



**CITY OF AVON
LORAIN COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2002



**Auditor of State
Betty Montgomery**

CITY OF AVON
LORAIN COUNTY

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

We have audited the financial statements of the City of Avon, Lorain County, Ohio, (the City) as of and for the year ended December 31, 2002, and have issued our report thereon dated May 28, 2003, wherein, we noted the City restated the Major Water Capital Projects fund balance and the Major Water Proprietary Fund, Governmental and Business-Type net assets. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the City in a separate letter dated May 28, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated May 28, 2003.

This report is intended solely for the information and use of management and City Council, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

May 28, 2003

City of Avon, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2002

Prepared by:

Office of the Director of Finance

Robert F. Hamilton
Director of Finance

City of Avon, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2002
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CITY OF AVON

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May 28, 2003

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

We are pleased to submit the twelfth Comprehensive Annual Financial Report (CAFR) prepared by the Finance Office of the City of Avon. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data as presented is accurate in all material respects and that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included. This is the City's second year of reporting under the GASB 34 reporting model.

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

The comprehensive annual financial report is presented in three sections:

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

Reporting Entity

For financial purposes, the City includes all funds that comprise the primary government and all agencies, boards and commissions for which the City is financially accountable. The City is financially accountable for an organization if the organization is fiscally dependent on the City or if the City appoints a majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the City. The ability to impose its will on the organization exists if the City can either remove members of the governing board at will, modify or approve the organization's budget, modify or approve rates or fees, modify or overrule decisions of the organization's governing body, or appoint, hire, reassign or dismiss persons responsible for management of the organization's day-to-day activities. A financial benefit exists if the City is legally entitled to or can otherwise access the organization's assets. A financial burden exists if the City is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization, or if the City is obligated in some manner for the debt of the organization. No component units have been included in the City's reporting entity.

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

The City of Avon

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

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

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

Avon was incorporated as a village in 1917 and officially made a city in 1961. Avon has carefully maintained its attractive rural features while allowing for controlled growth.

The Avon Municipal Building was built in 1958 at an approximate cost of \$100,000. At that time, the City's population was estimated to be 4,500. According to the 2000 census, the City's population was 11,353, although current projections have the population set closer to 13,000. In late 1997, the City purchased a new city hall building on Chester Road and turned the Avon Municipal Building into the police department facility.

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

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

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

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

The City has a new shopping center, Avon Commons, located in the center of town. In addition, several large shopping centers are located within ten minutes of the City; Avon Lake, two miles; North Ridgeville, six miles, the Promenade, Westlake, two miles; Great Northern Shopping Center, North Olmsted, ten miles and Midway Mall, Elyria, eight miles. Located within the City are branches of First Merit-EST Bank, Fifth Third Bank, The First Federal Savings of Lorain and Parkview Federal Savings Bank.

St. John Westshore Hospital, Westlake, and Community Health Partners Hospital, Lorain, are located within six miles of the City while Elyria Memorial Hospital is within ten miles of the City. The Cleveland Clinic is approximately twenty-five miles from the City.

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

City Government

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

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

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

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

Employee Relations

The City has 144 employees; 65 are full-time, and 79 are part-time, 30 of whom are fire-fighters and emergency rescue workers. Full-time employees may join one of the collective bargaining units for their group as determined by the State Employee Relations Board (SERB). The three unions in the City are:

<u>Name</u>	<u>Expiration Date</u>	<u>Membership</u>
AFSCME Local #227	December 31, 2003	22
Fraternal Order of Police, Dispatchers and Sergeants	December 31, 2002	26
Teamster Local #52	November 30, 2003	6

Economic Conditions and Outlook

During 2002, the City enjoyed a period of continuing growth in the building of residential, commercial and industrial developments, and the economic outlook at this time continues to be very aggressive. Below are highlights regarding residential and commercial/industrial growth within the City.

Residential - The number of new single-family home permits issued was 365 with a valuation of \$90,987,353 compared to 315 single-family home permits issued in 2001 with a valuation of \$72,773,996 an increase of 25 percent. Multi-family type construction such as townhouses, 4-plexes and 6-plexes numbered 16, with a valuation of \$4,737,756. This construction compares to 2001's 7 units with a valuation of \$2,257,432.

New and existing residential projects continue to grow and expand with more than 1,000 housing units in various stages including but not limited to Arbor Acres, Avenbury Lakes, Briar Lakes, Camelot, Highland Park, Pin Oak Preserve, Red Tail Golf Community, Stonebridge, Vineyard Estates, Hawkesbury Lane, The Village at Creekside, Greenview Estates, Saddlecreek, West Park, Bently Park, Willow Creek, Centennial Village and Amberwood subdivisions.

Commercial/Industrial - In 2002, 161 commercial permits were issued with a valuation of \$16,855,289 compared to 285 permits and a valuation of \$97,695,576 in 2001. Currently, Lear Industrial Parkway, Avon Commerce Park, Avon Industrial Parkway and Superior Commercial Drive are under development. The Avon Commerce Parkway has added The Cleveland Marble Mosaic Company. Three new companies, Harley Davidson Shop, Parkview Federal Savings and Loan and Wickens, Herzer, Panza, Cook & Batista - the largest law firm between Toledo and Cleveland moved into their new buildings in 2002.

Avon Commons located at Detroit Road and Center Road, a retail development consisting of approximately 680,000 square feet of commercial improvements continues to be developed. The development includes retail stores such as: Target, Kohl's, The Home Depot, Heinens Fine Foods, Marshall's, Old Navy, Linen-N-Things, Costco, Michaels, Pier 1 and others. Walmart has entered into an agreement to build a new store on Chester Road. New restaurants include: IHOP, Panera Bread, Red Robin and Damon's.

Assessed Valuation - The assessed valuation of the City of Avon has been growing steadily over the past ten years, as can be seen in the statistical section of this report. The assessed valuation grew from \$328,512,440 in 2001 to \$366,211,330 in 2002, primarily due to the expansion of industry and an increase in residential construction.

Major Initiatives

In 2002, the City of Avon addressed several major initiatives and planned for many others in 2003 and beyond. All departments met important goals in 2002. The following summarizes the departments' accomplishments.

Police Department - During 2002, the Police Department took steps to keep up with the explosive growth rate of the City. Two additional full-time officers were hired early in the year, to bring the sworn component of the Department to twenty-two. The Department's need to hire additional staff, both sworn and civilian will continue in future years, provided the City's rate of growth continues.

The Department continued to provide officers with the best equipment and technology available. The entire fleet of cruisers is equipped with in-car audio/video systems. These systems provide documentary evidence of the patrol staff's activities, which results in an improved conviction rate, as well as protection for the officer from allegations of wrongdoing. Mobile Data Terminals (MDTs) were added to three cruisers in 2001. MDTs provide instant access to patrol officers to state and national databases, driver's license information and photographs, as well as to criminal history information. The remainder of the patrol fleet is slated to be MDT equipped by the end of 2003.

Additional equipment and technological improvements contemplated for 2003 include firearms upgrades, police station security improvements, and improvements to the internal computer network.

The Police Department currently occupies the old City Hall building on Detroit Road. This facility, when constructed in the middle 1950's, was never intended to serve as a full-time police facility. After renovation in the late 1990's, it provided a dramatic improvement over the cramped working conditions the Department previously experienced while situated in the basement of City Hall. As the City continues to grow at a rapid rate and additional staff and services are added, the space available in the existing building has shrunk. The limited space available will strain the existing facility past the breaking point in the next few years. Once the new Central Fire Station is built and staffed, the City will need to turn its attention to an updated police facility capable of servicing the City for the next quarter-century.

The Avon Police Department will continue to provide quality law enforcement services to its citizens in a cost-effective manner into 2003 and beyond.

Fire and Emergency Rescue Departments - The City operates the Fire Department on a part-time basis. As of January 1, 2002, there have been two firefighters on duty from 6:00 A.M. to 6:00 P.M., plus an additional firefighter on duty from 8:00 A.M. to 4:00 P.M. from Monday through Friday. In October of 2002 the above duty was expanded to Saturdays and Sundays.

While on duty, the firefighters completed checking, servicing and flushing all fire hydrants. All City businesses were inspected in 2002.

In August of 2002, work began on the new fire station, with completion scheduled for March 2003.

A 2002 Fire Excursion was purchased and equipped for Command and Rescue. A smoke machine was purchased for use in fire training and victim rescue.

In 2002 the Fire Department answered 249 fire runs and the Emergency Rescue Department responded to 818 ambulance runs.

A radio repeater system was installed on the radio frequency used by the fire departments of Avon, Avon Lake, Sheffield Lake, Sheffield Village and North Ridgeville. This will greatly increase the communications between all radios used in fire service. The repeater is located on the AT&T tower at Miller Road and State Route 611. AT&T allowed this installation at no cost. The system was paid for by the following donations: \$15,000 from Clear Channel Radio and \$1,750 from Chemtron Corp.

The Fire Department conducted several live house training fires in cooperation with Cuyahoga Community College Fire School. Numerous practice burns were done on fire suppression, along with deck gun operations, exposure protection and ventilation. Live burn training fires proved to be excellent training for our firefighters.

The Fire Department conducted the yearly program at Safety Town. This is an excellent program that reaches many families and children. The Fire Department teaches fire prevention and acquaints the children with Avon's Rescue Squad. Nine other fire prevention and training programs were provided to industries and groups in the City of Avon.

All self-contained breathing apparatus were checked and serviced by Pro Am Safety. All breathing apparatus checked out to be in good working order.

The breathing air compressor was serviced and checked by Breathing Air System. Air samples were taken to assure that the breathing air met all standards to be used in the self-contained breathing apparatus and air tanks for divers.

American Test Center tested all ladders in the Avon Fire Department. All ladders passed the inspection.

The 1972 FMC Pumper had its yearly pump test at Fire Truck Specialties. The 1990 FMC Pumper and the 1999 U.S. Tanker Pumper had their yearly pump tests at Williams Detroit Diesel. All pumpers pumped to rated capacities.

Fire Truck Specialties performed yearly maintenance on the apparatus parts of the 1972 FMC Pumper, the 1999 FMC Pumper and the 1999 U. S. Tanker Pumper.

Mike Bass Ford performed yearly maintenance and the Federal Department of Transportation performed annual inspection on the 1972 FMC Pumper, the 1990 FMC Pumper, the 1999 U. S. Tanker Pumper, the 1999 Heavy Rescue, the 1980 Ford Squad and the 1992 Ford Squad. All units passed the Federal Department of Transportation inspection. All inspection reports are on file at Station No. 1.

Building Department - The Building Department issued 365 single-family dwellings permits and 16 duplexes of approximately \$95,725,000 not including infrastructure. The commercial/industrial permits issued were 161 with valuation of approximately \$16,855,000. A total of 1,600 permits were issued by the Building Department which include residential (new and remodeling), commercial/industrial with a total estimate construction cost of \$120,000,000.

New subdivisions include Vineyard Park, Camelot West and Centennial Village in 2002. Four new subdivisions are going through the final approval process and expansions to many of the existing subdivisions are under construction.

Avon Commons has added Costco Warehouse, Costco Gas, IHOP Restaurant and Pier 1. The Avon Commons, still currently under construction, is adding Heinen's Fine Foods with approximately 200,000 square feet being added since last year. Also completed or near completion for the year 2002 - Heritage Elementary School, Timberlake Apartments, Valvoline Oil, Avon Fire Station, Discount Drug Mart and Retail Space, Avon Legal and a 40,000 square feet addition and remodeling to Avon Oaks Nursing Home.

Other major projects for 2003 to be completed or to be started include Super Wal-Mart, Murphy Gas, St. Mary's of the Woods Assisted Living, Stonebridge Center and Providence Church.

The Building Department conducted over 18,900 inspections for 2002 with a staff consisting of a Chief Building Official, five field inspectors and one full-time residential plan examiner/inspector. The Building Department office staff also includes two full-time clerks, one part-time clerk and a part-time Zoning Enforcement Officer who will become a full-time position in 2003.

Engineering - The City's Consulting Engineer, Bramhall Engineering and Surveying Company, Inc. provided engineering design services for City of Avon infrastructure projects including major drainage, water supply, sanitary sewer collection and pavement reconstruction projects. Also, planning commission engineering reviews and construction inspection were provided for commercial, industrial and residential developments. The department conducted 605 topographic line site plan reviews, and 890 foundations and final grade inspections.

Infrastructure asset inventory was updated with 2002 additions in conjunction with the requirements of Governmental Accounting Standards Board's Statement No. 34.

A Geographic Information System (GIS) for the City representing a digital model of all parcels, zoning districts, master sanitary thoroughfare plans, site addresses, parcel ownership data and drainage was updated. A 0.5-foot pixel color aerial photo serves as the base layer for the GIS map.

ADA - The Americans with Disabilities Department (ADA) of the City of Avon reviews all projects coming from the Planning Commission and the Building Department for ADA compliance. The department also mediates complaints referred by residents of the City.

In 2002, a Board was formed by the Mayor called the Grant Assistance Board. The main function of the Board is to review resident applications for ramps. The grant assistance fund was established for the purpose of assisting ADA applicants in the construction and cost of ramps at their homes. The Great Lakes Disability ADA IT Center contacted the City for an article on the grant assistance fund to distribute nationally over the Internet.

The City ADA Coordinator worked with City officials to pass an ordinance requiring that handicapped parking signage match the language of State law. Signs throughout the City must be uniform in language in order for the businesses to be properly policed. The ADA Department was responsible for 400 letters mailed to public and private businesses to bring their establishments up to code or be fined \$25 per day for each parking spot in violation of this law. Surveys were completed every month to ensure the businesses were in compliance with the law. It took a year to achieve this goal of compliance.

The City of Avon hosted four training teleconferences during the year. This is one of 50 shared nationwide training conferences sponsored by The Department of Justice and presented by The Great Lakes Disability ADA IT Center. The Coordinator reports quarterly to City Officials explaining the ADA Department activity for the year.

The City's ADA Coordinator is Chairlady of the Lorain County ADA Coordinators Network, and provides reports monthly to groups throughout Lorain County. With assistance from other ADA Coordinators, the department planned an ADA Workshop that was held on May 14, 2002, at the Lorain County Community College. This was the fourth consecutive year that workshops were offered and educationally geared to enable Building Inspectors to earn education credits toward their certification.

Service Department - All Water and Sewer and Street Department operations are conducted from a combined facility located at the corner of Detroit and Jaycox Roads. The facility complies with the Americans with Disabilities Act.

Water and Sewer Departments - The City of Avon does not operate its own water or sewer treatment facilities. Water is supplied by the City of Avon Lake Water Plant through Avon's distribution system. The system includes a 36-inch water main that serves the Rural Lorain County Water Authority in southern Lorain County. The City has approximately 90 miles of water mains and 66 miles of sanitary sewer mains.

The City project was the installation of the new sixteen inch main water supply on State Route 83; the total reconditioning of the existing Ground Storage Tank; and the installation of the new Pump Station. This project has been in the works for five years. The completion of the project has increased the City's capacity to pump water from 1.7 million gallons per day to over 5 million gallons per day. This installation and other water sources have raised the City's total water availability to over 11 million gallons per day and should meet the City's need for the next 15 to 20 years.

The Utilities Department also installed ten new fire hydrants to better serve a particular subdivision where the old hydrants were installed in the 1950's.

Last year the Utilities Department was directly or indirectly involved in fourteen major projects: ten residential developments, three major commercial/industrial projects and one public/City project.

With the construction of the new subdivisions, both residential and commercial, the City of Avon's customer base has grown from 5,741 to 6,119. In addition to the above major projects, the Utilities Department has performed many routine daily jobs such as inspections for all building site work; meter installations; fire hydrant repairs; billing; customer service; repairs to water breaks; installation of water services and maintenance of all Utility Department facilities.

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

The Utilities Department also maintains the City's wastewater collection system. In 2002, the Utilities Department performed the annual jetting and cleaning of the more than 65 miles of sanitary sewer. During the annual maintenance of the system the Department repairs, raises and inspects all manholes and service laterals in an effort to provide uninterrupted services.

Also in 2002, the City contracted with an outside contractor to perform a complete study of the wastewater system. This project consisted of utilizing flow meters installed at all 30 connections to the North Ridgeville Interceptor sewer. The study was instituted to better understand and investigate if the City sanitary sewer is subject to outside sources of water. The project lasted for six months and the data collected is being reviewed. The review of this project will assist the City in determining what, if any, future actions will be taken to improve the sanitary sewer system.

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

Street Department - The Street Department employs eight full-time employees, who are at the direction of the Street Department Superintendent. The department is responsible for maintenance and signage of all City streets including pavement markings.

The Street Department is also responsible for the grounds maintenance for City Hall, the Police Department and one City owned cemetery.

The 2002 resurfacing program was dedicated to paving side streets throughout the City. The following streets were paved in 2002; Keller Drive, Bauerdale Court, Meadow Lane, Hayes Street, Centennial Street, Julia Street, Miriam Street and Williams Court.

Crack sealing preventive maintenance was done in 2002. This work included Avon Woods Subdivision and Nagel Road North.

Every year ditch cleaning and storm sewer replacement and repair are two of the primary duties of the Street Department. Many of the pipes on our side streets are old clay tiles and have stood the test of time. The City is addressing failures in the clay tile system. The Heider Ditch was our primary cleaning project in 2002. Over three miles of drainage course were addressed in this project.

The Ohio Public Works Commission project for the year 2002 was the continuation of the enclosure of the State Route 83 ditch with a box culvert. Grant money will allow the City to gradually enclose the whole ditch which is important to public safety.

The Street Department assisted the Parks Department with equipment and personnel. Flexible scheduling allows the Street Department to continue to help when called upon without jeopardizing everyday obligations.

Another major project completed in 2002 was the installation of flashing school lights in two of the City's oldest school zones on Nagel Road and Stoney Ridge Road. New lights were also added to the new elementary school zone on Detroit Road for Heritage School. Installation of guardrails was also completed in 2002 in order to insure public safety.

Parks and Recreation - In 2002, the Parks and Recreation Department welcomed a new Parks and Recreation Director, Gerald Galant. The Parks and Recreation Department and the Park Board have worked to keep the City parks a welcome place for citizens of the City of Avon.

Avon's Veteran's Memorial Park is near completion and is scheduled to open in spring 2003. Plans for future use of the park are underway. After Phase I is in use, plans for Phase 2 will begin. We believe the citizens of Avon will be very pleased with the new park.

The Parks and Recreation Department took over the Safety Town Program for pre-kindergarten aged children. The construction of the City's new Safety Town will be completed by spring of 2003. Our Safety Town City is a great asset to this program. This program teaches children about stranger, animal, gun and fire safety.

The beginning stages of renovation to Avon Isle have started. It will be a very long process to renovate and restore both the park and building. Much time and money will be needed to make Avon Isle the facility it once was.

The Recreation Department has many excellent activities for the citizens of Avon to participate in:

Adult Co-Ed Volleyball	Men and Women 21 and over
Men's Basketball	Men 30 and over
Adult Physical Fitness	Men and Women 21 and over
Little Eagle Basketball	Boys and Girls ages 8 through 6th grade
Health Screenings and Talks	Everyone
Gymnastics and Cheerleading	Children
Baton and Pom Pom	Children
Play Ground Days	Children
Flag Football	Children ages 8 through 6th grade
Horseback Riding	Children
Swim Lessons	Children
Co-ed Softball	Men and Women 21 and over
Baseball Clinic	Rookie, Minor, Major League

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

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

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

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

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

In November 2002 the City prepared the annual appropriation ordinance for year 2003. The ordinance was submitted to Council's Finance Committee and was subsequently passed by Council on December 16, 2002. With this action, the City has chosen to by-pass the temporary appropriation ordinance.

For all operating funds, appropriations are maintained by the Finance Director at the object level within a department and fund; however, the legal level of budgetary control is at the fund level for all funds.

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

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

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

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

As part of this reporting model, management is responsible for preparing a Management Discussion and Analysis of the City. This discussion follows the Independent Accountants' Report, providing an assessment of the City finances for 2002.

Cash Management

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

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

Risk Management

The City of Avon has a personal service contract and liability insurance coverage with the Custis Insurance Co. In 2002 the City expended \$86,635 for general liability insurance coverage, a \$21,083 increase in premium of \$65,552 for 2001.

The City carries a \$2,000,000 comprehensive combined single limit general liability insurance policy with a \$3,500 deductible, a general law enforcement liability insurance policy of \$1,000,000 with a \$5,000 deductible and a \$10,771,851 blanket building and contents policy. An additional \$10,000,000 umbrella policy was also purchased.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to a governmental unit that publishes an easily readable and efficiently organized Comprehensive Annual Financial Report which conforms to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. Because we believe our report continues to conform to the requirements and standards of the Certificate of Achievement Program, we are submitting the 2002 Comprehensive Annual Financial Report to the GFOA for consideration.

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

Independent Audit

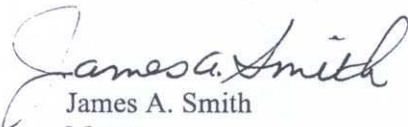
Independent auditor Betty Montgomery, Auditor of State, was selected to render an opinion on the City's financial statements and financial controls as of December 31, 2002. The Independent Accountants' Report on the basic financial statements is included in the financial section of this report.

