>	<u>480,339</u>	<u>10,477,691</u>
Operating Expenses				
Personal Services	521,470	487,879	73,401	1,082,750
Materials and Supplies	2,267,174	3,350,877	191,205	5,809,256
Contractual Services	529,213	207,341	41,680	778,234
Other	2,939	4,743	0	7,682
Depreciation/Amortization	876,223	1,114,266	0	1,990,489
<i>Total Operating Expenses</i>	<u>4,197,019</u>	<u>5,165,106</u>	<u>306,286</u>	<u>9,668,411</u>
<i>Operating Income (Loss)</i>	<u>806,260</u>	<u>(171,033)</u>	<u>174,053</u>	<u>809,280</u>
Non-Operating Expenses				
Interest	(38,634)	(54,218)	0	(92,852)
Loss on Disposal of Capital Assets	(13,693)	(14,093)	0	(27,786)
Loss on Transfer of Capital Assets	0	0	(20,000)	(20,000)
<i>Total Non-Operating Expenses</i>	<u>(52,327)</u>	<u>(68,311)</u>	<u>(20,000)</u>	<u>(140,638)</u>
<i>Income (Loss) Before Contributions</i>	<u>753,933</u>	<u>(239,344)</u>	<u>154,053</u>	<u>668,642</u>
Capital Contributions	1,488	736,487	0	737,975
<i>Change in Net Position</i>	<u>755,421</u>	<u>497,143</u>	<u>154,053</u>	<u>1,406,617</u>
<i>Net Position Beginning of Year</i>	<u>18,517,343</u>	<u>23,984,611</u>	<u>39,277</u>	<u>42,541,231</u>
<i>Net Position End of Year</i>	<u>\$19,272,764</u>	<u>\$24,481,754</u>	<u>\$193,330</u>	<u>\$43,947,848</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, 2022

	Business-Type Activities			
	Water	Sewer	Nonmajor Storm Water	Totals
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$4,938,558	\$4,962,409	\$476,737	\$10,377,704
Cash Received from Special Assessments	4,280	16,733	0	21,013
Other Operating Revenues	45,957	6,348	0	52,305
Cash Payments for Employee Services and Benefits	(699,830)	(672,295)	(122,422)	(1,494,547)
Cash Payments to Suppliers for Materials and Supplies	(2,305,951)	(3,334,515)	(191,205)	(5,831,671)
Cash Payments for Contractual Services	(392,568)	(255,086)	(41,680)	(689,334)
Other Operating Expenses	(2,939)	(4,743)	0	(7,682)
<i>Net Cash Provided by Operating Activities</i>	<u>1,587,507</u>	<u>718,851</u>	<u>121,430</u>	<u>2,427,788</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(445,228)	(546,970)	(20,000)	(1,012,198)
Capital Contributions	0	735,000	0	735,000
Principal Paid on General Obligation Bonds	(42,802)	(89,158)	0	(131,960)
Principal Paid on Special Assessment Bonds	(3,671)	(16,969)	0	(20,640)
Principal Paid on Avon Lake Waterline	(34,893)	0	0	(34,893)
Principal Paid on Leases	(2,254)	(2,254)	0	(4,508)
Principal Paid on Notes	(1,650,000)	0	0	(1,650,000)
Interest Paid on General Obligation Bonds	(14,575)	(21,970)	0	(36,545)
Interest Paid on Special Assessment Bonds	(9,628)	(27,575)	0	(37,203)
Interest Paid on Avon Lake Waterline	(10,695)	0	0	(10,695)
Interest Paid on Leases	(459)	(459)	0	(918)
Interest Paid on Notes	(16,500)	0	0	(16,500)
Payment on Manuscript Bonds	(12,000)	0	0	(12,000)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(2,242,705)</u>	<u>29,645</u>	<u>(20,000)</u>	<u>(2,233,060)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(655,198)	748,496	101,430	194,728
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>3,847,405</u>	<u>3,915,000</u>	<u>185,811</u>	<u>7,948,216</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$3,192,207</u>	<u>\$4,663,496</u>	<u>\$287,241</u>	<u>\$8,142,944</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating Income (Loss)	<u>\$806,260</u>	<u>(\$171,033)</u>	<u>\$174,053</u>	<u>\$809,280</u>
<i>Adjustments:</i>				
Depreciation/Amortization	876,223	1,114,266	0	1,990,489
(Increase) Decrease in Assets:				
Materials and Supplies Inventory	(38,777)	16,362	0	(22,415)
Accounts Receivable	(18,764)	(25,316)	(3,602)	(47,682)
Special Assessment Receivable	4,280	16,733	0	21,013
Net Pension Asset	(940)	(823)	(235)	(1,998)
Net OPEB Asset	1,416	1,239	353	3,008
Decrease in Deferred Outflows:				
Pension	128,577	90,894	26,541	246,012
OPEB	43,250	34,440	10,142	87,832
Increase (Decrease) in Liabilities:				
Accounts Payable	32,235	(2,507)	0	29,728
Contracts Payable	2,221	52,936	0	55,157
Accrued Wages and Benefits	2,020	2,027	429	4,476
Intergovernmental Payable	102,707	(97,676)	178	5,209
Payroll Withholding Payable	7	7	0	14
Compensated Absences Payable	9,088	9,088	(1,869)	16,307
Net Pension Liability	(15,901)	(13,914)	(3,976)	(33,791)
Decrease in Deferred Inflows:				
Pension	(210,730)	(187,427)	(49,006)	(447,163)
OPEB	(135,665)	(120,445)	(31,578)	(287,688)
<i>Total Adjustments</i>	<u>781,247</u>	<u>889,884</u>	<u>(52,623)</u>	<u>1,618,508</u>
<i>Net Cash Provided by Operating Activities</i>	<u>\$1,587,507</u>	<u>\$718,851</u>	<u>\$121,430</u>	<u>\$2,427,788</u>

Noncash Capital Financing Activities

At December 31, 2021, the City had retainage payable related to the acquisition of capital assets of \$508 and \$4,004 in the water and sewer funds, respectively.

At December 31, 2022, the City had accounts and contracts payable related to the acquisition of capital assets of \$40,186 and \$586,631, respectively.

During 2022, the water and sewer enterprise funds entered into a lease for a copier in the amount of \$34,400.

During 2022, governmental activities transferred \$1,488 and \$1,487 to the water and sewer enterprise funds, respectively, for capital assets.

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Fiduciary Net Position
Custodial Fund
December 31, 2022

	<u>Avon Lake Sanitary Sewer Trunk Fees</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$90,229
Liabilities	
Intergovernmental Payable	<u>90,229</u>
Net Position	
Restricted for Other Governments	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Changes in Fiduciary Net Position
Custodial Fund
For the Year Ended December 31, 2022

	<u>Avon Lake Sanitary Sewer Trunk Fees</u>
Additions	
Charges for Services for Other Governments	\$113,094
Deductions	
Distributions to Other Governments	<u>113,094</u>
<i>Net Change in Fiduciary Net Position</i>	0
<i>Net Position Beginning of Year</i>	<u>0</u>
<i>Net Position End of Year</i>	<u><u>\$0</u></u>
See accompanying notes to the basic financial statements	

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

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. All of the council members choose 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.

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, the Northeast Ohio Public Energy Council (NOPEC), and the Regional Income Tax Agency (RITA), all of which are jointly governed organizations, as presented in Note 16.

Note 2 – Summary of Significant Accounting Policies

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Basis of Presentation

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

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

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

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

Fund Accounting

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

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

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

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.

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.

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 the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The City does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City's fiduciary fund is custodial. The City's custodial fund accounts for sanitary sewer trunk fees collected by the City on behalf of the City of Avon Lake. The liabilities represent amounts where no further action is needed to release the assets to the City of Avon Lake.

Measurement Focus

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

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 a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

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

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from investment trust, private purpose trust funds, and custodial funds.

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 and the statements presented for proprietary and fiduciary funds are prepared using 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 recording of deferred outflows/inflows 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, 2022

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 assets 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 are reported on the government-wide statement of net position for deferred charges on refunding, pension and OPEB. 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 and OPEB plans are explained in Notes 19 and 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 assets 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, pension, OPEB, leases, and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance 2023 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. The deferred inflow for leases is related to leases receivable and is being recognized as lease revenue in a systematic and rational manner over the term of the lease. 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 revenues 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 and OPEB plans are reported on the government-wide statement of net position (See Notes 19 and 20).

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 custodial funds, are legally required to be budgeted and appropriated. For reporting purposes, various custodial funds, utilized for internal control purposes, have been combined with the general fund and various special revenue, capital projects, and enterprise funds. These custodial funds are not required to be budgeted and appropriated and therefore are not included in the Accountability and Compliance note (Note 4). 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, and object level for all funds.

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

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 2022, investments were made in a money market mutual fund, negotiable certificates of deposit, a municipal security, treasury securities, federal home loan bank bonds, federal home loan mortgage corporation bonds, and federal farm credit bank bonds. Investments are reported at fair value, which is based on quoted market prices. The fair value of investments related to the operating portfolio declined during 2022, resulting in negative investment earnings of \$363,311.

Under existing Ohio statutes, all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment earnings/interest revenue credited to the general fund during 2022 amounted to (\$369,152) which includes (\$198,407) 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.

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 and deposits held. Restricted assets in the enterprise fund represents amounts held in trust by the pension and OPEB plans for future benefits.

Capital Assets

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

All capital assets (except for intangible right-to-use lease assets which are discussed later) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. 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). The City maintains a capitalization threshold of \$5,000. 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.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

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

Description	Estimated Lives
Land Improvements	10 years
Building and Improvements	10 - 50 years
Machinery and Equipment	3 - 20 years
Vehicles	5 - 15 years
Infrastructure	10 - 50 years
Waterline Rights	50 years
Intangible Right to Use Assets - Equipment	5 years

The City is reporting intangible right to use assets related to leased equipment. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, these intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

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 loans which do not represent available expendable resources are classified as nonspendable fund balance. 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.

Deferred inflows of resources and deferred outflows of resources from the change in internal proportionate share related to pension/OPEB items are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity wide statement of net position.

Pensions/Other Postemployment Benefits (OPEB)

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

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The City recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds; however, claims and judgments and compensated absences that will be paid from governmental funds are reported as liabilities in the fund financial statements only to the extent that they are due for payment during the current year. Net pension/OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plans' fiduciary net position is not sufficient for payment of those benefits. Bonds, leases, and long-term loans are recognized as a liability on the governmental 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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

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, street lighting and traffic signals, court computer systems, economic development and tourism, and public library operations. Restricted net position for pension and OPEB plans represent the corresponding restricted asset amounts after considering the related deferred outflows and deferred inflows.

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 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.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

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, sewer, and storm water funds. 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.

OneOhio Opioid Settlement Monies

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Although the settlement has been reached, uncertainties remain related to measurement. As a participating subdivision, the City received the first of eighteen distributions in 2022. This distribution of \$6,307 is reflected as fines, forfeitures and settlements revenue in the OneOhio special revenue fund in the accompanying financial statements.

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 Premiums

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 receipted in the year the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

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.

Leases

The City serves as both lessee and lessor in various noncancellable leases which are accounted for as follows:

Lessee At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Lessor At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Note 3 – Change in Accounting Principles

For fiscal year 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* and related guidance from (GASB) Implementation Guide No. 2019-3, *Leases*. The City also implemented GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 92, *Omnibus 2020*, GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, and *Implementation Guide No. 2020-1*

GASB Statement 87 enhances the relevance and consistency of information of the government’s leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the City’s 2022 financial statements. The City recognized \$3,022,968 in leases receivable at January 1, 2022; however, this entire amount was offset by the deferred inflows related to leases.

GASB 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

GASB 92 addresses a variety of topics including reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers and references to nonrecurring fair value measurements of assets or liabilities in authoritative literature. These changes did not impact the City’s financial statements.

GASB 97, among other items, requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan.

The changes for GASB 87, GASB 91 and GASB 97 were incorporated in the City’s 2022 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 – Accountability and Compliance

Accountability

At December 31, 2022, the recycling special revenue fund had a deficit of \$9,603. The fund deficit is the result of the recognition of a payable in accordance with generally accepted accounting principles. The general fund is liable for any deficits in other funds and provides transfers when cash is required, rather than when accruals occur.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Compliance

Contrary to Ohio Revised Code Section 5705.39, the economic development and tourism special revenue fund had original appropriations in excess of certified available resources, as of December 31, 2022, in the amount of \$32,135.

Contrary to Ohio Revised Code Section 5705.39, the following funds had final appropriations in excess of certified available resources, as of December 31, 2022:

<u>Fund</u>	<u>Final Estimated Resources Plus Beginning Cash</u>	<u>Final Appropriations Plus Encumbrances</u>	<u>Variance</u>
<i>Special Revenue Fund:</i>			
Recreation	\$517,220	\$528,135	(\$10,915)
<i>Capital Projects Funds:</i>			
Road and Bridges	11,001,235	11,939,846	(938,611)
Storm and Sanitary Sewers	3,194,628	3,202,441	(7,813)
City-Wide Bike Trails	133,206	183,512	(50,306)

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 basis).
4. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
5. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP basis).

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

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	\$1,832,003	\$563,309	\$68,093	\$349,858
Net Adjustment for Revenue Accruals	(569,689)	(126,924)	(32,918)	(132,958)
Unrecorded Cash Beginning of Year	13,682	77,072	169	0
Unrecorded Cash End of Year	(51,171)	(88,078)	(1,230)	0
Beginning Fair Value Adjustment for Investments	(94,405)	0	(3,257)	0
Ending Fair Value Adjustment for Investments	846,848	0	26,460	0
Net Adjustment for Expenditure Accruals	59,662	74,181	23,410	179,232
Encumbrances	(1,532,991)	(65,403)	(165,553)	(251,613)
Budget Basis	<u>\$503,939</u>	<u>\$434,157</u>	<u>(\$84,826)</u>	<u>\$144,519</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 determined to be necessary to meet current demands upon 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 Home Loan Mortgage Corporation, Federal Farm Credit Bank, 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, 2022

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 including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy 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.

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 for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2022, \$4,011,951 of the City's total bank balance of \$29,477,844 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. Two of the City's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

Investments are reported at fair value. As of December 31, 2022, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Fair Value - Level 1 Inputs:				
Money Market Mutual Fund	\$1,334,608	Less Than One Year	N/A	8.98 %
Fair Value - Level 2 Inputs:				
Negotiable Certificates of Deposit	2,108,661	Less Than Five Years	N/A	14.18
Municipal Securities	1,296,484	Less Than One Year	N/A	8.72
Treasury Securities	1,833,891	Less Than Five Years	N/A	12.33
Federal Home Loan Bank Bonds	5,028,405	Less Than Five Years	AA+	33.82
Federal Home Loan Mortgage Corporation Bonds	993,590	Less Than Three Years	AA+	6.68
Federal Farm Credit Bank Bonds	2,274,080	Less Than Three Years	AA+	15.29
Total Investments	<u>\$14,869,719</u>			<u>100.00 %</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The preceding chart identifies the City's recurring fair value measurements as of December 31, 2022. The money market account is measured at fair value and is valued using quoted market prices (Level 1 inputs). The City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that 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 The municipal securities, negotiable certificates of deposit, and money market mutual fund are unrated. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk The City limits investments in agencies to one-third of the total assets within the investment portfolio.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

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
<u>Nonspendable:</u>				
Inventory	\$0	\$15,556	\$345,437	\$16,119
Interfund Loans	71,000	0	0	0
Unclaimed Funds	12,186	0	0	0
<i>Total Nonspendable</i>	<u>83,186</u>	<u>15,556</u>	<u>345,437</u>	<u>16,119</u>
<u>Restricted for:</u>				
Security of Persons and Property	0	2,515,203	0	2,145,323
Street Maintenance	0	0	1,503,569	0
Debt Retirement	0	0	0	0
Mayor's Court	0	0	0	0
Recreation	0	0	0	0
Economic Development	0	0	0	0
Lorain Public Library	0	0	0	0
Municipal Buildings	0	0	0	0
<i>Total Restricted</i>	<u>0</u>	<u>2,515,203</u>	<u>1,503,569</u>	<u>2,145,323</u>
<u>Committed to:</u>				
Street Maintenance	0	0	0	0
Recreation	0	0	0	0
Stadium Marquee	0	0	0	0
K-9 and Memorial Programs	0	0	0	0
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Assigned to:</u>				
City Administration	138,687	0	0	0
Community Environment	1,004,167	0	0	0
Leisure Time Activities	9,924	0	0	0
Street Maintenance	0	0	114,806	0
Storm Water and Storm Sewer	0	0	0	0
Capital Improvements	0	0	0	0
Sidewalk and Roads Programs	0	0	0	0
<i>Total Assigned</i>	<u>1,152,778</u>	<u>0</u>	<u>114,806</u>	<u>0</u>
Unassigned (Deficit)	<u>15,697,651</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u><u>\$16,933,615</u></u>	<u><u>\$2,530,759</u></u>	<u><u>\$1,963,812</u></u>	<u><u>\$2,161,442</u></u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

General Obligation Bond Retirement	Special Assessment Bond Retirement	Tax Increment Financing Bond Retirement	Road and Bridges	Other Governmental Funds	Total
\$0	\$0	\$0	\$0	\$0	\$377,112
0	0	0	0	0	71,000
0	0	0	0	0	12,186
0	0	0	0	0	460,298
0	0	0	0	1,024,756	5,685,282
0	0	0	0	207,654	1,711,223
139,264	783,799	1,030,868	0	0	1,953,931
0	0	0	0	83,462	83,462
0	0	0	0	1,975,639	1,975,639
0	0	0	0	69,619	69,619
0	0	0	0	135	135
0	0	0	0	233,508	233,508
139,264	783,799	1,030,868	0	3,594,773	11,712,799
0	0	0	0	16	16
0	0	0	0	1,713,823	1,713,823
0	0	0	0	72,563	72,563
0	0	0	0	36,681	36,681
0	0	0	0	1,823,083	1,823,083
0	0	0	0	0	138,687
0	0	0	0	0	1,004,167
0	0	0	0	0	9,924
0	0	0	2,363,444	0	2,478,250
0	0	0	0	554,461	554,461
0	0	0	0	1,067,593	1,067,593
0	0	0	0	167,116	167,116
0	0	0	2,363,444	1,789,170	5,420,198
0	0	0	0	(9,603)	15,688,048
\$139,264	\$783,799	\$1,030,868	\$2,363,444	\$7,197,423	\$35,104,426

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Note 8 – Receivables

Receivables at December 31, 2022, consisted primarily of municipal income taxes, property taxes, payments in lieu of taxes, special assessments, intergovernmental receivables arising from entitlements and shared revenues, accrued interest on investments, leases, 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, delinquent property taxes, and leases 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 \$11,533,749, \$253,810, and \$716,259 in the special assessment bond retirement fund, water fund, and sewer fund, respectively. The amount of delinquent special assessments outstanding at year-end were \$3,321, \$2,631, and \$236 for governmental, the water fund, and the sewer fund, respectively.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2022 for real and public utility property taxes represents collections of 2021 taxes.

2022 real property taxes were levied after October 1, 2022, on the assessed value as of January 1, 2022, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2022 real property taxes are collected in and intended to finance 2023.

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. 2022 public utility property taxes which became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2022, was \$9.95 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2021 property tax receipts were based are as follows:

	Assessed Values
Real Property	
Residential/Agricultural	\$902,240,670
Commercial Industrial/Public Utility	179,719,620
Public Utility Property	22,260,560
Total Valuation	<u>\$1,104,220,850</u>

The Lorain County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City. 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, 2022, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2022 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, 2022

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.

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 1.5 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:

Receivable	Amount
Gasoline Tax	\$666,598
Homestead and Rollback	315,491
Local Government	190,598
Motor Vehicle Registration	91,546
Permissive Tax	66,551
Ohio Department of Natural Resources Grant	44,486
D.A.R.E Grant	6,034
Total	<u>\$1,381,304</u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Leases Receivable

The City is reporting leases receivable of \$541,147 in the general fund and \$2,061,796 in the municipal buildings capital projects fund at December 31, 2022. These amounts represent the discounted future lease payments. These discounts are being amortized using the interest method. For 2022, the City recognized lease revenue of \$56,798 and investment earnings/interest revenue of \$21,670 in the general fund and recognized lease revenue of \$363,227 and investment earnings/interest revenue of \$16,773 in the municipal buildings capital projects fund related to lease payments received.

The City has entered into various lease agreements for cell towers with a couple companies at varying years and terms as follows, which are receipted into the general fund:

<u>Company</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease Ending Date</u>	<u>Payment Method</u>
AT&T #1	1997	30	2026	Monthly
AT&T #2	1997	30	2026	Monthly
T-Mobile	2003	30	2032	Monthly

In addition, the City has also entered into an agreement with the United States Postal Service (USPS) where the City has leased a premise for USPS operations. The lease was effective on February 1, 2008, has a term of 25 years, and carries an interest rate of 0.71 percent. Payments are collected monthly by the municipal buildings capital projects fund.

The City also entered into an agreement with Avon Baseball, LLC, subsequently Blue Dog Baseball, LLC, who is the owner of the Lake Erie Crushers, to play at the baseball complex owned by the City. The lease was effective on June 16, 2008, has a term of 17 years, and carries an interest rate of 0.71 percent. Payments are collected in \$50,000 installments per year in the months from May through September by the municipal buildings capital projects fund.

A summary of future lease revenue is as follows:

<u>Year</u>	<u>General</u>		<u>Municipal Buildings</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$62,180	\$19,427	\$384,187	\$14,145
2024	67,898	16,973	388,586	11,414
2025	73,969	14,297	141,338	8,661
2026	80,412	11,384	142,341	7,658
2027	33,783	9,143	143,351	6,648
2028-2032	218,553	23,245	847,579	15,871
2033	4,352	14	14,414	9
Total	<u>\$541,147</u>	<u>\$94,483</u>	<u>\$2,061,796</u>	<u>\$64,406</u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Note 9 – Tax Abatements

The City negotiates tax abatement agreements on an individual basis. The City may grant tax abatements only in designated Enterprise Zones or Community Re-investment Act zones. To date, all of the tax abatement agreements the City has granted have been under the Enterprise Zone Authority. The City has tax abatement agreements with four entities as of December 31, 2022:

Company	Purpose	Percentage Abated During the Year	Amount Abated During the Year
Jenne Distributors	Plant Expansion	75 %	\$77,812
L&W Engineering	Plant Expansion	75	64,676
Custom Culinary, Incorporated	Plant Expansion	50	15,094
Bendix Commercial Vehicle Systems, LLC	Relocation	90	0
Total			<u>\$157,582</u>

Each agreement was negotiated under Ohio Revised Code Sections 5709.62 and 5709.63, allowing localities to abate property taxes for a variety of economic development purposes, including business relocation, retention and expansion. Each of the tax abatement agreements currently in place in the City requires the company to increase employment, both in terms of new jobs created and incremental payroll dollars. The agreements further require investment in both real and personal property by the company.

Abatements are obtained through application by the property owner, including proof that the improvements have been made. The percentage abated is identified in the preceding table and is applied to the additional property tax resulting from the increase in assessed value as a result of the improvement. The amount of the abatement is deducted from the recipient's tax bill.

Note 10 – Contingencies

Grants

The City received financial assistance from State and Federal sources 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 management estimates would have a material impact on the financial statements.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Note 11 – 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 2022, the City negotiated with Arthur J. Gallagher Risk Management Services for commercial insurance coverage relating to general liability, police professional, public officials, employment practices liability, cyber security liability, law enforcement 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 \$100,000 crime coverage policy, a \$500,000 EDP policy, a \$1,000,000 cyber and privacy policy, a \$81,639,097 blanket building and contents policy, a \$1,000,000 vehicle policy and a \$9,000,000 excess umbrella policy. The deductibles on these policies range from \$1,000 to \$10,000.

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

Workers' Compensation

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

Employee Insurance Benefits

The City was fully insured with Medical Mutual of Ohio 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 \$140.11 for single coverage and \$377.60 for family coverage.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Note 12 – Compensated Absences

The criteria for determining the vacation and sick leave liabilities are derived from negotiated agreements and City ordinances. The following table depicts these allowable amounts:

Vacation Time	Days Earned Per Year	Permitted Carry-Over
All Employees other than Fire	10 - 25	80 hours
Fire department:		
Shift Employees	5 - 11 tours	120 hours
40 Hours per Week	10 - 25	40 hours

Compensatory Time	Allowable Accumulation/Use	Allowable Payout
All Employees other than Police, Fire and Teamsters	120	40
Fire Department	192	50
Police Department:		
Patrolmen & Officers	126	40
Dispatch	104	40
Teamsters	80	0

Sick Leave	Sick Leave Hours Earned Per Month	Sick Leave Accumulation	Sick Leave Payment Upon Retirement (1)	Sick Leave Conversion
All Employees other than Teamsters and Fire	10	Unlimited	Accumulation, up to 960 Hours	(2)
Fire Department:				
Shift Employees	13	Unlimited	1/2, up to 1,200 hours	(3)
40 Hours per Week	10	Unlimited	1/2, up to 960 hours	(2)
Teamsters	8	Unlimited	1/2, up to 960 hours	(2)

(1) 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.

(2) 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.

(3) Full-time fire shift employees who have accumulated more than 1,200 hours may convert up to 100 hours of sick leave to cash at the rate of two hours sick leave to one hour of pay to a maximum of 50 hours of pay per calendar year.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Note 13 – Capital Assets

Capital asset activity for the year ended December 31, 2022, was as follows:

	Balance 12/31/21	Additions	Deletions	Transfers	Balance 12/31/22
Governmental Activities:					
<i>Capital Assets, Not Being Depreciated/Amortized:</i>					
Land	\$7,865,689	\$202,200	\$0	\$0	\$8,067,889
Construction in Progress	811,926	177,044	(810,981)	0	177,989
<i>Total Capital Assets, Not Being Depreciated/Amortized</i>	<u>8,677,615</u>	<u>379,244</u>	<u>(810,981)</u>	<u>0</u>	<u>8,245,878</u>
<i>Capital Assets, Being Depreciated/Amortized:</i>					
Land Improvements	1,709,991	1,337,739	0	0	3,047,730
Buildings and Improvements	51,775,732	364,283	0	0	52,140,015
Machinery and Equipment	7,786,394	1,016,939	(583,483)	(750)	8,219,100
Vehicles	7,523,123	895,818	(91,260)	21,702	8,349,383
Infrastructure:					
Park Improvements	1,395,035	0	0	0	1,395,035
Streets	89,914,347	3,172,147	0	0	93,086,494
Bridges and Culverts	3,147,391	0	0	0	3,147,391
Traffic Signals	6,392,868	283,425	0	0	6,676,293
Storm Sewer	32,276,059	0	0	0	32,276,059
Water Lines	8,795,388	0	0	0	8,795,388
Intangible Right to Use Lease - Equipment **	0	275,199	0	0	275,199
<i>Total Capital Assets, Being Depreciated/Amortized</i>	<u>210,716,328</u>	<u>7,345,550</u>	<u>(674,743)</u>	<u>20,952</u>	<u>217,408,087</u>
Less Accumulated Depreciation/Amortization:					
Land Improvements	(1,260,943)	(163,950)	0	0	(1,424,893)
Buildings and Improvements	(13,778,779)	(1,114,203)	0	0	(14,892,982)
Machinery and Equipment	(4,346,862)	(638,176)	568,678	17,775	(4,398,585)
Vehicles	(4,620,545)	(517,838)	91,260	(21,702)	(5,068,825)
Infrastructure:					
Park Improvements	(749,589)	(46,501)	0	0	(796,090)
Streets	(52,574,021)	(2,564,306)	0	0	(55,138,327)
Bridges and Culverts	(1,237,520)	(89,926)	0	0	(1,327,446)
Traffic Signals	(3,570,495)	(311,924)	0	0	(3,882,419)
Storm Sewer	(11,720,693)	(795,484)	0	0	(12,516,177)
Water Lines	(1,673,520)	(186,518)	0	0	(1,860,038)
Intangible Right to Use Lease - Equipment **	0	(34,946)	0	0	(34,946)
<i>Total Accumulated Depreciation/Amortization</i>	<u>(95,532,967)</u>	<u>(6,463,772) *</u>	<u>659,938</u>	<u>(3,927)</u>	<u>(101,340,728)</u>
Total Capital Assets, Being Depreciated/Amortized, Net	<u>115,183,361</u>	<u>881,778</u>	<u>(14,805)</u>	<u>17,025</u>	<u>116,067,359</u>
Governmental Activities Capital Assets, Net	<u>\$123,860,976</u>	<u>\$1,261,022</u>	<u>(\$825,786)</u>	<u>\$17,025</u>	<u>\$124,313,237</u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

The street department transferred assets with net book values of \$1,488 and \$1,487 to the water and sewer enterprise funds, respectively. The storm water enterprise fund transferred assets with a net book value of \$20,000 to the street department.