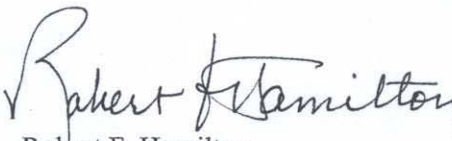
Acknowledgments

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

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

Respectfully submitted,


James A. Smith
Mayor


Robert F. Hamilton
Director of Finance

City of Avon, Ohio
Principal Officials
December 31, 2002

Elected Officials:

Mayor.....	James A. Smith
President of Council	Thomas L. Wearsch
Councilman at Large.....	Jo Anne Easterday
Councilman at Large.....	John P. Kilvoy
Councilman – Ward I.....	Mark D. Julius
Councilman – Ward II	Carol A. Hartwig
Councilman – Ward III.....	Timothy E. Nickum
Councilman – Ward IV.....	Gerald T. Gentz

Directors:

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

Chairmen, Boards and Commissions:

Board of Zoning and Building Appeals.....	Cy Bliss
Planning Commission.....	James C. Piazza
Civil Service Commission	Jimmy Marsiglia
Park and Recreation Commission.....	Jo Anne Easterday

Other Staff Members

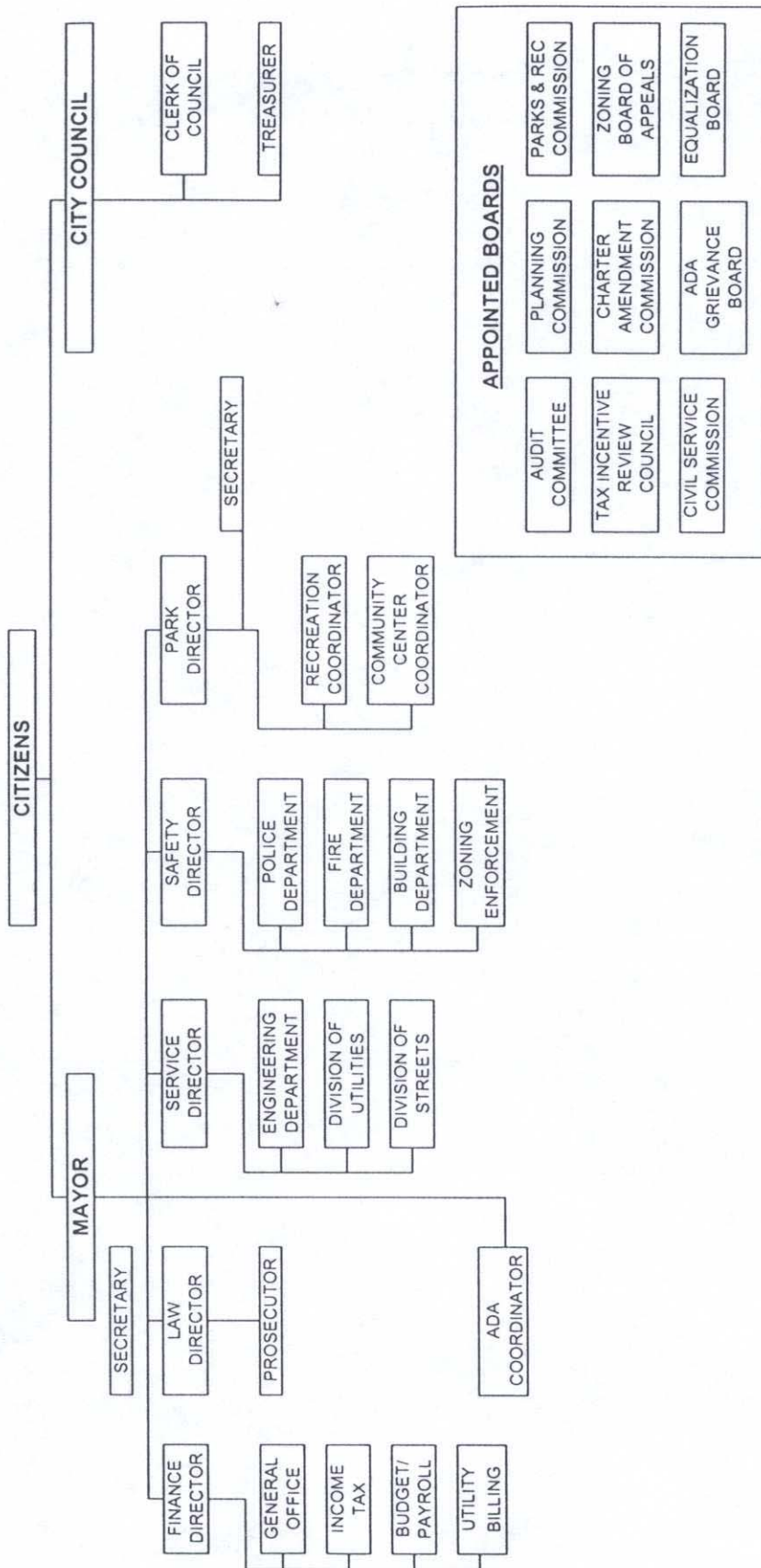
Treasurer.....	Barbara A. Kraus
City Consulting Engineer	Michael C. Bramhall
Superintendent of Utilities.....	David A. Conrad
Superintendent of Streets.....	William M. Biro
Secretary to the Mayor.....	Sandra K. Martin
Clerk of Council	Ellen R. Young
Clerk of Court.....	Jill K. Clements
Assistant Finance Director.....	June F. Mitchell
Clerk Secretary of Planning Commission and Zoning Board of Appeals	Dorothy A. Bommer
Zoning Enforcement Officer.....	Timothy Y. Krugman
Prosecutor	Anthony L. Manning
Police Chief	John R. Vilagi
Police Lieutenant	Paul T. Romond
Police Sergeant	Thomas P. Dunegan
Police Sergeant	Roy T. Dreger
Police Sergeant	Michael E. Kish
Police Sergeant	Lawrence M. Fischbach, III
Fire Chief.....	Frank Root, Jr.
Assistant Fire Chief	John R. Votava
Capitan.....	Frank Root, III
Captain.....	George A. Kraus

City of Avon
Principal Officials (continued)
December 31, 2002

Other Staff Members (continued):

Lieutenant	Andrew D. Monda, Jr.
Lieutenant	Michael Emling
Lieutenant	Timothy L. Golay
Building Inspector	James P. Smith
Assistant Building Inspector	Martin R. Susak
Assistant Building Inspector	Robert A. Schumacher
Assistant Building Inspector	Robert C. Kendle
Assistant Building Inspector	Gerald M. Buckingham
Assistant Building Inspector	Frank M. Foley
Assistant Building Inspector	Carl J. Orban

CITY OF AVON ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Avon,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

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



President

Executive Director

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, 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, 2002, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Avon, Lorain County, Ohio, as of December 31, 2002, and the respective changes in financial position and the cash flows, where applicable, thereof and the respective budgetary comparison for the General, Fire Department, Police, and Park Development funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, the City restated the Major Water Capital Projects fund balance and the Major Water Proprietary Fund, Governmental and Business-Type net assets.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2003 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

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

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

Betty Montgomery
Auditor of State

May 28, 2003

City of Avon
Management's Discussion and Analysis
For the Year Ended December 31, 2002
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, 2002. The intent of this discussion and analyses is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2002 are:

- City income tax totaled \$5,148,048 in governmental funds, an increase of \$2,508,923 or 95 percent over 2001. 2002 was the first year of collection of the new income tax for the Fire Department and accounted for the largest portion in increased revenues. City income tax revenue continues to increase primarily because of new industrial and commercial companies moving to the City of Avon.
- Total assets increased by \$8,503,117, a 11.76 percent increase over 2001.
- Total net assets increased \$5,827,969 or 10.39 percent over 2001.
- Total capital assets increased \$4,850,266 or 8.98 percent over 2001.
- Total outstanding long term liabilities increased \$1,392,185 over 2001, a increase of 12.49 percent.

Using This Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the City of Avon as a Whole

Statement of Net Assets and Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City do financially during 2002?" The *Statement of Net Assets* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. This basis of 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
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

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

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

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

Reporting the City of Avon's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

City of Avon
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

The City of Avon as a Whole

The *Statement of Net Assets* looks at the City as a whole. Table I provide a summary of the City's net assets for 2002 compared to 2001.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
Current and Other Assets	\$18,505,081	\$14,900,371	\$3,442,909	\$3,394,768	\$21,947,990	\$18,295,139
Capital Assets, Net	38,118,225	35,392,711	20,740,553	18,615,801	58,858,778	54,008,512
Total Assets	56,623,306	50,293,082	24,183,462	22,010,569	80,806,768	72,303,651
Current and Other Liabilities	5,024,039	4,750,790	1,334,458	324,744	6,358,497	5,075,534
Long-Term Liabilities:						
Due Within One Year	388,712	351,428	209,632	195,056	598,344	546,484
Due in More Than One Year	9,171,500	7,606,211	2,770,426	2,995,390	11,941,926	10,601,601
Total Liabilities	14,584,251	12,708,429	4,314,516	3,515,190	18,898,767	16,223,619
Invested in Capital Assets, Net of Related Debt	30,677,621	28,762,982	16,613,441	15,317,633	47,291,062	44,080,615
Restricted:						
Capital Projects	3,258,950	1,409,760	0	0	3,258,950	1,409,760
Debt Services	1,961,648	2,213,739	0	0	1,961,648	2,213,739
Other Purposes	3,169,282	1,548,768	0	0	3,169,282	1,548,768
Unrestricted	2,971,554	3,649,404	3,255,505	3,177,746	6,227,059	6,827,150
Total Net Assets	\$42,039,055	\$37,584,653	\$19,868,946	\$18,495,379	\$61,908,001	\$56,080,032

Total assets increased by \$8,503,117 from 2001 to 2002. The increase was due to additions to capital assets, such as work in progress involving Veteran's Park, new fire station, various road, water and sewer line improvements and more cash and cash equivalents.

Total liabilities increased by \$2,675,148, mainly due to an increase in notes payable related to the construction of the new fire station building.

Total net assets increased \$5,827,969 with governmental net assets comprising \$4,454,402 and business-type activities comprising \$1,373,567 of that amount. Net assets increased mainly due to developer contributions of water and sewer lines, streets and storm sewers in the amount of \$4,270,034.

City of Avon
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

Table 2 shows the changes in net assets for the year ended December 31, 2002. Total revenues increased \$1,093,170 or 6.34 percent. Total expenses decreased \$102,386 or .81 percent.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
Revenues						
Program Revenues:						
Charges for Services	\$2,280,932	\$2,208,634	\$2,058,078	\$1,825,358	\$4,339,010	\$4,033,992
Operating Grants and Contributions	692,119	993,420	0	0	692,119	993,420
Capital Grants and Contributions	2,996,623	3,216,959	2,305,389	2,710,634	5,302,012	5,927,593
Total Program Revenues	5,969,674	6,419,013	4,363,467	4,535,992	10,333,141	10,955,005
General Revenues:						
Property Taxes	2,161,293	1,918,616	0	0	2,161,293	1,918,616
Income Taxes	4,918,171	3,246,032	0	0	4,918,171	3,246,032
Grants and Entitlements	237,174	115,580	0	0	237,174	115,580
Interest	533,541	821,670	25,825	49,777	559,366	871,447
Miscellaneous	125,650	88,801	12,381	58,525	138,031	147,326
Total General Revenues	7,975,829	6,190,699	38,206	108,302	8,014,035	6,299,001
Total Revenues	13,945,503	12,609,712	4,401,673	4,644,294	18,347,176	17,254,006
Program Expenses						
General Governments	1,510,968	1,218,050	0	0	1,510,968	1,218,050
Security of Persons and Property	2,699,899	2,417,554	0	0	2,699,899	2,417,554
Transportation	2,931,435	2,994,870	0	0	2,931,435	2,994,870
Community Environment	940,434	960,122	0	0	940,434	960,122
Basic Utility Services	461,515	237,495	0	0	461,515	237,495
Leisure Time Activity	805,698	1,649,925	0	0	805,698	1,649,925
Interest and Fiscal Charges	511,821	499,035	0	0	511,821	499,035
Water	0	0	1,643,370	1,608,737	1,643,370	1,608,737
Sewer	0	0	1,014,067	1,035,805	1,014,067	1,035,805
Total Program Expenses	9,861,770	9,977,051	2,657,437	2,644,542	12,519,207	12,621,593
Increase in Net Assets Before Transfers	4,083,733	2,632,661	1,744,236	1,999,752	5,827,969	4,632,413
Transfers	370,669	369,202	(370,669)	(369,202)	0	0
Increase in Net Assets	\$4,454,402	\$3,001,863	\$1,373,567	\$1,630,550	\$5,827,969	\$4,632,413

City of Avon
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

The overall financial strength of the City improved in 2002. The City experienced growth in revenues in charges for services as construction of commercial businesses and new homes continued on an upward path. Income tax revenues were up significantly primarily due to the first year of collection of the new income tax for the fire department. Interest revenue declined in 2002 due to reductions in overall interest rates set by the Federal Reserve Bank. With a struggling national economy in 2002, the City did not experience a decline in revenues or a decrease in overall public services.

General government and security of persons and property expenses increased primarily due to contractual wage agreements. Leisure time activity expenses decreased primarily due to less purchases and activity for the Veterans Park being paid in 2002.

GOVERNMENTAL ACTIVITIES

Several revenue sources fund the City's governmental activities with City income tax being the largest contribution. The income tax rate of 1 percent was established by City Ordinance No. 371-68, passed February 28, 1968. The Income Tax Ordinance was amended on November 2, 1993 requiring proposed tax rate changes be submitted to the electors of the City for approval or rejection. On November 6, 2001 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. The income tax revenue amount for 2002 was \$4,918,171. General revenues from property taxes and local government funds are also significant revenue generators. The City monitors its sources of revenue very closely for any changes or fluctuations.

The City has enjoyed a steady increase in income tax collections for the past nine years. This has been especially important to the City because the tax revenue has provided the City the funds to maintain streets, make infrastructure improvements and strengthen safety forces. The City of Avon continues to be very aggressive in collecting delinquent income tax. The City has a strong economic development program which supports the outstanding growth and income tax revenues. The number of businesses, be they industrial or commercial, large or small, provide the City with an income tax base that can sustain the loss of any major tax paying entity and still be able to meet the financial needs of the City. City income tax revenues of \$4,918,171 were designated for the City's general fund and fire department fund. In November 2001, the electors approved a one half percent increase in the income tax rate with the proceeds to be used to build and operate a new fire station. The present fire department will convert from part-time to full-time staffing and provide some support for the police department.

Total governmental activities revenues for 2002 were \$13,945,503. Capital grants accounted for 21.49 percent of total revenues for governmental activities for the City. Income tax made up 35.27 percent, charges for services accounted for 16.36 percent, property taxes accounted for 15.50 percent, operating grants accounted for 4.96 percent and the remaining 6.42 percent consists of grants and entitlements, investments and miscellaneous revenues. Charges for services represents receipts from the Mayor's Court, cable television, building permits, park development and fees, recreation fees, emergency rescue fees, county health fees, contractor registration, New Community Baptist Church, community center fees, retention fees and rental fees.

Total governmental program expenses for 2002 were \$9,861,770. Transportation accounted for program expenses of \$2,931,435 which is 29.73 percent of the total governmental activity expenses for the City. Security of personal property represents the next highest program expense at 27.38 percent, followed by general government expenses at 15.32 percent.

City of Avon
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

Transportation expenses were for the depreciation, maintenance and repairs to the City's roads and infrastructure. The City paid for these projects primarily from the City's general revenues, a part of which is provided by the City income tax. Because of the City's history of economic growth and subsequent increases in income tax revenue, the City has taken advantage of placing these dollars into the street improvements. The City takes great pride in maintaining its streets in above average condition and continues to set aside money towards future capital improvements. A partial enclosure of the channel adjacent to Route 83 was completed with financial assistance from the State of Ohio. The total cost to partially enclose the Channel was \$442,579. The State of Ohio provided Issue II grant monies in the amount of \$205,000.

The Police Department is very efficient and continues to operate within its operating budget. The department has an equipment levy that is utilized to purchase two new vehicles per year. The money is also used to purchase equipment that will better serve our community and provide extra safety for the police officers. The Police Department is funded from revenues transferred from the general fund. A five year operating levy generated \$348,525 for the Police Department. Complimenting the police operating levy was a five year equipment levy which provided revenue of \$146,870.

In 2002, the Fire Department continues to operate as a part-time Fire Department and is funded with general fund and income tax revenues. During the year, the Fire Department was given approval to schedule eight and twelve hour shifts. The Department continues to perform within its budget. The Fire Department has an equipment levy that is used to purchase vehicles for both the Fire Department and the rescue squad. The Department receives \$146,870 from an equipment tax levy. The Department continues to upgrade emergency fire and rescue equipment to better serve the community. In November 2001, the electors approved changes to the City's income tax laws to construct a new building and to operate the Department. During 2002, the department received \$2,008,383 in income tax revenues towards these items.

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

Table 3
 Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
General Government	\$1,510,968	\$1,218,050	(\$657,211)	(\$339,161)
Security of Persons and Property	2,699,899	2,417,554	(2,273,295)	(2,005,248)
Transportation	2,931,435	2,994,870	(1,132,079)	76,982
Community Environment	940,434	960,122	(346,423)	(257,278)
Basic Utility Services	461,515	237,495	1,416,625	659,789
Leisure Time Activities	805,698	1,649,925	(387,892)	(1,194,087)
Interest and Fiscal Charges	511,821	499,035	(511,821)	(499,035)
Total Cost of Services	<u>\$9,861,770</u>	<u>\$9,977,051</u>	<u>(\$3,892,096)</u>	<u>(\$3,558,038)</u>

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Utility services for water and sewer saw an increase in charges for services revenue and a decrease in capital grants revenues in 2002. Along with a slight increase in expenses in 2002. These changes were primarily the result of the City's growth in both commercial and residential. Approximately three hundred new homes were built and sold in 2002. Commercial development continued to expand in several of the City's industrial parks. Because of this growth, water and sewer improvements were accepted by the City adding to the capital assets of the City. The City closely monitors the growth in services and adjusted the water tap-in fee structure in 2002 to pay for new development and related costs.

The City's Funds

Information about the City's governmental funds begins on page 18. These funds are accounted for by using the modified accrual basis of accounting. All governmental funds had total revenues of \$11,687,037 and expenditures of \$10,314,238. The most significant fund is the general fund with a year-end balance of \$3,191,307, which included an unreserved fund balance of \$3,123,883, compared to annual expenditures of \$2,786,380. While revenues exceeded expenditures by \$3,396,369, most of the excess was transferred to other funds. These transferred funds enabled the City to fund the Police Department, service long-term debt, reduce cost of short-term debt and fund capital improvements.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During the course of 2002 the City amended its general fund budget seventeen times for a total increase in estimated revenues of \$1,923,414. 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 to Council work session for presentation before going to the formal Council meeting for ordinance enactment on the change. The City does allow small interdepartmental budget changes that modify line items within departments within the same fund. The general fund supports many major activities such as the Police Department, Fire Department, Building and Planning Departments as well as the legislative and most executive activities. Some major capital projects are funded with general fund dollars. By ordinance, these funds are transferred from the general fund to capital project funds where the revenue and expenditures for the capital improvement are tracked and monitored. For the general fund, the original budgeted revenues were \$3,445,960, and the final budgeted amount was \$5,369,374. Of this \$1,923,414 difference, most was due to increased property tax, income tax, licenses and permits and fines and forfeiture revenues. Although the original appropriations were gradually increased during the year, the City continued to maintain a respectable level of liquidity in the general fund by maintaining unrestricted cash at year-end of 37.6 percent of those revenues.

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Capital Assets and Debt Administration

Capital Assets

Table 4
 Capital Assets
 (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
Land	\$1,298,696	\$1,298,696	\$7,580	\$7,580	\$1,306,276	\$1,306,276
Land Improvements	168,084	38,211	0	0	168,084	38,211
Buildings and Improvements	2,383,649	1,860,567	1,304,067	1,337,939	3,687,716	3,198,506
Machinery and Equipment	1,584,358	1,587,991	61,650	74,485	1,646,008	1,662,476
Construction in Progress	2,728,483	1,408,784	1,129,300	0	3,857,783	1,408,784
Infrastructure						
Park Improvements	238,421	247,761	0	0	238,421	247,761
Streets	21,315,777	21,658,067	0	0	21,315,777	21,658,067
Bridges and Culverts	423,796	440,468	0	0	423,796	440,468
Traffic Signals	601,136	631,381	0	0	601,136	631,381
Storm Sewer	7,374,825	6,219,785	0	0	7,374,825	6,219,785
Water Lines	1,000	1,000	8,186,020	7,620,464	8,187,020	7,621,464
Sewer Lines	0	0	10,051,936	9,575,333	10,051,936	9,575,333
Total Capital Assets	<u>\$38,118,225</u>	<u>\$35,392,711</u>	<u>\$20,740,553</u>	<u>\$18,615,801</u>	<u>\$58,858,778</u>	<u>\$54,008,512</u>

Total capital assets for the City of Avon as of December 31, 2002 were \$58,858,778. The most significant additions in capital assets came in the area of construction in progress of \$2,613,999 with \$1,319,699 representing the new fire station building; storm sewers by \$1,354,316, streets by \$1,302,781, water lines by \$825,943 and sewer lines by \$786,994. See Note 9 to the basic financial statements.

In 2002 fourteen City streets were improved by developers of the new residential and industrial developments connecting to those roadways at a cost of \$1,302,781. This is the ninth consecutive year the City has improved City streets either through City projects or by contributions from developers. All streets in the City are in excellent condition as a result of the City's program to dedicate money each year for this purpose. The improvements were paid with revenues received from income taxes. Also, the City continued to add sidewalks in high pedestrian traffic areas. New sidewalks are added each year in areas where the administration views critical to the safety of the people living in Avon. Sidewalks are paid for by the property owners. The City does not incur any costs unless the sidewalks installed are on City property, in which case the sidewalks are paid from general fund revenues.

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City Council is committed along with the Administration to maintain its capital assets at a condition acceptable to provide the best possible service for all residents. In 1995, the City established a sewer capital projects fund for the purpose of maintaining the sanitary sewer system which is funded by intergovernmental revenues and transfers. As of December 31, 2002, the fund balance was \$1,122,982.

In 1995, the City purchased 62.25 acres of land for a City Park. In 2001, Council authorized \$1,913,801 for the construction and development of the Veterans Park. \$1,408,784 was spent in 2001 towards this project, however due to delays the project will not be completed until sometime in 2003. City Council and the Administration are committed to park and recreational facilities improvements at this location and other locations throughout the City for the benefit of its residents.

The Administration continues to seek grants for infrastructure projects as well as improving City facilities and services. In 2002, the City applied to the Ohio Department of Development for a grant totaling \$205,000 for a major ditch enclosure along State Route 83 at Mills Road.

In 2001, City Council passed ordinances authorizing the City to place on the ballot a ½ percent increase in the income tax rate, the money from which is to build a new fire station and provide operating monies for the Fire and Police Departments. In November 2001, the electors approved increasing the income tax rate. The construction of a new Fire Department building was commenced in 2002 and completed April, 2003.

Debt

On December 31, 2002, the City of Avon had \$15,055,024 in bonds, loans, contractual commitments and notes outstanding with \$3,989,106 due within one year. Table 5 summarizes bonds, loans, contractual commitments and notes outstanding.

Table 5
 Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
General Obligation Bonds	\$2,842,209	\$2,984,471	\$541,800	\$579,600	\$3,384,009	\$3,564,071
Special Assessment Bonds	3,955,990	4,130,929	0	0	3,955,990	4,130,929
OPWC Loans	79,713	113,940	0	0	79,713	113,940
OWDA Loans	0	0	1,165,371	1,255,837	1,165,371	1,255,837
Intergovernmental Payable	0	0	1,169,941	1,236,731	1,169,941	1,236,731
Notes Payable	4,050,000	2,075,000	1,250,000	226,000	5,300,000	2,301,000
Total	\$10,927,912	\$9,304,340	\$4,127,112	\$3,298,168	\$15,055,024	\$12,602,508

The general obligation bonds include a Library improvement bond - a \$750,000 voted issue approved by the voters on May 3, 1996; payments are made from property taxes collected by the Lorain County Auditor. Other general obligation bonds include: Sanitary Water Construction \$103,200, Moore Road/Formanek improvements \$5,762, Detroit Road Park \$190,000, Northgate Sanitary Sewer \$320,000, purchase of Avon City Hall \$751,613, Just Imagine Drive Paving \$545,000, North Branch Sewer Avins Ditch \$76,512, Moore Road Improvement \$100,122. The latter bond obligations are paid from monies transferred from the general fund into the debt service funds.

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

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

The notes payable represent bond anticipation notes for the following improvement projects: (1) Park recreation facility \$1,500,000 - the note will be paid with the proceeds from sale of general obligation retirement bonds upon completion of the project; (2) Fire Station Improvement \$2,200,000 - the note will be paid with proceeds from the collection of the new one half percent income tax passed by the voters in November 2001; (3) the Municipal Waterworks System note of \$350,000 for the North Branch Sanitary Sewer will be paid primarily from transfers from the general fund and sewer enterprise fund, and (4) the Municipal Waterworks System for the construction of a municipal water works improvement including construction of a 16" waterline and pump station on Center Road \$1,250,000 will be paid from charges for services from the water fund.

The City's overall legal ten and one-half percent debt limitation (voted and unvoted) on December 31, 2002 was \$38,452,190. The aggregate outstanding debt subject to the ten and one-half percent limitation is \$9,840,837. The difference of \$28,611,353 between the maximum issuable amount and the outstanding amount represents the aggregate principal amount of additional voted and unvoted nonexempt debt which the City may issue without exceeding the ten and one-half percent limitation.

Current Financial Related Activities

The City of Avon is financially strong. Over the past nine years the City has enjoyed strong growth in revenues as a result of new commercial and industrial development. The City, with the support of the school system, has granted tax abatement to ten companies. Although property taxes have been partially deferred as a result of the tax abatement, the deferral has been more than offset by the significant increase in income tax collections. The City is ideally situated on Interstate 90, approximately twenty minutes from Cleveland, Ohio and Cleveland Hopkins International Airport. Interstate 90 divides the City providing a perfect separation for industrial development north of Interstate 90 and commercial and upscale residential development south of Interstate 90. With development of the industrial sites on the north side, the City's financial conditions have been significantly strengthened. The economic development of the City has lead to a strong healthy community that has seen its bond rating improve from A1 to AA3.

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

In 2001, the City began the process of constructing a new fire station and moving from part-time to a full-time department - a two million dollar project. The Administration submitted plans for a new building and a full-time Fire Department. City Council authorized placing the question of increasing the income tax rate from one percent to one and one-half percent with the one-half percent increase allocated to the construction of a new Fire Department building and providing of additional funds to support the staffing of the department plus funds for the Police Department. The income tax issue was placed on the ballot and on November 6, 2001, the electors voted and approved the tax rate change.

In 2001, the City applied for a Nature Works Grant to construct a Nature Work trail at Schwartz Road Park. The City was approved for an \$80,000 grant for year 2003. The City makes application for and has been receiving recycling grants on an annual basis. In 2002, the City received one grant from the Lorain County Solid Waste Management District. The grant of \$111,480 was for solid waste recycling. Under the Ohio Department of Development program, the City received State Issue II grant proceeds in the amount of \$205,000 for the second stage of the Route 83 (Center Road) Channel enclosure. The enclosure not only beautifies the project location but has provided a major improvement benefit and safety to the residents. All of these improvements came without additional taxes to the residents. The Administration and Council work very hard to obtain grants for the benefit of Avon residents while keeping taxes at a minimum.

City Health care costs for employees skyrocketed at the beginning of 1996. In October, 1996, the City joined the Lorain County Health Care Program, a self-funded insurance program under the direction of the Lorain County Commissioners. The City's insurance premium costs dropped significantly as a result of the move to the County program. During the period of 1996 through 2002, health care insurance costs continued to escalate everywhere while the Lorain County's insurance costs remained at reasonable levels while providing the best possible insurance coverage for City employees. In late 2002, the County announced significant cost increases to the program. The City negotiated an 80/20 sharing of cost with all the bargaining units in the City, except the Police Department. As of year-end 2002, the City was engaged in negotiation with the Police Department for a new three-year contract.

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

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

Contacting the City's Finance Department

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

City Of Avon, Ohio

Statement of Net Assets

December 31, 2002

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$9,773,388	\$1,531,743	\$11,305,131
Materials and Supplies Inventory	42,991	216,254	259,245
Accounts Receivable	115,396	187,884	303,280
Intergovernmental Receivable	845,252	0	845,252
Prepaid Items	37,122	5,050	42,172
Income Taxes Receivable	1,463,101	0	1,463,101
Property Taxes Receivable	2,271,841	0	2,271,841
Special Assessments Receivable	3,955,990	332,037	4,288,027
Deferred Charges	0	1,169,941	1,169,941
Capital Assets, Non-Depreciable	4,027,179	1,136,880	5,164,059
Capital Assets, Depreciable, Net	34,091,046	19,603,673	53,694,719
<i>Total Assets</i>	<u>56,623,306</u>	<u>24,183,462</u>	<u>80,806,768</u>
Liabilities			
Accounts Payable	146,362	21,750	168,112
Contracts Payable	165,153	0	165,153
Accrued Wages and Benefits	96,211	11,796	108,007
Intergovernmental Payable	158,540	23,030	181,570
Deferred Revenue	2,150,313	0	2,150,313
Accrued Interest Payable	127,460	27,882	155,342
Notes Payable	2,180,000	1,250,000	3,430,000
Long-Term Liabilities:			
Due Within One Year	388,712	209,632	598,344
Due In More Than One Year	9,171,500	2,770,426	11,941,926
<i>Total Liabilities</i>	<u>14,584,251</u>	<u>4,314,516</u>	<u>18,898,767</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	30,677,621	16,613,441	47,291,062
Restricted for:			
Capital Projects	3,258,950	0	3,258,950
Debt Service	1,961,648	0	1,961,648
Other Purposes	3,169,282	0	3,169,282
Unrestricted	2,971,554	3,255,505	6,227,059
<i>Total Net Assets</i>	<u>\$42,039,055</u>	<u>\$19,868,946</u>	<u>\$61,908,001</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Activities
For the Year Ended December 31, 2002

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$1,510,968	\$849,259	\$4,498	\$0
Security of Persons and Property	2,699,899	350,848	75,756	0
Transportation	2,931,435	2,190	494,385	1,302,781
Community Environment	940,434	482,531	111,480	0
Basic Utility Services	461,515	278,824	0	1,599,316
Leisure Time Activities	805,698	317,280	6,000	94,526
Interest and Fiscal Charges	511,821	0	0	0
<i>Total Governmental Activities</i>	<u>9,861,770</u>	<u>2,280,932</u>	<u>692,119</u>	<u>2,996,623</u>
Business-Type Activities				
Water	1,643,370	1,213,560	0	1,157,408
Sewer	1,014,067	844,518	0	1,147,981
<i>Total Business-Type Activities</i>	<u>2,657,437</u>	<u>2,058,078</u>	<u>0</u>	<u>2,305,389</u>
<i>Total</i>	<u>\$12,519,207</u>	<u>\$4,339,010</u>	<u>\$692,119</u>	<u>\$5,302,012</u>

General Revenues

Property Taxes Levied for:

General Purposes

Other Purposes

Debt Service

Capital Projects

Income Taxes Levied for:

General Purposes

Fire Department

Grants and Entitlements not Restricted
to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year - Restated (Note 3)

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activity	Total
(\$657,211)	\$0	(\$657,211)
(2,273,295)	0	(2,273,295)
(1,132,079)	0	(1,132,079)
(346,423)	0	(346,423)
1,416,625	0	1,416,625
(387,892)	0	(387,892)
(511,821)	0	(511,821)
<u>(3,892,096)</u>	<u>0</u>	<u>(3,892,096)</u>
0	727,598	727,598
<u>0</u>	<u>978,432</u>	<u>978,432</u>
0	1,706,030	1,706,030
<u>(3,892,096)</u>	<u>1,706,030</u>	<u>(2,186,066)</u>
698,768	0	698,768
1,133,835	0	1,133,835
84,537	0	84,537
244,153	0	244,153
2,909,788	0	2,909,788
2,008,383	0	2,008,383
237,174	0	237,174
533,541	25,825	559,366
<u>125,650</u>	<u>12,381</u>	<u>138,031</u>
7,975,829	38,206	8,014,035
<u>370,669</u>	<u>(370,669)</u>	<u>0</u>
<u>8,346,498</u>	<u>(332,463)</u>	<u>8,014,035</u>
4,454,402	1,373,567	5,827,969
<u>37,584,653</u>	<u>18,495,379</u>	<u>56,080,032</u>
<u>\$42,039,055</u>	<u>\$19,868,946</u>	<u>\$61,908,001</u>

City of Avon, Ohio

Balance Sheet

Governmental Funds

December 31, 2002

	<u>General</u>	<u>Fire Department</u>	<u>Police</u>	<u>Park Development</u>	<u>Special Assessment</u>	<u>Fire Facility Construction</u>
Assets						
Equity in Pooled Cash and						
Cash Equivalents	\$2,286,248	\$767,233	\$31,140	\$810,250	\$296,209	\$1,727,598
Taxes Receivable	1,615,509	643,764	329,989	0	0	0
Accounts Receivable	115,396	0	0	0	0	0
Interfund Receivable	205,000	0	0	0	0	0
Intergovernmental Receivable	375,999	0	16,439	0	0	0
Materials and Supplies Inventory	4,949	0	7,922	120	0	0
Prepaid Items	19,322	0	14,000	50	0	0
Special Assessments Receivable	0	0	0	0	3,955,990	0
<i>Total Assets</i>	<u>\$4,622,423</u>	<u>\$1,410,997</u>	<u>\$399,490</u>	<u>\$810,420</u>	<u>\$4,252,199</u>	<u>\$1,727,598</u>
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	\$35,229	\$129	\$16,688	\$0	\$0	\$5,455
Contracts Payable	12,122	0	0	15,250	0	86,313
Accrued Wages and Benefits	24,847	18,286	36,895	0	0	0
Interfund Payable	0	0	0	0	0	0
Intergovernmental Payable	36,184	9,068	26,303	0	0	0
Deferred Revenue	1,322,734	256,637	337,778	0	3,955,990	0
Accrued Interest Payable	0	0	0	26,615	0	55,764
Notes Payable	0	0	0	1,500,000	0	330,000
<i>Total Liabilities</i>	<u>1,431,116</u>	<u>284,120</u>	<u>417,664</u>	<u>1,541,865</u>	<u>3,955,990</u>	<u>477,532</u>
Fund Balances						
Reserved for Encumbrances	67,424	0	18,798	193,134	0	1,722,730
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	3,123,883	0	0	0	0	0
Special Revenue Funds	0	1,126,877	(36,972)	(924,579)	0	0
Debt Service Funds	0	0	0	0	296,209	0
Capital Projects Funds	0	0	0	0	0	(472,664)
<i>Total Fund Balances (Deficit)</i>	<u>3,191,307</u>	<u>1,126,877</u>	<u>(18,174)</u>	<u>(731,445)</u>	<u>296,209</u>	<u>1,250,066</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,622,423</u>	<u>\$1,410,997</u>	<u>\$399,490</u>	<u>\$810,420</u>	<u>\$4,252,199</u>	<u>\$1,727,598</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2002*

Water Capital	Other Governmental Funds	Total Governmental Funds		
			Total Governmental Fund Balances	\$8,498,231
			<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
\$542,641	\$3,312,069	\$9,773,388	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	38,118,225
0	1,145,680	3,734,942		
0	0	115,396		
0	0	205,000		
0	452,814	845,252	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
0	30,000	42,991	Special Assessments	3,955,990
0	3,750	37,122	Delinquent Property Taxes	66,430
0	0	3,955,990	Intergovernmental	414,397
			Municipal Income Taxes	<u>583,268</u>
<u>\$542,641</u>	<u>\$4,944,313</u>	<u>\$18,710,081</u>	Total	5,020,085
\$12,080	\$76,781	\$146,362	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental fund, an interest expenditure is reported when due	(37,274)
26,470	24,998	165,153		
0	16,183	96,211	Long-term liabilities, including bonds and compensated absences, are not due and payable in the current period therefore are not reported in the funds:	
0	205,000	205,000	General Obligation Bonds	(2,842,209)
0	86,985	158,540	Special Assessment Bonds	(3,955,990)
0	1,297,259	7,170,398	OPWC Loans	(79,713)
0	7,807	90,186	Notes Payable	(1,870,000)
0	350,000	2,180,000	Compensated Absences	<u>(812,300)</u>
<u>38,550</u>	<u>2,065,013</u>	<u>10,211,850</u>	Total	<u>(9,560,212)</u>
204,070	240,533	2,446,689	<i>Net Assets of Governmental Activities</i>	<u>\$42,039,055</u>
0	0	3,123,883		
0	796,252	961,578		
0	29,261	325,470		
<u>300,021</u>	<u>1,813,254</u>	<u>1,640,611</u>		
<u>504,091</u>	<u>2,879,300</u>	<u>8,498,231</u>		
<u>\$542,641</u>	<u>\$4,944,313</u>	<u>\$18,710,081</u>		

City of Avon, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2002

	General	Fire Department	Police	Park Development	Special Assessment	Fire Facility Construction
Revenues						
Property and Other Taxes	\$698,420	\$0	\$348,393	\$0	\$0	\$0
Municipal Income Taxes	3,396,302	1,751,746	0	0	0	0
Charges for Services	349,916	0	0	0	0	0
Licenses and Permits	1,015,975	0	0	285,974	0	0
Fines and Forfeitures	305,665	0	0	0	0	0
Intergovernmental	169,165	0	32,678	0	0	0
Special Assessments	0	0	0	0	174,939	0
Interest	150,912	0	0	0	322,752	15,420
Contributions and Donations	0	0	0	94,526	0	0
Other	96,394	0	1,503	1,050	0	0
<i>Total Revenues</i>	<u>6,182,749</u>	<u>1,751,746</u>	<u>382,574</u>	<u>381,550</u>	<u>497,691</u>	<u>15,420</u>
Expenditures						
Current:						
General Government	1,427,086	0	0	0	36,872	0
Security of Persons and Property	577,355	60,545	1,764,158	0	0	0
Transportation	0	0	0	0	0	0
Community Environment	781,939	0	0	0	0	0
Basic Utility Services	0	0	0	0	0	0
Leisure Time Activities	0	0	0	525,244	0	0
Capital Outlay	0	0	0	0	0	1,143,914
Debt Service:						
Principal Retirement	0	0	0	10,000	181,607	0
Interest and Fiscal Charges	0	0	0	66,415	208,880	55,764
<i>Total Expenditures</i>	<u>2,786,380</u>	<u>60,545</u>	<u>1,764,158</u>	<u>601,659</u>	<u>427,359</u>	<u>1,199,678</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,396,369</u>	<u>1,691,201</u>	<u>(1,381,584)</u>	<u>(220,109)</u>	<u>70,332</u>	<u>(1,184,258)</u>
Other Financing Sources (Uses)						
Notes Issued	0	0	0	0	0	1,870,000
Transfers In	318,784	0	1,376,316	94,526	111,492	564,324
Transfers Out	(3,201,007)	(564,324)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,882,223)</u>	<u>(564,324)</u>	<u>1,376,316</u>	<u>94,526</u>	<u>111,492</u>	<u>2,434,324</u>
<i>Net Change in Fund Balances</i>	514,146	1,126,877	(5,268)	(125,583)	181,824	1,250,066
<i>Fund Balances (Deficit)</i>						
<i>Beginning of Year</i>	<u>2,677,161</u>	<u>0</u>	<u>(12,906)</u>	<u>(605,862)</u>	<u>114,385</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$3,191,307</u>	<u>\$1,126,877</u>	<u>(\$18,174)</u>	<u>(\$731,445)</u>	<u>\$296,209</u>	<u>\$1,250,066</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, 2002*

Water Capital	Other Governmental Funds	Total Governmental Funds
\$0	\$1,114,506	\$2,161,319
0	0	5,148,048
212,860	97,270	660,046
0	0	1,301,949
0	13,272	318,937
0	929,114	1,130,957
0	0	174,939
14,302	30,155	533,541
0	37,125	131,651
0	26,703	125,650
<u>227,162</u>	<u>2,248,145</u>	<u>11,687,037</u>
0	0	1,463,958
0	259,020	2,661,078
0	947,671	947,671
0	128,967	910,906
0	33,541	33,541
0	250,428	775,672
9,722	1,505,577	2,659,213
0	159,821	351,428
0	179,712	510,771
<u>9,722</u>	<u>3,464,737</u>	<u>10,314,238</u>
<u>217,440</u>	<u>(1,216,592)</u>	<u>1,372,799</u>
0	0	1,870,000
10,040	2,272,748	4,748,230
(8,288)	(603,942)	(4,377,561)
<u>1,752</u>	<u>1,668,806</u>	<u>2,240,669</u>
219,192	452,214	3,613,468
<u>284,899</u>	<u>2,427,086</u>	<u>4,884,763</u>
<u>\$504,091</u>	<u>\$2,879,300</u>	<u>\$8,498,231</u>

Net Change in Fund Balances - Total Governmental Funds \$3,613,468

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

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Asset Additions	4,939,541	
Current Year Depreciation	<u>(2,214,027)</u>	
Total		2,725,514

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

Delinquent Property Taxes	(26)	
Intergovernmental	6,211	
Special Assessments	(174,939)	
Income Tax	<u>(229,877)</u>	
Total		(398,631)

Other financing sources in the governmental funds that increase long-term liabilities in the statement of net assets are not reported as revenues in the statement of activities. (1,870,000)

Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 351,428

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (1,050)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(84,001)	
Pension Obligation	<u>117,674</u>	
Total		<u>33,673</u>