* Depreciation expense was charged to governmental functions as follows:

General Government	\$946,499
Security of Persons and Property	692,539
Transportation	3,364,828
Community Environment	57,819
Basic Utility Services	982,002
Leisure Time Activities	<u>420,085</u>
Total Depreciation Expense	<u><u>\$6,463,772</u></u>

** Of the current year depreciation total of \$6,463,772, \$34,946 is presented on the statement of activities as expenses, as detailed in the following table, related to the City's intangible assets, which are included as an Intangible Right to Use Leases. With the implementation of Governmental Accounting Standards Board Statement No. 87, *Leases*, a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

General Government	\$8,737
Security of Persons and Property	8,737
Transportation	4,368
Community Environment	8,736
Leisure Time Activities	<u>4,368</u>
Total Depreciation Expense	<u><u>\$34,946</u></u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

	Balance 12/31/21	Additions	Deletions	Transfers	Balance 12/31/22
Business-Type Activities:					
<i>Capital Assets, Not Being Depreciated/Amortized:</i>					
Land	\$7,580	\$0	\$0	\$0	\$7,580
Construction in Progress	25,488	586,632	(4,512)	0	607,608
<i>Total Capital Assets Not Being Depreciated/Amortized</i>	<u>33,068</u>	<u>586,632</u>	<u>(4,512)</u>	<u>0</u>	<u>615,188</u>
<i>Capital Assets, Being Depreciated/Amortized:</i>					
Land Improvements	152,348	57,551	0	0	209,899
Buildings and Improvements	2,020,565	11,961	0	0	2,032,526
Machinery and Equipment	4,369,678	260,640	(152,200)	750	4,478,868
Vehicles	1,225,490	63,756	0	(21,702)	1,267,544
Waterline Rights	2,024,462	0	0	0	2,024,462
Infrastructure:					
Water Lines	27,538,008	242,390	0	0	27,780,398
Sewer Lines	33,513,534	416,085	0	0	33,929,619
Intangible Right to Use Lease - Equipment	0	34,400	0	0	34,400
<i>Total Capital Assets, Being Depreciated/Amortized</i>	<u>70,844,085</u>	<u>1,086,783</u>	<u>(152,200)</u>	<u>(20,952)</u>	<u>71,757,716</u>
Less Accumulated Depreciation/Amortization:					
Land Improvements	(123,134)	(8,366)	0	0	(131,500)
Buildings and Improvements	(1,109,576)	(65,671)	0	0	(1,175,247)
Machinery and Equipment	(1,299,237)	(253,450)	124,414	(17,775)	(1,446,048)
Vehicles	(675,744)	(121,886)	0	21,702	(775,928)
Waterline Rights	(1,019,966)	(41,016)	0	0	(1,060,982)
Infrastructure:					
Water Lines	(11,828,644)	(627,462)	0	0	(12,456,106)
Sewer Lines	(14,116,822)	(868,270)	0	0	(14,985,092)
Intangible Right to Use Lease - Equipment	0	(4,368)	0	0	(4,368)
<i>Total Accumulated Depreciation/Amortization</i>	<u>(30,173,123)</u>	<u>(1,990,489)</u>	<u>124,414</u>	<u>3,927</u>	<u>(32,035,271)</u>
Total Capital Assets, Being Depreciated/Amortized, Net	<u>40,670,962</u>	<u>(903,706)</u>	<u>(27,786)</u>	<u>(17,025)</u>	<u>39,722,445</u>
Business-Type Activities Capital Assets, Net	<u>\$40,704,030</u>	<u>(\$317,074)</u>	<u>(\$32,298)</u>	<u>(\$17,025)</u>	<u>\$40,337,633</u>

During 2022, the City received traffic signalization valued at \$283,425 from developers in governmental activities.

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 City of 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 City of 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.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Note 14 – Note Debt

A summary of note transactions for the year ended December 31, 2022 follows:

	Balance 12/31/21	Additions	Deletions	Balance 12/31/22
Governmental Activities:				
<i>Municipal Facility:</i>				
Municipal Swimming Pool Fund	\$737,290	\$0	\$737,290	\$0
Park Development and Improvement Fund	84,745	0	84,745	0
Municipal Buildings Fund	177,965	0	177,965	0
<i>Total Municipal Facility</i>	<u>1,000,000</u>	<u>0</u>	<u>1,000,000</u>	<u>0</u>
<i>Various Purpose:</i>				
Road and Bridges Fund	500,000	2,000,000	2,500,000	0
<i>Street Improvement:</i>				
Storm and Sanitary Sewers Fund	<u>1,180,000</u>	<u>0</u>	<u>1,180,000</u>	<u>0</u>
<i>Total Governmental Activities</i>	<u><u>\$2,680,000</u></u>	<u><u>\$2,000,000</u></u>	<u><u>\$4,680,000</u></u>	<u><u>\$0</u></u>
Business-Type Activities:				
Water Fund	<u><u>\$1,650,000</u></u>	<u><u>\$0</u></u>	<u><u>\$1,650,000</u></u>	<u><u>\$0</u></u>

At December 31, 2021, the City had \$5,900,000 in outstanding municipal facility notes, \$4,900,000 of which were long-term, for the purpose of financing the municipal swimming pool, park, and municipal buildings projects. The \$1,000,000 short-term portion of these notes matured on September 1, 2022.

At December 31, 2021, the City had \$2,500,000 in outstanding various purpose notes, \$2,000,000 of which were long-term, related to road and bridges. The \$500,000 short-term portion of these notes matured on January 20, 2022.

On January 20, 2022, the City rolled over \$2,000,000 in various purpose bond anticipatory notes for the purposes of making improvements and the widening of Chester Road and the acquisition of park land. These notes matured on April 19, 2022 and had an interest rate of 0.7 percent.

At December 31, 2021, the City had \$3,600,000 in outstanding notes, \$2,420,000 of which were long-term, for street improvements. The \$1,180,000 short-term portion of these notes matured on June 9, 2022.

At December 31, 2021, the City issued \$1,650,000 in general obligation notes to help finance water system improvements. The notes matured on January 27, 2022, and had an interest rate of 1 percent.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Note 15 – Long-Term Obligations

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

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
Governmental Activities:			
<i>General Obligation Bonds:</i>			
2006 Schneider Court Improvements Bonds	3.45-4.25 %	\$111,132	December 1, 2026
2012C Refunding Bonds	2.00-4.00	2,535,000	December 1, 2024
2016 Refunding Bonds	2.00-4.00	26,834,600	December 1, 2038
2017 Refunding Bonds	1.25-2.32	1,975,000	December 1, 2023
2020 Refunding Bonds	0.281-2.531	27,359,664	December 1, 2039
2022 Improvement Bonds	3.00-4.00	7,425,000	December 1, 2042
<i>Special Assessment Bonds:</i>			
2006 Schneider Court Improvements Bonds	3.45-4.25	903,868	December 1, 2026
2017 Street Improvement Bonds	2.00-4.00	6,330,000	December 1, 2037
2020 Refunding Bonds	0.281-2.531	5,764,196	December 1, 2039
2022 Improvement Bonds	3.00-4.00	1,045,000	December 1, 2042
<i>Long-Term Notes:</i>			
2021 Municipal Recreation Facility Notes	0.150	4,900,000	September 1, 2022
2021 Various Purpose Notes	1.000	2,000,000	January 20, 2022
2021 Street Improvement Notes	0.180	2,420,000	June 9, 2022
<i>Ohio Public Works Commission Loans from Direct Borrowing:</i>			
Jaycox Road/Center Improvements	0.00	145,194	January 1, 2029
Detroit Road Improvement - Phase I	0.00	97,167	July 1, 2037
Detroit Road Improvement - Phase II	0.00	32,423	January 1, 2038
Reigelsberger-Jaycox Bridge	0.00	125,000	January 1, 2036
Chester Road Relocation	0.00	46,428	July 1, 2040
Chester Road American Roadway Improvements	0.00	250,000	January 1, 2041
Nagel Road Widening - Phase I	0.00	179,874	January 1, 2040
<i>Lease:</i>			
2022 Copier Lease	3.78	275,199	June 26, 2027
Business-Type Activities:			
<i>General Obligation Bonds:</i>			
2016 Refunding Bonds - Water	2.00-4.00	20,400	December 1, 2028
2016 Refunding Bonds - Sewer	2.00-4.00	190,000	December 1, 2027
2020 Refunding Bonds - Water	0.281-2.531	1,261,172	December 1, 2037
2020 Refunding Bonds - Sewer	0.281-2.531	2,158,237	December 1, 2037
<i>Special Assessment Bonds:</i>			
2020 Refunding Bonds - Water	0.281-2.531	267,444	December 1, 2037
2020 Refunding Bonds - Sewer	0.281-2.531	779,287	December 1, 2037
<i>Lease:</i>			
2022 Copier Lease - Water	3.78	17,200	June 26, 2027
2022 Copier Lease - Sewer	3.78	17,200	June 26, 2027

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Changes in bonds and other long-term obligations of the City during 2022 were as follows:

	Principal Outstanding 12/31/21	Additions	Deletions	Principal Outstanding 12/31/22	Due Within One Year
Governmental Activities:					
<i>General Obligation Bonds:</i>					
2006 Schneider Court Improvements Bonds	\$36,679	\$0	\$6,569	\$30,110	\$7,117
Unamortized Premium	121	0	24	97	0
2012C Refunding Bonds	710,000	0	265,000	445,000	270,000
Unamortized Premium	43,721	0	14,574	29,147	0
2016 Refunding Bonds	21,850,373	0	1,713,075	20,137,298	1,738,075
Unamortized Premium	1,164,165	0	68,480	1,095,685	0
2017 Refunding Bonds	785,000	0	385,000	400,000	400,000
2020 Refunding Bonds	26,755,039	0	1,109,205	25,645,834	1,250,091
2022 Improvement Bonds:					
Serial Portion	0	5,695,000	0	5,695,000	480,000
Term Portion	0	1,730,000	0	1,730,000	0
Unamortized Premium	0	950,208	0	950,208	0
<i>Total General Obligation Bonds</i>	<u>51,345,098</u>	<u>8,375,208</u>	<u>3,561,927</u>	<u>56,158,379</u>	<u>4,145,283</u>
<i>Special Assessment Bonds:</i>					
2006 Schneider Court Improvements Bonds	298,321	0	53,431	244,890	57,883
2017 Street Improvement Bonds	5,405,000	0	255,000	5,150,000	260,000
Unamortized Premium	624,844	0	39,053	585,791	0
2020 Refunding Bonds	5,648,249	0	95,120	5,553,129	106,387
2022 Improvement Bonds:					
Serial Portion	0	430,000	0	430,000	35,000
Term Portion	0	615,000	0	615,000	0
Unamortized Premium	0	111,063	0	111,063	0
<i>Total Special Assessment Bonds</i>	<u>11,976,414</u>	<u>1,156,063</u>	<u>442,604</u>	<u>12,689,873</u>	<u>459,270</u>
<i>Long-Term Notes Payable:</i>					
2021 Municipal Recreation Facility Notes	4,900,000	0	4,900,000	0	0
2021 Various Purpose Notes	2,000,000	0	2,000,000	0	0
Unamortized Premium	19,200	0	19,200	0	0
2021 Street Improvement Notes	2,420,000	0	2,420,000	0	0
<i>Total Long-Term Notes Payable</i>	<u>9,339,200</u>	<u>0</u>	<u>9,339,200</u>	<u>0</u>	<u>0</u>
<i>OPWC Loans from Direct Borrowing:</i>					
Jaycox Road/Chester Improvements	54,447	0	7,259	47,188	7,260
Detroit Road Improvement - Phase I	62,188	0	3,886	58,302	3,887
Detroit Road Improvement - Phase II	21,399	0	1,297	20,102	1,296
Reigelsberger-Jaycox Bridge	90,625	0	6,250	84,375	6,250
Chester Road Relocation	40,098	0	2,111	37,987	2,110
Chester Road American Roadway Improvements	243,750	0	12,500	231,250	12,500
Nagel Road Widening - Phase I	166,383	0	8,994	157,389	8,994
<i>Total OPWC Loans from Direct Borrowing</i>	<u>678,890</u>	<u>0</u>	<u>42,297</u>	<u>636,593</u>	<u>42,297</u>
<i>Other Long-Term Obligations:</i>					
2022 Copier Lease	0	275,199	36,055	239,144	49,689
Compensated Absences	2,118,561	362,641	216,326	2,264,876	255,380
<i>Total Other Long-Term Obligations</i>	<u>2,118,561</u>	<u>637,840</u>	<u>252,381</u>	<u>2,504,020</u>	<u>305,069</u>
<i>Net Pension Liability:</i>					
OPERS	4,643,690	0	1,772,130	2,871,560	0
OPF	19,251,509	0	1,477,413	17,774,096	0
<i>Total Net Pension Liability</i>	<u>23,895,199</u>	<u>0</u>	<u>3,249,543</u>	<u>20,645,656</u>	<u>0</u>
<i>Net OPEB Liability:</i>					
OPF	2,992,081	126,315	0	3,118,396	0
<i>Total Governmental Activities</i>	<u>\$102,345,443</u>	<u>\$10,295,426</u>	<u>\$16,887,952</u>	<u>\$95,752,917</u>	<u>\$4,951,919</u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

	Principal Outstanding 12/31/21	Additions	Deletions	Principal Outstanding 12/31/22	Due Within One Year
Business-Type Activities:					
<i>General Obligation Bonds:</i>					
2016 Refunding Bonds - Water	\$14,627	\$0	\$1,925	\$12,702	\$1,925
2016 Refunding Bonds - Sewer	125,000	0	20,000	105,000	20,000
2020 Refunding Bonds - Water	1,234,818	0	40,877	1,193,941	42,701
2020 Refunding Bonds - Sewer	2,122,597	0	69,158	2,053,439	72,233
<i>Total General Obligation Bonds</i>	<u>3,497,042</u>	<u>0</u>	<u>131,960</u>	<u>3,365,082</u>	<u>136,859</u>
<i>Special Assessment Bonds:</i>					
2020 Refunding Bonds - Water	261,676	0	3,671	258,005	4,195
2020 Refunding Bonds - Sewer	752,621	0	16,969	735,652	19,393
<i>Total Special Assessment Bonds</i>	<u>1,014,297</u>	<u>0</u>	<u>20,640</u>	<u>993,657</u>	<u>23,588</u>
<i>Intergovernmental Payable:</i>					
2009 Avon Lake Waterline	187,651	0	34,893	152,758	36,872
<i>Other Long-Term Obligations:</i>					
2022 Copier Lease - Water	0	17,200	2,254	14,946	3,106
2022 Copier Lease - Sewer	0	17,200	2,254	14,946	3,106
Compensated Absences	162,860	33,679	17,372	179,167	12,552
<i>Total Other Long-Term Obligations</i>	<u>162,860</u>	<u>68,079</u>	<u>21,880</u>	<u>209,059</u>	<u>18,764</u>
<i>Net Pension Liability:</i>					
OPERS - Water	386,975	0	110,195	276,780	0
OPERS - Sewer	386,976	0	144,793	242,183	0
OPERS - Storm Water	110,564	0	41,370	69,194	0
<i>Total Net Pension Liability</i>	<u>884,515</u>	<u>0</u>	<u>296,358</u>	<u>588,157</u>	<u>0</u>
<i>Total Business-Type Activities</i>	<u>\$5,746,365</u>	<u>\$68,079</u>	<u>\$505,731</u>	<u>\$5,308,713</u>	<u>\$216,083</u>

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 and improvement special revenue funds, the tax increment financing debt service fund, and the municipal buildings and recreation complex capital projects funds. The long-term notes were paid from the park development special revenue fund, storm and sanitary sewers, road and bridges, municipal swimming pool, and municipal buildings 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.

On April 12, 2006, the City issued \$1,015,000 in Schneider Court Improvement serial bonds at interest rates varying from 3.45 percent to 4.25 percent. The bonds were issued for a 20 year period with a final maturity at December 1, 2026. The bonds are being retired from the general obligation bond retirement fund.

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 and improvement 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.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

On February 25, 2016, the City issued general obligation bonds, in the amount of \$27,045,000, to refund a portion of the Series 2008 and Series 2009B various purpose bonds in order to take advantage of lower interest rates. The bonds were issued with interest rates varying from 2 to 4 percent. The bonds were issued for a 22 year period with a final maturity on December 1, 2038. The bonds will be retired through the general obligation bond retirement fund and the water and sewer enterprise funds. The bonds were sold at a premium of \$1,575,047. Proceeds of \$28,289,718 were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the 2008 and Series 2009B various purpose bonds. As a result, \$25,420,000 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements.

On September 19, 2017, the City issued general obligation bonds, in the amount of \$1,975,000, to partially refund the Series 2009A various purpose bonds in order to take advantage of lower interest rates. The bonds were issued with interest rates varying from 1.25 to 2.32 percent. The bonds were issued for a 7 year period with a final maturity on December 1, 2023. The bonds will be retired through the general obligation bond retirement fund. Proceeds of \$1,930,457 were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the Series 2009A various purpose bonds. As a result, \$1,800,000 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements.

On September 19, 2017, the City issued special assessment bonds, in the amount of \$6,330,000, for the purpose of widening and resurfacing a portion of Chester Road. The bonds were issued with interest rates varying from 2 to 4 percent. The bonds were issued for a 20 year period with a final maturity on December 1, 2037. The bonds will be retired through the special assessment bond retirement fund. The bonds were sold at a premium of \$781,055. Of this premium, \$762,244 was never received by the City, but rather sent directly to the paying agent to be used to redeem the outstanding notes. Had the City actually received those funds, they would have been deposited into the special assessment bond retirement fund and then used to pay the notes.

On September 3, 2020, the City issued general obligation and special assessment bonds, in the amount of \$37,590,000, to partially refund the 2011 YMCA bonds, 2012A various purpose bonds, 2012B various purpose bonds, 2013 various purpose bonds, and 2014 Nagel Road Interchange bonds in order to take advantage of lower interest rates. The bonds were issued with interest rates varying from 0.281 to 2.531 percent. The bonds were issued for a 20 year period with a final maturity on December 1, 2039. The bonds will be retired through the general obligation bond retirement fund. Net proceeds of \$37,171,976 were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded bonds. As a result, \$35,345,000 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements.

On February 24, 2022, the City issued \$8,470,000, with a premium of \$1,061,271, in various purpose general obligation and special assessment improvement bonds to replace the municipal facility, various purpose, and street improvement notes. These bonds have a maturity date of December 1, 2042 and have interest rates of 3 to 4 percent.

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. These loans from direct borrowing contain provisions that in the event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, OPWC may require that such payment be taken from the City's share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

During 2009, the City 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. 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 2022, \$34,893 was paid from the water enterprise fund. The total amount owed to the City of Avon Lake as of December 31, 2022, is \$152,758.

In 2021, the City issued \$4,900,000 in general obligation notes for the purpose of financing the municipal swimming pool, park, and municipal buildings projects. This amount reflects only the long-term portion of the \$5,900,000 note issuance. See Note 14 for the \$1,000,000 portion reflected as a fund liability. These notes matured on September 1, 2022 and carried an interest rate of 0.15 percent.

In 2021, the City issued \$2,000,000 in various purpose notes for road projects. This amount reflects only the long-term portion of the \$2,500,000 note issuance. See Note 14 for the \$500,000 portion reflected as a fund liability. These notes matured on January 20, 2022 and carried an interest rate of 1 percent.

In 2021, the City issued \$2,420,000 in special assessment notes for street improvements. This amount reflects only the long-term portion of the \$3,600,000 note issuance. See Note 14 for the \$1,180,000 portion reflected as a fund liability. These notes matured on June 9, 2022 and carried an interest rate of 0.18 percent.

The City's overall legal debt margin was \$116,082,453 and an unvoted debt margin of \$60,871,411 at December 31, 2022. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2022 are as follows:

Governmental Activities:

Years	General Obligation Bonds		Special Assessment Bonds		OPWC Loans from Direct Borrowing	Total Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2023	\$4,145,283	\$1,237,833	\$459,270	\$495,219	\$42,297	\$4,646,850	\$1,733,052
2024	4,234,243	1,159,235	708,096	477,767	42,297	4,984,636	1,637,002
2025	4,133,900	1,091,980	738,131	451,721	42,298	4,914,329	1,543,701
2026	4,225,172	988,465	761,498	425,772	42,298	5,028,968	1,414,237
2027	4,342,837	878,909	720,598	395,527	42,297	5,105,732	1,274,436
2028-2032	16,937,685	2,984,613	4,082,138	1,511,140	186,077	21,205,900	4,495,753
2033-2037	13,187,527	1,214,186	4,159,883	667,843	165,815	17,513,225	1,882,029
2038-2042	2,876,595	129,120	363,405	38,716	73,214	3,313,214	167,836
Total	<u>\$54,083,242</u>	<u>\$9,684,341</u>	<u>\$11,993,019</u>	<u>\$4,463,705</u>	<u>\$636,593</u>	<u>\$66,712,854</u>	<u>\$14,148,046</u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Business-Type Activities:

Years	General Obligation Bonds		Special Assessment Bonds		Avon Lake		Total Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$136,859	\$36,162	\$23,588	\$36,584	\$36,872	\$8,716	\$197,319	\$81,462
2024	247,539	35,671	60,122	35,876	38,963	6,624	346,624	78,171
2025	249,898	35,179	63,071	33,772	41,173	4,414	354,142	73,365
2026	253,977	33,726	64,353	31,564	35,750	12,731	354,080	78,021
2027	250,931	31,296	65,634	29,321	0	0	316,565	60,617
2028-2032	1,178,420	121,389	371,757	110,323	0	0	1,550,177	231,712
2033-2037	1,047,458	42,137	345,132	46,055	0	0	1,392,590	88,192
Total	<u>\$3,365,082</u>	<u>\$335,560</u>	<u>\$993,657</u>	<u>\$323,495</u>	<u>\$152,758</u>	<u>\$32,485</u>	<u>\$4,511,497</u>	<u>\$691,540</u>

Compensated absences will be paid from the general fund, the fire department special revenue fund, the street construction, maintenance and repair special revenue fund, the police special revenue fund, the recreation special revenue fund, the park operating special revenue fund, and the water, sewer, and storm water enterprise funds. The City pays obligations related to employee compensation from the fund benefitting from their service. There is no repayment schedule for the net pension/OPEB liabilities; however, employer pension/OPEB contributions are made from the same funds as compensated absences.

The City has an outstanding agreement to lease copiers. Due to the implementation of GASB Statement 87, the lease has met the criteria of a lease, thus requiring it to be recorded by the City. The future lease payments were discounted based on the interest rate implicit in the lease or using the City's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. A summary of the principal and interest amounts for the lease is as follows:

Year	Governmental		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$49,689	\$8,185	\$6,212	\$1,023
2024	51,601	6,273	6,450	784
2025	53,586	4,289	6,698	536
2026	55,647	2,228	6,955	278
2027	28,621	316	3,577	40
Total	<u>\$239,144</u>	<u>\$21,291</u>	<u>\$29,892</u>	<u>\$2,661</u>

Note 16 – Jointly Governed Organizations

Lorain County General Health District

The City participates in the Lorain County General Health District (Health District), a jointly governed organization, which provides health services to the citizens within the Health District. The Health District is governed by the Board of Health which represents the area served by the Health District and oversees the operation of the Health District. The Health District's Board exercises total control over the operations of the organization including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Board. The Board of Health members are appointed to staggered five-year terms. One member is appointed by the City of North Ridgeville, one member is jointly appointed by the cities of Avon and Sheffield Lake and one member is appointed jointly by the cities of Amherst and Oberlin. The remaining five members are appointed by the various mayors of villages, chairmen of the township trustees and the County Commissioners. The City contributed \$136,218 during 2022 for the operation of the Health District. Financial information can be obtained by contacting the Lorain County General Health District, 9880 S. Murray Ridge Road, Elyria, Ohio, 44035.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

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 did not contribute to NOPEC during 2022. 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.

Regional Income Tax Agency

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collection income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2022, the City paid RITA \$425,359 for income tax collection services.

Note 17 – Interfund Balances and Transfers

Interfund Balances

On the fund financial statements interfund balances at December 31, 2022, were:

	Receivables		Payable	
	Advances To	Manuscript Bonds	Advances From	Manuscript Bonds
	Other Funds		Other Funds	
General	\$703,918	\$83,000	\$0	\$0
Other Governmental Funds	0	0	703,918	0
Water	0	0	0	83,000
Total	<u>\$703,918</u>	<u>\$83,000</u>	<u>\$703,918</u>	<u>\$83,000</u>

The general fund had a receivable of \$703,918, which resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting records, and (3) payments between funds are made. All are anticipated to be repaid within one year.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

The Jaycox Road Watermain Improvement interfund balance of \$83,000 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
2023	\$12,000	\$4,185	\$16,185
2024	13,000	3,185	16,185
2025	13,000	3,185	16,185
2026	14,000	2,185	16,185
2027	15,000	1,185	16,185
2028	16,000	185	16,185
Total	<u>\$83,000</u>	<u>\$14,110</u>	<u>\$80,925</u>

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. 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 2022, the City has pledged tap-in-fees in the amount of \$12,480 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.