Change in Net Assets of Governmental Activities \$4,454,402

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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Property and Other Taxes	\$450,939	\$694,556	\$698,366	\$3,810
Municipal Income Taxes	1,827,872	2,815,371	3,095,648	280,277
Charges for Services	142,074	218,829	234,520	15,691
Licenses and Permits	590,757	909,911	1,019,175	109,264
Fines and Forfeitures	168,321	321,005	309,824	(11,181)
Intergovernmental	114,482	176,331	202,213	25,882
Interest	95,439	147,000	146,786	(214)
Other	56,076	86,371	96,394	10,023
<i>Total Revenues</i>	<u>3,445,960</u>	<u>5,369,374</u>	<u>5,802,926</u>	<u>433,552</u>
Expenditures				
Current:				
General Government	984,879	1,579,748	1,459,044	120,704
Security of Persons and Property	404,946	655,188	620,522	34,666
Community Environment	506,887	846,247	769,009	77,238
<i>Total Expenditures</i>	<u>1,896,712</u>	<u>3,081,183</u>	<u>2,848,575</u>	<u>232,608</u>
<i>Excess of Revenues Over Expenditures</i>	<u>1,549,248</u>	<u>2,288,191</u>	<u>2,954,351</u>	<u>666,160</u>
Other Financing Sources (Uses)				
Advances In	146,838	205,000	0	(205,000)
Advances Out	(122,394)	(205,000)	(205,000)	0
Transfers In	1,269,286	572,034	318,784	(253,250)
Transfers Out	(2,405,553)	(3,465,547)	(3,148,007)	317,540
<i>Total Other Financing Sources (Uses)</i>	<u>(1,111,823)</u>	<u>(2,893,513)</u>	<u>(3,034,223)</u>	<u>(140,710)</u>
<i>Net Change in Fund Balance</i>	437,425	(605,322)	(79,872)	525,450
<i>Fund Balance Beginning of Year</i>	2,202,752	2,202,752	2,202,752	0
Prior Year Encumbrances Appropriated	57,108	57,108	57,108	0
<i>Fund Balance End of Year</i>	<u>\$2,697,285</u>	<u>\$1,654,538</u>	<u>\$2,179,988</u>	<u>\$525,450</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Municipal Income Taxes	\$15,000	\$1,100,000	\$1,364,619	\$264,619
Expenditures				
Current:				
Security of Persons and Property	<u>0</u>	<u>33,062</u>	<u>33,062</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	15,000	1,066,938	1,331,557	264,619
Other Financing Uses				
Transfers Out	<u>(15,000)</u>	<u>(564,324)</u>	<u>(564,324)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	502,614	767,233	264,619
<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>\$502,614</u></u>	<u><u>\$767,233</u></u>	<u><u>\$264,619</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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Property and Other Taxes	\$588,722	\$340,172	\$342,369	\$2,197
Intergovernmental	56,208	32,478	32,478	0
Other	5,481	3,167	1,503	(1,664)
<i>Total Revenues</i>	650,411	375,817	376,350	533
Expenditures				
Current:				
Security of Persons and Property	1,901,243	1,903,661	1,760,458	143,203
<i>Excess of Revenues Under Expenditures</i>	(1,250,832)	(1,527,844)	(1,384,108)	143,736
Other Financing Sources				
Transfers In	2,815,887	1,627,060	1,376,316	(250,744)
<i>Net Change in Fund Balance</i>	1,565,055	99,216	(7,792)	(107,008)
<i>Fund Balance Beginning of Year</i>	199	199	199	0
Prior Year Encumbrances Appropriated	7,593	7,593	7,593	0
<i>Fund Balance End of Year</i>	<u>\$1,572,847</u>	<u>\$107,008</u>	<u>\$0</u>	<u>(\$107,008)</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
Park Development Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Licenses and Permits	\$65,188	\$250,000	\$285,974	\$35,974
Contributions and Donations	29,217	112,053	94,526	(17,527)
Other	274	1,050	1,050	0
<i>Total Revenues</i>	<u>94,679</u>	<u>363,103</u>	<u>381,550</u>	<u>18,447</u>
Expenditures				
Current:				
Leisure Time Activities	32,340	959,126	719,479	239,647
Debt Service:				
Principal Retirement	0	1,510,000	1,510,000	0
Interest and Fiscal Charges	0	53,450	53,450	0
Total Debt Service	0	1,563,450	1,563,450	0
<i>Total Expenditures</i>	<u>32,340</u>	<u>2,522,576</u>	<u>2,282,929</u>	<u>239,647</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>62,339</u>	<u>(2,159,473)</u>	<u>(1,901,379)</u>	<u>258,094</u>
Other Financing Sources				
Notes Issued	1,500,000	1,500,000	1,500,000	0
Bonds Issued	391,120	1,500,000	0	(1,500,000)
Operating Transfers In	29,217	112,053	94,526	(17,527)
<i>Total Other Financing Sources</i>	<u>1,920,337</u>	<u>3,112,053</u>	<u>1,594,526</u>	<u>(1,517,527)</u>
<i>Net Change in Fund Balance</i>	1,982,676	952,580	(306,853)	(1,259,433)
<i>Fund Balance Beginning of Year</i>	898,999	898,999	898,999	0
Prior Year Encumbrances Appropriated	10,620	10,620	10,620	0
<i>Fund Balance End of Year</i>	<u>\$2,892,295</u>	<u>\$1,862,199</u>	<u>\$602,766</u>	<u>(\$1,259,433)</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2002

	Business-Type Activities		
	Water	Sewer	Total
Assets			
<i>Current Assets</i>			
Equity in Pooled Cash and Cash Equivalents	\$796,973	\$734,770	\$1,531,743
Accounts Receivable	97,868	90,016	187,884
Materials and Supplies Inventory	202,754	13,500	216,254
Prepaid Items	2,800	2,250	5,050
Special Assessments Receivable	332,037	0	332,037
Deferred Charges	1,169,941	0	1,169,941
<i>Total Current Assets</i>	<u>2,602,373</u>	<u>840,536</u>	<u>3,442,909</u>
<i>Noncurrent Assets</i>			
Non-Depreciable Assets	1,129,300	7,580	1,136,880
Depreciable Assets	9,554,754	10,048,919	19,603,673
<i>Total Noncurrent Assets</i>	<u>10,684,054</u>	<u>10,056,499</u>	<u>20,740,553</u>
<i>Total Assets</i>	<u>13,286,427</u>	<u>10,897,035</u>	<u>24,183,462</u>
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	10,016	11,734	21,750
Accrued Wages and Benefits	6,123	5,673	11,796
Intergovernmental Payable	80,698	12,961	93,659
Compensated Absences Payable	3,679	3,679	7,358
Accrued Interest Payable	27,882	0	27,882
Notes Payable	1,250,000	0	1,250,000
OWDA Loans - Current	0	93,845	93,845
Bonds Payable - Current	18,900	18,900	37,800
<i>Total Current Liabilities</i>	<u>1,397,298</u>	<u>146,792</u>	<u>1,544,090</u>
<i>Long-Term Liabilities</i>			
Compensated Absences Payable	47,794	47,794	95,588
Intergovernmental Payable	1,099,312	0	1,099,312
OWDA Loans	0	1,071,526	1,071,526
Bonds Payable	252,000	252,000	504,000
<i>Total Long-Term Liabilities</i>	<u>1,399,106</u>	<u>1,371,320</u>	<u>2,770,426</u>
<i>Total Liabilities</i>	<u>2,796,404</u>	<u>1,518,112</u>	<u>4,314,516</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	7,993,213	8,620,228	16,613,441
Unrestricted	2,496,810	758,695	3,255,505
<i>Total Net Assets</i>	<u>\$10,490,023</u>	<u>\$9,378,923</u>	<u>\$19,868,946</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
*Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2002*

	Business-Type Activities		
	Water	Sewer	Total
Operating Revenues			
Charges for Services	\$1,213,560	\$844,518	\$2,058,078
Other	10,766	1,615	12,381
<i>Total Operating Revenues</i>	<u>1,224,326</u>	<u>846,133</u>	<u>2,070,459</u>
Operating Expenses			
Personal Services	304,976	473,239	778,215
Materials and Supplies	722,498	76,582	799,080
Contractual Services	170,210	78,323	248,533
Other Operating Expenses	9,785	4,793	14,578
Depreciation	306,264	311,221	617,485
<i>Total Operating Expenses</i>	<u>1,513,733</u>	<u>944,158</u>	<u>2,457,891</u>
<i>Operating Loss</i>	<u>(289,407)</u>	<u>(98,025)</u>	<u>(387,432)</u>
Non Operating Revenues (Expenses)			
Interest	11,795	14,030	25,825
Interest and Fiscal Charges	(129,637)	(69,909)	(199,546)
<i>Total Non Operating Revenues (Expenses)</i>	<u>(117,842)</u>	<u>(55,879)</u>	<u>(173,721)</u>
<i>Loss Before Contributions and Transfers</i>	(407,249)	(153,904)	(561,153)
Capital Contributions	1,157,408	1,147,981	2,305,389
Transfers In	0	120,833	120,833
Transfers Out	(88,341)	(403,161)	(491,502)
<i>Change in Net Assets</i>	661,818	711,749	1,373,567
<i>Net Assets Beginning of Year - Restated - (See Note 3)</i>	<u>9,828,205</u>	<u>8,667,174</u>	<u>18,495,379</u>
<i>Net Assets End of Year</i>	<u><u>\$10,490,023</u></u>	<u><u>\$9,378,923</u></u>	<u><u>\$19,868,946</u></u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2002

	Business-Type Activities		
	Water	Sewer	Totals
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Customers	\$1,206,560	\$834,674	\$2,041,234
Cash Payments to Suppliers for Materials and Supplies	(782,812)	(74,474)	(857,286)
Cash Payments for Employee Services and Benefits	(311,372)	(480,177)	(791,549)
Cash Payments for Contractual Services	(217,701)	(73,020)	(290,721)
Other Operating Revenues	25,106	1,615	26,721
Other Operating Expenses	(9,785)	(4,793)	(14,578)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(90,004)</u>	<u>203,825</u>	<u>113,821</u>
Cash Flows from Noncapital Financing Activities			
Transfers In	0	20,333	20,333
Transfers Out	(24,380)	(403,161)	(427,541)
<i>Net Cash Used for Noncapital Financing Activities</i>	<u>(24,380)</u>	<u>(382,828)</u>	<u>(407,208)</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	(1,129,300)	0	(1,129,300)
Proceeds of Notes	2,500,000	0	2,500,000
Special Assessments	29,927	0	29,927
Tap-In Fees	313,773	360,987	674,760
Principal Paid on Revenue Bonds	(18,900)	(18,900)	(37,800)
Interest Paid on Revenue Bonds	(19,168)	(19,168)	(38,336)
Principal Paid on OWDA Loans	0	(90,466)	(90,466)
Interest Paid on OWDA Loans	0	(50,741)	(50,741)
Principal Paid on Notes	(1,476,000)	0	(1,476,000)
Interest Paid on Notes	(14,660)	0	(14,660)
Interest Paid to City of Avon Lake	(51,917)	0	(51,917)
Payments to City of Avon Lake	(49,975)	0	(49,975)
<i>Net Cash Provided by Capital and Related Financing Activities</i>	<u>83,780</u>	<u>181,712</u>	<u>265,492</u>
Cash Flows from Investing Activities			
Interest on Investments	11,795	14,030	25,825
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<u>(18,809)</u>	<u>16,739</u>	<u>(2,070)</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>815,782</u>	<u>718,031</u>	<u>1,533,813</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$796,973</u>	<u>\$734,770</u>	<u>\$1,531,743</u>

(continued)

City of Avon, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2002

	Business-Type Activities		
	Water	Sewer	Totals
Reconciliation of Operating Loss to Net Cash Provided By (Used For) Operating Activities			
Operating Loss	(\$289,407)	(\$98,025)	(\$387,432)
<i>Adjustments:</i>			
Depreciation	306,264	311,221	617,485
<i>(Increase) Decrease in Assets:</i>			
Accounts Receivable	7,340	(9,844)	(2,504)
Materials and Supplies Inventory	(59,539)	(94)	(59,633)
Prepaid Items	(150)	(483)	(633)
<i>Increase (Decrease) in Liabilities:</i>			
Accounts Payable	(10,606)	6,903	(3,703)
Accrued Wages	951	710	1,661
Compensated Absences Payable	(7,666)	(7,666)	(15,332)
Intergovernmental Payable	(37,191)	1,103	(36,088)
<i>Total Adjustments</i>	199,403	301,850	501,253
<i>Net Cash Provided by (Used for) Operating Activities</i>	(\$90,004)	\$203,825	\$113,821

Noncash Capital Financing Activities

During 2002, the water and sewer enterprise funds received water and sewer lines from developers valued at \$825,943 and \$786,994 respectively.

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2002

Assets

Equity in Pooled Cash and Cash Equivalents	<u><u>\$3,221,587</u></u>
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Liabilities

Deposits Held and Due to Others	\$3,133,964
Intergovernmental Payable	<u>87,623</u>

<i>Total Liabilities</i>	<u><u>\$3,221,587</u></u>
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See accompanying notes to the basic financial statements

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2002

Note 1 - Description of City and Reporting Entity

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

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

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

Reporting Entity

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

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

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

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

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2002

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 City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the City's accounting policies are described below.

A. Basis of Presentation

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

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

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

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

B. Fund Accounting

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

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2002

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

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

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

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

Park Development Special Revenue Fund This fund is used to account for fees assessed to anyone building within the City limits, proceeds from the sale of property or donations used to provide for the maintenance of City parks.

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

Fire Facility Construction Capital Projects Fund This fund is used to account for interest, transfers from the fire department special revenue fund and building expenditures to pay for the construction of the new fire department.

Water Capital Capital Projects Fund This fund accounts for the costs associated with constructing and maintaining the water lines throughout the City that will be paid primarily from transfers from the general fund and the water enterprise fund.

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

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

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

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

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.

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2002

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

C. Measurement Focus

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

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

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

D. Basis of Accounting

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2002

for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2002, but which were levied to finance year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

E. Budgetary Process

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

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

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2002

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

F. Cash and Cash Equivalents

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

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

During 2002, investments were limited to repurchase agreements and State Treasury Asset Reserve of Ohio (STAROhio).

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2002.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2002 amounted to \$150,912, which includes \$113,673 assigned from other City funds.

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

G. Inventory

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2002 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

I. Capital Assets

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

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2002

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five hundred dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

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

The City's infrastructure consists of park improvements, streets, bridges and culverts, traffic signals, storm sewers and water lines.

J. Interfund Balances

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

K. Compensated Absences

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

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

L. Accrued Liabilities and Long-Term Obligations

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

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2002

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

M. Fund Balance Reserves

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

N. Net Assets

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

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

O. Contributions of Capital

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

P. Interfund Activity

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

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

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2002

Q. Operating Revenues and Expenses

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence.

S. Estimates

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

Note 3 – Restatement of Prior Year Fund Balance/Net Assets

At December 31, 2001, fund balances and net assets for governmental activities and business-type activities were restated due to a reclassification of accrued interest payable and notes payable. The fund balance for the water capital projects fund was restated from \$54,861 to \$284,899. Net assets for the water enterprise fund was restated from \$10,058,243 to \$9,828,205.

Governmental and business-type net assets were restated from \$37,354,615 and \$18,725,417 to \$37,584,653 and \$18,495,379, respectively.

Note 4 – Fund Deficits and Legal Compliance

A. Fund Deficits

Fund balances at December 31, 2002 included the following individual fund balance deficits:

	<u>Deficits</u>
Major Funds:	
Special Revenue Funds:	
Police	\$18,174
Park Development	731,445
Nonmajor Funds:	
Special Revenue Funds:	
Drainage	197
Police Pension	62,715

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2002

Fund deficits in the police, drainage and police pension funds are due to adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, rather than when accruals occur. Fund deficits in the park development special revenue fund is due to the issuance of short-term bond anticipation notes which are used to finance the project until bonds are issued.

Note 5 - Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balances/retained earnings 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, fire department, police and park development 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. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

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

	Net Change in Fund Balance			
	<u>General</u>	<u>Fire Department</u>	<u>Police</u>	<u>Park Development</u>
GAAP Basis	\$514,146	\$1,126,877	(\$5,268)	(\$125,583)
Net Adjustment for Revenue Accruals	(400,640)	(387,127)	(6,224)	0
Unrecorded Cash	20,817	0	0	0
Proceeds of Notes	0	0	0	1,500,000
Net Adjustment for Expenditure Accruals	76,248	27,483	34,840	36,214
Advances Out	(205,000)	0	0	0
Principal Retirement	0	0	0	(1,510,000)
Encumbrances	<u>(85,443)</u>	<u>0</u>	<u>(31,140)</u>	<u>(207,484)</u>
Budget Basis	<u><u>(\$79,872)</u></u>	<u><u>\$767,233</u></u>	<u><u>(\$7,792)</u></u>	<u><u>(\$306,853)</u></u>

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2002

Note 6 - Deposits and Investments

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

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

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

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

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Finance Director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Interim monies may be invested in the following securities:

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

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2002

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

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

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

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

The following information on classified deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

Deposits At year-end, the carrying amount of the City's deposits was \$2,988,986 and the bank balance was \$3,150,454. Of the bank balance:

1. \$259,711 was covered by federal depository insurance.
2. \$2,890,743 was uncollateralized and uninsured. Although the securities were held by the pledging financial institutions trust department or agent in the City's name and all State statutory requirements for the investment of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments GASB Statement No. 3 requires the City to categorize investments to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments that are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments that are held by the counterparty or by its trust department or agent but not in the City's name. STAROhio is not categorized since it is not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying Value	Fair Value
Repurchase Agreements	\$5,340,263	\$5,340,263	\$5,340,263
STAROhio		6,197,469	6,197,469
Total Investments		\$11,537,732	\$11,537,732

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2002

The classification of cash and cash equivalents and investments on the basic financial statements is based on criteria set forth in GASB Statement 9. Cash equivalents are defined as investments with an original maturity of three months or less. Reconciliation between the classification of cash and investments on the basic financial statements and the classification per GASB Statement 3 is as follows:

	Cash and Cash Cash Equivalents/ Deposits	Investments
GASB Statement No. 9	\$14,526,718	\$0
Investments:		
Repurchase Agreements	(5,340,263)	5,340,263
STAROhio	(6,197,469)	6,197,469
GASB Statement No. 3	\$2,988,986	\$11,537,732

Note 7 - Receivables

Receivables at December 31, 2002, consisted primarily of municipal income taxes, property and other taxes, special assessments, intergovernmental receivables arising from entitlements and shared revenues and accounts (billings for user charged services and court fines).

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

Special assessments expected to be collected in more than one year amount to \$3,777,810 in the special assessment bond retirement fund. The amount of delinquent special assessments outstanding at year-end is \$269,333.

A. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2002 for real and public utility property taxes represents collections of 2001 taxes. Property tax payments received during 2002 for tangible personal property (other than public utility property) are for 2002 taxes.

2002 real property taxes are levied after October 1, 2002 on the assessed value as of January 1, 2002, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2002 real property taxes are collected in and intended to finance 2003.

Public utility real and tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2002 public utility property taxes which become a lien December 31, 2001, are levied after October 1, 2002, and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after October 1, 2001, on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are 25 percent of true value for capital assets and 24 percent for inventory.

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2002

The full tax rate for all City operations for the year ended December 31, 2002 was \$10.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2002 property tax receipts were based are as follows:

Real Property	\$333,997,220
Public Utility Property	11,260,440
Tangible Personal Property	<u>20,953,670</u>
Total Valuation	<u><u>\$366,211,330</u></u>

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

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

The Lorain County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Avon. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2002 and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2002 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

B. Income Tax

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

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

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2002

C. Intergovernmental Receivables

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

	<u>Amount</u>
Local Government	\$220,317
Motor Vehicle Tax	27,106
Grants	205,000
Gasoline Tax	129,009
Homestead and Rollback	121,461
Estate Tax	103,283
Permissive Tax	31,017
Fines, Licenses and Fees	<u>8,059</u>
Total	<u><u>\$845,252</u></u>

Note 8 - Contingencies

A. Grants

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

B. Litigation

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

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2002

Note 9 – Capital Assets

Capital asset activity for the year ended December 31, 2002, was as follows:

	Balance 12/31/01	Additions	Deletions	Balance 12/31/02
Governmental Activities				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$1,298,696	\$0	\$0	\$1,298,696
Construction in Progress	1,408,784	1,484,699	(165,000)	2,728,483
<i>Total Capital Assets, Not Being Depreciated</i>	<u>2,707,480</u>	<u>1,484,699</u>	<u>(165,000)</u>	<u>4,027,179</u>
<i>Capital Assets, Being Depreciated:</i>				
Land Improvements	142,965	142,572	0	285,537
Buildings and Improvements	2,195,607	567,805	0	2,763,412
Machinery and Equipment	3,440,286	240,650	(65,305)	3,615,631
Infrastructure:				
Park Improvements	280,187	0	0	280,187
Streets	30,787,477	1,302,781	0	32,090,258
Bridges and Culverts	583,531	0	0	583,531
Traffic Signals	749,470	11,718	0	761,188
Storm Sewer	7,256,576	1,354,316	0	8,610,892
Water Lines	37,300	0	0	37,300
<i>Total Capital Assets, Being Depreciated</i>	<u>45,473,399</u>	<u>3,619,842</u>	<u>(65,305)</u>	<u>49,027,936</u>
Less Accumulated Depreciation:				
Land Improvements	(104,754)	(12,699)	0	(117,453)
Buildings and Improvements	(335,040)	(44,723)	0	(379,763)
Machinery and Equipment	(1,852,295)	(244,283)	65,305	(2,031,273)
Infrastructure:				
Park Improvements	(32,426)	(9,340)	0	(41,766)
Streets	(9,129,410)	(1,645,071)	0	(10,774,481)
Bridges and Culverts	(143,063)	(16,672)	0	(159,735)
Traffic Signals	(118,089)	(41,963)	0	(160,052)
Storm Sewer	(1,036,791)	(199,276)	0	(1,236,067)
Water Lines	(36,300)	0	0	(36,300)
<i>Total Accumulated Depreciation</i>	<u>(12,788,168)</u>	<u>(2,214,027) *</u>	<u>65,305</u>	<u>(14,936,890)</u>
Total Capital Assets, Being Depreciated, Net	<u>32,685,231</u>	<u>1,405,815</u>	<u>0</u>	<u>34,091,046</u>
Governmental Activities Capital Assets, Net	<u>\$35,392,711</u>	<u>\$2,890,514</u>	<u>(\$165,000)</u>	<u>\$38,118,225</u>

During 2002, the City received street improvements and storm sewer lines from developers valued at \$2,657,097.

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2002

	Balance 12/31/01	Additions	Deletions	Balance 12/31/02
Business-Type Activities				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$7,580	\$0	\$0	\$7,580
Construction in Progress	0	1,129,300	0	1,129,300
<i>Total Capital Assets Not Being Depreciated</i>	<u>7,580</u>	<u>1,129,300</u>	<u>0</u>	<u>1,136,880</u>
<i>Capital Assets, Being Depreciated:</i>				
Land Improvements	98,013	0	0	98,013
Buildings and Improvements	1,693,594	0	0	1,693,594
Machinery and Equipment	204,680	0	0	204,680
Infrastructure:				
Water Lines	10,516,424	825,943	0	11,342,367
Sewer Lines	11,441,593	786,994	0	12,228,587
<i>Total Capital Assets, Being Depreciated</i>	<u>23,954,304</u>	<u>1,612,937</u>	<u>0</u>	<u>25,567,241</u>
Less Accumulated Depreciation:				
Land Improvements	(98,013)	0	0	(98,013)
Buildings and Improvements	(355,655)	(33,872)	0	(389,527)
Machinery and Equipment	(130,195)	(12,835)	0	(143,030)
Infrastructure:				
Water Lines	(2,895,960)	(260,387)	0	(3,156,347)
Sewer Lines	(1,866,260)	(310,391)	0	(2,176,651)
<i>Total Accumulated Depreciation</i>	<u>(5,346,083)</u>	<u>(617,485)</u>	<u>0</u>	<u>(5,963,568)</u>
Total Capital Assets, Being Depreciated, Net	<u>18,608,221</u>	<u>995,452</u>	<u>0</u>	<u>19,603,673</u>
Business-Type Activities Capital Assets, Net	<u>\$18,615,801</u>	<u>\$2,124,752</u>	<u>\$0</u>	<u>\$20,740,553</u>

* Depreciation expense was charged to governmental functions as follows:

General Government	\$48,500
Security of Persons and Property	87,398
Transportation	1,827,930
Community Environment	1,489
Leisure Time Activities	32,505
Basic Utility Services	216,205
Total Depreciation Expense	<u>\$2,214,027</u>

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2002

Note 10 – Note Debt

A summary of note transactions for the year ended December 31, 2002 follows:

	Balance 12/31/01	Additions	Deletions	Balance 12/31/02
Park Development Fund				
2001, 2.80% Recreation Facility	\$1,500,000	\$0	\$1,500,000	\$0
2002, 1.75% Recreation Facility	0	1,500,000	0	1,500,000
<i>Total Park Development Fund</i>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
Fire Facility Construction				
2002, 2.50% Fire Station Improvement	0	330,000	0	330,000
Sewer Capital Fund				
2001, 3.25% Various Purpose	225,000	0	225,000	0
2001, 3.25% Various Purpose	350,000	0	350,000	0
2002, 2.20% Municipal Waterworks System	0	350,000	0	350,000
<i>Total Sewer Capital Fund</i>	<u>575,000</u>	<u>350,000</u>	<u>575,000</u>	<u>350,000</u>
Water Fund				
2001 3.20% Kinzel Road Watermain Improvement	226,000		226,000	0
2002 2.00% Municipal Waterworks System	0	1,250,000	1,250,000	0
2002 2.20% Municipal Waterworks System	0	1,250,000	0	1,250,000
<i>Total Water Fund</i>	<u>226,000</u>	<u>2,500,000</u>	<u>1,476,000</u>	<u>1,250,000</u>
Total	<u><u>\$2,301,000</u></u>	<u><u>\$4,680,000</u></u>	<u><u>\$3,551,000</u></u>	<u><u>\$3,430,000</u></u>

All the notes are backed by the full faith and credit of the City of Avon and mature within one year. The note liability is reflected in the funds which received the proceeds. All note proceeds have been fully expended, with the exception of \$1,147,854 in unspent fire facility construction note proceeds as of December 31, 2002. (See Note 11) The park development note will be paid by revenues from the general fund. The fire facility construction note will be paid by income tax revenues from the fire department fund. The sewer capital note will be paid primarily from transfers from the general fund and sewer enterprise fund. The water fund note will be paid by charges for services from the water fund.

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

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2002

Note 11 – Long-Term Obligations

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

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
<i>General Obligation Bonds:</i>			
Sanitary Water Construction - 1992	4.00-6.65 %	\$160,000	December 1, 2012
Moore Road/Formanek - 1989	7.13	23,904	December 1, 2008
Detroit Road Park - 1996	5.20-5.90	250,000	December 1, 2016
Library Improvement - 1996	3.90-5.55	1,060,000	December 1, 2014
Northgate Sewer Improvement - 1996	5.00-5.70	400,000	December 1, 2016
New City Hall - 1997	3.90-5.50	895,800	December 1, 2017
Just Imagine Drive - 1997	3.90-5.35	655,000	December 1, 2017
North Branch Sewer Avins Ditch - 1998	4.60-5.20	88,467	December 1, 2018
Moore Road Improvement - 1999	4.40-5.40	110,870	December 1, 2019
<i>Special Assessment Bonds:</i>			
Moore Road/Formanek - 1989	7.13	391,096	December 1, 2008
Route 83 Sewer Improvement - 1995	4.20-6.50	520,000	December 1, 2015
Chester Road Sanitary Sewer - 1997	3.90-5.50	974,600	December 1, 2017
Moore/Chester Road Waterline - 1997	3.90-5.50	94,200	December 1, 2017
Chester Road Waterline East - 1997	3.90-5.50	152,200	December 1, 2017
Avon Road Waterline - 1997	3.90-5.50	324,200	December 1, 2017
Eaton Subdivision - 1997	3.90-4.85	39,000	December 1, 2007
North Branch Sewer Avins Ditch - 1998	4.60-5.20	281,533	December 1, 2018
Moore Road Improvement - 1999	4.40-5.40	869,130	December 1, 2019
Mills, Jaycox, Sandy Lane - 2000	4.50-5.75	585,000	December 1, 2020
Various Purpose - 2001	3.95-5.25	590,000	December 1, 2021
<i>Ohio Public Works Commission Loans:</i>			
Sanitary Sewer Rehabilitation - 1993	0.00	91,850	December 1, 2003
Nagel Road Bridge - 1996	0.00	100,787	December 1, 2005
Route 83 Sanitary Sewer - 1996	0.00	149,627	December 1, 2005
<i>Fire Facility Constructions Notes</i>	1.35	1,870,000	April 16, 2004
<i>Ohio Water Development Loans:</i>			
Sanitary Sewer Addition - 1989	7.65	687,406	January 1, 2013
Sanitary Sewer Construction - 1989	2.00	1,536,998	January 1, 2013
<i>Enterprise General Obligation Bonds:</i>			
Water Construction - 1992	4.00-6.55	420,000	December 1, 2012
Sewer Construction - 1992	4.00-6.55	420,000	December 1, 2012

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2002

Changes in bonds and other long-term obligations of the City during 2002 were as follows:

	Principal Outstanding 12/31/01	Additions	Deletions	Principal Outstanding 12/31/02	Due Within One Year
Governmental Activities					
<i>General Obligation Bonds:</i>					
Sanitary Water Construction	\$110,400	\$0	\$7,200	\$103,200	\$7,200
Moore Road/Formanek	6,626	0	864	5,762	864
Detroit Road Park	200,000	0	10,000	190,000	10,000
Library Improvement	795,000	0	45,000	750,000	50,000
Northgate Sewer Improvement	335,000	0	15,000	320,000	15,000
New City Hall	783,264	0	31,651	751,613	33,409
Just Imagine Drive	570,000	0	25,000	545,000	25,000
North Branch Sewer Avins Ditch	80,099	0	3,587	76,512	3,587
Moore Road Improvement	104,082	0	3,960	100,122	3,960
<i>Total General Obligation Bonds</i>	<u>2,984,471</u>	<u>0</u>	<u>142,262</u>	<u>2,842,209</u>	<u>149,020</u>
<i>Special Assessment Bonds:</i>					
Moore Road/Formanek	108,374	0	14,136	94,238	14,136
Route 83 Sewer Improvement	420,000	0	20,000	400,000	20,000
Chester Road Sanitary Sewer	852,164	0	34,435	817,729	36,348
Moore/Chester Road Waterline	82,367	0	3,328	79,039	3,513
Chester Road Waterline East	133,080	0	5,378	127,702	5,676
Avon Road Waterline	283,472	0	11,455	272,017	12,091
Eaton Subdivisions	25,653	0	3,754	21,899	3,963
North Branch Sewer Avins Ditch	254,901	0	11,413	243,488	11,413
Moore Road Improvement	815,918	0	31,040	784,878	31,040
Mills, Jaycox, Sandy Lane	565,000	0	20,000	545,000	20,000
Various Purpose	590,000	0	20,000	570,000	20,000
<i>Total Special Assessment Bonds</i>	<u>4,130,929</u>	<u>0</u>	<u>174,939</u>	<u>3,955,990</u>	<u>178,180</u>
<i>Ohio Public Works Commission Loans:</i>					
Sanitary Sewer Rehabilitation	13,777	0	9,185	4,592	4,592
Nagel Road Bridge	40,313	0	10,079	30,234	10,078
Route 83 Sanitary Sewer Project	59,850	0	14,963	44,887	14,962
<i>Total Ohio Public Works Commission Loans</i>	<u>113,940</u>	<u>0</u>	<u>34,227</u>	<u>79,713</u>	<u>29,632</u>
Notes Payable	0	1,870,000	0	1,870,000	0
Compensated Absences	728,299	84,001	0	812,300	31,880
<i>Total Governmental Activities</i>	<u>\$7,957,639</u>	<u>\$1,954,001</u>	<u>\$351,428</u>	<u>\$9,560,212</u>	<u>\$388,712</u>

City of Avon, Ohio
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For the Year Ended December 31, 2002

	Principal Outstanding 12/31/01	Additions	Deletions	Principal Outstanding 12/31/02	Due Within One Year
Business-Type Activities					
<i>Ohio Water Development Loans:</i>					
Sanitary Sewer Addition	\$418,059	\$0	\$62,695	\$355,364	\$63,949
Sanitary Sewer Construction	837,778	0	27,771	810,007	29,896
<i>Total Ohio Water Development Loans</i>	<u>1,255,837</u>	<u>0</u>	<u>90,466</u>	<u>1,165,371</u>	<u>93,845</u>
<i>General Obligation Revenue Bonds:</i>					
Water Construction	289,800	0	18,900	270,900	18,900
Sewer Construction	289,800	0	18,900	270,900	18,900
<i>Total General Obligation Revenue Bonds</i>	<u>579,600</u>	<u>0</u>	<u>37,800</u>	<u>541,800</u>	<u>37,800</u>
Intergovernmental Payable	1,236,731	0	66,790	1,169,941	70,629
Compensated Absences	118,278	1,536	16,868	102,946	7,358
<i>Total Business-Type Activities</i>	<u>\$3,190,446</u>	<u>\$1,536</u>	<u>\$211,924</u>	<u>\$2,980,058</u>	<u>\$209,632</u>

General obligation bonds except the Detroit Road Park bond, the Library Improvement bond, and the Route 83 Sanitary Sewer Project Ohio Public Works Commission loans will be paid from the general bond retirement debt service fund. The Detroit Road Park general obligation bond will be paid from the park development special revenue fund. The Library Improvement general obligation bond will be paid from the library bond retirement debt service fund. The Special assessment bonds and the Route 83 Ohio Public Commission loan will be paid from the proceeds of special assessments levied against benefited property owners. The general obligation bond retirement fund also contributes a small portion towards the Mills, Jaycox, Sandy Lane special assessment bond payment. In the event that a property owner would fail to pay the assessment, payment would be made by the City. Special assessment debt and Ohio Public Works Commission loans used to construct business-type capital assets and paid out of governmental activities have been reflected in the “net assets restricted for debt service” section of the statement of net assets.

Bond anticipation notes that were rolled over prior to the issuance of the financial statements and have a new maturity beyond the end of the year in which the report is issued have been reported in the government wide statements. The notes are backed by the full faith of the City of Avon.

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

The OWDA loans and general obligation revenue bonds reported in the enterprise funds will be paid from revenues derived by the City from water and sewer user charges.

Enterprise General Obligation Bonds

In 1992, the City issued \$420,000 in water construction and \$420,000 in sewer construction general obligation bonds with interest rates between 4.00 and 6.55%. The bonds include serial and term bonds. The term bonds have annual mandatory sinking fund redemption requirements and there are optional redemption provisions for the serial bonds. The term bonds mature on December 1, 2012 in the amount of \$85,000, \$35,700 in the sewer fund and \$49,300 in the water fund, at a redemption price equal to 100 percent of the principal plus accrued interest to the redemption date. The serial bonds maturing on or after December 1, 2003 are subject to early

City of Avon, Ohio
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For the Year Ended December 31, 2002

redemption, by and at the sole option of the City, either in whole on any date or in part on any interest payment date on or after December 1, 2002, in integral multiples of \$5,000, at the following redemption prices plus accrued interest to the redemption date:

Redemption Dates (Dates Inclusive)	Redemption Price
December 1, 2002, to November 30, 2003	102 %
December 1, 2003, to November 30, 2004	101
December 1, 2004, and thereafter	100

Avon Lake Contractual Agreement

During 1994, the City of Avon entered into a contractual agreement with the City of Avon Lake for the construction and future maintenance of a water trunk line that runs through Avon and that Avon residents will be able to tap into. The project was financed mainly by general obligation bonds which were issued in 1994 by the City of Avon Lake. All proceeds were received by the City of Avon Lake and the City of Avon Lake is responsible for the debt retirement. The line will be a fixed asset of the City of Avon Lake. Cost overruns have increased Avon's share of the costs. The total amount owed to the City of Avon Lake as of December 31, 2002 is \$1,169,941. This amount has been recorded on Avon's books as a long-term liability in the water enterprise fund. The annual interest rate of this obligation ranges from 4.3 percent to 6.5 percent.

A corresponding amount has been recorded as deferred charges in the water enterprise fund. This amount will be amortized over the life of the debt to the City of Avon Lake. In 2002, a payment was made to the City of Avon Lake in the amount of \$66,790; \$16,815 from the special assessment debt service fund and \$49,975 from the enterprise water fund. The current year capital contribution related to this debt is \$17,692.

Of the amount owed to Avon Lake, \$332,037 will be repaid from special assessments levied against property owners. The remainder of the amount owed to the City of Avon Lake will be repaid with water fund revenues.

The City's overall legal debt margin was \$28,611,353 and an unvoted debt margin of \$10,300,786 at December 31, 2002. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2002 are as follows:

Years	General Obligation Bonds		Special Assessment Bonds		OPWC Loans	Total Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2003	\$149,020	\$153,421	\$178,180	\$212,582	\$29,632	\$356,832	\$366,003
2004	151,578	146,008	181,421	204,124	25,040	358,039	350,132
2005	164,137	137,695	189,664	195,447	25,041	378,842	333,142
2006	172,260	130,503	197,340	186,096	0	369,600	316,599
2007	179,307	121,596	215,293	176,012	0	394,600	297,608
2008-2012	1,047,463	462,202	1,157,537	702,147	0	2,205,000	1,164,349
2013-2017	954,873	150,853	1,385,126	352,762	0	2,339,999	503,615
2018-2021	23,571	1,717	451,429	49,798	0	475,000	51,515
Total	\$2,842,209	\$1,303,995	\$3,955,990	\$2,078,968	\$79,713	\$6,877,912	\$3,382,963

City of Avon, Ohio
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Years	OWDA Loans		Revenue Bonds		Avon Lake		Total Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$93,845	\$47,363	\$37,800	\$36,030	\$70,629	\$68,492	\$202,274	\$151,885
2004	97,409	43,797	42,000	32,760	74,467	64,713	213,876	141,270
2005	101,176	40,033	46,200	30,724	78,312	60,623	225,688	131,380
2006	105,157	36,048	50,400	27,652	82,912	56,232	238,469	119,932
2007	109,368	31,839	50,400	24,298	87,518	51,507	247,286	107,644
2008-2012	514,627	86,812	315,000	65,636	520,500	173,700	1,350,127	326,148
2013-2016	143,789	751	0	0	255,603	23,169	399,392	23,920
Total	<u>\$1,165,371</u>	<u>\$286,643</u>	<u>\$541,800</u>	<u>\$217,100</u>	<u>\$1,169,941</u>	<u>\$498,436</u>	<u>\$2,877,112</u>	<u>\$1,002,179</u>

Note 12 – Compensated Absences

The criteria for determining the vacation and sick leave liabilities are derived from negotiated agreements and City ordinances. Full-time employees earn 10 to 25 vacation days per year, depending upon length of service. Unused vacation balances that can be carried over to the next year vary according to the employee's classification. All employees other than police department employees may carry over 80 hours into the following year. Police department employees may carry over 40 hours. In addition, police department employees may carry over unused compensatory time and holidays. Accumulated, unused vacation, compensatory time, and holidays are paid upon termination of employment.

All full-time employees of the City earn sick leave at the rate of one and one-fourth days per month. Sick leave accumulation is unlimited. Upon retirement, payment is made for one-half of total sick leave accumulation for all employees except for the employees who are covered under the AFSCME bargaining agreement, Teamsters bargaining agreement, fire department employees, and appointed administrators. Sick leave payment upon retirement for employees under the AFSCME and Teamsters agreement is limited to 960 hours of total sick leave accumulation. Fire department employees work part-time and do not accumulate sick leave. Appointed administrators do not receive termination sick leave payment unless they retire from the City. For all employees, accumulated sick leave in excess of 90 days may be converted to vacation leave at the rate of one sick leave day for one vacation day to a maximum of five days for a calendar year.

Note 13 - Risk Management

A. Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2002, the City negotiated with Custis Insurance Service, Inc. for commercial insurance coverage relating to general liability, property, fire, auto, employee bonds and public officials bonds.

The cost of the current coverage was \$86,635. This coverage includes a \$2,000,000 comprehensive combined single limit general liability insurance policy with a \$3,500 deductible, a \$1,000,000 general law enforcement liability insurance policy with a \$5,000 deductible, a \$10,771,851 blanket building and contents policy and a \$10,000,000 umbrella coverage policy.

City of Avon, Ohio
Notes to The Basic Financial Statements
For the Year Ended December 31, 2002

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

B. Workers' Compensation

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

C. Health Insurance Benefits

The City participates in the Lorain County Healthcare Program, a shared risk pool (Note 17) to provide the health insurance coverage for the employees of the City. Through the SuperMed Classic Healthcare Plan with Medical Mutual of Ohio the coverages include health, prescription drug, dental and vision benefits. The City pays monthly contributions to the Program, which is used to cover claims and administrative costs and to purchase excess loss insurance for the plan. The Program has entered into an agreement for individual and aggregate excess loss coverage with a commercial insurance carrier. The individual excess loss coverage has been structured to indemnify the program for medical claims paid for an individual in excess of \$10,000, with no individual lifetime maximum. The aggregate excess loss coverage has been structured to indemnify the program for aggregate claims paid in excess of 115 percent of projected claims. In the event that the losses of the Program in any year exceeds amounts paid to the Program, together with all stop-loss, reinsurance and other coverage then in effect, then the payment of all uncovered losses shall revert to and be the sole obligation of the political subdivision against which the claim was made.

Note 14 - Defined Benefit Pension Plans

A. Ohio Public Employee Retirement System

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Ohio Public Employees Retirement System of Ohio (OPERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.50 percent of their annual covered salary to fund pension obligations. The 2002 employer pension contribution rate for the City was 8.55 percent of covered payroll, decreased from 9.25 percent in 2001. Contributions are authorized by State statute. The City's required contributions to OPERS for the years ended December 31, 2002, 2001 and 2000, were \$183,830, \$189,314, and \$119,620 respectively. The full amount has been contributed for 2001 and 2000. 69.65 percent has been contributed for 2002 with the remainder being presented as "intergovernmental payable" in the governmental activities column on the statement of net assets.

B. Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer public employee retirement system administered by the OP&F's Board of Trustees. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

City of Avon, Ohio
Notes to The General Purpose Financial Statements
For the Year Ended December 31, 2002

Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The OP&F issues a publicly available financial report that includes financial information and required supplementary information. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Police are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 11.75 percent. Contributions are authorized by State statute. The City's contributions to OP&F for police for the years ended December 31, 2002, 2001 and 2000 were \$116,519, \$111,080 and \$99,060 respectively. The full amount has been contributed for 2001 and 2000 and 66.21 percent has been contributed for 2002 with the remainder being presented as "intergovernmental payable" in the governmental activities column on the statement of net assets.

Note 15 - Postemployment Benefits

A. Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System of Ohio (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2002 employer contribution rate was 13.55 percent of covered payroll; 5 percent was the portion that was used to fund health care for 2002. For 2001, the contribution rate was 13.55 percent of covered payroll; 4.3 percent was the portion that was used to fund health care.

Benefits are advanced-funded using the entry age normal cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2001, include a rate of return on investments of 8.0 percent, an annual increase in active employee total payroll of 4.0 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.0 percent annually.

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

The number active contributing participants were 402,041. The City's actual contributions for 2002 which were used to fund postemployment benefits were \$107,503. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2001, (the latest information available) were \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$16.4 billion and \$4.8 billion, respectively.

B. Ohio Police and Fire Pension Fund

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

City of Avon, Ohio
Notes to The General Purpose Financial Statements
For the Year Ended December 31, 2002

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care cost paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.50 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2002. In addition, since July 1, 1992, most retirees have been required to contribute a portion of their health care coverage through a deduction from their monthly benefit payment.

The City's actual contributions for 2002 that were used to fund postemployment benefits were \$76,853 for police. The OP&F's total health care expenses for the year ended December 31, 2001, (the latest information available) were \$122,298,771, which was net of member contributions of \$6,874,699. The number of OP&F participants eligible to receive health care benefits as of December 31, 2001, was 13,174 for police and 10,239 for firefighters.

Note 16 - Jointly Governed Organizations

A. Lorain County General Health District

The Lorain County General Health District, a jointly governed organization, which provides health services to the citizens within the Health District. The Health District is governed by the Board of Health which represents the area served by the Health District and oversees the operation of the Health District. The Board of Health members are appointed to staggered five year terms. One member is appointed by the City of North Ridgeville, one member is jointly appointed by the cities of Avon and Sheffield Lake and one member is appointed jointly by the cities of Amherst and Oberlin. The remaining five members are appointed by the various mayors of villages, chairmen of the township trustees and the County Commissioners. The City contributed \$50,466 during 2002 for the operation of the Health District. Financial information can be obtained by contacting the Lorain County General Health District, 9880 S. Murray Ridge Road, Elyria, Ohio, 44035.

B. Northeast Ohio Public Energy Council

The City is a member of The Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of over 100 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Avon did not contribute to NOPEC during 2002. Financial information can be obtained by contacting Dan DiLiberto, Board Chairman, 1615 Clark Avenue, Cleveland, Ohio 44109.

City of Avon, Ohio
Notes to The General Purpose Financial Statements
For the Year Ended December 31, 2002

Note 17 – Shared Risk Pool

The City participates in the Lorain County Health Care program, a shared risk pool (Note 12) under the direction of the Lorain County Commissioners, which provides employee health care benefits for all full-time employees who wish to participate in the plan. The Commissioners entered into an agreement with Medical Mutual for stop-loss coverage. The pool consists of twelve political subdivisions that pool risk for basic hospital, surgical, prescription drug, dental and vision coverage. Financial information can be obtained by contacting the Lorain County Commissioners, Lorain, Ohio.

Note 18 – Contractual Commitments

The City had the following contractual commitments outstanding at December 31, 2002:

Project	Contract Amount	Amount Paid	Amount Remaining on Contract
Veterans Park Recreational Facility	\$1,777,300	\$1,455,704	\$321,596
16" Waterline and Pump Station	1,255,847	1,069,815	186,032
Fire Department Building	2,779,744	1,052,146	1,727,598
	<u>\$5,812,891</u>	<u>\$3,577,665</u>	<u>\$2,235,226</u>

Note 19 - Interfund Transfers and Balances

A. Transfers

Transfers are primarily from the general fund to various funds within the City. Income tax revenues are collected in the general fund and then transferred to the police fund to cover daily operating expenses and to cover the cost of street improvement projects within the capital improvements fund. Income tax revenues are collected in the fire department fund and then transferred to the fire facility fund to cover the cost relating to the construction of the new fire station. The general fund will transfer funds to help finance the various programs accounted for in other funds. Transfers are also made to cover the various debt obligations of the City from the general fund, capital projects and enterprise funds to the debt service funds. The water and sewer funds will transfer funds to the water capital and sewer capital funds, respectively, to cover the costs of maintenance and construction projects.

During the year, the capital improvements, safety facility construction, sidewalk program and Route 83 channel enclosure (which is combined with the sewer capital capital projects fund for reporting purposes) nonmajor capital projects funds were closed due to completion of the respective projects. The balance remaining in the funds were transferred to the general fund.

City of Avon, Ohio
Notes to The General Purpose Financial Statements
For the Year Ended December 31, 2002

Transfers made during the year ended December 31, 2002 were as follows:

Transfer To	Transfer From						Totals
	<i>Governmental Activities</i>				<i>Business-Type Activities</i>		
	General	Fire Department	Water Capital	Nonmajor	Water	Sewer	
<i>Governmental Activities</i>							
General	\$0	\$0	\$0	\$318,784	\$0	\$0	\$318,784
Police	1,376,316	0	0	0	0	0	1,376,316
Park Development	94,526	0	0	0	0	0	94,526
Special Assessment	24,000	0	8,288	903	78,301	0	111,492
Fire Facility Construction	0	564,324	0	0	0	0	564,324
Water Capital	0	0	0	0	10,040	0	10,040
Nonmajor Funds	1,657,832	0	0	211,755	0	403,161	2,272,748
Total Governmental Activities	<u>3,152,674</u>	<u>564,324</u>	<u>8,288</u>	<u>531,442</u>	<u>88,341</u>	<u>403,161</u>	<u>4,748,230</u>
<i>Business-Type Activities</i>							
Sewer Fund	48,333	0	0	72,500	0	0	120,833
Total	<u>\$3,201,007</u>	<u>\$564,324</u>	<u>\$8,288</u>	<u>\$603,942</u>	<u>\$88,341</u>	<u>\$403,161</u>	<u>\$4,869,063</u>

B. Balances

As of December 31, 2002, the general fund had a \$205,000 interfund receivable and the sewer capital nonmajor capital projects fund had a corresponding \$205,000 interfund payable. The interfund receivable and payable are due to the timing of the receipt of grant monies by the nonmajor fund.

Note 20 - Subsequent Events

On April 16, 2003, the City retired \$2,200,000 in fire facility construction notes and issued \$1,870,000 in fire facility construction general obligation bond anticipation notes at an interest rate of 1.35%. The notes mature on April 16, 2004.

On May 6, 2003, the voters of the City passed a replacement levy of an existing .35 mill levy with an increase of .15 mills for the purpose of providing for maintenance, management and operation of public parks and recreational activities.

On May 6, 2003, the voters of the City passed a 2 mill. renewal tax levy in excess of the 10 mill limitation to replace the current levy for the purpose of street maintenance and repairs.

Combining Statements and Individual Fund Schedules

Combining Statements - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

ADA Park Violations Fund - This fund accounts for fines collected to be used for the maintenance of City parks.

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

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

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

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

Mayor's Court Computer Fund - This fund accounts for fines collected to be used to update court computer systems.

Community Center Fund - This fund accounts for fees or donations received for the maintenance of the "Avon-Lion's Community Center."

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

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

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

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

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

(continued)

Combining Statements - Nonmajor Governmental Funds (continued)

Nonmajor Debt Service Funds

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

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

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

Nonmajor Capital Projects Funds

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

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

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

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

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

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

Safety Facility Construction Fund - This fund accounts for construction projects related to the Police department.

Routes 611/254 Intersection Improvement Fund - This fund accounts for the cost related to widening the intersection, moving utility services and improving signalization.

Route 83/Kinzel Road Fund - This fund accounts for the cost associated with the costs associated with widening the intersection and installing a new traffic light.

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

Sidewalk Program Fund - This fund accounts for the monies used to construct sidewalks within the City.

Sewer Capital Fund - This fund accounts for the costs associated with constructing and maintaining the sewer pipelines throughout the City.

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2002

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$932,209	\$27,124	\$2,352,736	\$3,312,069
Taxes Receivable	767,623	83,648	294,409	1,145,680
Intergovernmental Receivable	230,003	4,841	217,970	452,814
Materials and Supplies Inventory	30,000	0	0	30,000
Prepaid Items	3,750	0	0	3,750
<i>Total Assets</i>	<u>\$1,963,585</u>	<u>\$115,613</u>	<u>\$2,865,115</u>	<u>\$4,944,313</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$51,767	\$0	\$25,014	\$76,781
Contracts Payable	0	0	24,998	24,998
Accrued Wages and Benefits	16,183	0	0	16,183
Interfund Payable	0	0	205,000	205,000
Intergovernmental Payable	86,985	0	0	86,985
Deferred Revenue	911,102	86,352	299,805	1,297,259
Accrued Interest Payable	0	0	7,807	7,807
Notes Payable	0	0	350,000	350,000
<i>Total Liabilities</i>	<u>1,066,037</u>	<u>86,352</u>	<u>912,624</u>	<u>2,065,013</u>
Fund Balances				
Reserved for Encumbrances	101,296	0	139,237	240,533
Unreserved, Undesignated Reported in:				
Special Revenue Funds	796,252	0	0	796,252
Debt Service Funds	0	29,261	0	29,261
Capital Projects Funds	0	0	1,813,254	1,813,254
<i>Total Fund Balances</i>	<u>897,548</u>	<u>29,261</u>	<u>1,952,491</u>	<u>2,879,300</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,963,585</u>	<u>\$115,613</u>	<u>\$2,865,115</u>	<u>\$4,944,313</u>

City of Avon, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2002

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property and Other Taxes	\$785,358	\$85,011	\$244,137	\$1,114,506
Charges for Services	31,306	0	65,964	97,270
Fines and Forfeitures	13,272	0	0	13,272
Intergovernmental	648,494	9,682	270,938	929,114
Interest	10,256	0	19,899	30,155
Contributions and Donations	0	0	37,125	37,125
Other	13,810	0	12,893	26,703
<i>Total Revenues</i>	<u>1,502,496</u>	<u>94,693</u>	<u>650,956</u>	<u>2,248,145</u>
Expenditures				
Current:				
Security of Persons and Property	259,020	0	0	259,020
Transportation	947,671	0	0	947,671
Community Environment	128,967	0	0	128,967
Basic Utility Services	33,541	0	0	33,541
Leisure Time Activities	250,428	0	0	250,428
Capital Outlay	0	0	1,505,577	1,505,577
Debt Service:				
Principal Retirement	0	159,821	0	159,821
Interest and Fiscal Charges	0	163,651	16,061	179,712
<i>Total Expenditures</i>	<u>1,619,627</u>	<u>323,472</u>	<u>1,521,638</u>	<u>3,464,737</u>
<i>Excess of Revenues</i> <i>Under Expenditures</i>	<u>(117,131)</u>	<u>(228,779)</u>	<u>(870,682)</u>	<u>(1,216,592)</u>
Other Financing Sources (Uses)				
Transfers In	345,744	235,661	1,691,343	2,272,748
Transfers Out	0	0	(603,942)	(603,942)
<i>Total Other Financing Sources (Uses)</i>	<u>345,744</u>	<u>235,661</u>	<u>1,087,401</u>	<u>1,668,806</u>
<i>Net Change in Fund Balances</i>	228,613	6,882	216,719	452,214
<i>Fund Balances Beginning of Year</i>	<u>668,935</u>	<u>22,379</u>	<u>1,735,772</u>	<u>2,427,086</u>
<i>Fund Balances End of Year</i>	<u><u>\$897,548</u></u>	<u><u>\$29,261</u></u>	<u><u>\$1,952,491</u></u>	<u><u>\$2,879,300</u></u>

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2002

	Street Construction, Maintenance and Repair	Recycling	ADA Park Violations	State Highway
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$630,639	\$17,330	\$2,490	\$71,859
Taxes Receivable	565,867	0	0	0
Intergovernmental Receivable	175,947	0	0	11,709
Materials and Supplies Inventory	30,000	0	0	0
Prepaid Items	3,750	0	0	0
<i>Total Assets</i>	<u>\$1,406,203</u>	<u>\$17,330</u>	<u>\$2,490</u>	<u>\$83,568</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$27,215	\$9,290	\$0	\$0
Accrued Wages and Benefits	12,936	140	0	0
Intergovernmental Payable	17,381	19	342	0
Deferred Revenue	675,030	0	0	7,467
<i>Total Liabilities</i>	<u>732,562</u>	<u>9,449</u>	<u>342</u>	<u>7,467</u>
 Fund Balances				
Reserved for Encumbrances	43,709	0	0	1,377
Unreserved, Undesignated (Deficit)	629,932	7,881	2,148	74,724
<i>Total Fund Balances (Deficit)</i>	<u>673,641</u>	<u>7,881</u>	<u>2,148</u>	<u>76,101</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,406,203</u>	<u>\$17,330</u>	<u>\$2,490</u>	<u>\$83,568</u>

(continued)

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2002

	Permissive Tax	Enforcement and Education	Law Enforcement	Mayor's Court Computer
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$24,462	\$7,360	\$30,542	\$42,810
Taxes Receivable	0	0	0	0
Intergovernmental Receivable	31,017	0	0	0
Materials and Supplies Inventory	0	0	0	0
Prepaid Items	0	0	0	0
<i>Total Assets</i>	<u>\$55,479</u>	<u>\$7,360</u>	<u>\$30,542</u>	<u>\$42,810</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$8,802	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	20,678	0	0	0
<i>Total Liabilities</i>	<u>29,480</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Fund Balances				
Reserved for Encumbrances	444	0	0	0
Unreserved, Undesignated (Deficit)	25,555	7,360	30,542	42,810
<i>Total Fund Balances (Deficit)</i>	<u>25,999</u>	<u>7,360</u>	<u>30,542</u>	<u>42,810</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$55,479</u>	<u>\$7,360</u>	<u>\$30,542</u>	<u>\$42,810</u>

Community Center	Drainage	Cemetery	Recreation	Park Operating	Police Pension	Total Nonmajor Special Revenue Funds
\$13,671	\$1,677	\$3,734	\$22,782	\$62,853	\$0	\$932,209
0	0	0	0	99,177	102,579	767,623
0	0	0	0	5,520	5,810	230,003
0	0	0	0	0	0	30,000
0	0	0	0	0	0	3,750
<u>\$13,671</u>	<u>\$1,677</u>	<u>\$3,734</u>	<u>\$22,782</u>	<u>\$167,550</u>	<u>\$108,389</u>	<u>\$1,963,585</u>
\$0	\$1,874	\$0	\$0	\$4,586	\$0	\$51,767
126	0	0	596	2,385	0	16,183
187	0	0	745	2,973	65,338	86,985
0	0	0	0	102,161	105,766	911,102
<u>313</u>	<u>1,874</u>	<u>0</u>	<u>1,341</u>	<u>112,105</u>	<u>171,104</u>	<u>1,066,037</u>
6,000	778	0	308	48,680	0	101,296
7,358	(975)	3,734	21,133	6,765	(62,715)	796,252
<u>13,358</u>	<u>(197)</u>	<u>3,734</u>	<u>21,441</u>	<u>55,445</u>	<u>(62,715)</u>	<u>897,548</u>
<u>\$13,671</u>	<u>\$1,677</u>	<u>\$3,734</u>	<u>\$22,782</u>	<u>\$167,550</u>	<u>\$108,389</u>	<u>\$1,963,585</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, 2002

	Street Construction, Maintenance and Repair	Recycling	ADA Park Violations	State Highway
Revenues				
Property and Other Taxes	\$579,789	\$0	\$0	\$0
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	2,190	0
Intergovernmental	415,531	111,480	0	28,578
Interest	8,804	0	0	913
Other	13,299	0	0	0
<i>Total Revenues</i>	<u>1,017,423</u>	<u>111,480</u>	<u>2,190</u>	<u>29,491</u>
Expenditures				
Current:				
Security of Persons and Property	0	0	0	0
Transportation	822,152	0	342	12,626
Community Environment	0	128,967	0	0
Basic Utility Services	0	0	0	0
Leisure Time Activities	0	0	0	0
<i>Total Expenditures</i>	<u>822,152</u>	<u>128,967</u>	<u>342</u>	<u>12,626</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	195,271	(17,487)	1,848	16,865
Other Financing Sources				
Transfers In	<u>120,542</u>	<u>6,000</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	315,813	(11,487)	1,848	16,865
<i>Fund Balances Beginning of Year</i>	<u>357,828</u>	<u>19,368</u>	<u>300</u>	<u>59,236</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$673,641</u></u>	<u><u>\$7,881</u></u>	<u><u>\$2,148</u></u>	<u><u>\$76,101</u></u>

Permissive Tax	Enforcement and Education	Law Enforcement	Mayor's Court Computer	Community Center	Drainage	Cemetery
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	2,300	0	0
0	4,317	960	5,805	0	0	0
70,247	0	0	0	0	0	0
539	0	0	0	0	0	0
0	210	0	0	0	0	0
<u>70,786</u>	<u>4,527</u>	<u>960</u>	<u>5,805</u>	<u>2,300</u>	<u>0</u>	<u>0</u>
0	4,453	0	427	0	0	0
112,551	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	33,541	0
0	0	0	0	6,848	0	0
<u>112,551</u>	<u>4,453</u>	<u>0</u>	<u>427</u>	<u>6,848</u>	<u>33,541</u>	<u>0</u>
(41,765)	74	960	5,378	(4,548)	(33,541)	0
<u>40,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,000</u>	<u>25,000</u>	<u>0</u>
(1,765)	74	960	5,378	1,452	(8,541)	0
<u>27,764</u>	<u>7,286</u>	<u>29,582</u>	<u>37,432</u>	<u>11,906</u>	<u>8,344</u>	<u>3,734</u>
<u>\$25,999</u>	<u>\$7,360</u>	<u>\$30,542</u>	<u>\$42,810</u>	<u>\$13,358</u>	<u>(\$197)</u>	<u>\$3,734</u>

(continued)

City of Avon, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2002

	Recreation	Park Operating	Police Pension	Total Nonmajor Special Revenue Funds
Revenues				
Property and Other Taxes	\$0	\$101,466	\$104,103	\$785,358
Charges for Services	28,981	25	0	31,306
Fines and Forfeitures	0	0	0	13,272
Intergovernmental	0	11,039	11,619	648,494
Interest	0	0	0	10,256
Other	0	301	0	13,810
<i>Total Revenues</i>	<u>28,981</u>	<u>112,831</u>	<u>115,722</u>	<u>1,502,496</u>
Expenditures				
Current:				
Security of Persons and Property	0	0	254,140	259,020
Transportation	0	0	0	947,671
Community Environment	0	0	0	128,967
Basic Utility Services	0	0	0	33,541
Leisure Time Activities	73,099	170,481	0	250,428
<i>Total Expenditures</i>	<u>73,099</u>	<u>170,481</u>	<u>254,140</u>	<u>1,619,627</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(44,118)	(57,650)	(138,418)	(117,131)
Other Financing Sources				
Transfers In	23,000	52,250	72,952	345,744
<i>Net Change in Fund Balances</i>	(21,118)	(5,400)	(65,466)	228,613
<i>Fund Balances Beginning of Year</i>	<u>42,559</u>	<u>60,845</u>	<u>2,751</u>	<u>668,935</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$21,441</u></u>	<u><u>\$55,445</u></u>	<u><u>(\$62,715)</u></u>	<u><u>\$897,548</u></u>

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2002

	General Obligation Bond Retirement	Library Bond Retirement	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$8,543	\$18,581	\$27,124
Receivable:			
Taxes	0	83,648	83,648
Intergovernmental	0	4,841	4,841
<i>Total Assets</i>	<u>\$8,543</u>	<u>\$107,070</u>	<u>\$115,613</u>
Liabilities and Fund Balances			
Liabilities			
Deferred Revenue	\$0	\$86,352	\$86,352
Fund Balances			
Unreserved, Undesignated	8,543	20,718	29,261
<i>Total Liabilities and Fund Balances</i>	<u>\$8,543</u>	<u>\$107,070</u>	<u>\$115,613</u>

City of Avon, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2002

	General Obligation Bond Retirement	Library Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Property and Other Taxes	\$0	\$85,011	\$85,011
Intergovernmental	0	9,682	9,682
<i>Total Revenues</i>	<u>0</u>	<u>94,693</u>	<u>94,693</u>
Expenditures			
Debt Service:			
Principal Retirement	114,821	45,000	159,821
Interest and Fiscal Charges	119,313	44,338	163,651
<i>Total Expenditures</i>	<u>234,134</u>	<u>89,338</u>	<u>323,472</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(234,134)	5,355	(228,779)
Other Financing Sources			
Transfers In	235,661	0	235,661
<i>Net Change in Fund Balances</i>	1,527	5,355	6,882
<i>Fund Balances Beginning of Year</i>	<u>7,016</u>	<u>15,363</u>	<u>22,379</u>
<i>Fund Balances End of Year</i>	<u><u>\$8,543</u></u>	<u><u>\$20,718</u></u>	<u><u>\$29,261</u></u>