Internal Balances – Change in Proportionate Share

The City uses an internal proportionate share to allocate its net pension/OPEB liability (asset) and corresponding deferred outflows/inflows of resources and pension/OPEB expense to its various funds. This allocation creates a change in internal proportionate share. The effects of the internal proportionate share are eliminated from the pension/OPEB deferred outflows/inflows of resources in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity wide statement of net position, thus allowing the total column to present the change in proportionate share for the City as a whole.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Balances related to the internal proportionate share for pension at December 31, 2022, were as follows:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Governmental Activities	\$0	\$156
Business-Type Activities:		
Water	84	0
Sewer	81	0
Storm Water	0	9
Total Business-Type Activities	<u>165</u>	<u>9</u>
Total	<u>\$165</u>	<u>\$165</u>

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.

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, 2022, were as follows:

<u>Transfers To</u>	<u>Transfers From</u>			<u>Total</u>
	General	Road and Bridges	Other Governmental Funds	
Fire Department	\$1,500,000	\$0	\$0	\$1,500,000
Police	3,000,000	0	0	3,000,000
General Obligation Bond Retirement	1,600,000	0	0	1,600,000
Road and Bridges	3,700,000	0	0	3,700,000
Other Governmental Funds	<u>635,000</u>	<u>990,136</u>	<u>213,871</u>	<u>1,839,007</u>
Total	<u>\$10,435,000</u>	<u>\$990,136</u>	<u>\$213,871</u>	<u>\$11,639,007</u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Note 18 – Significant Commitments

Contractual Commitments

At December 31, 2022, the various projects within the City had contractual commitments consisting of the following:

Project	Contract Amount	Amount Paid	Remaining on Contract
2022 Road Program	\$1,849,610	\$1,629,800	\$219,810
State Route 83 and State Route 254 Widening	862,172	795,517	66,655
Sanitary Sewer Replacement	669,354	550,629	118,725
2021 Road Program	431,133	412,683	18,450
Sidewalk Program	195,000	177,778	17,222
Moore Road Rehabilitation	50,000	44,308	5,692
Detroit Road Widening	35,000	29,992	5,008
Chester Road/American Way Improvements	24,515	23,988	527
Total	<u>\$4,116,784</u>	<u>\$3,664,695</u>	<u>\$452,089</u>

The amounts remaining on these contracts were encumbered at year end. The amounts of \$77,637 and \$639,138 in accounts and contracts payable for governmental activities, respectively, have been capitalized. The amounts of \$40,186 and \$586,631 in accounts and contracts payable for business-type activities, respectively, have been capitalized.

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	\$1,532,991
Fire Department	65,403
Street Construction, Maintenance and Repair	165,553
Police	251,613
Road and Bridges	643,783
Other Governmental Funds	1,176,408
Water	138,993
Sewer	715,127
Nonmajor Storm Water	79,589
Total	<u>\$4,769,460</u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Note 19 – Defined Benefit Pension Plans

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability (Asset)/Net OPEB Liability (Asset)

The net pension liability (asset) and the net OPEB liability (asset) reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions/OPEB 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/OPEB liability (asset) represent the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculations are 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 these estimates annually.

The 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 and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a *net pension/OPEB asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable*. The remainder of this note includes the required pension disclosures. See Note 20 for the required OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which 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 combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. 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 in the traditional and combined plans 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 and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced previously for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% 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. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Effective January 1, 2022, the Combined Plan is no longer available for member selection.

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

	State and Local
2022 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2022 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>
* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.	
** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.	

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2022, the City's contractually required contribution was \$848,209 for the traditional plan, \$18,539 for the combined plan and \$20,225 for the member-directed plan. Of these amounts, \$78,399 is reported as an intergovernmental payable for the traditional plan, \$1,712 for the combined plan, and \$1,867 for the member-directed plan.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

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

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F 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, 2.0 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 (see OP&F Annual Comprehensive Financial Report referenced previously for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F 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, surviving beneficiaries under optional plans, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

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

	<u>Police</u>	<u>Firefighters</u>
2022 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2022 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	<u>12.25 %</u>	<u>12.25 %</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,702,173 for 2022. Of this amount, \$163,417 is reported as an intergovernmental payable.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net pension liability (asset) 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 of the City's defined benefit pension plans:

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.03976500%	0.02615000%	0.28450292%	
Prior Measurement Date	<u>0.03733300%</u>	<u>0.02033100%</u>	<u>0.28240070%</u>	
Change in Proportionate Share	<u>0.00243200%</u>	<u>0.00581900%</u>	<u>0.00210222%</u>	
Proportionate Share of the:				
Net Pension Asset	\$0	(\$103,032)	\$0	(\$103,032)
Net Pension Liability	3,459,717	0	17,774,096	21,233,813
Pension Expense	(459,414)	(7,593)	1,325,323	858,316

2022 pension expense for the member-directed defined contribution plan was \$18,763. The aggregate pension expense for all pension plans was \$877,079 for 2022.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	\$176,371	\$639	\$512,501	\$689,511
Changes of assumptions	432,634	5,178	3,248,342	\$3,686,154
Changes in proportion and differences between City contributions and proportionate share of contributions	300,939	0	476,946	777,885
City contributions subsequent to the measurement date	848,209	18,539	1,702,173	2,568,921
Total Deferred Outflows of Resources	\$1,758,153	\$24,356	\$5,939,962	\$7,722,471
Deferred Inflows of Resources				
Differences between expected and actual experience	\$75,880	\$11,524	\$924,009	\$1,011,413
Net difference between projected and actual earnings on pension plan investments	4,115,206	22,089	4,660,094	8,797,389
Changes in proportion and differences between City contributions and proportionate share of contributions	62,355	23,798	81,441	167,594
Total Deferred Inflows of Resources	\$4,253,441	\$57,411	\$5,665,544	\$9,976,396

\$2,568,921 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 or increase to the net pension asset in 2023. 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 Traditional Plan	OPERS Combined Plan	OP&F	Total
Year Ending December 31:				
2023	(\$392,021)	(\$10,549)	\$55,861	(\$346,709)
2024	(1,329,190)	(13,137)	(1,126,986)	(2,469,313)
2025	(967,651)	(9,920)	(401,074)	(1,378,645)
2026	(654,635)	(8,318)	(325,635)	(988,588)
2027	0	(4,345)	370,079	365,734
Thereafter	0	(5,325)	0	(5,325)
Total	(\$3,343,497)	(\$51,594)	(\$1,427,755)	(\$4,822,846)

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

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 was determined by an actuarial valuation as of December 31, 2021, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2 percent down to 6.9 percent, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, prepared as of December 31, 2021, reflecting experience study results, are presented follows:

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2022, then 2.05 percent, simple	3.0 percent, simple through 2022, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Key actuarial assumptions and methods used in the prior actuarial valuation, prepared as of December 31, 2020, are presented as follows:

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	0.5 percent, simple through 2021, then 2.15 percent, simple	0.5 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all the previously described tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. 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 annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 15.3 percent for 2021.

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 long-term expected 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. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized as follows:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	1.03%
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	100.00%	4.21%

Discount Rate The discount rate used to measure the total pension liability for the current year was 6.9 percent for the traditional plan and the combined plan. The discount rate for the prior year was 7.2 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 contractually required rates, as actuarially determined. 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 for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability (asset):			
OPERS Traditional Plan	\$9,121,693	\$3,459,717	(\$1,251,802)
OPERS Combined Plan	(76,881)	(103,032)	(123,428)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value 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. Assumptions considered are: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2021, are presented as follows:

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple per year

In February 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for the 2020 measurement period to 7.5 percent for the 2021 measurement period.

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five-year period ended December 31, 2016.

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 expected. 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 OP&F's target asset allocation as of December 31, 2021, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	3.60
Non-US Equity	14.00	4.40
Private Markets	8.00	6.80
Core Fixed Income *	23.00	1.10
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.80
Midstream Energy Infrastructure	5.00	5.00
Real Assets	8.00	5.90
Gold	5.00	2.40
Private Real Estate	12.00	4.80
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.

* levered 2x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F'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 prior, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Discount Rate For 2021, the total pension liability was calculated using the discount rate of 7.50 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 of 7.50 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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$26,358,738	\$17,774,096	\$10,625,211

Note 20 – Defined Benefit OPEB Plans

See Note 19 for a description of the net OPEB liability (asset).

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

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 with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report 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 allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS 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 into the RMA for participants in the member-directed plan for 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$8,090 for 2022. Of this amount, \$747 is reported as an intergovernmental payable.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2022, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The OP&F 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 contractually required contribution to OP&F was \$40,318 for 2022. Of this amount, \$3,877 is reported as an intergovernmental payable.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.03897700%	0.28450288%	
Prior Measurement Date	0.03644500%	0.28240070%	
Change in Proportionate Share	<u>0.00253200%</u>	<u>0.00210218%</u>	
Proportionate Share of the:			
Net OPEB Asset	(\$1,220,817)	\$0	(\$1,220,817)
Net OPEB Liability	0	3,118,396	3,118,396
OPEB Expense	(1,046,074)	211,285	(834,789)

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$0	\$141,859	\$141,859
Changes of assumptions	0	1,380,298	1,380,298
Changes in proportion and differences between City contributions and proportionate share of contributions	42,601	62,763	105,364
City contributions subsequent to the measurement date	<u>8,090</u>	<u>40,318</u>	<u>48,408</u>
Total Deferred Outflows of Resources	<u>\$50,691</u>	<u>\$1,625,238</u>	<u>\$1,675,929</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$185,180	\$412,140	\$597,320
Changes of assumptions	494,173	362,183	856,356
Net difference between projected and actual earnings on OPEB plan investments	582,000	281,695	863,695
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>36,240</u>	<u>143,546</u>	<u>179,786</u>
Total Deferred Inflows of Resources	<u>\$1,297,593</u>	<u>\$1,199,564</u>	<u>\$2,497,157</u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

\$48,408 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase in the net OPEB asset in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2023	(\$788,376)	\$84,671	(\$703,705)
2024	(255,868)	42,851	(213,017)
2025	(127,163)	64,995	(62,168)
2026	(83,585)	40,286	(43,299)
2027	0	77,821	77,821
Thereafter	0	74,732	74,732
Total	<u>(\$1,254,992)</u>	<u>\$385,356</u>	<u>(\$869,636)</u>

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 health care costs 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 coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used for 2021 compared to those used for 2020 are as follows:

	December 31, 2021	December 31, 2020
Wage Inflation	2.75 percent	3.25 percent
Projected Salary Increases,	2.75 to 10.75 percent	3.25 to 10.75 percent
	including wage inflation	including wage inflation
Single Discount Rate	6.00 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	1.84 percent	2.00 percent
Health Care Cost Trend Rate	5.5 percent, initial	8.5 percent, initial
	3.50 percent, ultimate in 2034	3.50 percent, ultimate in 2035
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the previously described tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 14.3 percent for 2021.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	0.91%
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00%	3.45%

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Discount Rate A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB liability (asset)	(\$717,956)	(\$1,220,817)	(\$1,638,203)

Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability (asset)	(\$1,234,012)	(\$1,220,817)	(\$1,205,169)

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value 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.

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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented as follows:

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent
Blended discount rate:	
Current measurement date	2.84 percent
Prior measurement date	2.96 percent
Cost of Living Adjustments	2.2 percent simple per year

In February 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for the 2020 measurement period to 7.5 percent for the 2021 measurement period.

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016.

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan (see Note 19).

Discount Rate For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.05 percent at December 31, 2021, and 2.12 percent at December 31, 2020, was blended with the long-term rate of 7.5 percent for 2021 and 8 percent for 2020, which resulted in a blended discount rate of 2.84 percent for 2021 and 2.96 percent for 2020. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.84 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.84 percent), or one percentage point higher (3.84 percent) than the current rate.

	1% Decrease (1.84%)	Current Discount Rate (2.84%)	1% Increase (3.84%)
City's proportionate share of the net OPEB liability	\$3,919,894	\$3,118,396	\$2,459,564

Note 21 – Asset Retirement Obligations

The Governmental Accounting Standard Board's (GASB) Statement No. 83, *Certain Asset Retirement Obligations*, provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the City may be responsible to address any public safety issues associated with their lift stations, requiring the City to record an asset retirement obligation (ARO). There may be additional AROs related to public safety issues; however, these amounts are not reasonably estimable. Currently, there is significant uncertainty as to what items would need to be addressed; therefore, a reliable estimated amount could not be determined.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2022

Note 22 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2022, the City received COVID-19 funding. The City will continue to spend available COVID-19 funding consistent with the applicable program guidelines. The City's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

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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 Nine Years (1) **

	2022	2021	2020
City's Proportion of the Net Pension Liability	0.03976500%	0.03733300%	0.03867800%
City's Proportionate Share of the Net Pension Liability	\$3,459,717	\$5,528,205	\$7,644,969
City's Covered Payroll	\$5,771,157	\$5,258,221	\$5,442,014
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	59.95%	105.13%	140.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	82.17%

(1) Although this schedule is intended to show information for ten years, information prior to 2014 is not available. An additional column will be added each year.

* Amounts presented for each year were determined as of the City's measurement date, which is the prior year end.

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
0.03806600%	0.03843600%	0.03917700%	0.03908700%	0.03829000%	0.03829000%
\$10,425,505	\$6,029,863	\$8,896,430	\$6,770,361	\$4,618,201	\$4,513,892
\$5,141,493	\$5,079,338	\$5,075,950	\$4,853,183	\$4,694,325	\$4,442,337
202.77%	118.71%	175.27%	139.50%	98.38%	101.61%
74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

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

	2022	2021	2020
City's Proportion of the Net Pension Asset	0.02615000%	0.02033100%	0.01559100%
City's Proportionate Share of the Net Pension Asset	\$103,032	\$58,687	\$32,511
City's Covered Payroll	\$119,214	\$89,600	\$69,407
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	-86.43%	-65.50%	-46.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	169.88%	157.67%	145.28%

(1) Amounts for the Combined Plan are not presented prior to 2018 as the City's participation in this plan was considered immaterial in previous years.

* Amounts presented for each year were determined as of the City's measurement date, which is the prior year end.

See accompanying notes to the required supplementary information

2019	2018
0.01500700%	0.00093900%
\$16,781	\$1,280
\$64,186	\$3,846
-26.14%	-33.28%
126.64%	137.28%

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 Nine Years (1) **

	2022	2021	2020
City's Proportion of the Net Pension Liability	0.28450292%	0.28240070%	0.27827870%
City's Proportionate Share of the Net Pension Liability	\$17,774,096	\$19,251,509	\$18,746,340
City's Covered Payroll	\$7,262,255	\$6,495,526	\$7,408,127
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	244.75%	296.38%	253.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.03%	70.65%	69.89%

(1) Although this schedule is intended to show information for ten years, information prior to 2014 is not available. An additional column will be added each year.

* Amounts presented for each year were determined as of the City's measurement date, which is the prior year end.

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
0.27263300%	0.27381700%	0.28017600%	0.27287700%	0.27012100%	0.27012100%
\$22,254,057	\$16,805,385	\$17,746,067	\$17,554,368	\$13,993,394	\$13,155,740
\$6,166,015	\$5,951,032	\$5,788,641	\$5,497,478	\$5,331,475	\$5,231,361
360.91%	282.39%	306.57%	319.32%	262.47%	251.48%
63.07%	70.91%	68.36%	66.77%	71.71%	73.00%

City of Avon, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System
*Last Six Years (1) **

	2022	2021	2020
City's Proportion of the Net OPEB Asset/Liability	0.03897700%	0.03644500%	0.03755200%
City's Proportionate Share of the Net OPEB Asset	\$1,220,817	\$649,296	\$0
City's Proportionate Share of the Net OPEB Liability	\$0	\$0	\$5,186,907
City's Covered Payroll	\$6,077,996	\$5,511,821	\$5,673,246
City's Proportionate Share of the Net OPEB Asset/Liability as a Percentage of its Covered Payroll	-20.09%	-11.78%	91.43%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	128.23%	115.57%	47.80%

(1) Although this schedule is intended to show information for ten years, information prior to 2017 is not available. An additional column will be added each year.

* Amounts presented for each year were determined as of the City's measurement date, which is the prior year end.

See accompanying notes to the required supplementary information

2019	2018	2017
0.03687700%	0.03675000%	0.03771000%
\$0	\$0	\$0
\$4,807,892	\$3,990,779	\$3,808,837
\$5,348,954	\$5,205,484	\$5,211,700
89.88%	76.66%	73.08%
46.33%	54.14%	54.04%

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

	2022	2021	2020
City's Proportion of the Net OPEB Liability	0.28450288%	0.28240070%	0.27827870%
City's Proportionate Share of the Net OPEB Liability	\$3,118,396	\$2,992,081	\$2,748,762
City's Covered Payroll	\$7,262,255	\$6,495,526	\$7,408,127
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	42.94%	46.06%	37.10%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.90%	45.40%	47.08%

(1) Although this schedule is intended to show information for ten years, information prior to 2017 is not available. An additional column will be added each year.

* Amounts presented for each year were determined as of the City's measurement date, which is the prior year end.

See accompanying notes to the required supplementary information

2019	2018	2017
0.27263300%	0.27381700%	0.28017600%
\$2,482,742	\$15,514,086	\$13,299,325
\$6,166,015	\$5,951,032	\$5,788,641
40.26%	260.70%	229.75%
46.57%	14.13%	15.96%

City of Avon, Ohio
Required Supplementary Information
Schedule of the City's Contributions
Ohio Public Employees Retirement System
Last Ten Years

	2022	2021	2020	2019
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$848,209	\$807,962	\$736,150	\$761,882
Contributions in Relation to the Contractually Required Contribution	<u>(848,209)</u>	<u>(807,962)</u>	<u>(736,150)</u>	<u>(761,882)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$6,058,636	\$5,771,157	\$5,258,221	\$5,442,014
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net Pension Asset - Combined Plan (2)				
Contractually Required Contribution	\$18,539	\$16,690	\$12,544	\$9,717
Contributions in Relation to the Contractually Required Contribution	<u>(18,539)</u>	<u>(16,690)</u>	<u>(12,544)</u>	<u>(9,717)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$132,421	\$119,214	\$89,600	\$69,407
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability - OPEB Plan (3)				
Contractually Required Contribution	\$8,090	\$7,505	\$6,561	\$6,473
Contributions in Relation to the Contractually Required Contribution	<u>(8,090)</u>	<u>(7,505)</u>	<u>(6,561)</u>	<u>(6,473)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$6,393,307	\$6,077,996	\$5,511,821	\$5,673,246
OPEB Contributions as a Percentage of Covered Payroll	<u>0.13%</u>	<u>0.12%</u>	<u>0.12%</u>	<u>0.11%</u>

(1) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

(2) Information prior to 2017 is not available.

(3) Information prior to 2016 is not available.

See accompanying notes to the required supplementary information

2018	2017	2016	2015	2014	2013
\$719,808	\$660,314	\$609,114	\$582,381	\$563,319	\$577,504
(719,808)	(660,314)	(609,114)	(582,381)	(563,319)	(577,504)
\$0	\$0	\$0	\$0	\$0	\$0
\$5,141,493	\$5,079,338	\$5,075,950	\$4,853,183	\$4,694,325	\$4,442,337
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
\$8,986	\$500				
(8,986)	(500)				
\$0	\$0				
\$64,186	\$3,846				
14.00%	13.00%				
\$5,731	\$55,724	\$106,949			
(5,731)	(55,724)	(106,949)			
\$0	\$0	\$0			
\$5,348,954	\$5,205,484	\$5,211,700			
0.11%	1.07%	2.05%			

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

	2022	2021	2020	2019
Net Pension Liability				
Contractually Required Contribution	\$1,702,173	\$1,533,139	\$1,373,591	\$1,567,163
Contributions in Relation to the Contractually Required Contribution	<u>(1,702,173)</u>	<u>(1,533,139)</u>	<u>(1,373,591)</u>	<u>(1,567,163)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$8,063,504	\$7,262,255	\$6,495,526	\$7,408,127
Pension Contributions as a Percentage of Covered Payroll	<u>21.11%</u>	<u>21.11%</u>	<u>21.15%</u>	<u>21.15%</u>
Net OPEB Liability				
Contractually Required Contribution	\$40,318	\$36,312	\$32,478	\$37,040
Contributions in Relation to the Contractually Required Contribution	<u>(40,318)</u>	<u>(36,312)</u>	<u>(32,478)</u>	<u>(37,040)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>21.61%</u>	<u>21.61%</u>	<u>21.65%</u>	<u>21.65%</u>

(1) The City's covered payroll is the same for pension and OPEB.

See accompanying notes to the required supplementary information

2018	2017	2016	2015	2014	2013
\$1,305,658	\$1,258,810	\$1,225,896	\$1,166,859	\$1,130,439	\$944,826
<u>(1,305,658)</u>	<u>(1,258,810)</u>	<u>(1,225,896)</u>	<u>(1,166,859)</u>	<u>(1,130,439)</u>	<u>(944,826)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,166,015	\$5,951,032	\$5,788,641	\$5,497,478	\$5,331,475	\$5,231,361
<u>21.18%</u>	<u>21.15%</u>	<u>21.18%</u>	<u>21.23%</u>	<u>21.20%</u>	<u>18.06%</u>
\$30,830	\$29,755	\$28,943	\$27,487	\$26,657	\$189,201
<u>(30,830)</u>	<u>(29,755)</u>	<u>(28,943)</u>	<u>(27,487)</u>	<u>(26,657)</u>	<u>(189,201)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>3.62%</u>
<u>21.68%</u>	<u>21.65%</u>	<u>21.68%</u>	<u>21.73%</u>	<u>21.70%</u>	<u>21.68%</u>

City of Avon, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

Changes in Assumptions – OPERS Pension – Traditional Plan

Amounts reported beginning in 2022 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented as follows:

	2022	2019	2018 and 2017	2016 and prior
Wage Inflation	2.75 percent	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related to COLA or Ad Hoc COLA for Post-January 7, 2013, Retirees are as follows:

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:

2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple 5.50 to 5.00 percent

Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

City of Avon, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

Amounts reported beginning in 2017 use pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

Amounts reported for 2016 and prior use mortality rates 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.

Changes in Assumptions – OPERS Pension – Combined Plan

	2022	2019	2018
Wage Inflation	2.75 percent	3.25 percent	3.25 percent
Future Salary Increases	2.75 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

For 2022, 2021 and 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013, retirees as the Traditional Plan.

City of Avon, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

Changes in Assumptions – OP&F Pension

Amounts reported beginning in 2018 incorporate changes in assumptions used by OP&F in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and prior are presented as follows:

	Beginning in 2018	2017 and Prior
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increases based on the lesser of the increase in CPI and 3 percent

For 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for 2018 through 2021 to 7.5 percent for 2022.

Amounts reported beginning in 2018 use valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Amounts reported beginning in 2018 use valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

Amounts reported for 2017 and prior use valuation, rates of death were 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.

City of Avon, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

Changes in Assumptions – OPERS OPEB

Wage Inflation:	
2022	2.75 percent
2021 and prior	3.25 percent
Projected Salary Increases (including wage inflation):	
2022	2.75 to 10.75 percent
2021 and prior	3.25 to 10.75 percent
Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2022	6.00 percent
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2022	5.5 percent, initial 3.5 percent, ultimate in 2034
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

Changes in Assumptions – OP&F OPEB

Blended Discount Rate:	
2022	2.84 percent
2021	2.96 percent
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

For 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for 2018 through 2021 to 7.5 percent for 2022.

City of Avon, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

Changes in Benefit Terms – OPERS OPEB

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

Changes in Benefit Terms – OP&F OPEB

For 2019, OP&F recognized a change in benefit terms. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years.

Combining Statements and Individual Fund Schedules

Combining Statements and Individual Fund 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. The fund did not have any budgetary activity in 2022; therefore, budgetary information is not provided.

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 and Improvement 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 and enhancement 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.

Economic Development and Tourism Fund – This fund accounts for and reports restricted lodging tax received for the promotion of economic development and tourism.

American Rescue Plan Fund – This fund accounts for and reports restricted Federal and State grant monies to assist the City in areas affected by the impact of COVID-19.

Opioid Settlement Fund – This fund accounts for and reports the Opioid settlement distributions received through the OneOhio funds of the National Opioid Settlement agreement and expenses restricted to assist with abating the opioid epidemic.

Lorain Public Library Fund – This fund accounts for and reports a restricted 1.2 mill levy used to pay for the upkeep of the Lorain Public Library – Avon Branch.

(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 from developers, when necessary, that are assigned to the maintenance of storm water detention.

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.

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 and Sanitary Sewers Fund – This fund accounts for and reports assigned monies from transfers in for the cost of a storm and sanitary sewer system isolated to a specific residential development.

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.

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.

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.

Avon Veterans Memorial Construction Fund – This fund accounts for and reports restricted monies from grant proceeds and transfers in related to the design and architectural service for the construction of a memorial to honor veterans from Avon, as well as all veterans.

City-Wide Bike Trails Fund – This fund accounts for and reports restricted monies from grant funding from the Northeast Ohio Areawide Coordinating Agency (NOACA) and other monies for the costs related to the development of a City-wide bike trail and master path plan.

(continued)

Fund Descriptions – Nonmajor Funds (continued)

Nonmajor Enterprise Fund

Enterprise funds are used to account for the financing of activity for which a fee is charged to external users for goods or services provided by the City. The intent is that the cost of providing goods or services to the general public be financed or recovered through user charges.

Storm Water Fund – This fund is used to account for revenues generated from utility fees charged to all citizens and businesses for the improvement and maintenance of infrastructure related to storm water and drainage operations.