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2002

	<u>Equipment</u>	<u>Issue II</u>	<u>Storm Water Detention</u>	<u>Safety Town Construction</u>
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$293,740	\$130,024	\$379,228	\$25,921
Taxes Receivable	294,409	0	0	0
Intergovernmental Receivable	12,970	0	0	0
<i>Total Assets</i>	<u>\$601,119</u>	<u>\$130,024</u>	<u>\$379,228</u>	<u>\$25,921</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$4,752	\$0	\$0	\$0
Contracts Payable	0	0	8,163	0
Interfund Payable	0	0	0	0
Deferred Revenue	299,805	0	0	0
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
<i>Total Liabilities</i>	<u>304,557</u>	<u>0</u>	<u>8,163</u>	<u>0</u>
Fund Balances				
Reserved for Encumbrances	75,394	0	10,237	9,781
Unreserved, Undesignated (Deficit)	221,168	130,024	360,828	16,140
<i>Total Fund Balances</i>	<u>296,562</u>	<u>130,024</u>	<u>371,065</u>	<u>25,921</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$601,119</u>	<u>\$130,024</u>	<u>\$379,228</u>	<u>\$25,921</u>

(continued)

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds (continued)
December 31, 2002

	Routes 611/254 Intersection Improvement	Road Widening	Sewer Capital	Total Nonmajor Capital Projects Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$4,584	\$3,065	\$1,516,174	\$2,352,736
Taxes Receivable	0	0	0	294,409
Intergovernmental Receivable	0	0	205,000	217,970
<i>Total Assets</i>	<u>\$4,584</u>	<u>\$3,065</u>	<u>\$1,721,174</u>	<u>\$2,865,115</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$20,262	\$25,014
Contracts Payable	0	1,712	15,123	24,998
Interfund Payable	0	0	205,000	205,000
Deferred Revenue	0	0	0	299,805
Accrued Interest Payable	0	0	7,807	7,807
Notes Payable	0	0	350,000	350,000
<i>Total Liabilities</i>	<u>0</u>	<u>1,712</u>	<u>598,192</u>	<u>912,624</u>
Fund Balances				
Reserved for Encumbrances	0	3,065	40,760	139,237
Unreserved, Undesignated (Deficit)	4,584	(1,712)	1,082,222	1,813,254
<i>Total Fund Balances</i>	<u>4,584</u>	<u>1,353</u>	<u>1,122,982</u>	<u>1,952,491</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,584</u>	<u>\$3,065</u>	<u>\$1,721,174</u>	<u>\$2,865,115</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, 2002

	Equipment	Issue II	Storm Water Detention	Capital Improvements	Safety Town Construction	Safety Facility Construction
Revenues						
Property and Other Taxes	\$244,137	\$0	\$0	\$0	\$0	\$0
Charges for Services	0	0	65,964	0	0	0
Intergovernmental	25,938	0	0	0	0	0
Interest	0	0	0	0	0	0
Contribution and Donations	0	0	0	0	37,125	0
Other	5,193	0	0	0	0	0
<i>Total Revenues</i>	<u>275,268</u>	<u>0</u>	<u>65,964</u>	<u>0</u>	<u>37,125</u>	<u>0</u>
Expenditures						
Capital Outlay	184,690	0	57,470	433,790	11,204	0
Debt Service:						
Interest and Fiscal Charges	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>184,690</u>	<u>0</u>	<u>57,470</u>	<u>433,790</u>	<u>11,204</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>90,578</u>	<u>0</u>	<u>8,494</u>	<u>(433,790)</u>	<u>25,921</u>	<u>0</u>
Other Financing Sources (Uses)						
Transfers In	0	0	182,154	564,000	0	0
Transfers Out	0	0	(91,213)	(130,210)	0	(9,331)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>90,941</u>	<u>433,790</u>	<u>0</u>	<u>(9,331)</u>
<i>Net Change in Fund Balances</i>	90,578	0	99,435	0	25,921	(9,331)
<i>Fund Balances Beginning of Year</i>	<u>205,984</u>	<u>130,024</u>	<u>271,630</u>	<u>0</u>	<u>0</u>	<u>9,331</u>
<i>Fund Balances End of Year</i>	<u>\$296,562</u>	<u>\$130,024</u>	<u>\$371,065</u>	<u>\$0</u>	<u>\$25,921</u>	<u>\$0</u>

(continued)

City of Avon, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds (continued)
For the Year Ended December 31, 2002

	Routes 611/254 Intersection Improvement	Route 83 Kinzel Road	Road Widening	Sidewalk Program	Sewer Capital	Total Nonmajor Capital Projects Funds
Revenues						
Property and Other Taxes	\$0	\$0	\$0	\$0	\$0	\$244,137
Charges for Services	0	0	0	0	0	65,964
Intergovernmental	0	0	0	0	245,000	270,938
Interest	0	0	0	0	19,899	19,899
Contribution and Donations	0	0	0	0	0	37,125
Other	0	0	0	7,700	0	12,893
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,700</u>	<u>264,899</u>	<u>650,956</u>
Expenditures						
Capital Outlay	15,955	0	38,647	11,533	752,288	1,505,577
Debt Service:						
Interest and Fiscal Charges	0	0	0	0	16,061	16,061
<i>Total Expenditures</i>	<u>15,955</u>	<u>0</u>	<u>38,647</u>	<u>11,533</u>	<u>768,349</u>	<u>1,521,638</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(15,955)</u>	<u>0</u>	<u>(38,647)</u>	<u>(3,833)</u>	<u>(503,450)</u>	<u>(870,682)</u>
Other Financing Sources (Uses)						
Transfers In	0	0	40,000	25,000	880,189	1,691,343
Transfers Out	0	(120,542)	0	(21,167)	(231,479)	(603,942)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(120,542)</u>	<u>40,000</u>	<u>3,833</u>	<u>648,710</u>	<u>1,087,401</u>
<i>Net Change in Fund Balances</i>	<u>(15,955)</u>	<u>(120,542)</u>	<u>1,353</u>	<u>0</u>	<u>145,260</u>	<u>216,719</u>
<i>Fund Balances Beginning of Year</i>	<u>20,539</u>	<u>120,542</u>	<u>0</u>	<u>0</u>	<u>977,722</u>	<u>1,735,772</u>
<i>Fund Balances End of Year</i>	<u>\$4,584</u>	<u>\$0</u>	<u>\$1,353</u>	<u>\$0</u>	<u>\$1,122,982</u>	<u>\$1,952,491</u>

Combining Statements - Agency Funds

Fiduciary Funds

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

Agency Funds

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

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

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

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

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

City of Avon, Ohio
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2002

	<u>Deposits</u>	<u>Lorain Public Library</u>	<u>North Ridgeville Sewer</u>	<u>Subdivisions</u>	<u>Total</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	<u>\$922,084</u>	<u>\$2,186</u>	<u>\$85,437</u>	<u>\$2,211,880</u>	<u>\$3,221,587</u>
Liabilities					
Deposits Held and Due to Others	\$922,084	\$0	\$0	\$2,211,880	\$3,133,964
Intergovernmental Payable	<u>0</u>	<u>2,186</u>	<u>85,437</u>	<u>0</u>	<u>87,623</u>
<i>Total Liabilities</i>	<u>\$922,084</u>	<u>\$2,186</u>	<u>\$85,437</u>	<u>\$2,211,880</u>	<u>\$3,221,587</u>

City of Avon, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2002

	Beginning Balance 12/31/01	Additions	Deductions	Ending Balance 12/31/02
Deposits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$851,660	\$663,816	\$593,392	\$922,084
Liabilities				
Deposits Held and Due to Others	\$851,660	\$663,816	\$593,392	\$922,084
 Lorain Public Library				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,064	\$320,280	\$320,158	\$2,186
Liabilities				
Intergovernmental Payable	\$2,064	\$320,280	\$320,158	\$2,186
 North Ridgeville Sewer				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$55,740	\$820,114	\$790,417	\$85,437
Liabilities				
Intergovernmental Payable	\$55,740	\$820,114	\$790,417	\$85,437
 Subdivisions				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,546,442	\$1,326,461	\$661,023	\$2,211,880
Liabilities				
Deposits Held and Due to Others	\$1,546,442	\$1,326,461	\$661,023	\$2,211,880

(continued)

City of Avon, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds (continued)
For the Year Ended December 31, 2002

	Beginning Balance 12/31/01	Additions	Deductions	Ending Balance 12/31/02
<i>Total - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,455,906	\$3,130,671	\$2,364,990	\$3,221,587
Liabilities				
Deposits Held and Due to Others	\$2,398,102	\$1,990,277	\$1,254,415	\$3,133,964
Intergovernmental Payable	57,804	1,140,394	1,110,575	87,623
<i>Total Liabilities</i>	\$2,455,906	\$3,130,671	\$2,364,990	\$3,221,587

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

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Property and Other Taxes	\$450,939	\$694,556	\$698,366	\$3,810
Municipal Income Taxes	1,827,872	2,815,371	3,095,648	280,277
Charges for Services	142,074	218,829	234,520	15,691
Licenses and Permits	590,757	909,911	1,019,175	109,264
Fines and Forfeitures	168,321	321,005	309,824	(11,181)
Intergovernmental	114,482	176,331	202,213	25,882
Interest	95,439	147,000	146,786	(214)
Other	56,076	86,371	96,394	10,023
<i>Total Revenues</i>	3,445,960	5,369,374	5,802,926	433,552
Expenditures				
Current:				
General Government:				
Mayor:				
Personal Services	94,006	157,452	152,274	5,178
Materials and Supplies	2,298	3,640	881	2,759
Contractual Services	46,937	78,616	62,157	16,459
Capital Outlay	6,733	5,080	3,700	1,380
<i>Total Mayor</i>	149,974	244,788	219,012	25,776
Finance:				
Personal Services	90,658	151,845	141,306	10,539
Materials and Supplies	1,504	2,509	2,252	257
Contractual Services	42,657	51,097	49,222	1,875
Capital Outlay	3,194	2,000	2,000	0
<i>Total Finance</i>	138,013	207,451	194,780	12,671
Treasurer:				
Personal Services	9,702	16,250	15,962	288
Materials and Supplies	2,145	3,592	3,500	92
Contractual Services	453	758	754	4
<i>Total Treasurer</i>	12,300	20,600	20,216	384
Law Director:				
Personal Services	61,078	102,300	101,887	413
Materials and Supplies	302	85	38	47
Contractual Services	66,392	111,201	107,662	3,539
<i>Total Law Director</i>	\$127,772	\$213,586	\$209,587	\$3,999

(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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Council:				
Personal Services	\$65,899	\$110,375	\$105,019	\$5,356
Materials and Supplies	6,888	11,138	7,814	3,324
Contractual Services	12,922	20,959	17,118	3,841
Total Council	85,709	142,472	129,951	12,521
City Hall:				
Personal Services	17,434	29,200	18,630	10,570
Materials and Supplies	9,588	15,969	15,947	22
Contractual Services	92,766	142,654	138,159	4,495
Capital Outlay	14,484	12,200	11,529	671
Other	60	100	0	100
Total City Hall	134,332	200,123	184,265	15,858
Civil Service:				
Personal Services	2,042	3,420	2,560	860
Materials and Supplies	60	100	0	100
Contractual Services	7,165	12,000	2,586	9,414
Total Civil Service	9,267	15,520	5,146	10,374
Statutory Accounts:				
Personal Services	9,553	16,000	10,981	5,019
Contractual Services	119,537	186,868	183,058	3,810
Total Statutory Accounts	129,090	202,868	194,039	8,829
Engineer:				
Contractual Services	114,036	191,000	181,539	9,461
Grant Coordinator:				
Contractual Services	16,717	28,000	10,000	18,000
Income Tax Department:				
Personal Services	11,427	19,140	17,638	1,502
Contractual Services	56,242	94,200	92,871	1,329
Total Income Tax Department	67,669	113,340	110,509	2,831
Total General Government	\$984,879	\$1,579,748	\$1,459,044	\$120,704

(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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Security of Persons and Property:				
Fire Department:				
Personal Services	\$185,214	\$310,218	\$296,202	\$14,016
Materials and Supplies	29,881	43,126	41,900	1,226
Contractual Services	55,448	83,919	75,817	8,102
Other	377	632	632	0
Total Fire Department	270,920	437,895	414,551	23,344
Emergency Rescue:				
Personal Services	134,026	217,293	205,971	11,322
Total Security of Persons and Property	404,946	655,188	620,522	34,666
Community Environment:				
Planning Commission:				
Personal Services	43,960	73,629	69,824	3,805
Materials and Supplies	3,322	5,478	5,188	290
Contractual Services	1,122	1,879	1,308	571
Other	597	1,000	650	350
Total Planning Commission	49,001	81,986	76,970	5,016
Building Inspector:				
Personal Services	329,320	551,589	520,797	30,792
Materials and Supplies	16,930	27,789	22,989	4,800
Contractual Services	78,505	131,020	98,960	32,060
Capital Outlay	9,932	15,008	13,930	1,078
Other	299	500	336	164
Total Building Inspector	434,986	725,906	657,012	68,894
Safety Director/Zoning Officer:				
Personal Services	21,258	35,605	34,831	774
Materials and Supplies	1,194	2,000	96	1,904
Contractual Services	448	750	100	650
Total Safety Director/Zoning Officer	22,900	38,355	35,027	3,328
Total Community Environment	506,887	846,247	769,009	77,238
Total Expenditures	\$1,896,712	\$3,081,183	\$2,848,575	\$232,608

(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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<i>Excess of Revenues Over Expenditures</i>	\$1,549,248	\$2,288,191	\$2,954,351	\$666,160
Other Financing Sources (Uses)				
Advances In	146,838	205,000	0	(205,000)
Advances Out	(122,394)	(205,000)	(205,000)	0
Transfers In	1,269,286	572,034	318,784	(253,250)
Transfers Out	(2,405,553)	(3,465,547)	(3,148,007)	317,540
<i>Total Other Financing Sources (Uses)</i>	(1,111,823)	(2,893,513)	(3,034,223)	(140,710)
<i>Net Change in Fund Balance</i>	437,425	(605,322)	(79,872)	525,450
<i>Fund Balance Beginning of Year</i>	2,202,752	2,202,752	2,202,752	0
Prior Year Encumbrances Appropriated	57,108	57,108	57,108	0
<i>Fund Balance End of Year</i>	\$2,697,285	\$1,654,538	\$2,179,988	\$525,450

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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Municipal Income Tax	\$15,000	\$1,100,000	\$1,364,619	\$264,619
Expenditures				
Current:				
Security of Persons and Property:				
Fire Department:				
Contractual Services	0	33,062	33,062	0
<i>Excess of Revenues Over Expenditures</i>	15,000	1,066,938	1,331,557	264,619
Other Financing Uses				
Transfers Out	(15,000)	(564,324)	(564,324)	0
<i>Net Change in Fund Balance</i>	0	502,614	767,233	264,619
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$502,614	\$767,233	\$264,619

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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Property and Other Taxes	\$588,722	\$340,172	\$342,369	\$2,197
Intergovernmental	56,208	32,478	32,478	0
Other	5,481	3,167	1,503	(1,664)
<i>Total Revenues</i>	<u>650,411</u>	<u>375,817</u>	<u>376,350</u>	<u>533</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Personal Services	1,582,934	1,590,548	1,473,887	116,661
Materials and Supplies	109,693	105,166	94,475	10,691
Contractual Services	208,616	207,947	192,096	15,851
<i>Total Expenditures</i>	<u>1,901,243</u>	<u>1,903,661</u>	<u>1,760,458</u>	<u>143,203</u>
<i>Excess of Revenues Under Expenditures</i>	(1,250,832)	(1,527,844)	(1,384,108)	143,736
Other Financing Sources				
Transfers In	2,815,887	1,627,060	1,376,316	(250,744)
<i>Net Change in Fund Balance</i>	1,565,055	99,216	(7,792)	(107,008)
<i>Fund Balance Beginning of Year</i>	199	199	199	0
Prior Year Encumbrances Appropriated	7,593	7,593	7,593	0
<i>Fund Balance End of Year</i>	<u>\$1,572,847</u>	<u>\$107,008</u>	<u>\$0</u>	<u>(\$107,008)</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Park Development Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Licenses and Permits	\$65,188	\$250,000	\$285,974	\$35,974
Contributions and Donations	29,217	112,053	94,526	(17,527)
Other	274	1,050	1,050	0
<i>Total Revenues</i>	<u>94,679</u>	<u>363,103</u>	<u>381,550</u>	<u>18,447</u>
Expenditures				
Current:				
Leisure Time Activities:				
Park Development:				
Contractual Services	10,706	20,564	17,117	3,447
Capital Outlay	21,634	938,562	702,362	236,200
Total Leisure Time Activities	<u>32,340</u>	<u>959,126</u>	<u>719,479</u>	<u>239,647</u>
Debt Service:				
Principal Retirement	0	1,510,000	1,510,000	0
Interest and Fiscal Charges	0	53,450	53,450	0
Total Debt Service	<u>0</u>	<u>1,563,450</u>	<u>1,563,450</u>	<u>0</u>
<i>Total Expenditures</i>	<u>32,340</u>	<u>2,522,576</u>	<u>2,282,929</u>	<u>239,647</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>62,339</u>	<u>(2,159,473)</u>	<u>(1,901,379)</u>	<u>258,094</u>
Other Financing Sources				
Notes Issued	1,500,000	1,500,000	1,500,000	0
Bonds Issued	391,120	1,500,000	0	(1,500,000)
Transfers In	29,217	112,053	94,526	(17,527)
<i>Total Other Financing Sources</i>	<u>1,920,337</u>	<u>3,112,053</u>	<u>1,594,526</u>	<u>(1,517,527)</u>
<i>Net Change in Fund Balance</i>	1,982,676	952,580	(306,853)	(1,259,433)
<i>Fund Balance Beginning of Year</i>	898,999	898,999	898,999	0
Prior Year Encumbrances Appropriated	<u>10,620</u>	<u>10,620</u>	<u>10,620</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,892,295</u>	<u>\$1,862,199</u>	<u>\$602,766</u>	<u>(\$1,259,433)</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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Special Assessments	\$399,914	\$534,554	\$534,554	\$0
Expenditures				
Current:				
General Government:				
Special Assessment Bond Retirement:				
Contractual Services	19,066	48,067	39,944	8,123
Debt Service:				
Principal Retirement	200,000	206,080	198,422	7,658
Interest and Fiscal Charges	228,928	228,928	228,928	0
Total Debt Service	428,928	435,008	427,350	7,658
<i>Total Expenditures</i>	447,994	483,075	467,294	15,781
<i>Excess of Revenues Over (Under) Expenditures</i>	(48,080)	51,479	67,260	15,781
Other Financing Sources				
Transfers In	48,080	48,081	47,531	(550)
<i>Net Change in Fund Balance</i>	0	99,560	114,791	15,231
<i>Fund Balance Beginning of Year</i>	181,418	181,418	181,418	0
<i>Fund Balance End of Year</i>	\$181,418	\$280,978	\$296,209	\$15,231

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Facility Construction Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Interest	\$132,000	\$15,420	\$15,420	\$0
Expenditures				
Capital Outlay:				
Fire Facility Construction:				
Capital Outlay	<u>132,000</u>	<u>2,779,744</u>	<u>2,779,744</u>	<u>0</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>0</u>	<u>(2,764,324)</u>	<u>(2,764,324)</u>	<u>0</u>
Other Financing Sources				
Notes Issued	0	2,200,000	2,200,000	0
Transfers In	<u>0</u>	<u>564,324</u>	<u>564,324</u>	<u>0</u>
<i>Total Other Financing Sources</i>	<u>0</u>	<u>2,764,324</u>	<u>2,764,324</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Water Capital Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Charges for Services	\$495,335	\$90,600	\$212,860	\$122,260
Interest	70,025	12,808	14,289	1,481
<i>Total Revenues</i>	565,360	103,408	227,149	123,741
Expenditures				
	0	0	0	0
<i>Excess of Revenues Under Expenditures</i>	565,360	103,408	227,149	123,741
Other Financing Sources (Uses)				
Transfers In	10,040	10,040	10,040	0
Transfers Out	(8,288)	(8,288)	(8,288)	0
<i>Total Other Financing Sources (Uses)</i>	1,752	1,752	1,752	0
<i>Net Change in Fund Balance</i>	567,112	105,160	228,901	123,741
<i>Fund Balance Beginning of Year</i>	313,545	313,545	313,545	0
<i>Fund Balance End of Year</i>	<u>\$880,657</u>	<u>\$418,705</u>	<u>\$542,446</u>	<u>\$123,741</u>