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City of Avon, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$2,440,385	\$6,585,149	\$9,025,534
Intergovernmental Receivable	151,837	23,704	175,541
Accrued Interest Receivable	196	0	196
Municipal Income Taxes Receivable	431,809	431,809	863,618
Property Taxes Receivable	2,350,061	833,904	3,183,965
Leases Receivable	0	2,061,796	2,061,796
<i>Total Assets</i>	<u>\$5,374,288</u>	<u>\$9,936,362</u>	<u>\$15,310,650</u>
Liabilities			
Accounts Payable	\$72,603	\$69,497	\$142,100
Contracts Payable	32,825	536,222	569,047
Accrued Wages and Benefits	11,312	613	11,925
Interfund Payable	37,500	666,418	703,918
Intergovernmental Payable	10,835	687	11,522
Payroll Withholding Payable	669	0	669
Deposits Held Payable	0	30,800	30,800
Unearned Revenue	7,577	1,020,737	1,028,314
<i>Total Liabilities</i>	<u>173,321</u>	<u>2,324,974</u>	<u>2,498,295</u>
Deferred Inflows of Resources			
Property Taxes	2,329,619	826,478	3,156,097
Unavailable Revenue	248,525	148,514	397,039
Leases	0	2,061,796	2,061,796
<i>Total Deferred Inflows of Resources</i>	<u>2,578,144</u>	<u>3,036,788</u>	<u>5,614,932</u>
Fund Balances			
Restricted	2,287,642	1,307,131	3,594,773
Committed	344,784	1,478,299	1,823,083
Assigned	0	1,789,170	1,789,170
Unassigned (Deficit)	(9,603)	0	(9,603)
<i>Total Fund Balances</i>	<u>2,622,823</u>	<u>4,574,600</u>	<u>7,197,423</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$5,374,288</u>	<u>\$9,936,362</u>	<u>\$15,310,650</u>

City of Avon, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$2,329,262	\$810,679	\$3,139,941
Municipal Income Taxes	1,832,067	1,832,067	3,664,134
Charges for Services	202,042	488,851	690,893
Licenses and Permits	87,945	17,200	105,145
Fines, Forfeitures, and Settlements	11,169	0	11,169
Intergovernmental	659,953	732,923	1,392,876
Investment Earnings/Interest	(1,551)	17,148	15,597
Contributions and Donations	24,976	25,575	50,551
Lease Revenue	0	363,227	363,227
Rentals	47,010	81,399	128,409
Miscellaneous	2,413	42,948	45,361
<i>Total Revenues</i>	<u>5,195,286</u>	<u>4,412,017</u>	<u>9,607,303</u>
Expenditures			
Current:			
Security of Persons and Property	10,690	0	10,690
Transportation	265,507	0	265,507
Community Environment	261,751	0	261,751
Leisure Time Activities	2,646,539	0	2,646,539
Intergovernmental	2,028,402	0	2,028,402
Capital Outlay	26,123	3,099,909	3,126,032
Debt Service:			
Principal Retirement	93,040	6,995,742	7,088,782
Interest	12,170	236,660	248,830
Issuance Costs	0	170,148	170,148
<i>Total Expenditures</i>	<u>5,344,222</u>	<u>10,502,459</u>	<u>15,846,681</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(148,936)</u>	<u>(6,090,442)</u>	<u>(6,239,378)</u>
Other Financing Sources (Uses)			
Sale of Capital Assets	4,301	5,596	9,897
Inception of Lease	34,400	0	34,400
General Obligation Bonds Issued	0	5,585,000	5,585,000
Premium on General Obligation Bonds Issued	0	749,457	749,457
Special Assessment Bonds Issued	0	1,045,000	1,045,000
Premium on Special Assessment Bonds Issued	0	111,063	111,063
Transfers In	235,000	1,604,007	1,839,007
Transfers Out	(200,000)	(13,871)	(213,871)
<i>Total Other Financing Sources (Uses)</i>	<u>73,701</u>	<u>9,086,252</u>	<u>9,159,953</u>
<i>Net Change in Fund Balances</i>	<u>(75,235)</u>	<u>2,995,810</u>	<u>2,920,575</u>
<i>Fund Balances Beginning of Year</i>	<u>2,698,058</u>	<u>1,578,790</u>	<u>4,276,848</u>
<i>Fund Balances End of Year</i>	<u>\$2,622,823</u>	<u>\$4,574,600</u>	<u>\$7,197,423</u>

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2022

	Recycling	ADA Parking Violations	State Highway	Permissive Tax	Mayor's Court Computer	Recreation
Assets						
Equity in Pooled Cash and Cash Equivalents	\$9,690	\$16	\$146,178	\$41,049	\$83,462	\$151,321
Intergovernmental Receivable	0	0	56,861	66,552	0	0
Accrued Interest Receivable	0	0	196	0	0	0
Municipal Income Taxes Receivable	0	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0	0
<i>Total Assets</i>	<u>\$9,690</u>	<u>\$16</u>	<u>\$203,235</u>	<u>\$107,601</u>	<u>\$83,462</u>	<u>\$151,321</u>
Liabilities						
Accounts Payable	\$19,293	\$0	\$0	\$14,737	\$0	\$754
Contracts Payable	0	0	6,170	0	0	0
Accrued Wages and Benefits	0	0	0	0	0	2,644
Interfund Payable	0	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0	1,883
Payroll Withholding Payable	0	0	0	0	0	0
Unearned Revenue	0	0	0	0	0	0
<i>Total Liabilities</i>	<u>19,293</u>	<u>0</u>	<u>6,170</u>	<u>14,737</u>	<u>0</u>	<u>5,281</u>
Deferred Inflows of Resources						
Property Taxes	0	0	0	0	0	0
Unavailable Revenue	0	0	37,907	44,368	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>37,907</u>	<u>44,368</u>	<u>0</u>	<u>0</u>
Fund Balances						
Restricted	0	0	159,158	48,496	83,462	0
Committed	0	16	0	0	0	146,040
Unassigned (Deficit)	(9,603)	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>(9,603)</u>	<u>16</u>	<u>159,158</u>	<u>48,496</u>	<u>83,462</u>	<u>146,040</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$9,690</u>	<u>\$16</u>	<u>\$203,235</u>	<u>\$107,601</u>	<u>\$83,462</u>	<u>\$151,321</u>

Park Operating	Park Development and Improvement	Donations	Economic Development and Tourism	American Rescue Plan	Opioid Settlement	Lorain Public Library	Total Nonmajor Special Revenue Funds
\$1,676,460	\$162,047	\$36,681	\$119,462	\$7,577	\$6,307	\$135	\$2,440,385
19,552	0	0	0	0	0	8,872	151,837
0	0	0	0	0	0	0	196
431,809	0	0	0	0	0	0	431,809
327,813	0	0	0	0	0	2,022,248	2,350,061
<u>\$2,455,634</u>	<u>\$162,047</u>	<u>\$36,681</u>	<u>\$119,462</u>	<u>\$7,577</u>	<u>\$6,307</u>	<u>\$2,031,255</u>	<u>\$5,374,288</u>
\$26,360	\$0	\$0	\$11,459	\$0	\$0	\$0	\$72,603
26,655	0	0	0	0	0	0	32,825
8,147	0	0	521	0	0	0	11,312
0	0	0	37,500	0	0	0	37,500
8,589	0	0	363	0	0	0	10,835
669	0	0	0	0	0	0	669
0	0	0	0	7,577	0	0	7,577
<u>70,420</u>	<u>0</u>	<u>0</u>	<u>49,843</u>	<u>7,577</u>	<u>0</u>	<u>0</u>	<u>173,321</u>
324,677	0	0	0	0	0	2,004,942	2,329,619
140,072	0	0	0	0	0	26,178	248,525
<u>464,749</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,031,120</u>	<u>2,578,144</u>
1,920,465	0	0	69,619	0	6,307	135	2,287,642
0	162,047	36,681	0	0	0	0	344,784
0	0	0	0	0	0	0	(9,603)
<u>1,920,465</u>	<u>162,047</u>	<u>36,681</u>	<u>69,619</u>	<u>0</u>	<u>6,307</u>	<u>135</u>	<u>2,622,823</u>
<u>\$2,455,634</u>	<u>\$162,047</u>	<u>\$36,681</u>	<u>\$119,462</u>	<u>\$7,577</u>	<u>\$6,307</u>	<u>\$2,031,255</u>	<u>\$5,374,288</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, 2022

	Recycling	ADA Parking Violations	State Highway	Permissive Tax	Mayor's Court Computer	Recreation
Revenues						
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0	0	0
Charges for Services	0	0	0	0	0	202,042
Licenses and Permits	0	0	0	0	0	0
Fines, Forfeitures, and Settlements	0	0	0	0	4,862	0
Intergovernmental	6,207	0	116,316	125,637	0	0
Investment Earnings/Interest	0	0	(1,551)	0	0	0
Contributions and Donations	0	0	0	0	0	0
Rentals	0	0	0	0	0	0
Miscellaneous	0	0	0	1,606	0	0
<i>Total Revenues</i>	<u>6,207</u>	<u>0</u>	<u>114,765</u>	<u>127,243</u>	<u>4,862</u>	<u>202,042</u>
Expenditures						
Current:						
Security of Persons and Property	0	0	0	0	0	0
Transportation	0	0	73,713	191,794	0	0
Community Environment	24,580	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0	368,758
Intergovernmental	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>24,580</u>	<u>0</u>	<u>73,713</u>	<u>191,794</u>	<u>0</u>	<u>368,758</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(18,373)</u>	<u>0</u>	<u>41,052</u>	<u>(64,551)</u>	<u>4,862</u>	<u>(166,716)</u>
Other Financing Sources (Uses)						
Sale of Capital Assets	0	0	0	0	0	0
Inception of Lease	0	0	0	0	0	0
Transfers In	5,000	0	0	0	0	200,000
Transfers Out	0	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>200,000</u>
<i>Net Change in Fund Balances</i>	<u>(13,373)</u>	<u>0</u>	<u>41,052</u>	<u>(64,551)</u>	<u>4,862</u>	<u>33,284</u>
<i>Fund Balances Beginning of Year</i>	<u>3,770</u>	<u>16</u>	<u>118,106</u>	<u>113,047</u>	<u>78,600</u>	<u>112,756</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$9,603)</u>	<u>\$16</u>	<u>\$159,158</u>	<u>\$48,496</u>	<u>\$83,462</u>	<u>\$146,040</u>

Park Operating	Park Development and Improvement	Donations	Economic Development and Tourism	American Rescue Plan	Opioid Settlement	Lorain Public Library	Total Nonmajor Special Revenue Funds
\$318,470	\$0	\$0	\$0	\$0	\$0	\$2,010,792	\$2,329,262
1,832,067	0	0	0	0	0	0	1,832,067
0	0	0	0	0	0	0	202,042
5,795	82,150	0	0	0	0	0	87,945
0	0	0	0	0	6,307	0	11,169
138,024	0	0	229,901	26,123	0	17,745	659,953
0	0	0	0	0	0	0	(1,551)
20,236	0	4,740	0	0	0	0	24,976
29,010	0	0	18,000	0	0	0	47,010
807	0	0	0	0	0	0	2,413
2,344,409	82,150	4,740	247,901	26,123	6,307	2,028,537	5,195,286
0	0	10,690	0	0	0	0	10,690
0	0	0	0	0	0	0	265,507
0	0	0	237,171	0	0	0	261,751
2,276,536	1,245	0	0	0	0	0	2,646,539
0	0	0	0	0	0	2,028,402	2,028,402
0	0	0	0	26,123	0	0	26,123
4,507	88,533	0	0	0	0	0	93,040
919	11,251	0	0	0	0	0	12,170
2,281,962	101,029	10,690	237,171	26,123	0	2,028,402	5,344,222
62,447	(18,879)	(5,950)	10,730	0	6,307	135	(148,936)
4,301	0	0	0	0	0	0	4,301
34,400	0	0	0	0	0	0	34,400
0	0	30,000	0	0	0	0	235,000
(200,000)	0	0	0	0	0	0	(200,000)
(161,299)	0	30,000	0	0	0	0	73,701
(98,852)	(18,879)	24,050	10,730	0	6,307	135	(75,235)
2,019,317	180,926	12,631	58,889	0	0	0	2,698,058
\$1,920,465	\$162,047	\$36,681	\$69,619	\$0	\$6,307	\$135	\$2,622,823

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2022

	Equipment	Storm Water Detention	Sidewalk Programs	Storm and Sanitary Sewers
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,502,912	\$545,913	\$224,846	\$8,548
Intergovernmental Receivable	23,704	0	0	0
Municipal Income Taxes Receivable	0	0	0	0
Property Taxes Receivable	833,904	0	0	0
Leases Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$2,360,520</u>	<u>\$545,913</u>	<u>\$224,846</u>	<u>\$8,548</u>
Liabilities				
Accounts Payable	\$36,828	\$0	\$9,825	\$0
Contracts Payable	447,635	0	47,905	0
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	0	0	0	0
Deposits Held Payable	0	0	0	0
<i>Total Liabilities</i>	<u>484,463</u>	<u>0</u>	<u>57,730</u>	<u>0</u>
Deferred Inflows of Resources				
Property Taxes	826,478	0	0	0
Unavailable Revenue	31,130	0	0	0
Leases	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>857,608</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted	1,018,449	0	0	0
Committed	0	0	0	0
Assigned	0	545,913	167,116	8,548
<i>Total Fund Balances</i>	<u>1,018,449</u>	<u>545,913</u>	<u>167,116</u>	<u>8,548</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,360,520</u>	<u>\$545,913</u>	<u>\$224,846</u>	<u>\$8,548</u>

Municipal Buildings	Recreation Complex	Stadium Marquee	Capital Improvements	City-Wide Bike Trails	Total Nonmajor Capital Projects Funds
\$278,501	\$1,101,262	\$1,067,563	\$1,759,748	\$95,856	\$6,585,149
0	0	0	0	0	23,704
0	431,809	0	0	0	431,809
0	0	0	0	0	833,904
2,061,796	0	0	0	0	2,061,796
<u>\$2,340,297</u>	<u>\$1,533,071</u>	<u>\$1,067,563</u>	<u>\$1,759,748</u>	<u>\$95,856</u>	<u>\$9,936,362</u>
\$12,893	\$9,951	\$0	\$0	\$0	\$69,497
0	0	0	0	40,682	536,222
613	0	0	0	0	613
0	0	666,418	0	0	666,418
687	0	0	0	0	687
30,800	0	0	0	0	30,800
0	0	328,582	692,155	0	1,020,737
<u>44,993</u>	<u>9,951</u>	<u>995,000</u>	<u>692,155</u>	<u>40,682</u>	<u>2,324,974</u>
0	0	0	0	0	826,478
0	117,384	0	0	0	148,514
2,061,796	0	0	0	0	2,061,796
<u>2,061,796</u>	<u>117,384</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,036,788</u>
233,508	0	0	0	55,174	1,307,131
0	1,405,736	72,563	0	0	1,478,299
0	0	0	1,067,593	0	1,789,170
<u>233,508</u>	<u>1,405,736</u>	<u>72,563</u>	<u>1,067,593</u>	<u>55,174</u>	<u>4,574,600</u>
<u>\$2,340,297</u>	<u>\$1,533,071</u>	<u>\$1,067,563</u>	<u>\$1,759,748</u>	<u>\$95,856</u>	<u>\$9,936,362</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, 2022

	Equipment	Storm Water Detention	Land Purchases	Sidewalk Programs	Storm and Sanitary Sewers
Revenues					
Property Taxes	\$810,679	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0	0
Charges for Services	0	52,300	0	0	120,000
Licenses and Permits	0	0	0	0	0
Intergovernmental	62,187	0	0	4,318	0
Investment Earnings/Interest	0	0	0	0	375
Contributions and Donations	0	0	0	0	0
Lease Revenue	0	0	0	0	0
Rentals	0	0	0	0	0
Miscellaneous	581	0	0	38,890	0
<i>Total Revenues</i>	<u>873,447</u>	<u>52,300</u>	<u>0</u>	<u>43,208</u>	<u>120,375</u>
Expenditures					
Capital Outlay	1,278,921	0	0	260,104	421
Debt Service:					
Principal Retirement	0	0	0	0	1,920,000
Interest	0	0	0	0	4,029
Issuance Costs	0	0	0	0	80,421
<i>Total Expenditures</i>	<u>1,278,921</u>	<u>0</u>	<u>0</u>	<u>260,104</u>	<u>2,004,871</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(405,474)</u>	<u>52,300</u>	<u>0</u>	<u>(216,896)</u>	<u>(1,884,496)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	5,596	0	0	0	0
General Obligation Bonds Issued	0	0	0	0	1,215,000
Premium on General Obligation Bonds Issued	0	0	0	0	129,358
Special Assessment Bonds Issued	0	0	0	0	1,045,000
Premium on Special Assessment Bonds Issued	0	0	0	0	111,063
Transfers In	0	0	0	300,000	0
Transfers Out	0	0	(12,561)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>5,596</u>	<u>0</u>	<u>(12,561)</u>	<u>300,000</u>	<u>2,500,421</u>
<i>Net Change in Fund Balances</i>	<u>(399,878)</u>	<u>52,300</u>	<u>(12,561)</u>	<u>83,104</u>	<u>615,925</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,418,327</u>	<u>493,613</u>	<u>12,561</u>	<u>84,012</u>	<u>(607,377)</u>
<i>Fund Balances End of Year</i>	<u>\$1,018,449</u>	<u>\$545,913</u>	<u>\$0</u>	<u>\$167,116</u>	<u>\$8,548</u>

Municipal Swimming Pool	Municipal Buildings	Recreation Complex	Stadium Marquee	Capital Improvements	Avon Veterans Memorial Construction	City-Wide Bike Trails	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$810,679
0	0	1,832,067	0	0	0	0	1,832,067
0	297,551	0	19,000	0	0	0	488,851
0	17,200	0	0	0	0	0	17,200
0	0	0	666,418	0	0	0	732,923
0	16,773	0	0	0	0	0	17,148
0	25,575	0	0	0	0	0	25,575
0	363,227	0	0	0	0	0	363,227
0	81,399	0	0	0	0	0	81,399
0	3,477	0	0	0	0	0	42,948
0	805,202	1,832,067	685,418	0	0	0	4,412,017
0	729,392	63,429	692,726	0	0	74,916	3,099,909
3,612,710	733,035	729,997	0	0	0	0	6,995,742
0	10,487	222,144	0	0	0	0	236,660
79,613	10,114	0	0	0	0	0	170,148
3,692,323	1,483,028	1,015,570	692,726	0	0	74,916	10,502,459
(3,692,323)	(677,826)	816,497	(7,308)	0	0	(74,916)	(6,090,442)
0	0	0	0	0	0	0	5,596
3,879,490	490,510	0	0	0	0	0	5,585,000
550,495	69,604	0	0	0	0	0	749,457
0	0	0	0	0	0	0	1,045,000
0	0	0	0	0	0	0	111,063
0	300,000	0	0	1,004,007	0	0	1,604,007
0	0	0	0	0	(1,310)	0	(13,871)
4,429,985	860,114	0	0	1,004,007	(1,310)	0	9,086,252
737,662	182,288	816,497	(7,308)	1,004,007	(1,310)	(74,916)	2,995,810
(737,662)	51,220	589,239	79,871	63,586	1,310	130,090	1,578,790
\$0	\$233,508	\$1,405,736	\$72,563	\$1,067,593	\$0	\$55,174	\$4,574,600

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**Individual Fund Schedules of Revenues,
Expenditures/Expenses and Changes in Fund
Balances/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, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	\$1,987,727	\$2,235,717	\$2,226,976	(\$8,741)
Municipal Income Taxes	13,212,888	14,861,331	14,803,229	(58,102)
Charges for Services	259,714	292,116	290,974	(1,142)
Licenses and Permits	1,513,184	1,704,209	1,697,737	(6,472)
Fines, Forfeitures, and Settlements	128,785	144,852	144,286	(566)
Intergovernmental	872,061	980,860	977,025	(3,835)
Investment Earnings/Interest	277,911	312,583	311,361	(1,222)
Contributions and Donations	9,717	13,706	13,889	183
Rentals	119,895	138,898	138,699	(199)
Miscellaneous	441,163	498,184	496,257	(1,927)
Total Revenues	18,823,045	21,182,456	21,100,433	(82,023)
Expenditures				
Current:				
General Government:				
Council:				
Personal Services	154,236	245,156	241,800	3,356
Materials and Supplies	9,082	13,654	10,198	3,456
Contractual Services	35,771	52,662	20,915	31,747
Total Council	199,089	311,472	272,913	38,559
Mayor:				
Personal Services	211,447	336,056	331,931	4,125
Materials and Supplies	12,672	17,537	12,796	4,741
Contractual Services	82,378	128,670	73,687	54,983
Total Mayor	306,497	482,263	418,414	63,849
Finance/IT Department:				
Personal Services	423,645	673,294	609,361	63,933
Materials and Supplies	73,198	103,554	76,658	26,896
Contractual Services	271,697	427,778	388,480	39,298
Capital Outlay	400,350	565,973	444,883	121,090
Total Finance	1,168,890	1,770,599	1,519,382	251,217
Human Resources:				
Personal Services	77,719	123,533	112,686	10,847
Materials and Supplies	1,984	3,050	1,227	1,823
Contractual Services	43,371	68,724	52,989	15,735
Total Human Resources	\$123,074	\$195,307	\$166,902	\$28,405

(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, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Law Director:				
Personal Services	\$123,757	\$196,710	\$195,068	\$1,642
Materials and Supplies	3,056	4,548	1,770	2,778
Contractual Services	248,335	389,512	337,569	51,943
Total Law Director	375,148	590,770	534,407	56,363
Treasurer:				
Personal Services	14,588	23,188	23,181	7
Materials and Supplies	724	1,150	600	550
Contractual Services	440	700	112	588
Total Treasurer	15,752	25,038	23,893	1,145
City Hall:				
Personal Services	14,155	22,500	21,500	1,000
Materials and Supplies	98,026	147,985	105,939	42,046
Contractual Services	456,357	709,126	555,122	154,004
Capital Outlay	1,478,023	1,898,859	1,128,036	770,823
Other	3,468	5,512	2,957	2,555
Total City Hall	2,050,029	2,783,982	1,813,554	970,428
Civil Service:				
Personal Services	3,220	5,118	4,546	572
Contractual Services	39,759	61,900	16,761	45,139
Other	629	1,000	0	1,000
Total Civil Service	43,608	68,018	21,307	46,711
Landmarks Preservation:				
Personal Services	3,704	5,888	5,845	43
Materials and Supplies	315	500	0	500
Contractual Services	315	500	450	50
Total Landmarks Preservation	4,334	6,888	6,295	593
Records:				
Personal Services	5,448	8,660	4,036	4,624
Material and Supplies	315	500	15	485
Contractual Services	314	500	0	500
Total Records	\$6,077	\$9,660	\$4,051	\$5,609

(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, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Statutory Accounts:				
Personal Services	\$232,731	\$368,564	\$119,916	\$248,648
Contractual Services	248,564	395,056	324,925	70,131
Total Statutory Accounts	481,295	763,620	444,841	318,779
Engineer:				
Personal Services	43,725	69,501	64,058	5,443
Materials and Supplies	472	750	72	678
Contractual Services	456,129	701,153	438,098	263,055
Total Engineer	500,326	771,404	502,228	269,176
Income Tax Department:				
Contractual Services	289,997	460,947	428,444	32,503
Total General Government	5,564,116	8,239,968	6,156,631	2,083,337
Community Environment				
Avon Seniors:				
Personal Services	299,583	308,827	307,764	1,063
Materials and Supplies	45,121	46,362	32,728	13,634
Contractual Services	69,775	72,008	54,533	17,475
Capital Outlay	62,519	64,449	15,430	49,019
Other	485	500	370	130
Total Avon Seniors	477,483	492,146	410,825	81,321
Cemetery:				
Materials and Supplies	399	2,500	0	2,500
Contractual Services	2,101	13,165	13,165	0
Total Cemetery	2,500	15,665	13,165	2,500
Planning Commission:				
Personal Services	140,360	223,078	185,124	37,954
Materials and Supplies	2,787	4,332	3,050	1,282
Capital Outlay	34,263	53,730	12,652	41,078
Other	944	1,500	940	560
Total Planning Commission	178,354	282,640	201,766	80,874
Building Inspector:				
Personal Services	744,951	1,183,465	1,013,913	169,552
Materials and Supplies	27,650	43,381	16,380	27,001
Contractual Services	145,880	235,074	103,310	131,764
Capital Outlay	25,165	40,000	19,861	20,139
Other	2,619,883	3,511,464	1,519,701	1,991,763
Total Building Inspector	\$3,563,529	\$5,013,384	\$2,673,165	\$2,340,219

(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, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Traffic/Signalization:				
Personal Services	\$73,256	\$116,290	\$109,175	\$7,115
Materials and Supplies	90,813	137,552	73,966	63,586
Contractual Services	86,214	130,968	91,595	39,373
Capital Outlay	47,185	75,000	73,151	1,849
Total Traffic/Signalization	297,468	459,810	347,887	111,923
Safety Director/Zoning Officer:				
Personal Services	184,736	293,411	272,482	20,929
Materials and Supplies	6,229	8,398	3,203	5,195
Contractual Services	5,505	8,750	3,848	4,902
Capital Outlay	17,225	27,379	27,379	0
Other	274	435	435	0
Total Safety Director/Zoning Officer	213,969	338,373	307,347	31,026
Total Community Environment	4,733,303	6,602,018	3,954,155	2,647,863
Leisure Time Activities:				
Community Center:				
Personal Services	20,543	21,127	18,190	2,937
Materials and Supplies	1,847	1,900	900	1,000
Contractual Services	19,393	19,906	17,711	2,195
Other	7,138	7,341	2,425	4,916
Total Leisure Time Activities	48,921	50,274	39,226	11,048
Debt Service:				
Principal Retirement	18,027	18,027	18,027	0
Interest	3,676	3,676	3,676	0
Total Debt Service	21,703	21,703	21,703	0
Total Expenditures	10,368,043	14,913,963	10,171,715	4,742,248
Excess of Revenues Over Expenditures	8,455,002	6,268,493	10,928,718	4,660,225
Other Financing Sources (Uses)				
Sale of Capital Assets	10,221	10,221	10,221	0
Transfers Out	(10,435,000)	(10,435,000)	(10,435,000)	0
Total Other Financing Sources (Uses)	(10,424,779)	(10,424,779)	(10,424,779)	0
Net Change in Fund Balance	(1,969,777)	(4,156,286)	503,939	4,660,225
Fund Balance Beginning of Year	13,456,120	13,456,120	13,456,120	0
Prior Year Encumbrances Appropriated	2,180,845	2,180,845	2,180,845	0
Fund Balance End of Year	\$13,667,188	\$11,480,679	\$16,140,904	\$4,660,225

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, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Municipal Income Taxes	\$4,131,127	\$4,372,524	\$4,447,304	\$74,780
Charges for Services	899,953	952,540	968,831	16,291
Licenses and Permits	325	344	350	6
Miscellaneous	6,626	7,013	7,133	120
<i>Total Revenues</i>	<u>5,038,031</u>	<u>5,332,421</u>	<u>5,423,618</u>	<u>91,197</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire Department:				
Personal Services	5,796,921	5,884,475	5,763,024	121,451
Materials and Supplies	340,878	345,686	318,755	26,931
Contractual Services	427,008	433,432	402,256	31,176
Total Security of Persons and Property	<u>6,564,807</u>	<u>6,663,593</u>	<u>6,484,035</u>	<u>179,558</u>
Debt Service:				
Principal Retirement	4,507	4,507	4,507	0
Interest	919	919	919	0
Total Debt Service	<u>5,426</u>	<u>5,426</u>	<u>5,426</u>	<u>0</u>
<i>Total Expenditures</i>	<u>6,570,233</u>	<u>6,669,019</u>	<u>6,489,461</u>	<u>179,558</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,532,202)</u>	<u>(1,336,598)</u>	<u>(1,065,843)</u>	<u>270,755</u>
Other Financing Sources				
Transfers In	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(32,202)</u>	<u>163,402</u>	<u>434,157</u>	<u>270,755</u>
<i>Fund Balance Beginning of Year</i>	<u>1,361,472</u>	<u>1,361,472</u>	<u>1,361,472</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>65,052</u>	<u>65,052</u>	<u>65,052</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,394,322</u></u>	<u><u>\$1,589,926</u></u>	<u><u>\$1,860,681</u></u>	<u><u>\$270,755</u></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, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	\$1,349,657	\$1,335,021	\$1,344,654	\$9,633
Licenses and Permits	11,209	11,087	11,167	80
Intergovernmental	1,645,472	1,627,628	1,639,373	11,745
Investment Earnings/Interest	12,071	11,940	12,026	86
Miscellaneous	16,932	16,578	16,812	234
<i>Total Revenues</i>	<u>3,035,341</u>	<u>3,002,254</u>	<u>3,024,032</u>	<u>21,778</u>
Expenditures				
Current:				
Transportation:				
Street Department:				
Personal Services	1,547,144	1,697,405	1,428,261	269,144
Materials and Supplies	1,039,845	1,123,340	930,389	192,951
Contractual Services	326,375	356,383	275,191	81,192
Capital Outlay	446,907	479,836	304,921	174,915
Total Transportation	<u>3,360,271</u>	<u>3,656,964</u>	<u>2,938,762</u>	<u>718,202</u>
Debt Service:				
Principal Retirement	153,043	167,482	167,482	0
Interest	16,868	18,419	18,385	34
Total Debt Service	<u>169,911</u>	<u>185,901</u>	<u>185,867</u>	<u>34</u>
<i>Total Expenditures</i>	<u>3,530,182</u>	<u>3,842,865</u>	<u>3,124,629</u>	<u>718,236</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(494,841)</u>	<u>(840,611)</u>	<u>(100,597)</u>	<u>740,014</u>
Other Financing Sources				
Sale of Capital Assets	15,771	15,771	15,771	0
<i>Net Change in Fund Balance</i>	<u>(479,070)</u>	<u>(824,840)</u>	<u>(84,826)</u>	<u>740,014</u>
<i>Fund Balance Beginning of Year</i>	<u>1,076,816</u>	<u>1,076,816</u>	<u>1,076,816</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>313,602</u>	<u>313,602</u>	<u>313,602</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$911,348</u>	<u>\$565,578</u>	<u>\$1,305,592</u>	<u>\$740,014</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, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	\$730,081	\$763,794	\$763,819	\$25
Municipal Income Taxes	4,250,867	4,447,161	4,447,305	144
Licenses and Permits	31,223	32,665	32,666	1
Fines, Forfeitures, and Settlements	1,335	1,397	1,397	0
Intergovernmental	107,199	112,149	112,153	4
Miscellaneous	119,974	125,514	125,518	4
<i>Total Revenues</i>	<u>5,240,679</u>	<u>5,482,680</u>	<u>5,482,858</u>	<u>178</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Personal Services	6,710,025	7,010,030	6,963,627	46,403
Materials and Supplies	466,469	485,363	419,986	65,377
Contractual Services	1,080,086	1,121,772	927,525	194,247
Other	21,028	21,964	21,775	189
Total Security of Persons and Property	<u>8,277,608</u>	<u>8,639,129</u>	<u>8,332,913</u>	<u>306,216</u>
Debt Service:				
Principal Retirement	4,507	4,507	4,507	0
Interest	919	919	919	0
Total Debt Service	<u>5,426</u>	<u>5,426</u>	<u>5,426</u>	<u>0</u>
<i>Total Expenditures</i>	<u>8,283,034</u>	<u>8,644,555</u>	<u>8,338,339</u>	<u>306,216</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,042,355)</u>	<u>(3,161,875)</u>	<u>(2,855,481)</u>	<u>306,394</u>
Other Financing Sources				
Transfers In	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(42,355)</u>	<u>(161,875)</u>	<u>144,519</u>	<u>306,394</u>
<i>Fund Balance Beginning of Year</i>	<u>1,089,148</u>	<u>1,089,148</u>	<u>1,089,148</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>230,850</u>	<u>230,850</u>	<u>230,850</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,277,643</u></u>	<u><u>\$1,158,123</u></u>	<u><u>\$1,464,517</u></u>	<u><u>\$306,394</u></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, 2022*

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for Services	\$336,625	\$323,554	\$327,116	\$3,562
Miscellaneous	44,305	44,305	44,305	0
<i>Total Revenues</i>	<u>380,930</u>	<u>367,859</u>	<u>371,421</u>	<u>3,562</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Contractual Services	15,000	15,000	0	15,000
Debt Service:				
Principal Retirement	1,737,875	1,737,875	1,737,867	8
Interest	158,540	220,625	220,615	10
Issuance Costs	0	15,000	0	15,000
<i>Total Debt Service</i>	<u>1,896,415</u>	<u>1,973,500</u>	<u>1,958,482</u>	<u>15,018</u>
<i>Total Expenditures</i>	<u>1,911,415</u>	<u>1,988,500</u>	<u>1,958,482</u>	<u>30,018</u>
<i>Excess of Revenues Under Expenditures</i>	(1,530,485)	(1,620,641)	(1,587,061)	33,580
Other Financing Sources				
Transfers In	1,600,000	1,600,000	1,600,000	0
<i>Net Change in Fund Balance</i>	69,515	(20,641)	12,939	33,580
<i>Fund Balance Beginning of Year</i>	<u>126,325</u>	<u>126,325</u>	<u>126,325</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$195,840</u>	<u>\$105,684</u>	<u>\$139,264</u>	<u>\$33,580</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, 2022*

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Special Assessments	\$900,000	\$872,545	\$872,545	\$0
Expenditures				
Current:				
General Government:				
Contractual Services	45,000	45,000	22,676	22,324
Debt Service:				
Principal Retirement	403,551	403,551	403,551	0
Interest	527,681	527,681	527,676	5
Total Debt Service	931,232	931,232	931,227	5
<i>Total Expenditures</i>	<u>976,232</u>	<u>976,232</u>	<u>953,903</u>	<u>22,329</u>
<i>Net Change in Fund Balance</i>	(76,232)	(103,687)	(81,358)	22,329
<i>Fund Balance Beginning of Year</i>	<u>865,157</u>	<u>865,157</u>	<u>865,157</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$788,925</u></u>	<u><u>\$761,470</u></u>	<u><u>\$783,799</u></u>	<u><u>\$22,329</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Tax Increment Financing Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Payments in Lieu of Taxes	\$9,850,000	\$9,782,151	\$9,782,151	\$0
Expenditures				
Current:				
General Government:				
Contractual Services	6,520,925	6,520,925	6,215,290	305,635
Debt Service:				
Principal Retirement	2,356,149	2,356,149	2,356,029	120
Interest	656,343	772,375	772,370	5
Total Debt Service	3,012,492	3,128,524	3,128,399	125
<i>Total Expenditures</i>	<i>9,533,417</i>	<i>9,649,449</i>	<i>9,343,689</i>	<i>305,760</i>
<i>Net Change in Fund Balance</i>	<i>316,583</i>	<i>132,702</i>	<i>438,462</i>	<i>305,760</i>
<i>Fund Balance Beginning of Year</i>	<i>592,406</i>	<i>592,406</i>	<i>592,406</i>	<i>0</i>
<i>Fund Balance End of Year</i>	<i>\$908,989</i>	<i>\$725,108</i>	<i>\$1,030,868</i>	<i>\$305,760</i>

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, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Intergovernmental	\$0	\$0	\$1,685,160	\$1,685,160
Miscellaneous	1,000,000	1,000,000	1,000,000	0
<i>Total Revenues</i>	<u>1,000,000</u>	<u>1,000,000</u>	<u>2,685,160</u>	<u>1,685,160</u>
Expenditures				
Capital Outlay:				
Road and Bridge Programs:				
Capital Outlay	3,018,339	6,908,959	5,529,536	1,379,423
Debt Service:				
Principal Retirement	4,000,000	4,000,000	4,000,000	0
Issuance Costs	40,751	40,751	40,751	0
<i>Total Debt Service</i>	<u>4,040,751</u>	<u>4,040,751</u>	<u>4,040,751</u>	<u>0</u>
<i>Total Expenditures</i>	<u>7,059,090</u>	<u>10,949,710</u>	<u>9,570,287</u>	<u>1,379,423</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(6,059,090)</u>	<u>(9,949,710)</u>	<u>(6,885,127)</u>	<u>3,064,583</u>
Other Financing Sources (Uses)				
General Obligation Notes Issued	2,000,000	2,000,000	2,000,000	0
General Obligation Bonds Issued	1,840,000	1,840,000	1,840,000	0
Premium on General Obligation Bonds Issued	200,751	200,751	200,751	0
Transfers In	950,000	3,700,000	3,700,000	0
Transfers Out	(990,136)	(990,136)	(990,136)	0
<i>Total Other Financing Sources (Uses)</i>	<u>4,000,615</u>	<u>6,750,615</u>	<u>6,750,615</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(2,058,475)</u>	<u>(3,199,095)</u>	<u>(134,512)</u>	<u>3,064,583</u>
<i>Fund Balance Beginning of Year</i>	<u>1,858,374</u>	<u>1,858,374</u>	<u>1,858,374</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>402,110</u>	<u>402,110</u>	<u>402,110</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$202,009</u>	<u>(\$938,611)</u>	<u>\$2,125,972</u>	<u>\$3,064,583</u>

City of Avon, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for Services	\$4,923,404	\$4,742,838	\$4,938,558	\$195,720
Special Assessments	4,280	4,280	4,280	0
Other Operating Revenues	45,816	44,137	45,957	1,820
<i>Total Revenues</i>	<u>4,973,500</u>	<u>4,791,255</u>	<u>4,988,795</u>	<u>197,540</u>
Expenses				
Personal Services	626,210	767,721	699,837	67,884
Materials and Supplies	2,141,981	2,522,403	2,355,828	166,575
Contractual Services	485,101	586,503	402,751	183,752
Capital Outlay	898,869	1,164,818	524,161	640,657
Other	4,075	5,000	2,939	2,061
Debt Service:				
Principal Retirement	1,733,632	1,733,632	1,733,620	12
Interest	53,850	53,850	51,857	1,993
<i>Total Expenses</i>	<u>5,943,718</u>	<u>6,833,927</u>	<u>5,770,993</u>	<u>1,062,934</u>
<i>Net Change in Fund Equity</i>	(970,218)	(2,042,672)	(782,198)	1,260,474
<i>Fund Equity Beginning of Year</i>	3,738,253	3,738,253	3,738,253	0
Prior Year Encumbrances Appropriated	<u>213,245</u>	<u>213,245</u>	<u>213,245</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$2,981,280</u>	<u>\$1,908,826</u>	<u>\$3,169,300</u>	<u>\$1,260,474</u>

City of Avon, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for Services	\$4,181,220	\$4,708,921	\$4,962,409	\$253,488
Intergovernmental	735,000	735,000	735,000	0
Special Assessments	14,931	16,148	16,733	585
Other Operating Revenues	5,349	6,024	6,348	324
<i>Total Revenues</i>	<u>4,936,500</u>	<u>5,466,093</u>	<u>5,720,490</u>	<u>254,397</u>
Expenses				
Personal Services	565,477	744,530	672,302	72,228
Materials and Supplies	2,711,741	3,478,908	3,341,398	137,510
Contractual Services	278,274	378,154	266,091	112,063
Capital Outlay	1,540,172	2,076,560	1,244,209	832,351
Other	3,794	5,000	4,743	257
Debt Service:				
Principal Retirement	108,382	108,382	108,381	1
Interest	50,034	50,034	50,004	30
<i>Total Expenses</i>	<u>5,257,874</u>	<u>6,841,568</u>	<u>5,687,128</u>	<u>1,154,440</u>
<i>Net Change in Fund Equity</i>	(321,374)	(1,375,475)	33,362	1,408,837
<i>Fund Equity Beginning of Year</i>	3,747,585	3,747,585	3,747,585	0
Prior Year Encumbrances Appropriated	166,508	166,508	166,508	0
<i>Fund Equity End of Year</i>	<u>\$3,592,719</u>	<u>\$2,538,618</u>	<u>\$3,947,455</u>	<u>\$1,408,837</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, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$0	\$0	\$6,207	\$6,207
Expenditures				
Current:				
Community Environment:				
Recycling:				
Material and Supplies	1,293	1,500	1,100	400
Contractual Services	3,707	4,300	4,187	113
<i>Total Expenditures</i>	<u>5,000</u>	<u>5,800</u>	<u>5,287</u>	<u>513</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(5,000)	(5,800)	920	6,720
Other Financing Sources				
Transfers In	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	(800)	5,920	6,720
<i>Fund Balance Beginning of Year</i>	<u>3,770</u>	<u>3,770</u>	<u>3,770</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,770</u></u>	<u><u>\$2,970</u></u>	<u><u>\$9,690</u></u>	<u><u>\$6,720</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Intergovernmental	\$119,378	\$114,713	\$116,465	\$1,752
Investment Earnings/Interest	919	884	897	13
<i>Total Revenues</i>	<u>120,297</u>	<u>115,597</u>	<u>117,362</u>	<u>1,765</u>
Expenditures				
Current:				
Transportation:				
State Highway:				
Material and Supplies	74,219	97,000	87,024	9,976
Contractual Services	7,231	9,450	5,874	3,576
<i>Total Expenditures</i>	<u>81,450</u>	<u>106,450</u>	<u>92,898</u>	<u>13,552</u>
<i>Net Change in Fund Balance</i>	38,847	9,147	24,464	15,317
<i>Fund Balance Beginning of Year</i>	<u>99,130</u>	<u>99,130</u>	<u>99,130</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$137,977</u></u>	<u><u>\$108,277</u></u>	<u><u>\$123,594</u></u>	<u><u>\$15,317</u></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, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Intergovernmental	\$133,292	\$125,303	\$125,303	\$0
Miscellaneous	1,708	1,606	1,606	0
<i>Total Revenues</i>	135,000	126,909	126,909	0
Expenditures				
Current:				
Transportation:				
Contractual Services	212,000	212,000	192,493	19,507
<i>Net Change in Fund Balance</i>	(77,000)	(85,091)	(65,584)	19,507
<i>Fund Balance Beginning of Year</i>	106,633	106,633	106,633	0
<i>Fund Balance End of Year</i>	\$29,633	\$21,542	\$41,049	\$19,507

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, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Fines, Forfeitures, and Settlements	\$4,200	\$4,757	\$4,757	\$0
Expenditures				
Current:				
Community Environment:				
Mayor's Court Computer:				
Capital Outlay	10,000	10,000	0	10,000
<i>Net Change in Fund Balance</i>	(5,800)	(5,243)	4,757	10,000
<i>Fund Balance Beginning of Year</i>	78,310	78,310	78,310	0
<i>Fund Balance End of Year</i>	\$72,510	\$73,067	\$83,067	\$10,000

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, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for Services	\$252,000	\$201,064	\$202,042	\$978
Expenditures				
Current:				
Leisure Time Activities:				
Recreation Department:				
Personal Services	189,003	193,746	160,645	33,101
Materials and Supplies	1,983	2,028	601	1,427
Contractual Services	52,977	54,267	45,186	9,081
Other	488	500	110	390
Total Recreation Department	244,451	250,541	206,542	43,999
Tennis Camp:				
Materials and Supplies	20,077	20,574	13,287	7,287
Youth Basketball:				
Materials and Supplies	70,884	72,536	65,031	7,505
Adult Softball:				
Materials and Supplies	935	958	958	0
Flag Football:				
Materials and Supplies	528	528	0	528
Safety Town:				
Materials and Supplies	12,858	13,166	7,819	5,347
Little Eagles:				
Materials and Supplies	30,993	31,724	22,120	9,604
Fishing:				
Materials and Supplies	\$3,902	\$4,000	\$1,500	\$2,500

(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, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Theater:				
Materials and Supplies	\$5,853	\$6,000	\$5,600	\$400
Youth Football:				
Materials and Supplies	17,231	17,656	287	17,369
Fitness Camp:				
Materials and Supplies	31,788	32,492	9,587	22,905
Educational:				
Materials and Supplies	7,804	8,000	4,216	3,784
Youth Baseball:				
Materials and Supplies	8,661	8,878	8,878	0
Mini Cheer/Dance Camp:				
Materials and Supplies	47,959	49,163	46,163	3,000
Youth Soccer:				
Materials and Supplies	4,798	4,918	4,918	0
Lacrosse Camp:				
Materials and Supplies	2,050	2,101	0	2,101
Playground Days:				
Materials and Supplies	4,780	4,900	2,418	2,482
<i>Total Expenditures</i>	<u>515,552</u>	<u>528,135</u>	<u>399,324</u>	<u>128,811</u>
<i>Excess of Revenues Under Expenditures</i>	(263,552)	(327,071)	(197,282)	129,789
Other Financing Sources				
Transfers In	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(63,552)	(127,071)	2,718	129,789
<i>Fund Balance Beginning of Year</i>	102,000	102,000	102,000	0
Prior Year Encumbrances Appropriated	<u>14,156</u>	<u>14,156</u>	<u>14,156</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$52,604</u>	<u>(\$10,915)</u>	<u>\$118,874</u>	<u>\$129,789</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, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	\$278,310	\$315,880	\$318,470	\$2,590
Municipal Income Taxes	1,557,801	1,768,094	1,782,591	14,497
Licenses and Permits	5,064	5,748	5,795	47
Intergovernmental	120,619	136,901	138,024	1,123
Rent	25,352	28,774	29,010	236
Contributions and Donations	17,684	20,071	20,236	165
Miscellaneous	163	766	807	41
<i>Total Revenues</i>	<u>2,004,993</u>	<u>2,276,234</u>	<u>2,294,933</u>	<u>18,699</u>
Expenditures				
Current:				
Leisure Time Activities:				
Park Operating:				
Personal Services	557,403	739,453	688,365	51,088
Materials and Supplies	115,554	149,535	135,551	13,984
Contractual Services	451,030	597,076	561,631	35,445
Capital Outlay	1,008,344	1,304,662	1,000,380	304,282
Other	377	500	0	500
Total Leisure Time Activities	<u>2,132,708</u>	<u>2,791,226</u>	<u>2,385,927</u>	<u>405,299</u>
Debt Service:				
Principal Retirement	4,507	4,507	4,507	0
Interest	919	919	919	0
Total Debt Service	<u>5,426</u>	<u>5,426</u>	<u>5,426</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,138,134</u>	<u>2,796,652</u>	<u>2,391,353</u>	<u>405,299</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(133,141)</u>	<u>(520,418)</u>	<u>(96,420)</u>	<u>423,998</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	4,301	4,301	4,301	0
Transfers Out	(200,000)	(200,000)	(200,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(195,699)</u>	<u>(195,699)</u>	<u>(195,699)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(328,840)</u>	<u>(716,117)</u>	<u>(292,119)</u>	<u>423,998</u>
<i>Fund Balance Beginning of Year</i>	<u>1,653,506</u>	<u>1,653,506</u>	<u>1,653,506</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>125,782</u>	<u>125,782</u>	<u>125,782</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,450,448</u>	<u>\$1,063,171</u>	<u>\$1,487,169</u>	<u>\$423,998</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Park Development and Improvement Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Licenses and Permits	\$105,000	\$80,682	\$82,150	\$1,468
Expenditures				
Current:				
Leisure Time Activities:				
Park Development and Improvement:				
Contractual Services	28,231	28,385	1,245	27,140
Other	1,491	1,500	0	1,500
Total Leisure Time Activities	29,722	29,885	1,245	28,640
Debt Service:				
Principal Retirement	172,262	173,278	173,278	0
Interest	11,244	11,310	11,294	16
Total Debt Service	183,506	184,588	184,572	16
<i>Total Expenditures</i>	213,228	214,473	185,817	28,656
<i>Net Change in Fund Balance</i>	(108,228)	(133,791)	(103,667)	30,124
<i>Fund Balance Beginning of Year</i>	263,574	263,574	263,574	0
Prior Year Encumbrances Appropriated	2,140	2,140	2,140	0
<i>Fund Balance End of Year</i>	\$157,486	\$131,923	\$162,047	\$30,124

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, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Contributions and Donations	\$325	\$4,740	\$4,740	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Donations:				
Materials and Supplies	9,381	12,500	2,078	10,422
Contractual Services	23,672	29,199	14,752	14,447
<i>Total Expenditures</i>	33,053	41,699	16,830	24,869
<i>Excess of Revenues Under Expenditures</i>	(32,728)	(36,959)	(12,090)	24,869
Other Financing Sources				
Transfers In	30,750	30,000	30,000	0
<i>Net Change in Fund Balance</i>	(1,978)	(6,959)	17,910	24,869
<i>Fund Balance Beginning of Year</i>	5,682	5,682	5,682	0
Prior Year Encumbrances Appropriated	7,053	7,053	7,053	0
<i>Fund Balance End of Year</i>	\$10,757	\$5,776	\$30,645	\$24,869

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Economic Development and Tourism Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Intergovernmental	\$159,140	\$223,058	\$229,901	\$6,843
Rentals	12,460	17,464	18,000	536
<i>Total Revenues</i>	<u>171,600</u>	<u>240,522</u>	<u>247,901</u>	<u>7,379</u>
Expenditures				
Current:				
Community Environment:				
Personal Services	30,073	32,361	30,765	1,596
Material and Supplies	3,251	3,500	1,943	1,557
Contractual Services	157,484	168,774	108,024	60,750
Capital Outlay	110,144	117,709	98,556	19,153
<i>Total Expenditures</i>	<u>300,952</u>	<u>322,344</u>	<u>239,288</u>	<u>83,056</u>
<i>Net Change in Fund Balance</i>	(129,352)	(81,822)	8,613	90,435
<i>Fund Balance Beginning of Year</i>	75,636	75,636	75,636	0
Prior Year Encumbrances Appropriated	<u>21,581</u>	<u>21,581</u>	<u>21,581</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$32,135)</u>	<u>\$15,395</u>	<u>\$105,830</u>	<u>\$90,435</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
American Rescue Plan Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Intergovernmental	\$1,225,535	\$0	\$0	\$0
Expenditures:				
Current:				
General Government				
Capital Outlay	300,000	1,225,535	1,217,958	7,577
<i>Net Change in Fund Balance</i>	925,535	(1,225,535)	(1,217,958)	7,577
<i>Fund Balance Beginning of Year</i>	1,225,535	1,225,535	1,225,535	0
<i>Fund Balance End of Year</i>	<u>\$2,151,070</u>	<u>\$0</u>	<u>\$7,577</u>	<u>\$7,577</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Opioid Settlement Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Fines, Forfeitures, and Settlements	\$6,307	\$6,307	\$6,307	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	6,307	6,307	6,307	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$6,307	\$6,307	\$6,307	\$0

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Lorain Public Library Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	\$1,990,073	\$2,010,792	\$2,010,792	\$0
Intergovernmental	17,562	17,745	17,745	0
<i>Total Revenues</i>	2,007,635	2,028,537	2,028,537	0
Expenditures				
Current:				
General Government:				
Contractual Services	1,972,160	2,028,537	2,028,402	135
<i>Net Change in Fund Balance</i>	35,475	0	135	135
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$35,475	\$0	\$135	\$135

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, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	\$799,074	\$810,679	\$810,679	\$0
Intergovernmental	61,297	62,187	62,187	0
Miscellaneous	492	581	581	0
<i>Total Revenues</i>	<u>860,863</u>	<u>873,447</u>	<u>873,447</u>	<u>0</u>
Expenditures				
Capital Outlay:				
Equipment:				
Contractual Services	9,098	17,000	12,318	4,682
Capital Outlay	1,274,659	2,145,644	1,677,783	467,861
<i>Total Expenditures</i>	<u>1,283,757</u>	<u>2,162,644</u>	<u>1,690,101</u>	<u>472,543</u>
<i>Excess of Revenues Under Expenditures</i>	(422,894)	(1,289,197)	(816,654)	472,543
Other Financing Sources				
Sale of Capital Assets	5,596	5,596	5,596	0
<i>Net Change in Fund Balance</i>	(417,298)	(1,283,601)	(811,058)	472,543
<i>Fund Balance Beginning of Year</i>	1,249,438	1,249,438	1,249,438	0
Prior Year Encumbrances Appropriated	271,757	271,757	271,757	0
<i>Fund Balance End of Year</i>	<u>\$1,103,897</u>	<u>\$237,594</u>	<u>\$710,137</u>	<u>\$472,543</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Storm Water Detention Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for Services	\$60,000	\$51,419	\$52,300	\$881
Expenditures				
Capital Outlay:				
Storm Water Detention:				
Contractual Services	200,000	200,000	0	200,000
<i>Net Change in Fund Balance</i>	(140,000)	(148,581)	52,300	200,881
<i>Fund Balance Beginning of Year</i>	493,613	493,613	493,613	0
<i>Fund Balance End of Year</i>	<u>\$353,613</u>	<u>\$345,032</u>	<u>\$545,913</u>	<u>\$200,881</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Land Purchases Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0	0
Other Financing Uses				
Transfers Out	(12,561)	(12,561)	(12,561)	0
<i>Net Change in Fund Balance</i>	(12,561)	(12,561)	(12,561)	0
<i>Fund Balance Beginning of Year</i>	12,561	12,561	12,561	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Intergovernmental	\$4,500	\$3,610	\$4,318	\$708
Miscellaneous	0	32,516	38,890	6,374
<i>Total Revenues</i>	4,500	36,126	43,208	7,082
Expenditures				
Capital Outlay:				
Sidewalk Programs:				
Capital Outlay	317,621	332,242	256,521	75,721
<i>Excess of Revenues Under Expenditures</i>	(313,121)	(296,116)	(213,313)	82,803
Other Financing Sources				
Transfers In	300,000	300,000	300,000	0
<i>Net Change in Fund Balance</i>	(13,121)	3,884	86,687	82,803
<i>Fund Balance Beginning of Year</i>	89,380	89,380	89,380	0
Prior Year Encumbrances Appropriated	17,621	17,621	17,621	0
<i>Fund Balance End of Year</i>	<u>\$93,880</u>	<u>\$110,885</u>	<u>\$193,688</u>	<u>\$82,803</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Storm and Sanitary Sewers Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Special Assessments	\$179,763	\$120,000	\$120,000	\$0
Investment Earnings/Interest	237	158	158	0
<i>Total Revenues</i>	<u>180,000</u>	<u>120,158</u>	<u>120,158</u>	<u>0</u>
Expenditures				
Capital Outlay:				
Storm Sewers:				
Capital Outlay	<u>15,269</u>	<u>16,782</u>	<u>891</u>	<u>15,891</u>
Debt Service:				
Principal Retirement	3,100,000	3,100,000	3,100,000	0
Interest	5,238	5,238	5,238	0
Issuance Costs	<u>80,421</u>	<u>80,421</u>	<u>80,421</u>	<u>0</u>
Total Debt Service	<u>3,185,659</u>	<u>3,185,659</u>	<u>3,185,659</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,200,928</u>	<u>3,202,441</u>	<u>3,186,550</u>	<u>15,891</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,020,928)</u>	<u>(3,082,283)</u>	<u>(3,066,392)</u>	<u>15,891</u>
Other Financing Sources				
General Obligation Bonds Issued	1,215,000	1,215,000	1,215,000	0
Preimum on General Obligation Bonds Issued	129,358	129,358	129,358	0
Special Assessment Bonds Issued	1,045,000	1,045,000	1,045,000	0
Preimum on Special Assessment Bonds Issued	<u>111,063</u>	<u>111,063</u>	<u>111,063</u>	<u>0</u>
<i>Total Other Financing Sources</i>	<u>2,500,421</u>	<u>2,500,421</u>	<u>2,500,421</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(520,507)</u>	<u>(581,862)</u>	<u>(565,971)</u>	<u>15,891</u>
<i>Fund Balance Beginning of Year</i>	<u>573,158</u>	<u>573,158</u>	<u>573,158</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>891</u>	<u>891</u>	<u>891</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$53,542</u></u>	<u><u>(\$7,813)</u></u>	<u><u>\$8,078</u></u>	<u><u>\$15,891</u></u>

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, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Debt Service:				
Principal Retirement	4,350,000	4,350,000	4,350,000	0
Issuance Costs	<u>79,985</u>	<u>79,985</u>	<u>79,985</u>	<u>0</u>
<i>Total Expenditures</i>	<u>4,429,985</u>	<u>4,429,985</u>	<u>4,429,985</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(4,429,985)</u>	<u>(4,429,985)</u>	<u>(4,429,985)</u>	<u>0</u>
Other Financing Sources				
General Obligation Bonds Issued	3,879,490	3,879,490	3,879,490	0
Preimum on General Obligation Bonds Issued	<u>550,495</u>	<u>550,495</u>	<u>550,495</u>	<u>0</u>
<i>Total Other Financing Sources</i>	<u>4,429,985</u>	<u>4,429,985</u>	<u>4,429,985</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Buildings Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for Services	\$283,853	\$296,206	\$297,551	\$1,345
Licenses and Permits	16,408	17,122	17,200	78
Contributions and Donations	24,398	25,459	25,575	116
Rentals	440,159	459,313	461,399	2,086
Miscellaneous	3,317	3,461	3,477	16
<i>Total Revenues</i>	<u>768,135</u>	<u>801,561</u>	<u>805,202</u>	<u>3,641</u>
Expenditures				
Capital Outlay:				
Municipal Buildings:				
Personal Services	337,542	387,255	382,395	4,860
Materials and Supplies	89,630	102,198	63,259	38,939
Contractual Services	242,873	275,070	180,550	94,520
Capital Outlay	131,529	148,472	105,274	43,198
Other	47,232	54,188	24,682	29,506
<i>Total Capital Outlay</i>	<u>848,806</u>	<u>967,183</u>	<u>756,160</u>	<u>211,023</u>
Debt Service:				
Principal Retirement	911,000	911,000	911,000	0
Interest	10,592	10,592	10,577	15
Issuance Costs	10,114	10,114	10,114	0
<i>Total Debt Service</i>	<u>931,706</u>	<u>931,706</u>	<u>931,691</u>	<u>15</u>
<i>Total Expenditures</i>	<u>1,780,512</u>	<u>1,898,889</u>	<u>1,687,851</u>	<u>211,038</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,012,377)</u>	<u>(1,097,328)</u>	<u>(882,649)</u>	<u>214,679</u>
Other Financing Sources				
General Obligation Bonds Issued	490,510	490,510	490,510	0
Premium on General Obligation Bonds Issued	69,604	69,604	69,604	0
Transfers In	300,000	300,000	300,000	0
<i>Total Other Financing Sources</i>	<u>860,114</u>	<u>860,114</u>	<u>860,114</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(152,263)</u>	<u>(237,214)</u>	<u>(22,535)</u>	<u>214,679</u>
<i>Fund Balance Beginning of Year</i>	<u>217,464</u>	<u>217,464</u>	<u>217,464</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>45,045</u>	<u>45,045</u>	<u>45,045</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$110,246</u></u>	<u><u>\$25,295</u></u>	<u><u>\$239,974</u></u>	<u><u>\$214,679</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Complex Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Municipal Income Taxes	\$1,600,823	\$1,782,591	\$1,782,591	\$0
Expenditures				
Capital Outlay:				
Recreation Complex:				
Contractual Services	35,616	55,139	53,478	1,661
Debt Service:				
Principal Retirement	748,471	1,158,744	729,997	428,747
Interest	146,551	226,882	222,144	4,738
Total Debt Service	895,022	1,385,626	952,141	433,485
<i>Total Expenditures</i>	930,638	1,440,765	1,005,619	435,146
<i>Net Change in Fund Balance</i>	670,185	341,826	776,972	435,146
<i>Fund Balance Beginning of Year</i>	324,290	324,290	324,290	0
<i>Fund Balance End of Year</i>	\$994,475	\$666,116	\$1,101,262	\$435,146

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, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for Services	\$25,000	\$19,000	\$19,000	\$0
Intergovernmental	0	995,000	995,000	0
<i>Total Revenues</i>	25,000	1,014,000	1,014,000	0
Expenditures				
Capital Outlay:				
Stadium Marquee:				
Capital Outlay	25,000	59,288	34,288	25,000
<i>Net Change in Fund Balance</i>	0	954,712	979,712	25,000
<i>Fund Balance Beginning of Year</i>	79,871	79,871	79,871	0
<i>Fund Balance End of Year</i>	<u>\$79,871</u>	<u>\$1,034,583</u>	<u>\$1,059,583</u>	<u>\$25,000</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvements Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Intergovernmental	\$0	\$500,320	\$500,320	\$0
Miscellaneous	0	191,835	191,835	0
<i>Total Revenues</i>	0	692,155	692,155	0
Expenditures	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	692,155	692,155	0
Other Financing Sources (Uses)				
Transfers In	1,004,008	1,004,007	1,004,007	0
Transfers Out	(1,000,000)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	4,008	1,004,007	1,004,007	0
<i>Net Change in Fund Balance</i>	4,008	1,696,162	1,696,162	0
<i>Fund Balance Beginning of Year</i>	63,586	63,586	63,586	0
<i>Fund Balance End of Year</i>	<u>\$67,594</u>	<u>\$1,759,748</u>	<u>\$1,759,748</u>	<u>\$0</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Avon Veterans Memorial Construction Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0	0
Other Financing Uses				
Transfers Out	(1,310)	(1,310)	(1,310)	0
<i>Net Change in Fund Balance</i>	(1,310)	(1,310)	(1,310)	0
<i>Fund Balance Beginning of Year</i>	1,310	1,310	1,310	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
City-Wide Bike Trails Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
City-Wide Bike Trails:				
Capital Outlay	106,756	183,512	76,756	106,756
<i>Net Change in Fund Balance</i>	(106,756)	(183,512)	(76,756)	106,756
<i>Fund Balance Beginning of Year</i>	56,450	56,450	56,450	0
Prior Year Encumbrances Appropriated	76,756	76,756	76,756	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$26,450</u>	<u>(\$50,306)</u>	<u>\$56,450</u>	<u>\$106,756</u>

City of Avon, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Storm Water Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for Services	\$465,000	\$449,656	\$476,737	\$27,081
Expenses				
Personal Services	133,126	141,451	122,422	19,029
Materials and Supplies	222,667	232,413	198,239	34,174
Contractual Services	44,828	47,543	45,673	1,870
Other	80,732	88,562	88,562	0
<i>Total Expenses</i>	481,353	509,969	454,896	55,073
<i>Net Change in Fund Equity</i>	(16,353)	(60,313)	21,841	82,154
<i>Fund Equity Beginning of Year</i>	160,695	160,695	160,695	0
Prior Year Encumbrances Appropriated	25,116	25,116	25,116	0
<i>Fund Equity End of Year</i>	\$169,458	\$125,498	\$207,652	\$82,154

STATISTICAL SECTION

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2-S13
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and the municipal income	S14-S25
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S26-S30
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S31-S35
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S36-S41

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

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

	2022	2021	2020	2019
Governmental Activities:				
Net Investment in Capital Assets	\$58,157,066	\$51,629,402	\$47,308,553	\$44,244,473
Restricted:				
Capital Projects	1,785,896	1,414,255	1,353,570	939,036
Debt Service	12,175,220	12,152,012	12,025,588	11,900,099
Fire Department	2,077,657	1,632,170	1,066,320	635,889
Street Construction, Maintenance and Repair	2,357,990	2,180,724	1,783,288	1,653,925
Other Purposes	3,965,444	3,928,033	3,430,891	2,445,593
Unrestricted (Deficit)	(953,214)	(6,388,548)	(13,027,023)	(13,212,611)
<i>Total Governmental Activities Net Position</i>	<u>79,566,059</u>	<u>66,548,048</u>	<u>53,941,187</u>	<u>48,606,404</u>
Business-Type Activities:				
Net Investment in Capital Assets	35,280,827	34,470,471	33,442,569	31,342,561
Restricted for Other Purposes	15,985	6,922	0	0
Unrestricted	8,651,036	8,063,838	6,146,144	6,020,879
<i>Total Business-Type Activities Net Position</i>	<u>43,947,848</u>	<u>42,541,231</u>	<u>39,588,713</u>	<u>37,363,440</u>
Primary Government:				
Net Investment in Capital Assets	93,437,893	86,099,873	80,751,122	75,587,034
Restricted	22,378,192	21,314,116	19,659,657	17,574,542
Unrestricted (Deficit)	7,697,822	1,675,290	(6,880,879)	(7,191,732)
<i>Total Primary Government Net Position</i>	<u>\$123,513,907</u>	<u>\$109,089,279</u>	<u>\$93,529,900</u>	<u>\$85,969,844</u>

(1) The City reported the impacts of GASB Statement No. 68 and 75 beginning in 2014 and 2017, respectively.

2018	2017 (1)	2016	2015	2014 (1)	2013
\$40,705,398	\$36,346,679	\$36,167,606	\$35,118,979	\$29,363,504	\$35,478,485
1,414,965	673,086	0	0	0	0
12,350,278	12,259,293	6,845,284	6,970,159	7,274,056	7,431,775
516,991	457,789	1,819,386	1,566,828	1,763,116	1,487,099
1,305,160	936,227	797,185	877,451	758,676	1,294,404
2,363,384	2,653,685	1,388,994	844,041	709,230	478,438
(25,390,793)	(24,458,137)	(7,739,091)	(7,953,442)	(7,407,222)	894,802
33,265,383	28,868,622	39,279,364	37,424,016	32,461,360	47,065,003
29,208,283	27,540,894	27,325,569	25,107,622	24,624,861	25,528,673
0	0	0	0	0	0
7,119,691	7,002,552	7,627,901	6,581,243	5,817,722	5,358,825
36,327,974	34,543,446	34,953,470	31,688,865	30,442,583	30,887,498
69,913,681	63,887,573	63,493,175	60,226,601	53,988,365	61,007,158
17,950,778	16,980,080	10,850,849	10,258,479	10,505,078	10,691,716
(18,271,102)	(17,455,585)	(111,190)	(1,372,199)	(1,589,500)	6,253,627
\$69,593,357	\$63,412,068	\$74,232,834	\$69,112,881	\$62,903,943	\$77,952,501

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

	2022	2021	2020	2019
Program Revenues				
Governmental Activities:				
Charges for Services and Operating Assessments:				
General Government	\$3,258,303	\$2,054,137	\$2,477,969	\$3,293,553
Security of Persons and Property	1,020,557	847,225	722,746	771,395
Transportation	11,167	9,504	2,106	5,147
Community Environment	1,613,722	1,582,217	1,452,621	2,065,815
Basic Utility Services	172,300	141,132	33,077	49,696
Leisure Time Activities	345,703	400,037	325,634	547,361
Subtotal - Charges for Services	<u>6,421,752</u>	<u>5,034,252</u>	<u>5,014,153</u>	<u>6,732,967</u>
Operating Grants and Contributions:				
General Government	0	0	246,052	0
Security of Persons and Property	125,119	151,144	1,053,281	117,989
Transportation	1,876,683	1,923,838	1,743,037	1,696,424
Community Environment	236,108	182,366	188,803	217,444
Leisure Time Activities	100,462	200,659	455,757	119,885
Subtotal - Operating Grants and Contributions	<u>2,338,372</u>	<u>2,458,007</u>	<u>3,686,930</u>	<u>2,151,742</u>
Capital Grants and Contributions:				
General Government	0	0	0	0
Security of Persons and Property	62,021	48,177	47,091	61,719
Transportation	2,968,585	431,403	2,006,184	1,253,803
Community Environment	29,893	16,668	46,607	61,194
Basic Utility Services	0	493,198	1,050,130	916,005
Leisure Time Activities	666,418	0	12,000	48,500
Subtotal - Capital Grants and Contributions	<u>3,726,917</u>	<u>989,446</u>	<u>3,162,012</u>	<u>2,341,221</u>
<i>Total Governmental Activities Program Revenues</i>	<u>12,487,041</u>	<u>8,481,705</u>	<u>11,863,095</u>	<u>11,225,930</u>
Business-Type Activities:				
Charges for Services:				
Water	4,957,322	4,898,196	5,164,986	4,622,337
Sewer	4,987,725	4,878,000	4,751,590	4,535,296
Storm Water	480,339	440,784	401,766	402,000
Subtotal - Charges for Services	<u>10,425,386</u>	<u>10,216,980</u>	<u>10,318,342</u>	<u>9,559,633</u>
Operating Grants and Contributions				
Water	0	0	10,418	0
Sewer	0	0	8,172	0
Storm Water	0	0	4,075	0
Subtotal - Operating Grants and Contributions	<u>0</u>	<u>0</u>	<u>22,665</u>	<u>0</u>
Capital Grants and Contributions				
Water	0	177,668	0	0
Sewer	735,000	554,562	319,525	290,378
Subtotal - Capital Grants and Contributions	<u>735,000</u>	<u>732,230</u>	<u>319,525</u>	<u>290,378</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>11,160,386</u>	<u>10,949,210</u>	<u>10,660,532</u>	<u>9,850,011</u>
<i>Total Primary Government Program Revenues</i>	<u>\$23,647,427</u>	<u>\$19,430,915</u>	<u>\$22,523,627</u>	<u>\$21,075,941</u>

2018 (1)	2017	2016	2015 (1)	2014	2013
\$2,401,683	\$8,114,096	\$2,030,361	\$2,290,540	\$2,016,543	\$6,309,922
724,024	672,185	546,672	488,084	435,775	440,527
447	5,810	0	0	0	1,251,613
1,426,275	1,282,241	1,332,972	1,463,186	1,092,889	779,557
146,909	165,369	226,175	139,941	87,182	34,791
449,303	373,357	499,486	330,063	336,570	277,233
5,148,641	10,613,058	4,635,666	4,711,814	3,968,959	9,093,643
0	0	0	0	7,778	5,168
108,765	91,377	92,698	99,565	108,650	89,373
1,289,739	1,257,588	1,265,019	1,210,312	1,239,055	1,178,946
218,047	312,305	0	0	0	0
58,810	62,251	64,361	72,308	64,625	70,213
1,675,361	1,723,521	1,422,078	1,382,185	1,420,108	1,343,700
36,483	139,194	74,008	72,453	75,239	108,822
0	0	0	0	0	0
1,605,739	613,588	2,273,112	3,689,916	699,636	628,713
366,738	228,861	261,457	40,663	420,710	364,393
2,589,937	761,643	1,543,907	1,421,007	0	0
17,500	58,100	33,333	0	0	0
4,616,397	1,801,386	4,185,817	5,224,039	1,195,585	1,101,928
11,440,399	14,137,965	10,243,561	11,318,038	6,584,652	11,539,271
4,557,586	4,406,393	4,721,224	3,545,630	3,250,484	2,561,315
4,293,225	4,073,106	4,160,768	3,604,548	3,330,982	1,788,695
393,601	0	0	0	0	0
9,244,412	8,479,499	8,881,992	7,150,178	6,581,466	4,350,010
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	99,375	0	0	0	318,715
760,388	401,656	590,677	2,003,839	111,193	230,520
760,388	501,031	590,677	2,003,839	111,193	549,235
10,004,800	8,980,530	9,472,669	9,154,017	6,692,659	4,899,245
\$21,445,199	\$23,118,495	\$19,716,230	\$20,472,055	\$13,277,311	\$16,438,516

(continued)

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

	2022	2021	2020	2019
Expenses				
Governmental Activities:				
General Government	\$6,287,817	\$4,892,138	\$6,779,429	\$6,434,578
General Government - Intergovernmental	2,028,402	1,304,162	481,496	481,222
Security of Persons and Property	15,271,596	13,591,320	15,034,371	2,189,332
Transportation	7,102,533	4,966,239	6,650,222	7,147,202
Community Environment	2,937,305	2,144,885	3,804,932	4,248,527
Basic Utility Services	982,002	707,967	954,292	1,310,333
Leisure Time Activities	3,186,822	2,257,863	2,102,270	2,584,382
Interest and Fiscal Charges	1,844,391	1,624,599	1,937,004	2,669,789
<i>Total Governmental Activities Expenses</i>	<u>39,640,868</u>	<u>31,489,173</u>	<u>37,744,016</u>	<u>27,065,365</u>
Business-Type Activities				
Water	4,249,346	3,390,774	4,133,977	3,660,184
Sewer	5,233,417	4,265,971	3,572,470	4,443,700
Storm Water	306,286	275,981	507,818	471,214
<i>Total Business-Type Activities Expenses</i>	<u>9,789,049</u>	<u>7,932,726</u>	<u>8,214,265</u>	<u>8,575,098</u>
<i>Total Primary Government Program Expenses</i>	<u>49,429,917</u>	<u>39,421,899</u>	<u>45,958,281</u>	<u>35,640,463</u>
Net (Expense)/Revenue				
Governmental Activities	(27,153,827)	(23,007,468)	(25,880,921)	(15,839,435)
Business-Type Activities	<u>1,371,337</u>	<u>3,016,484</u>	<u>2,446,267</u>	<u>1,274,913</u>
<i>Total Primary Government Net Expense</i>	<u>(\$25,782,490)</u>	<u>(\$19,990,984)</u>	<u>(\$23,434,654)</u>	<u>(\$14,564,522)</u>

2018 (1)	2017	2016	2015 (1)	2014	2013
\$4,582,465	\$4,552,425	\$4,632,151	\$4,340,391	\$5,326,980	\$6,098,761
486,023	0	0	0	0	0
14,263,912	12,455,701	11,960,179	10,611,997	10,094,196	10,444,993
6,587,258	6,356,119	6,463,824	5,453,943	5,862,901	6,538,774
3,035,192	2,348,421	4,068,001	2,147,727	1,728,765	1,544,542
904,786	840,382	911,121	814,317	688,440	996,170
2,071,772	2,200,268	1,629,373	1,377,791	1,302,661	1,888,391
2,681,243	2,802,582	2,565,722	3,032,601	2,976,565	2,822,762
34,612,651	31,555,898	32,230,371	27,778,767	27,980,508	30,334,393
3,635,564	4,098,831	2,999,014	4,509,372	3,102,338	3,063,812
4,311,528	4,133,510	3,390,641	3,466,945	3,555,325	2,311,111
243,607	0	0	0	0	0
8,190,699	8,232,341	6,389,655	7,976,317	6,657,663	5,374,923
42,803,350	39,788,239	38,620,026	35,755,084	34,638,171	35,709,316
(23,172,252)	(17,417,933)	(21,986,810)	(16,460,729)	(21,395,856)	(18,795,122)
1,814,101	748,189	3,083,014	1,177,700	34,996	(475,678)
(\$21,358,151)	(\$16,669,744)	(\$18,903,796)	(\$15,283,029)	(\$21,360,860)	(\$19,270,800)

(continued)

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

	2022	2021	2020	2019
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$2,230,342	\$2,019,736	\$1,952,748	\$1,951,655
Streets	1,346,786	1,338,239	1,295,779	1,293,845
Police	765,308	750,577	721,007	722,005
Park Operating	318,975	316,950	306,895	306,437
Lorain Public Library	2,013,467	1,248,683	435,020	434,169
Library Bond Retirement	0	0	0	0
Equipment	811,857	805,584	781,046	779,858
Municipal Income Taxes levied for:				
General Purposes	15,041,788	13,031,248	10,465,398	10,960,373
Fire Department	4,490,147	3,965,407	3,438,644	3,384,756
Police	4,490,148	3,965,407	3,438,644	3,384,757
Park Operating	1,813,839	1,545,340	1,312,712	1,284,559
Recreation Complex	1,813,839	1,533,867	1,324,185	1,284,557
Grants and Entitlements not Restricted to				
Specific Programs	1,042,871	966,183	2,096,449	1,250,922
Unrestricted Contributions	13,889	125	200	2,215
Investment Earnings/Interest	(363,311)	(56,669)	314,380	618,049
Payments in Lieu of Taxes	3,568,398	3,476,170	2,567,923	2,580,907
Gain on Sale of Capital Assets	21,084	21,595	0	0
Miscellaneous	735,386	599,406	660,285	640,674
<i>Total Governmental Activities</i>	<u>40,154,813</u>	<u>35,527,848</u>	<u>31,111,315</u>	<u>30,879,738</u>
Business-Type Activities				
Investment Earnings/Interest	0	0	0	391
Gain on Sale of Capital Assets	0	0	0	31,222
Miscellaneous	52,305	22,515	63,269	29,658
<i>Total Business-Type Activities</i>	<u>52,305</u>	<u>22,515</u>	<u>63,269</u>	<u>61,271</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>40,207,118</u>	<u>35,550,363</u>	<u>31,174,584</u>	<u>30,941,009</u>
Transfers				
Governmental Activities	17,025	86,481	284,263	300,718
Business-Type Activities	(17,025)	(86,481)	(284,263)	(300,718)
Special Item				
I-90 Interchange Project	0	0	0	0
Change in Net Position				
Governmental Activities	13,018,011	12,606,861	5,514,657	15,341,021
Business-Type Activities	1,406,617	2,952,518	2,225,273	1,035,466
<i>Total Primary Government Change in Net Position</i>	<u>\$14,424,628</u>	<u>\$15,559,379</u>	<u>\$7,739,930</u>	<u>\$16,376,487</u>

(1) Expenses are first impacted by the implementation of GASB Statement No. 68 and 75 beginning in 2015 and 2018, respectively.

2018 (1)	2017	2016	2015 (1)	2014	2013
\$1,805,289	\$1,724,850	\$1,661,026	\$1,536,192	\$1,532,142	\$1,455,757
1,309,030	1,219,882	1,212,333	1,180,355	1,188,229	1,136,911
706,811	653,997	650,063	629,286	625,571	593,648
310,032	288,920	287,132	279,556	281,422	269,269
0	0	0	0	0	0
0	0	0	0	61,569	50,171
790,383	579,088	572,212	552,147	560,244	540,442
9,687,503	9,582,138	9,135,298	7,902,348	7,018,713	7,177,133
3,357,920	2,729,053	4,415,368	3,911,656	4,229,098	4,406,655
3,357,920	3,095,920	1,806,394	1,378,008	983,874	660,266
1,224,588	1,197,897	796,208	493,731	617,848	0
1,224,588	1,197,897	1,670,331	1,481,191	1,225,308	1,907,862
961,286	613,496	907,160	803,671	588,601	983,110
240	1,825	3,521	225	150	0
392,997	188,035	135,853	70,407	124,974	(17,879)
1,954,892	1,481,646	1,149,003	647,795	2,580,037	2,373,141
16,717	0	0	0	0	0
388,076	532,736	166,277	556,817	562,343	258,370
27,488,272	25,087,380	24,568,179	21,423,385	22,180,123	21,794,856
7,198	0	9,974	11,791	19,561	0
4,000	0	0	0	0	0
39,970	24,610	171,617	56,791	88,492	34,879
51,168	24,610	181,591	68,582	108,053	34,879
27,539,440	25,111,990	24,749,770	21,491,967	22,288,176	21,829,735
80,741	65,424	0	0	(4,622)	24,974
(80,741)	(65,424)	0	0	4,622	(24,974)
0	0	0	0	0	(1,773,320)
4,396,761	7,734,871	2,581,369	4,962,656	779,645	1,251,388
1,784,528	707,375	3,264,605	1,246,282	147,671	(465,773)
\$6,181,289	\$8,442,246	\$5,845,974	\$6,208,938	\$927,316	\$785,615

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

	2022	2021	2020	2019
General Fund				
Nonspendable	\$83,186	\$94,691	\$348,584	\$421,129
Assigned	1,152,778	1,045,333	1,202,926	1,942,930
Unassigned	15,697,651	13,961,588	11,708,330	9,363,127
Total General Fund	16,933,615	15,101,612	13,259,840	11,727,186
All Other Governmental Funds				
Nonspendable	377,112	405,388	365,214	312,487
Restricted	11,712,799	10,768,684	8,332,087	6,348,878
Committed	1,823,083	975,439	510,487	478,340
Assigned	4,267,420	2,377,086	3,441,236	919,311
Unassigned (Deficit)	(9,603)	(1,345,039)	(6,490,974)	(6,914,918)
Total All Other Governmental Funds (Deficit)	18,170,811	13,181,558	6,158,050	1,144,098
Total Governmental Funds (Deficit)	\$35,104,426	\$28,283,170	\$19,417,890	\$12,871,284

2018	2017	2016	2015	2014	2013
\$526,415	\$583,871	\$190,961	\$189,085	\$202,048	\$1,168,421
204,368	770,604	112,088	1,199,671	863,715	341,665
8,851,170	6,922,744	5,970,523	3,629,253	4,290,707	4,569,321
9,581,953	8,277,219	6,273,572	5,018,009	5,356,470	6,079,407
417,293	394,414	345,794	284,776	228,638	242,741
6,180,481	5,511,082	5,003,524	4,375,547	5,927,793	6,055,705
360,372	605,342	914,525	721,199	594,804	417,020
1,061,126	711,663	630,353	362,947	244,226	307,741
(7,875,772)	(8,249,154)	(13,835,549)	(8,098,171)	(2,575,669)	(6,832,098)
143,500	(1,026,653)	(6,941,353)	(2,353,702)	4,419,792	191,109
\$9,725,453	\$7,250,566	(\$667,781)	\$2,664,307	\$9,776,262	\$6,270,516

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

	2022	2021	2020	2019
Revenues				
Property Taxes	\$7,475,390	\$6,471,085	\$5,492,910	\$5,493,746
Payments in Lieu of Taxes	3,566,861	3,473,157	2,564,451	2,592,018
Municipal Income Taxes	27,915,595	24,330,867	20,237,577	20,134,539
Charges for Services	2,288,820	2,173,922	1,846,872	2,378,470
Licenses and Permits	1,847,065	1,767,733	2,662,693	2,751,044
Fines, Forfeitures, and Settlements	159,887	176,250	225,317	256,941
Intergovernmental	6,858,488	3,791,775	5,726,539	4,030,664
Special Assessments	872,545	974,176	1,096,352	1,301,607
Investment Earnings/Interest	(363,311)	(56,669)	314,380	618,049
Contributions and Donations	64,440	58,255	89,350	115,875
Lease Revenue	420,025	0	0	0
Rentals	188,640	425,964	216,191	494,838
Miscellaneous	735,386	599,406	660,285	640,674
<i>Total Revenues</i>	<u>52,029,831</u>	<u>44,185,921</u>	<u>41,132,917</u>	<u>40,808,465</u>
Expenditures				
Current:				
General Government	5,470,600	4,988,797	5,294,000	5,067,537
Security of Persons and Property	14,764,035	13,244,692	12,401,121	12,163,716
Transportation	3,062,126	2,778,839	2,824,970	3,090,430
Community Environment	3,460,828	3,395,901	3,460,984	3,746,416
Leisure Time Activities	2,676,221	2,458,141	1,610,167	1,960,248
Intergovernmental	2,028,402	1,304,162	481,496	481,222
Capital Outlay	8,308,473	5,061,518	6,030,566	5,196,463
Debt Service:				
Principal Retirement	13,280,752	9,671,383	6,973,591	6,981,291
Interest	1,793,390	1,726,680	2,101,753	2,735,478
Issuance Costs	206,107	40,572	281,206	80,662
<i>Total Expenditures</i>	<u>55,050,934</u>	<u>44,670,685</u>	<u>41,459,854</u>	<u>41,503,463</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,021,103)</u>	<u>(484,764)</u>	<u>(326,937)</u>	<u>(694,998)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	35,889	28,692	18,176	25,041
Inception of Leases	275,199	0	0	0
Inception of Financed Purchases	0	0	0	0
Refunding Bonds Issued	0	0	33,123,860	0
General Obligation Bonds Issued	7,425,000	0	0	0
Special Assessment Bonds Issued	1,045,000	0	0	0
Premium on Bonds Issued	1,061,271	0	0	0
Notes Issued	0	9,320,000	6,100,000	3,250,000
Premium on Notes Issued	0	19,200	66,612	123,699
Loans Issued	0	0	108,629	141,371
Payment to Refunded Bond Escrow Agent	0	0	(32,827,997)	0
Transfers In	11,639,007	11,178,002	10,063,126	9,062,090
Transfers Out	(11,639,007)	(11,195,850)	(9,778,863)	(8,761,372)
<i>Total Other Financing Sources (Uses)</i>	<u>9,842,359</u>	<u>9,350,044</u>	<u>6,873,543</u>	<u>3,840,829</u>
Special Item	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$6,821,256</u>	<u>\$8,865,280</u>	<u>\$6,546,606</u>	<u>\$3,145,831</u>
Debt Service as a Percentage of Noncapital Expenditures	31.1%	29.5%	25.3%	26.3%

2018	2017	2016	2015	2014	2013
\$4,941,026	\$4,507,570	\$4,412,562	\$4,197,012	\$4,234,545	\$4,043,296
1,946,184	1,490,985	1,156,913	663,744	2,535,911	2,373,141
18,661,469	17,816,561	17,848,810	15,451,834	14,129,864	13,227,628
2,243,007	2,076,575	2,168,666	1,710,546	1,383,468	2,563,870
1,542,150	1,127,049	1,434,048	1,973,368	1,472,885	1,110,765
213,004	153,008	145,250	281,221	262,517	188,494
2,787,589	2,923,261	2,773,270	4,791,149	2,247,864	2,612,270
1,066,893	744,363	798,590	744,494	837,217	2,026,513
392,997	188,035	135,853	70,407	124,974	(17,879)
73,377	93,230	36,850	39,475	4,606	1,803
0	0	0	0	0	0
499,573	464,615	448,955	424,554	422,160	411,833
388,076	532,736	166,277	556,817	562,343	258,330
34,755,345	32,117,988	31,526,044	30,904,621	28,218,354	28,800,064
3,686,590	3,514,261	3,780,366	3,625,119	4,585,168	4,795,581
11,403,635	10,699,681	10,015,974	9,827,877	9,752,745	9,457,216
2,910,520	2,586,021	2,960,063	2,546,580	2,809,212	2,382,597
2,806,655	2,059,964	2,155,968	2,139,948	1,742,815	1,510,405
1,636,582	1,832,622	1,302,536	1,123,760	1,119,428	1,614,582
486,023	0	0	0	0	0
3,360,689	4,450,283	15,364,564	13,047,443	4,350,175	5,836,420
7,242,175	7,756,574	2,912,141	2,621,565	2,602,713	2,443,614
2,837,360	2,766,714	2,553,703	3,088,258	3,226,688	2,740,512
0	215,598	295,316	0	106,786	176,031
36,370,229	35,881,718	41,340,631	38,020,550	30,295,730	30,956,958
(1,614,884)	(3,763,730)	(9,814,587)	(7,115,929)	(2,077,376)	(2,156,894)
20,717	25,022	835,925	3,974	22,322	25,141
0	0	0	0	0	0
0	0	117,535	0	0	0
0	1,975,000	26,834,600	0	0	0
0	6,330,000	0	0	5,235,000	8,735,028
0	0	0	0	0	3,084,972
0	781,055	1,575,047	0	211,786	556,031
3,900,000	4,400,000	5,075,000	0	0	0
47,951	36,033	93,692	0	0	0
0	0	57,414	0	114,014	32,423
0	(1,930,457)	(28,106,714)	0	0	0
8,776,955	7,760,326	8,237,262	8,710,298	8,700,814	11,872,993
(8,655,852)	(7,694,902)	(8,237,262)	(8,710,298)	(8,700,814)	(11,848,019)
4,089,771	11,682,077	6,482,499	3,974	5,583,122	12,458,569
0	0	0	0	0	(1,773,320)
\$2,474,887	\$7,918,347	(\$3,332,088)	(\$7,111,955)	\$3,505,746	\$8,528,355
30.3%	33.7%	20.6%	22.7%	22.3%	18.7%

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
2022	\$902,240,670	\$179,719,620	\$3,091,315,114	\$22,260,560	\$25,296,091
2021	788,252,450	180,206,110	2,767,024,457	20,356,070	23,131,898
2020	767,856,200	179,340,420	2,706,276,057	19,486,970	22,144,284
2019	752,294,870	180,438,460	2,664,952,371	18,574,930	21,107,875
2018	664,126,710	170,230,710	2,383,878,343	16,527,770	18,781,557
2017	647,599,910	168,351,740	2,331,290,429	15,573,110	17,696,716
2016	633,809,990	168,060,590	2,291,058,800	14,083,250	16,003,693
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

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.

The tangible personal property values associated with each year were 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 a 10 percent and a 2 1/2 percent rollback, and homestead exemptions before being billed.

Source: Lorain County, Ohio; County Auditor

Total		Ratio	Total Tax Rate (mills)	Weighted Average (mills)
Assessed Value	Estimated Actual Value			
\$1,104,220,850	\$3,116,611,205	35.43 %	\$9.95	\$7.41469
988,814,630	2,790,156,355	35.44	9.95	7.43060
966,683,590	2,728,420,341	35.43	9.95	7.19047
951,308,260	2,686,060,246	35.42	9.15	6.39962
850,885,190	2,402,659,900	35.41	9.15	6.39411
831,524,760	2,348,987,144	35.40	9.15	6.76476
815,953,830	2,307,062,493	35.37	9.15	6.62286
755,191,430	2,134,680,315	35.38	9.15	6.62119
742,746,620	2,100,360,335	35.36	9.15	6.86823
730,797,100	2,068,060,755	35.34	9.24	6.98198

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

	2022	2021	2020	2019
Unvoted Millage				
Operating	\$2.30000	\$2.30000	\$2.30000	\$2.30000
Police Pension	0.30000	0.30000	0.30000	0.30000
<i>Total Unvoted Millage</i>	<u>2.60000</u>	<u>2.60000</u>	<u>2.60000</u>	<u>2.60000</u>
Voted Millage - by levy				
1984 Police				
General Business and Public Utility Personal	2.00000	2.00000	2.00000	2.00000
Residential/Agricultural Real	0.43952	0.43988	0.49324	0.49495
Commercial/Industrial and Public Utility Real	0.60982	0.61207	0.61051	0.60972
1994 Bond	0.00000	0.00000	0.00000	0.00000
1996 Library				
General Business and Public Utility Personal	0.00000	0.00000	1.20000	1.20000
Residential/Agricultural Real	0.00000	0.00000	0.50072	0.50247
Commercial/Industrial and Public Utility Real	0.00000	0.00000	0.44910	0.44852
2020 Library				
General Business and Public Utility Personal	2.00000	2.00000	0.80000	0.00000
Residential/Agricultural Real	1.77598	1.77744	0.79722	0.00000
Commercial/Industrial and Public Utility Real	1.99264	2.00000	0.80000	0.00000
2002 Fire - 5 years (2)				
General Business and Public Utility Personal	0.00000	0.00000	0.00000	0.00000
Residential/Agricultural Real	0.00000	0.00000	0.00000	0.00000
Commercial/Industrial and Public Utility Real	0.00000	0.00000	0.00000	0.00000
2017 Fire - 5 years				
General Business and Public Utility Personal	0.50000	0.50000	0.50000	0.50000
Residential/Agricultural Real	0.39635	0.39667	0.44479	0.44634
Commercial/Industrial and Public Utility Real	0.48212	0.48390	0.48267	0.48204
2007 Police - 10 years (4)				
General Business and Public Utility Personal	0.50000	0.50000	0.50000	0.50000
Residential/Agricultural Real	0.36494	0.36524	0.40955	0.41098
Commercial/Industrial and Public Utility Real	0.35648	0.35780	0.35689	0.35642
2008 Park & Recreation - 5 years (3)				
General Business and Public Utility Personal	0.45000	0.45000	0.45000	0.45000
Residential/Agricultural Real	0.32845	0.32872	0.36859	0.36988
Commercial/Industrial and Public Utility Real	0.32083	0.32202	0.32120	0.32078
2008 Street Improvement - 10 years (5)				
General Business and Public Utility Personal	1.90000	1.90000	1.90000	1.90000
Residential/Agricultural Real	1.38678	1.38792	1.55629	1.56171
Commercial/Industrial and Public Utility Real	<u>1.35462</u>	<u>1.35962</u>	<u>1.35617</u>	<u>1.35441</u>
<i>Total Voted Millage by Type of Property</i>				
General Business and Public Utility Personal	7.35000	7.35000	7.35000	6.55000
Residential/Agricultural Real	4.69202	4.69586	4.57040	3.78633
Commercial/Industrial and Public Utility Real	<u>5.11650</u>	<u>5.13540</u>	<u>4.37654</u>	<u>3.57189</u>
<i>Total Millage by Type of Property</i>				
General Business and Public Utility Personal	\$9.95000	\$9.95000	\$9.95000	\$9.15000
Residential/Agricultural Real	7.29202	7.29586	7.17040	6.38633
Commercial/Industrial and Public Utility Real	<u>7.71650</u>	<u>7.73540</u>	<u>6.97654</u>	<u>6.17189</u>
<i>Total Weighted Average Tax Rate</i>	<u>\$7.41469</u>	<u>\$7.43060</u>	<u>\$7.19047</u>	<u>\$6.39962</u>

2018	2017	2016	2015	2014	2013
\$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
0.49651	0.55284	0.55445	0.55535	0.59993	0.60160
0.59922	0.63098	0.63243	0.63513	0.63809	0.65150
0.00000	0.00000	0.00000	0.00000	0.00000	0.09200
1.20000	1.20000	1.20000	1.20000	1.20000	1.20000
0.50405	0.56123	0.56287	0.56378	0.60904	0.61070
0.44080	0.46416	0.46523	0.46721	0.46939	0.47920
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.50000	0.50000	0.50000	0.50000
0.00000	0.00000	0.37738	0.37799	0.40833	0.40940
0.00000	0.00000	0.24401	0.24505	0.24620	0.25140
0.50000	0.50000	0.00000	0.00000	0.00000	0.00000
0.44775	0.49854	0.00000	0.00000	0.00000	0.00000
0.47374	0.49885	0.00000	0.00000	0.00000	0.00000
0.50000	0.50000	0.50000	0.50000	0.50000	0.50000
0.41227	0.45904	0.46038	0.46113	0.49815	0.49950
0.35029	0.36885	0.36970	0.37128	0.37301	0.38090
0.45000	0.45000	0.45000	0.45000	0.45000	0.45000
0.37104	0.41314	0.41434	0.41502	0.44833	0.44950
0.31526	0.33196	0.33273	0.33415	0.33571	0.34280
1.90000	1.90000	1.90000	1.90000	1.90000	1.90000
1.56663	1.74436	1.74945	1.75229	1.89296	1.89810
1.33109	1.40163	1.40487	1.41086	1.41743	1.44730
6.55000	6.55000	6.55000	6.55000	6.55000	6.64200
3.79825	4.22915	4.11888	4.12556	4.45673	4.56080
3.51040	3.69643	3.44898	3.46369	3.47981	3.64510
\$9.15000	\$9.15000	\$9.15000	\$9.15000	\$9.15000	\$9.24200
6.39825	6.82915	6.71888	6.72556	7.05673	7.16080
6.11040	6.29643	6.04898	6.06369	6.07981	6.24510
\$6.39411	\$6.76476	\$6.62286	\$6.62119	\$6.86823	\$6.98198

(continued)

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

	2022	2021	2020	2019
Overlapping Rates by Taxing District:				
Avon Local School District				
General Business and Public Utility Personal	\$57.12900	\$57.28600	\$59.46700	\$59.65000
Residential/Agricultural Real	39.63887	39.79657	42.08196	42.26833
Commercial/Industrial and Public Utility Real	39.74169	39.95467	42.09703	42.26035
Lorain County Voted Millage				
General Business and Public Utility Personal	15.42700	15.30200	15.58200	15.08200
Residential/Agricultural Real	11.86252	11.79890	13.63055	13.16440
Commercial/Industrial and Public Utility Real	13.48128	13.40163	13.78314	13.23437
Special Taxing Districts (1)				
General Business and Public Utility Personal	2.95000	2.95000	2.95000	2.95000
Residential/Agricultural Real	2.39452	2.39576	2.48595	2.49331
Commercial/Industrial and Public Utility Real	2.45421	2.46141	2.49009	2.47849

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, and then replaced in 2017.
- (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.

2018	2017	2016	2015	2014	2013
\$55.35200	\$57.45000	\$57.93000	\$58.53000	\$56.83000	\$57.03000
37.97338	40.73049	41.25673	41.88248	41.45910	41.70590
37.70134	39.83640	40.31810	40.92124	39.22470	39.44030
15.08200	15.08200	15.08200	15.08200	14.48200	14.48200
13.18814	14.18175	14.20059	14.20966	14.08570	14.09270
13.06375	14.48742	14.41649	14.37154	13.77480	13.71860
2.95000	2.95000	3.45000	3.45000	3.45000	3.45000
2.49885	2.71516	3.17286	3.17538	3.31090	3.31370
2.44513	2.59437	3.02708	3.01105	3.01670	2.98580

City of Avon, Ohio
Property Tax Levies And Collections
Last Ten Tax 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)
2021	\$6,186,683	\$6,049,382	97.78%	\$28,454	\$6,077,836
2020	5,822,935	5,805,155	99.69	146,855	5,952,010
2019	5,699,308	5,576,152	97.84	54,238	5,630,390
2018	5,604,859	5,545,916	98.95	73,887	5,619,803
2017	5,286,919	5,210,028	98.55	260,962	5,470,990
2016	5,050,472	4,918,505	97.39	79,460	4,997,965
2015	5,066,557	4,863,588	95.99	83,497	4,947,085
2014	4,748,618	4,547,681	95.77	36,904	4,584,585
2013	4,750,344	4,694,267	98.82	54,351	4,748,618
2012	4,674,336	4,489,505	96.05	76,128	4,565,633

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
98.24%	\$70,663	1.14%
102.22	59,316	1.02
98.79	50,632	0.89
100.27	51,047	0.91
103.48	61,558	1.16
98.96	82,782	1.64
97.64	127,240	2.51
96.55	159,993	3.37
99.96	181,775	3.83
97.67	165,855	3.55

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

2022		
Taxpayer	Real Property Assessed Valuation (1)	Percentage
First Interstate Avon, LTD	\$21,590,350	2.00 %
Lorain County Port Authority	15,029,680	1.39
Cleveland Electric Illuminating Company	11,798,230	1.09
Avon Owner 1, LLC	7,943,230	0.73
Meijer Stores Limited Partnership	7,505,460	0.69
Menards, Incorporated	7,359,140	0.68
ILPT Avon, LLC	7,350,000	0.68
Avon Senior Living	6,996,020	0.65
Orion Properties Eleven, LLC	6,878,790	0.64
HTA Avon Hospital, LLC	5,880,000	0.54
Total	\$98,330,900	9.09 %
Total Real Property Assessed Valuation	\$1,081,960,290	

2013		
Taxpayer	Real Property Assessed Valuation (1)	Percentage
First Interstate Avon, LTD	\$17,948,770	2.50 %
Blue Dog Properties Trust	9,818,630	1.37
Cleveland Electric Illuminating Company	8,529,240	1.19
AERC Avon, LLC	6,822,430	0.95
Orion Properties	5,839,170	0.81
Timberlake Apartments	5,429,920	0.75
V&V Lakeshore, LTD	4,755,560	0.66
Chester Properties	4,531,270	0.63
Wal Mart Real Estate Business Trust	4,448,580	0.62
First Interstate Commons East, LLC	4,193,720	0.58
Total	\$72,317,290	10.06 %
Total Real Property Assessed Valuation	\$719,214,580	

Source: Lorain County, Ohio; County Auditor

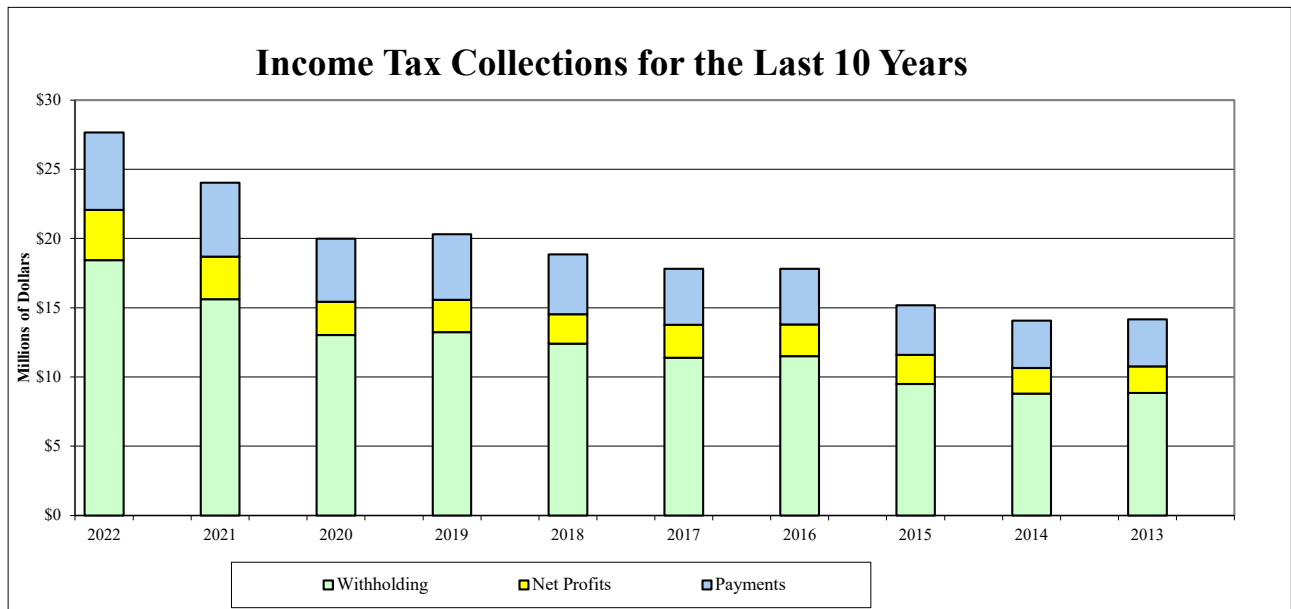
(1) The amounts presented represent the assessed values upon which 2022 and 2013 collections were based.

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

Collection Year	Tax Rate	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
2022	1.75%	\$27,649,761	\$18,434,095	66.67%	\$3,635,944	13.15%	\$5,579,722	20.18%
2021	1.75	24,041,269	15,609,996	64.93	3,089,303	12.85	5,341,970	22.22
2020	1.75	19,979,583	13,022,692	65.18	2,417,530	12.10	4,539,361	22.72
2019	1.75	20,299,002	13,239,010	65.22	2,330,325	11.48	4,729,667	23.30
2018	1.75	18,852,519	12,408,728	65.82	2,120,908	11.25	4,322,883	22.93
2017	1.75	17,802,905	11,386,738	63.96	2,392,710	13.44	4,023,457	22.60
2016	1.75	17,823,599	11,505,133	64.55	2,276,074	12.77	4,042,392	22.68
2015	1.75	15,166,934	9,485,401	62.54	2,112,754	13.93	3,568,780	23.53
2014	1.75	14,074,841	8,803,813	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

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



City of Avon, Ohio

Income Tax Statistics

Last Ten Tax Years

Tax Year	Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
2021	\$0 - 24,999	2,259	26.29 %	\$20,354,893	1.89 %
2021	25,000 - 49,999	1,062	12.36	39,062,009	3.62
2021	50,000 - 74,999	893	10.39	56,073,521	5.20
2021	75,000 - 99,999	794	9.24	68,941,539	6.40
2021	Over 100,000	3,583	41.72	893,582,470	82.89
	Total	8,591		\$1,078,014,432	
2020	\$0 - 24,999	2,155	26.18 %	\$19,183,030	1.84 %
2020	25,000 - 49,999	924	11.23	34,464,103	3.31
2020	50,000 - 74,999	855	10.39	53,047,717	5.10
2020	75,000 - 99,999	709	8.61	61,691,540	5.93
2020	Over 100,000	3,587	43.59	872,355,868	83.82
	Total	8,230		\$1,040,742,258	
2019	\$0 - 24,999	1,962	24.45 %	\$17,646,245	1.72 %
2019	25,000 - 49,999	953	11.88	34,865,494	3.40
2019	50,000 - 74,999	792	9.87	49,360,353	4.81
2019	75,000 - 99,999	673	8.39	58,629,269	5.72
2019	Over 100,000	3,645	45.41	864,801,198	84.35
	Total	8,025		\$1,025,302,559	
2018	\$0 - 24,999	2,084	25.24 %	\$18,803,324	1.89 %
2018	25,000 - 49,999	968	11.72	35,895,952	3.61
2018	50,000 - 74,999	869	10.52	54,089,321	5.44
2018	75,000 - 99,999	717	8.68	62,781,545	6.32
2018	Over 100,000	3,620	43.84	822,375,220	82.74
	Total	8,258		\$993,945,362	
2017	\$0 - 24,999	2,023	25.25 %	\$18,339,331	1.91 %
2017	25,000 - 49,999	972	12.13	35,818,580	3.74
2017	50,000 - 74,999	817	10.20	50,648,328	5.28
2017	75,000 - 99,999	713	8.90	62,269,673	6.49
2017	Over 100,000	3,487	43.52	791,755,772	82.58
	Total	8,012		\$958,831,684	

(continued)

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

Tax Year	Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
2016	\$0 - 24,999	2,041	26.08 %	\$18,922,573	2.14 %
2016	25,000 - 49,999	942	12.04	35,065,354	3.97
2016	50,000 - 74,999	773	9.88	48,113,426	5.45
2016	75,000 - 99,999	748	9.56	64,842,877	7.34
2016	Over 100,000	3,323	42.44	715,940,744	81.10
	Total	7,827		\$882,884,974	
2015	\$0 - 24,999	1,921	25.13 %	\$17,654,809	2.03 %
2015	25,000 - 49,999	952	12.46	35,379,461	4.07
2015	50,000 - 74,999	785	10.27	49,049,486	5.65
2015	75,000 - 99,999	735	9.62	64,018,859	7.37
2015	Over 100,000	3,250	42.52	702,750,502	80.88
	Total	7,643		\$868,853,117	
2014	\$0 - 24,999	1,838	24.81 %	\$17,061,544	2.14 %
2014	25,000 - 49,999	919	12.41	34,214,734	4.30
2014	50,000 - 74,999	812	10.96	50,502,423	6.34
2014	75,000 - 99,999	791	10.68	68,780,514	8.63
2014	Over 100,000	3,048	41.14	626,035,615	78.59
	Total	7,408		\$796,594,830	
2013	\$0 - 24,999	1,824	24.94 %	\$17,314,080	2.27 %
2013	25,000 - 49,999	967	13.22	36,038,652	4.73
2013	50,000 - 74,999	842	11.51	52,691,022	6.91
2013	75,000 - 99,999	776	10.61	67,801,465	8.89
2013	Over 100,000	2,906	39.72	588,594,129	77.20
	Total	7,315		\$762,439,348	
2012	\$0 - 24,999	1,759	25.02 %	\$16,842,101	2.33 %
2012	25,000 - 49,999	924	13.14	34,254,980	4.74
2012	50,000 - 74,999	844	12.01	53,186,130	7.36
2012	75,000 - 99,999	784	11.15	68,562,392	9.49
2012	Over 100,000	2,719	38.68	549,889,680	76.08
	Total	7,030		\$722,735,283	

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, 2022, year 2022 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	Bond Anticipation Notes	OPWC Loans	Leases	Financed Purchases
2022	\$59,523,461	1.91 %	\$2,396	\$56,158,379	\$12,689,873	\$0	\$636,593	\$239,144	\$0
2021	54,842,140	1.97	2,207	51,345,098	11,976,414	9,339,200	678,890	0	0
2020	58,109,325	2.13	2,742	54,504,680	12,506,644	6,166,612	729,836	0	0
2019	59,417,785	2.21	2,804	55,998,473	13,688,196	3,373,699	451,735	0	24,771
2018	62,209,618	2.59	2,935	58,731,077	14,169,142	3,947,951	331,167	0	48,761
2017	64,771,523	2.76	3,056	61,238,935	14,651,144	4,436,033	349,860	0	71,994
2016	67,136,120	2.91	3,168	63,550,401	7,835,346	5,168,692	377,768	0	94,495
2015	66,875,295	3.13	3,156	63,273,427	8,205,732	0	345,137	0	0
2014	69,197,678	3.29	3,265	65,557,853	8,603,358	0	366,796	0	0
2013	66,059,675	3.19	3,117	62,382,911	8,989,810	0	274,441	0	0
Year	Business-Type Activities Debt						Total Debt (3)	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Special Assessment Bonds	Avon Lake Debt	Bond Anticipation Notes	Leases	Financed Purchases			
2022	\$3,365,082	\$993,657	\$152,758	\$0	\$29,892	\$0	\$74,265,378	6.35 %	\$2,989
2021	3,497,042	1,014,297	187,651	0	0	0	78,038,592	6.67	3,141
2020	3,604,645	1,051,257	220,671	1,650,000	0	78,998	80,513,343	11.00	3,799
2019	3,419,312	1,114,851	251,918	3,275,000	0	155,950	81,753,905	11.17	3,858
2018	3,478,541	1,129,124	281,488	4,250,000	0	289,415	86,656,666	11.84	4,089
2017	3,532,588	1,139,828	309,471	7,250,000	0	411,903	93,391,756	12.76	4,407
2016	3,585,719	1,150,532	335,952	9,250,000	0	156,080	91,504,985	12.50	4,318
2015	3,601,868	1,157,669	361,012	10,950,000	0	202,848	88,097,693	12.04	4,157
2014	3,639,825	1,164,806	385,452	9,300,000	0	248,320	89,266,410	12.20	4,212
2013	3,676,764	1,171,813	539,171	0	0	0	77,034,910	10.52	3,635

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

Source:

(1) See S14-15 for taxable property value data.

(2) See S32 for population and personal income data.

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

(4) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

City of Avon, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2022

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to the City of Avon
Direct - City of Avon:			
General Obligation Bonds	\$56,158,379	100.00%	\$56,158,379
Special Assessment Bonds	12,689,873	100.00%	12,689,873
OPWC Loans	636,593	100.00%	636,593
Leases	239,144	100.00%	239,144
<i>Total Direct Debt</i>	<u>69,723,989</u>		<u>69,723,989</u>
Overlapping:			
Avon Local School District			
General Obligation Bonds	70,011,418	100.00%	70,011,418
Financed Purchases	292,103	100.00%	292,103
Leases	232,058	100.00%	232,058
Lorain County			
General Obligation Bonds	42,815,000	11.99%	5,133,519
<i>Total Overlapping Debt</i>	<u>113,350,579</u>		<u>75,669,098</u>
Total	<u><u>\$183,074,568</u></u>		<u><u>\$145,393,087</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

Legal Debt Margin

Last Ten Years

	2022	2021	2020	2019
Total Assessed Property Value	\$1,104,220,850	\$988,814,630	\$966,683,590	\$951,308,260
General Bonded Debt Outstanding:				
General Obligation Notes/Bonds	\$59,523,461	\$54,842,140	\$58,109,325	\$59,417,785
Special Assessment Bonds	13,683,530	12,990,711	13,557,901	14,803,047
Bond Anticipation Notes	0	12,019,200	13,416,612	10,773,699
Bond Anticipation Notes Enterprise	0	1,650,000	3,275,000	4,250,000
OPWC Loans	636,593	678,890	729,836	451,735
Leases	269,036	0	0	0
Contractual Debt Obligation	152,758	187,651	220,671	251,918
Total Gross Indebtedness	74,265,378	82,368,592	89,309,345	89,948,184
Less Exempt Outstanding:				
General Obligation Bonds	(59,523,461)	(53,541,144)	(56,727,940)	(57,189,665)
General Obligation Revenue Notes/Bonds	0	0	0	0
Special Assessment Bonds	(13,683,530)	(12,990,711)	(13,557,901)	(14,803,047)
Bond Anticipation Notes	0	(12,019,200)	(13,416,612)	(10,773,699)
Bond Anticipation Notes Enterprise	0	(1,650,000)	(3,275,000)	(4,250,000)
OPWC Loans	(636,593)	(678,890)	(729,836)	(451,735)
Leases	(269,036)	0	0	0
Contractual Debt Obligation	(152,758)	(187,651)	(220,671)	(251,918)
General Obligation Bond Retirement Fund Balance	(139,264)	(126,325)	(70,571)	(135,904)
Total Net Debt Applicable to Debt Limit	(139,264)	1,174,671	1,310,814	2,092,216
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	115,943,189	103,825,536	101,501,777	99,887,367
Legal Debt Margin Within 10 ½ % Limitations	\$116,082,453	\$102,650,865	\$100,190,963	\$97,795,151
Legal Debt Margin as a Percentage of the Debt Limit	100.12%	98.87%	98.71%	97.91%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	\$60,732,147	\$54,384,805	\$53,167,597	\$52,321,954
Total Gross Indebtedness	74,265,378	82,368,592	89,309,345	89,948,184
Less Exempt Outstanding:				
General Obligation Bonds	(59,523,461)	(53,541,144)	(56,727,940)	(57,189,665)
General Obligation Revenue Notes/Bonds	0	0	0	0
Special Assessment Bonds	(13,683,530)	(12,990,711)	(13,557,901)	(14,803,047)
Bond Anticipation Notes	0	(12,019,200)	(13,416,612)	(10,773,699)
Bond Anticipation Notes Enterprise	0	(1,650,000)	(3,275,000)	(4,250,000)
OPWC Loans	(636,593)	(678,890)	(729,836)	(451,735)
Leases	(269,036)	0	0	0
Contractual Debt Obligation	(152,758)	(187,651)	(220,671)	(251,918)
General Obligation Bond Retirement Fund Balance	(139,264)	(126,325)	(70,571)	(135,904)
Net Debt Within 5 ½ % Limitations	(139,264)	1,174,671	1,310,814	2,092,216
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$60,871,411	\$53,210,134	\$51,856,783	\$50,229,738
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.23%	97.84%	97.53%	96.00%

Source: City Financial Records and Prior Year Annual Comprehensive Financial Reports.

2018	2017	2016	2015	2014	2013
\$850,885,190	\$831,524,760	\$815,953,830	\$755,191,430	\$742,746,620	\$730,797,100
\$62,209,618	\$74,092,780	\$78,892,362	\$76,440,382	\$77,041,162	\$72,928,246
15,298,266	14,872,220	8,837,638	9,204,618	9,598,838	9,981,754
11,929,172	8,175,000	15,180,000	8,500,000	7,500,000	8,180,000
7,250,000	1,900,000	1,700,000	1,350,000	500,000	0
331,167	349,860	377,768	345,137	366,796	274,441
0	0	0	0	0	0
281,488	309,471	335,952	361,012	385,452	539,171
97,299,711	99,699,331	105,323,720	96,201,149	95,392,248	91,903,612
(59,826,092)	(66,265,760)	(68,711,211)	(65,011,270)	(50,416,381)	(54,490,082)
0	(7,350,000)	(9,250,000)	0	0	0
(15,298,266)	(14,872,220)	(8,837,638)	(9,204,618)	(9,598,838)	(9,981,754)
(11,929,172)	(8,175,000)	(15,180,000)	(8,500,000)	(7,500,000)	(8,180,000)
(7,250,000)	(1,900,000)	(1,700,000)	(1,350,000)	(500,000)	0
(331,167)	(349,860)	(377,768)	(345,137)	(366,796)	(274,441)
0	0	0	0	0	0
(281,488)	(309,471)	(335,952)	(361,012)	(385,452)	(539,171)
(289,310)	(195,853)	(182,973)	(153,061)	(96,577)	(63,560)
2,094,216	281,167	748,178	11,276,051	26,528,204	18,374,604
89,342,945	87,310,100	85,675,152	79,295,100	77,988,395	76,733,696
\$87,248,729	\$87,028,933	\$84,926,974	\$68,019,049	\$51,460,191	\$58,359,092
97.66%	99.68%	99.13%	85.78%	65.98%	76.05%
\$46,798,685	\$45,733,862	\$44,877,461	\$41,535,529	\$40,851,064	\$40,193,841
97,299,711	99,699,331	105,323,720	96,201,149	95,392,248	91,903,612
(59,826,092)	(66,265,760)	(68,711,211)	(65,011,270)	(50,416,381)	(54,490,082)
0	(7,350,000)	(9,250,000)	0	0	0
(15,298,266)	(14,872,220)	(8,837,638)	(9,204,618)	(9,598,838)	(9,981,754)
(11,929,172)	(8,175,000)	(15,180,000)	(8,500,000)	(7,500,000)	(8,180,000)
(7,250,000)	(1,900,000)	(1,700,000)	(1,350,000)	(500,000)	0
(331,167)	(349,860)	(377,768)	(345,137)	(366,796)	(274,441)
0	0	0	0	0	0
(281,488)	(309,471)	(335,952)	(361,012)	(385,452)	(539,171)
(289,310)	(195,853)	(182,973)	(153,061)	(96,577)	(63,560)
2,094,216	281,167	748,178	11,276,051	26,528,204	18,374,604
\$44,704,469	\$45,452,695	\$44,129,283	\$30,259,478	\$14,322,860	\$21,819,237
95.53%	99.39%	98.33%	72.85%	35.06%	54.29%

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	
2022	\$0	\$0	\$0	\$0	\$0	0.00
2021	0	0	0	0	0	0.00
2020	0	0	0	0	0	0.00
2019	0	0	0	0	0	0.00
2018	0	0	0	0	0	0.00
2017	0	0	0	0	0	0.00
2016	0	0	0	0	0	0.00
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

Note: During 2013, the City paid down the outstanding OWDA debt in the sewer fund; therefore, the City has no pledged revenue in 2022.

(1) Revenues include interest and operating grants.

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

Source: City Financial Records

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

2022			
Employer	Employees	Percentage of Total City Employment	
Cleveland Clinic Foundation	1,256	5.83	%
Avon Local School District	746	3.46	
Wal-Mart	690	3.20	
Bendix Commercial Vehicle Systems	656	3.04	
University Hospitals Health System	546	2.53	
First Source Employee Management	450	2.09	
Shurtape Technologine LLC	428	1.99	
Select Employment Services, Inc.	405	1.88	
Costco Wholesale Corporation	359	1.66	
A.J. Rose Manufacturing Company	323	1.50	
Total	5,859	27.18	%
Total Estimated Employment within the City	21,554		

2013			
Employer	Employees	Percentage of Total City Employment	
Cleveland Clinic Foundation	572	4.08	%
Avon Local School District	394	2.81	
ShurTech Brands, LLC	390	2.79	
Willoway Nurseries, Incorporated	355	2.54	
Wal-Mart	260	1.86	
A.J. Rose Manufacturing Company	214	1.53	
All Pro Freight Systems, Incorporated	175	1.25	
Costco Wholesale	173	1.24	
City of Avon	170	1.21	
EMH Regional Medical Center	169	1.20	
Total	2,872	20.51	%
Total Estimated Employment within the City	14,000		

Source: Number of employees obtained from the W2's filed for the year with the Regional Income Tax Agency

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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita	Median Household Income (1)	Median Age (1)
2022	24,847	\$1,169,622,831	\$47,073	\$109,916	40
2021	24,847	1,169,622,831	47,073	109,916	40
2020	21,193	731,963,834	34,538	75,951	38
2019	21,193	731,963,834	34,538	75,951	38
2018	21,193	731,963,834	34,538	75,951	38
2017	21,193	731,963,834	34,538	75,951	38
2016	21,193	731,963,834	34,538	75,951	38
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

(1) Source: U. S. 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)
32.8%	4,536	3.9%	\$276,574	\$1,104,220,850
32.8	4,756	7.9	276,574	988,814,630
32.3	4,420	6.1	260,000	966,683,590
32.3	4,332	4.5	260,000	951,308,260
32.3	4,303	5.4	260,000	850,885,190
32.3	4,277	4.5	260,000	831,524,760
32.3	4,277	4.5	260,000	815,953,830
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

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

Function/Program	2022	2021	2020	2019	2018
General Government					
Council	5.50	5.50	5.50	5.50	5.50
Finance	3.50	3.50	4.00	4.00	3.50
Finance Director	1.00	1.00	1.00	1.00	1.00
Law	1.00	1.00	1.00	1.00	1.00
Mayor's Office	2.00	2.00	2.00	2.00	2.00
Human Resources	1.00	1.00	1.00	1.00	1.00
Planning	4.00	4.00	4.00	4.00	3.50
Civil Service	1.50	1.50	1.50	1.50	1.50
Court	1.50	1.50	1.50	1.50	1.50
Zoning	2.50	2.50	3.50	3.50	3.50
Information Technology	2.00	2.00	1.50	1.50	1.50
Senior Center	6.00	6.50	6.00	6.50	5.00
Engineering	0.50	0.50	0.50	0.50	0.50
Project Manager	0.00	0.00	0.00	0.00	0.00
Security of Persons and Property					
Safety Director	1.00	1.00	1.00	0.00	0.00
Police	48.00	44.00	39.50	40.00	37.00
Police - Dispatchers/Office/Other	10.50	10.50	10.50	11.00	10.50
Fire	40.00	38.00	41.50	40.00	35.00
Fire - Dispatchers/Office/Other	1.00	1.00	1.00	1.00	1.00
Leisure Time Activities					
Recreation and Parks	13.50	13.50	10.50	12.00	9.50
Landmarks Preservation	2.00	2.00	2.00	2.00	2.00
Community Development					
Building	9.00	9.00	9.00	10.00	10.00
Transportation					
Service/Street M&R	17.50	16.50	15.50	15.00	14.50
Basic Utility Services					
Water and Sewer	14.50	13.50	12.50	13.00	11.50
Totals:	189.00	181.50	176.00	177.50	162.00

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.

2017	2016	2015	2014	2013
5.50	5.50	5.50	5.50	5.50
4.50	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
2.00	2.00	2.00	2.00	2.00
0.50	0.50	0.50	0.50	0.50
3.50	3.50	3.50	3.50	3.50
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
1.00	1.00	1.00	0.00	1.00
5.00	5.00	4.50	4.00	3.50
0.50	0.50	0.50	1.00	1.00
0.00	0.00	0.00	1.00	1.00
0.00	0.00	0.00	0.00	0.00
37.50	36.00	35.00	32.50	31.00
9.00	8.50	8.50	10.50	10.50
33.00	33.00	34.00	32.50	32.00
1.00	1.00	1.00	1.00	1.00
8.00	11.00	10.50	12.00	12.50
2.00	2.00	2.00	2.00	2.00
9.00	9.50	9.50	7.00	7.00
15.00	15.00	14.50	15.50	18.00
14.50	14.00	13.50	12.00	11.00
160.00	160.50	158.50	155.00	155.50

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

Function/Program	2022	2021	2020	2019
Date of Incorporation as a Village 1917				
Date of Incorporation as a City 1961				
General Government				
<i>Council and Clerk</i>				
Number of Ordinances Passed	142	106	120	125
Number of Resolutions Passed	39	29	28	35
<i>Planning Commission/Zoning Board of Appeals</i>				
Number of Planning Commission docket items	68	68	53	75
Zoning Board of Appeals docket items	75	63	40	47
<i>Finance Department</i>				
Amount of checks written	\$59,184,455	\$56,092,139	\$54,577,510	\$53,773,600
Interest earnings for fiscal year (cash basis)	\$324,284	\$141,552	\$250,535	\$580,415
Number of Receipts issued	4,748	4,862	5,226	4,612
Number of Budget Adjustments issued	28	22	24	22
Agency Ratings - Moody's Financial Services	Aa1	Aa1	Aa2	Aa2
General Fund Receipts (cash basis in thousands)	\$20,195	\$18,335	\$17,174	\$16,594
General Fund Expenditures (cash basis in thousands)	\$17,791	\$16,953	\$15,517	\$14,560
General Fund Cash Balances including Income Tax (in thousands)	\$14,134	\$11,730	\$10,348	\$8,691
<i>Income Tax Department</i>				
Number of Annual withholding forms processed	42,504	33,860	29,435	27,419
Number of Business net profit forms processed	3,512	3,787	3,499	5,215
Number of Individual forms processed	18,227	20,578	17,878	20,184
<i>Engineer Contracted Services</i>				
Dollar amount of Construction overseen by Engineer	\$3,390,088	\$4,723,180	\$3,901,424	\$2,093,449
<i>Mayor's Court</i>				
Number of Traffic cases	1,043	987	1,409	1,587
Number of Criminal cases	40	22	37	52
<i>Civil Service</i>				
Number of police entry tests administered	1	0	1	0
Number of fire entry tests administered	1	1	1	0
Number of police promotional tests administered	1	1	1	1
Number of fire promotional tests administered	2	2	3	0
Number of hires of Police Officers from certified lists	3	6	0	7
Number of hires of Fire/Medics from certified lists	3	4	0	2
Number of promotions from police certified lists	2	3	1	2
Number of promotions from fire certified lists	2	4	3	0
<i>Building Department Indicators</i>				
Single Family Permits issued	40	45	106	95
Commercial Permits issued	335	346	221	285
Estimated Value of Construction	\$89,709,680	\$71,270,415	\$138,853,621	\$109,827,484
Number of permits issued (all types)	2,306	2,000	1,670	1,317
Amount of Revenue generated from permits	\$1,692,392	\$1,831,608	\$3,321,440	\$3,173,307
Number of contractor registrations issued	1,324	1,293	1,222	1,189

2018	2017	2016	2015	2014	2013
106	110	129	152	142	137
28	28	31	17	23	35
63	78	104	91	111	131
32	50	44	31	23	26
\$65,263,801	\$69,985,588	\$75,766,185	\$68,238,526	\$49,976,640	\$59,114,557
\$367,802	\$177,631	\$115,913	\$91,796	\$73,481	\$71,310
4,434	4,689	4,724	4,903	4,684	4,306
20	21	21	23	22	29
Aa2	Aa2	Aa1	Aa1	Aa1	Aa1
\$15,485	\$13,642	\$12,994	\$13,000	\$12,542	\$12,554
\$13,184	\$11,793	\$12,704	\$13,494	\$12,885	\$13,269
\$6,657	\$4,356	\$2,508	\$2,275	\$2,769	\$3,113
27,988	26,872	24,849	22,758	20,184	19,814
3,569	4,683	4,037	3,930	4,077	3,466
18,777	20,034	19,389	20,378	19,000	18,887
\$1,353,520	\$3,406,934	\$12,287,508	\$12,707,077	\$5,415,017	\$2,107,283
1,335	1,014	924	2,088	2,260	1,233
83	41	38	51	59	40
1	0	1	1	0	0
1	0	0	1	0	0
0	1	0	0	0	0
0	0	0	3	0	0
3	0	0	3	1	1
2	0	0	1	0	1
0	1	0	0	0	1
0	0	0	3	0	0
97	93	114	120	128	122
364	313	324	283	270	217
\$146,173,751	\$86,499,932	\$93,180,158	\$135,229,296	\$190,769,916	\$88,664,341
1,302	1,261	1,886	1,590	1,540	1,142
\$3,138,639	\$2,388,517	\$3,128,862	\$2,280,180	\$2,451,429	\$1,199,584
1,155	1,146	979	865	788	862

(continued)

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

Function/Program	2022	2021	2020	2019
Security of Persons and Property				
<i>Fire</i>				
EMS Calls	3,186	2,905	2,537	2,763
Ambulance Billing Collections (net)	\$976,306	\$836,122	\$723,600	\$667,398
Fire Calls	783	716	634	600
Fires with Loss	10	20	17	73
Fires with Losses exceeding \$10K	3	4	4	3
Fire Losses	\$843,759	\$554,700	\$103,700	\$366,000
Fire Safety Inspections	1,991	1,887	1,537	1,613
Number of times Mutual Aid given to Fire and EMS and Auto Aid	132	110	121	84
Number of times Mutual Aid received for Fire and EMS and Auto Aid	56	53	54	86
<i>Police</i>				
Total Calls for Services	19,235	19,993	21,650	20,631
Number of traffic citations issued	1,937	2,217	2,427	2,254
Number of parking citations issued	20	40	145	75
Number of criminal arrests	480	476	407	556
Number of accident reports completed	655	681	715	663
Part 1 Offenses (major offenses)	226	219	218	377
DUI Arrests	78	87	58	70
Prisoners	238	242	218	325
Prisoner meal costs	\$0	\$0	\$0	\$0
Motor Vehicle Accidents	1,212	1,063	932	926
Fatalities from Motor Vehicle Accidents	0	1	0	0
Gasoline costs of fleet	\$108,479	\$118,097	\$94,809	\$91,159
Leisure Time Activities				
Recreation Men's and Women's Leagues receipts	\$2,625	\$7,240	\$0	\$1,982
Recreation Youth Activities receipts	\$199,416	\$222,615	\$73,535	\$200,083
Transportation				
Street Improvements Cost	\$342,343	\$301,570	\$438,471	\$265,182
Street Improvements Cost per mile	\$2,140	\$1,909	\$2,885	\$1,780
Miles of City Streets	160	158	152	149
Tons of snow melting salt purchased (November - May - winter season)	3,624	3,282	2,795	3,301
Cost of salt purchased	\$246,460	\$164,058	\$177,433	\$236,510
Water Department				
Water Rates per 1st 6,000 gallons of water used (per thousand)	\$5.26	\$5.26	\$5.20	\$5.00
Average gallons of water billed monthly (in thousands)	71,346	69,025	72,272	65,665
Total Water Collections Annually (Including P&I) (in thousands)	\$4,550	\$4,500	\$4,451	\$3,976
Wastewater Department				
Sewer Rates per 1,000 gallons of water used	\$7.90	\$7.90	\$7.60	\$7.38
Average gallons of sewer billed monthly (in thousands)	48,389	48,010	48,286	46,360
Total Sewer Collections Annually (Including P&I) (in thousands)	\$4,825	\$4,648	\$4,332	\$4,156

(1) Information for some years is not available.

Source: City of Avon Records

2018	2017	2016	2015	2014	2013
2,699	2,448	2,097	1,810	1,657	1,737
\$651,641	\$603,625	\$494,141	\$417,407	\$398,467	\$418,414
713	686	639	673	635	623
58	53	35	31	10	14
3	3	13	8	3	1
\$240,300	\$263,600	\$1,257,700	\$448,405	\$258,052	\$186,450
1,491	1,222	1,215	1,215	832	727
130	90	89	113	99	73
85	94	57	58	85	54
19,159	19,941	21,425	21,101	20,204	17,748
1,127	1,786	1,368	2,399	2,178	1,770
126	54	42	458	513	384
607	707	364	529	369	466
646	601	669	731	653	598
330	289	350	508	389	494
84	78	39	66	72	85
344	414	312	306	375	461
\$0	\$0	\$0	\$0	\$0	\$0
1,279	1,229	1,246	1,165	1,123	1,073
0	0	1	1	1	0
\$111,217	\$84,524	\$60,373	\$73,531	\$114,883	\$105,400
\$3,325	\$4,425	\$7,966	\$3,923	\$4,993	\$5,056
\$168,080	\$153,937	\$104,370	\$118,652	\$113,981	\$94,373
\$261,342	\$228,642	\$144,807	\$112,196	\$137,092	\$186,735
\$1,778	\$1,669	\$1,047	\$853	\$1,063	\$1,503
147	137	138	132	129	124
5,193	4,094	3,936	4,951	5,961	3,850
\$114,250	\$131,959	\$218,088	\$271,643	\$205,480	\$177,714
\$4.74	\$4.51	\$4.26	\$3.98	\$3.51	\$3.05
65,643	69,766	86,988	62,048	66,366	63,206
\$3,817	\$3,766	\$3,848	\$2,985	\$2,594	\$2,183
\$7.03	\$6.70	\$6.38	\$6.08	\$5.79	\$5.79
45,754	46,747	60,359	44,349	43,065	41,409
\$3,954	\$3,795	\$3,734	\$3,233	\$2,979	\$1,630

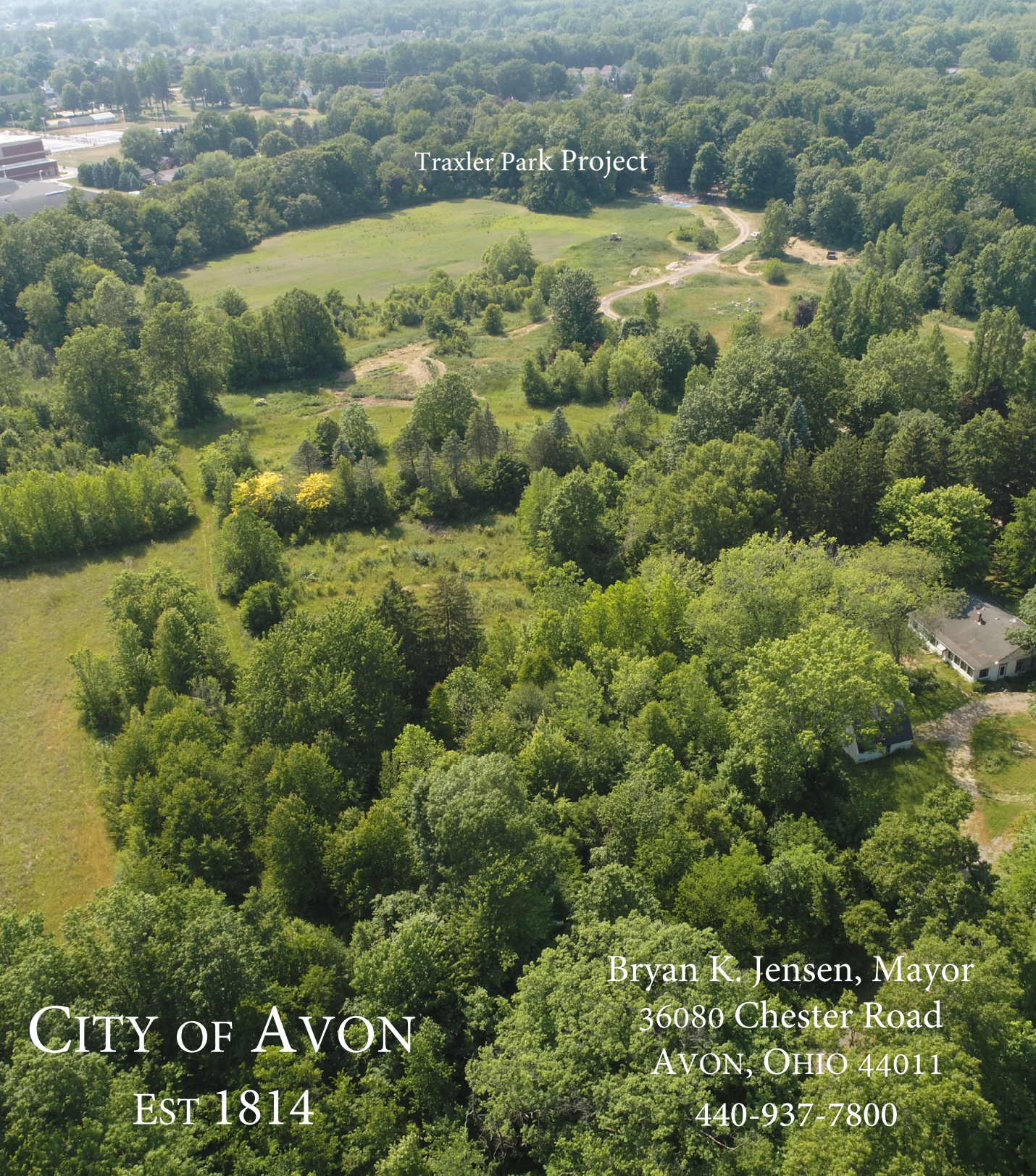
City of Avon, Ohio
Capital Assets Statistics by Function/Program
Last Ten Years

Function/Program	2022	2021	2020	2019
General Government				
Vehicles	13	12	9	9
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	51	46	42	40
Fire				
Stations	1	1	1	1
Vehicles	16	14	14	13
Leisure Time Activities				
Recreation				
Number of Parks	9	9	8	8
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	18	16	16	16
Number of Swimming Pools	1	1	1	1
Vehicles	15	15	12	13
Transportation				
Service				
Buildings	1	1	1	1
Service Vehicles	25	24	24	23
Streets (miles)	162.00	158.00	156.30	149.16
Water and Sewer				
Buildings	10	10	10	11
Water Lines (miles)	129.50	127.74	127.00	126.05
Sanitary Sewers (miles)	107.61	105.85	105.60	102.84
Vehicles	14	14	13	12

Source: City of Avon Records

2018	2017	2016	2015	2014	2013
9	9	9	9	8	8
1	1	1	1	1	1
39	37	38	36	34	34
1	1	1	1	1	1
13	13	15	15	15	15
8	8	7	7	7	7
1	1	1	1	1	1
1	1	1	1	1	1
12	12	12	12	12	12
4	4	4	4	4	4
16	16	16	16	16	16
1	1	1	1	0	0
13	12	12	10	9	8
1	1	1	1	1	1
22	24	22	22	20	20
147.25	143.51	138.37	131.58	128.91	123.00
11	11	10	10	10	10
125.04	122.49	121.40	122.43	118.70	117.80
102.03	100.36	99.60	100.75	97.10	96.70
16	14	12	13	14	9

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An aerial photograph showing a large, green, open field in the center, surrounded by dense green trees. A dirt road or path winds through the field and the surrounding forest. In the upper left corner, there are some buildings and a parking lot. In the lower right corner, there are a few houses and more trees.

Traxler Park Project

CITY OF AVON
EST 1814

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