City of Avon, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for Services	\$1,259,000	\$949,489	\$1,236,487	\$286,998
Tap-In Fees	336,319	253,639	313,773	60,134
Interest	16,477	12,426	12,295	(131)
Notes Issued	0	3,800,000	2,500,000	(1,300,000)
Other	27,845	21,000	25,106	4,106
<i>Total Revenues</i>	1,639,641	5,036,554	4,087,661	(948,893)
Expenses				
Personal Services	215,507	320,859	311,388	9,471
Materials and Supplies	613,098	868,823	805,294	63,529
Contractual Services	169,050	248,313	242,655	5,658
Other	14,642	21,800	9,785	12,015
Capital Outlay	429,488	1,374,207	1,333,523	40,684
Debt Service:				
Principal Retirement	294,875	1,544,875	1,544,875	0
Interest and Fiscal Charges	76,509	85,745	85,745	0
<i>Total Expenses</i>	1,813,169	4,464,622	4,333,265	131,357
<i>Excess of Revenues Over (Under) Expenses</i>	(173,528)	571,932	(245,604)	(817,536)
Transfers In	124,000	124,000	0	(124,000)
Transfers Out	(24,380)	(24,380)	(24,380)	0
<i>Net Change in Fund Balance</i>	(73,908)	671,552	(269,984)	(941,536)
<i>Fund Balance Beginning of Year</i>	752,894	752,894	752,894	0
Prior Year Encumbrances Appropriated	61,496	61,496	61,496	0
<i>Fund Balance End of Year</i>	\$740,482	\$1,485,942	\$544,406	(\$941,536)

City of Avon, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for Services	\$1,016,541	\$759,340	\$834,674	\$75,334
Tap-In Fees	468,551	350,000	360,987	10,987
Interest	50,202	37,500	14,560	(22,940)
Other	3,938	2,942	1,615	(1,327)
<i>Total Revenues</i>	1,539,232	1,149,782	1,211,836	62,054
Expenses				
Personal Services	456,545	510,633	480,179	30,454
Materials and Supplies	94,774	84,109	79,331	4,778
Contractual Services	205,128	245,099	94,984	150,115
Other	5,808	7,000	4,793	2,207
Debt Service:				
Principal Retirement	109,366	109,366	109,366	0
Interest and Fiscal Charges	69,909	69,909	69,909	0
<i>Total Expenses</i>	941,530	1,026,116	838,562	187,554
<i>Excess of Revenues Over Expenses</i>	597,702	123,666	373,274	249,608
Transfers In	20,333	20,333	20,333	0
Transfers Out	(535,137)	(535,137)	(403,161)	131,976
<i>Net Change in Fund Balance</i>	82,898	(391,138)	(9,554)	381,584
<i>Fund Balance Beginning of Year</i>	690,046	690,046	690,046	0
Prior Year Encumbrances Appropriated	26,758	26,758	26,758	0
<i>Fund Balance End of Year</i>	\$799,702	\$325,666	\$707,250	\$381,584

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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Property and Other Taxes	\$1,366,538	\$573,854	\$577,626	\$3,772
Intergovernmental	940,822	395,082	417,464	22,382
Interest	23,813	10,000	8,873	(1,127)
Other	28,259	11,867	13,299	1,432
<i>Total Revenues</i>	<u>2,359,432</u>	<u>990,803</u>	<u>1,017,262</u>	<u>26,459</u>
Expenditures				
Current:				
Transportation:				
Street Department:				
Personal Services	514,660	545,635	509,091	36,544
Materials and Supplies	254,858	243,773	226,655	17,118
Contractual Services	121,863	125,597	113,984	11,613
Capital Outlay	17,248	18,286	18,286	0
Other	566	600	0	600
<i>Total Expenditures</i>	<u>909,195</u>	<u>933,891</u>	<u>868,016</u>	<u>65,875</u>
<i>Net Change in Fund Balance</i>	1,450,237	56,912	149,246	92,334
<i>Fund Balance Beginning of Year</i>	385,758	385,758	385,758	0
Prior Year Encumbrances Appropriated	<u>28,320</u>	<u>28,320</u>	<u>28,320</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,864,315</u></u>	<u><u>\$470,990</u></u>	<u><u>\$563,324</u></u>	<u><u>\$92,334</u></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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Intergovernmental	\$234,580	\$111,480	\$111,480	\$0
Expenditures				
Current:				
Community Environment:				
Recycling:				
Personal Services	3,692	6,000	5,011	989
Contractual Services	4,922	8,000	82	7,918
Capital Outlay	102,156	136,400	136,400	0
Other	1,740	2,828	2,828	0
<i>Total Expenditures</i>	<u>112,510</u>	<u>153,228</u>	<u>144,321</u>	<u>8,907</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	122,070	(41,748)	(32,841)	8,907
Other Financing Sources				
Transfers In	6,000	6,000	6,000	0
<i>Net Change in Fund Balance</i>	128,070	(35,748)	(26,841)	8,907
<i>Fund Balance Beginning of Year</i>	25,941	25,941	25,941	0
Prior Year Encumbrances Appropriated	18,230	18,230	18,230	0
<i>Fund Balance End of Year</i>	<u>\$172,241</u>	<u>\$8,423</u>	<u>\$17,330</u>	<u>\$8,907</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
ADA Park Violations Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Fines and Forfeitures	\$3,128	\$1,690	\$2,190	\$500
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	3,128	1,690	2,190	500
<i>Fund Balance Beginning of Year</i>	<u>300</u>	<u>300</u>	<u>300</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,428</u></u>	<u><u>\$1,990</u></u>	<u><u>\$2,490</u></u>	<u><u>\$500</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Intergovernmental	\$126,666	\$24,803	\$28,734	\$3,931
Interest	4,086	800	930	130
<i>Total Revenues</i>	130,752	25,603	29,664	4,061
Expenditures				
Current:				
Transportation:				
State Highway:				
Contractual Services	33,003	33,003	14,003	19,000
<i>Net Change in Fund Balance</i>	97,749	(7,400)	15,661	23,061
<i>Fund Balance Beginning of Year</i>	40,743	40,743	40,743	0
Prior Year Encumbrances Appropriated	14,003	14,003	14,003	0
<i>Fund Balance End of Year</i>	<u>\$152,495</u>	<u>\$47,346</u>	<u>\$70,407</u>	<u>\$23,061</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Intergovernmental	\$181,660	\$62,000	\$69,301	\$7,301
Interest	1,263	431	546	115
Other	732	250	0	(250)
<i>Total Revenues</i>	183,655	62,681	69,847	7,166
Expenditures				
Current:				
Transportation:				
Permissive Tax:				
Contractual Services	101,944	112,044	112,021	23
<i>Excess of Revenues Over (Under) Expenditures</i>	81,711	(49,363)	(42,174)	7,189
Other Financing Sources				
Transfers In	40,000	40,000	40,000	0
<i>Net Change in Fund Balance</i>	121,711	(9,363)	(2,174)	7,189
<i>Fund Balance Beginning of Year</i>	25,718	25,718	25,718	0
Prior Year Encumbrances Appropriated	444	444	444	0
<i>Fund Balance End of Year</i>	<u>\$147,873</u>	<u>\$16,799</u>	<u>\$23,988</u>	<u>\$7,189</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Fines and Forfeitures	\$16,423	\$3,535	\$4,317	\$782
Other	929	200	210	10
<i>Total Revenues</i>	<u>17,352</u>	<u>3,735</u>	<u>4,527</u>	<u>792</u>
Expenditures				
Current:				
Security of Persons and Property:				
Enforcement and Education:				
Personal Services	700	700	0	700
Contractual Services	5,000	5,000	4,453	547
<i>Total Expenditures</i>	<u>5,700</u>	<u>5,700</u>	<u>4,453</u>	<u>1,247</u>
<i>Net Change in Fund Balance</i>	11,652	(1,965)	74	2,039
<i>Fund Balance Beginning of Year</i>	<u>7,286</u>	<u>7,286</u>	<u>7,286</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$18,938</u></u>	<u><u>\$5,321</u></u>	<u><u>\$7,360</u></u>	<u><u>\$2,039</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Fines and Forfeitures	\$58,178	\$3,900	\$960	(\$2,940)
Expenditures				
Current:				
Security of Persons and Property:				
Law Enforcement:				
Materials and Supplies	2,900	2,900	0	2,900
Contractual Services	1,000	1,000	0	1,000
<i>Total Expenditures</i>	<u>3,900</u>	<u>3,900</u>	<u>0</u>	<u>3,900</u>
<i>Net Change in Fund Balance</i>	54,278	0	960	960
<i>Fund Balance Beginning of Year</i>	<u>29,582</u>	<u>29,582</u>	<u>29,582</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$83,860</u></u>	<u><u>\$29,582</u></u>	<u><u>\$30,542</u></u>	<u><u>\$960</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Mayor's Court Computer Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Fines and Forfeitures	\$78,732	\$5,000	\$5,805	\$805
Expenditures				
Current:				
Security of Persons and Property:				
Mayor's Court Computer:				
Capital Outlay	5,000	5,000	427	4,573
<i>Net Change in Fund Balance</i>	73,732	0	5,378	5,378
<i>Fund Balance Beginning of Year</i>	37,432	37,432	37,432	0
<i>Fund Balance End of Year</i>	<u>\$111,164</u>	<u>\$37,432</u>	<u>\$42,810</u>	<u>\$5,378</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Center Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Charges for Services	\$29,961	\$2,700	\$2,300	(\$400)
Expenditures				
Current:				
Leisure Time Activities:				
Community Center:				
Personal Services	3,504	6,860	5,720	1,140
Materials and Supplies	125	244	216	28
Contractual Services	437	856	689	167
Capital Outlay	9,064	6,000	6,000	0
<i>Total Expenditures</i>	<u>13,130</u>	<u>13,960</u>	<u>12,625</u>	<u>1,335</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	16,831	(11,260)	(10,325)	935
Other Financing Sources				
Transfers In	6,000	6,000	6,000	0
<i>Net Change in Fund Balance</i>	22,831	(5,260)	(4,325)	935
<i>Fund Balance Beginning of Year</i>	5,996	5,996	5,996	0
Prior Year Encumbrances Appropriated	6,000	6,000	6,000	0
<i>Fund Balance End of Year</i>	<u>\$34,827</u>	<u>\$6,736</u>	<u>\$7,671</u>	<u>\$935</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drainage Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Basic Utility Services:				
Drainage:				
Materials and Supplies	<u>25,872</u>	<u>33,683</u>	<u>32,784</u>	<u>899</u>
<i>Excess of Revenues Under Expenditures</i>	(25,872)	(33,683)	(32,784)	899
Other Financing Sources				
Transfers In	<u>58,528</u>	<u>25,000</u>	<u>25,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	32,656	(8,683)	(7,784)	899
<i>Fund Balance Beginning of Year</i>	7,811	7,811	7,811	0
Prior Year Encumbrances Appropriated	<u>872</u>	<u>872</u>	<u>872</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$41,339</u></u>	<u><u>\$0</u></u>	<u><u>\$899</u></u>	<u><u>\$899</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Charges for Services	\$7,355	\$500	\$0	(\$500)
Expenditures				
Current:				
General Government:				
Cemetery:				
Materials and Supplies	150	150	0	150
Contractual Services	350	350	0	350
<i>Total Expenditures</i>	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
<i>Net Change in Fund Balance</i>	6,855	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>3,734</u>	<u>3,734</u>	<u>3,734</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$10,589</u></u>	<u><u>\$3,734</u></u>	<u><u>\$3,734</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
Recreation Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for Services	\$129,704	\$54,721	\$28,981	(\$25,740)
Expenditures				
Current:				
Leisure Time Activities:				
Recreation Department:				
Personal Services	18,357	22,650	21,118	1,532
Materials and Supplies	3,150	3,150	2,707	443
Contractual Services	2,250	2,250	0	2,250
Other	100	100	0	100
Total Recreation Department	23,857	28,150	23,825	4,325
Adult Volleyball:				
Materials and Supplies	4,200	4,200	2,523	1,677
Men's Basketball:				
Materials and Supplies	2,400	2,400	2,084	316
Physical Fit:				
Materials and Supplies	734	734	734	0
Small Fry Basketball:				
Materials and Supplies	3,500	3,500	3,317	183
Adult Softball:				
Materials and Supplies	4,000	4,000	3,992	8
Gymnastics:				
Materials and Supplies	20,000	24,622	24,129	493
Baton:				
Materials and Supplies	7,228	7,228	6,356	872
Youth Baseball:				
Materials and Supplies	1,200	1,200	842	358
Flag Football:				
Materials and Supplies	\$2,116	\$2,116	\$1,934	\$182

(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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Safety Town:				
Materials and Supplies	\$2,500	\$2,500	\$1,886	\$614
Fishing:				
Materials and Supplies	815	815	815	0
<i>Total Expenditures</i>	<u>72,550</u>	<u>81,465</u>	<u>72,437</u>	<u>9,028</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	57,154	(26,744)	(43,456)	(16,712)
Other Financing Sources				
Transfers In	<u>23,000</u>	<u>23,000</u>	<u>23,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	80,154	(3,744)	(20,456)	(16,712)
<i>Fund Balance Beginning of Year</i>	<u>42,930</u>	<u>42,930</u>	<u>42,930</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$123,084</u></u>	<u><u>\$39,186</u></u>	<u><u>\$22,474</u></u>	<u><u>(\$16,712)</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Park Operating Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Property and Other Taxes	\$223,641	\$101,084	\$101,084	\$0
Charges for Services	664	300	25	(275)
Intergovernmental	24,423	11,039	11,039	0
Other	1,438	650	301	(349)
<i>Total Revenues</i>	<u>250,166</u>	<u>113,073</u>	<u>112,449</u>	<u>(624)</u>
Expenditures				
Current:				
Leisure Time Activities:				
Park Operating:				
Personal Services	42,295	83,445	80,352	3,093
Materials and Supplies	30,682	38,148	35,832	2,316
Contractual Services	37,480	66,217	64,760	1,457
Capital Outlay	41,075	34,592	31,387	3,205
<i>Total Expenditures</i>	<u>151,532</u>	<u>222,402</u>	<u>212,331</u>	<u>10,071</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	98,634	(109,329)	(99,882)	9,447
Other Financing Sources				
Transfers In	52,250	52,250	52,250	0
<i>Net Change in Fund Balance</i>	150,884	(57,079)	(47,632)	9,447
<i>Fund Balance Beginning of Year</i>	22,998	22,998	22,998	0
Prior Year Encumbrances Appropriated	38,807	38,807	38,807	0
<i>Fund Balance End of Year</i>	<u>\$212,689</u>	<u>\$4,726</u>	<u>\$14,173</u>	<u>\$9,447</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Property and Other Taxes	\$162,325	\$102,143	\$103,715	\$1,572
Intergovernmental	18,465	11,619	11,619	0
<i>Total Revenues</i>	180,790	113,762	115,334	1,572
Expenditures				
Current:				
Security of Persons and Property:				
Police Pension:				
Personal Services	231,000	231,000	187,214	43,786
Contractual Services	1,600	1,600	1,588	12
<i>Total Expenditures</i>	232,600	232,600	188,802	43,798
<i>Excess of Revenues Under Expenditures</i>	(51,810)	(118,838)	(73,468)	45,370
Other Financing Sources				
Transfers In	122,221	122,221	72,952	(49,269)
<i>Net Change in Fund Balance</i>	70,411	3,383	(516)	(3,899)
<i>Fund Balance Beginning of Year</i>	516	516	516	0
<i>Fund Balance End of Year</i>	\$70,927	\$3,899	\$0	(\$3,899)

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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Debt Service:				
Principal Retirement	116,722	116,722	114,821	1,901
Interest and Fiscal Charges	120,589	120,589	119,313	1,276
<i>Total Expenditures</i>	237,311	237,311	234,134	3,177
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(237,311)	(237,311)	(234,134)	3,177
Other Financing Sources				
Transfers In	250,506	244,846	235,661	(9,185)
<i>Net Change in Fund Balance</i>	13,195	7,535	1,527	(6,008)
<i>Fund Balance Beginning of Year</i>	7,016	7,016	7,016	0
<i>Fund Balance End of Year</i>	\$20,211	\$14,551	\$8,543	(\$6,008)

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Library Bond Retirement Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Property and Other Taxes	\$94,228	\$89,892	\$84,847	(\$5,045)
Intergovernmental	10,149	9,682	9,682	0
<i>Total Revenues</i>	<u>104,377</u>	<u>99,574</u>	<u>94,529</u>	<u>(5,045)</u>
Expenditures				
Debt Service:				
Principal Retirement	45,000	45,000	45,000	0
Interest and Fiscal Charges	44,630	44,630	44,338	292
<i>Total Expenditures</i>	<u>89,630</u>	<u>89,630</u>	<u>89,338</u>	<u>292</u>
<i>Net Change in Fund Balance</i>	14,747	9,944	5,191	(4,753)
<i>Fund Balance Beginning of Year</i>	<u>13,390</u>	<u>13,390</u>	<u>13,390</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$28,137</u></u>	<u><u>\$23,334</u></u>	<u><u>\$18,581</u></u>	<u><u>(\$4,753)</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Equipment Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Property and Other Taxes	\$254,689	\$244,496	\$246,382	\$1,886
Intergovernmental	27,019	25,938	25,938	0
Other	6,250	6,000	5,193	(807)
<i>Total Revenues</i>	<u>287,958</u>	<u>276,434</u>	<u>277,513</u>	<u>1,079</u>
Expenditures				
Capital Outlay:				
Equipment:				
Contractual Services	1,251	4,250	3,770	480
Capital Outlay	83,799	284,623	267,979	16,644
<i>Total Expenditures</i>	<u>85,050</u>	<u>288,873</u>	<u>271,749</u>	<u>17,124</u>
<i>Net Change in Fund Balance</i>	202,908	(12,439)	5,764	18,203
<i>Fund Balance Beginning of Year</i>	106,636	106,636	106,636	0
Prior Year Encumbrances Appropriated	<u>101,194</u>	<u>101,194</u>	<u>101,194</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$410,738</u>	<u>\$195,391</u>	<u>\$213,594</u>	<u>\$18,203</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Intergovernmental	\$82,169	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	82,169	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>130,024</u>	<u>130,024</u>	<u>130,024</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$212,193</u></u>	<u><u>\$130,024</u></u>	<u><u>\$130,024</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
Storm Water Detention Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for Services	\$11,978	\$65,964	\$65,964	\$0
Expenditures				
Capital Outlay:				
Storm Water Detention:				
Contractual Services	2,687	246,323	64,169	182,154
Debt Service:				
Principal Retirement	0	67,142	58,900	8,242
Interest and Fiscal Charges	7,313	7,313	7,313	0
Total Debt Service	7,313	74,455	66,213	8,242
<i>Total Expenditures</i>	10,000	320,778	130,382	190,396
<i>Excess of Revenues Over (Under) Expenditures</i>	1,978	(254,814)	(64,418)	190,396
Other Financing Sources (Uses)				
Transfers In	182,154	182,154	182,154	0
Transfers Out	(25,000)	(25,000)	(25,000)	0
<i>Total Other Financing Sources (Uses)</i>	157,154	157,154	157,154	0
<i>Net Change in Fund Balance</i>	159,132	(97,660)	92,736	190,396
<i>Fund Balance Beginning of Year</i>	264,570	264,570	264,570	0
Prior Year Encumbrances Appropriated	7,625	7,625	7,625	0
<i>Fund Balance End of Year</i>	\$431,327	\$174,535	\$364,931	\$190,396

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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Intergovernmental	\$4,000	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Capital Improvements:				
Capital Outlay	4,000	433,790	433,790	0
<i>Excess of Revenues</i>				
<i> Under Expenditures</i>	0	(433,790)	(433,790)	0
Other Financing Sources (Uses)				
Transfers In	0	564,000	564,000	0
Transfers Out	0	(130,210)	(130,210)	0
<i>Total Other Financing Sources (Uses)</i>	0	433,790	433,790	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Safety Town Construction Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Contributions and Donations	\$29,575	\$37,125	\$37,125	\$0
Expenditures				
Capital Outlay:				
Safety Town Building:				
Contractual Services	<u>29,575</u>	<u>29,575</u>	<u>20,985</u>	<u>8,590</u>
<i>Net Change in Fund Balance</i>	0	7,550	16,140	8,590
<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>\$7,550</u></u>	<u><u>\$16,140</u></u>	<u><u>\$8,590</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Safety Facility Construction Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Intergovernmental	\$15,228	\$49	\$0	(\$49)
Expenditures				
Capital Outlay:				
Safety Facility:				
Capital Outlay	49	49	0	49
<i>Excess of Revenues Over Expenditures</i>	15,179	0	0	0
Other Financing Uses				
Transfers Out	(9,331)	(9,331)	(9,331)	0
<i>Net Change in Fund Balance</i>	5,848	(9,331)	(9,331)	0
<i>Fund Balance Beginning of Year</i>	9,282	9,282	9,282	0
Prior Year Encumbrances Appropriated	49	49	49	0
<i>Fund Balance End of Year</i>	<u>\$15,179</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Avon, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Routes 611/254 Intersection Improvement Fund
For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Interest	\$22,979	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Detroit Road Culvert:				
Capital Outlay	10,000	20,539	15,955	4,584
<i>Net Change in Fund Balance</i>	12,979	(20,539)	(15,955)	4,584
<i>Fund Balance Beginning of Year</i>	20,539	20,539	20,539	0
<i>Fund Balance End of Year</i>	\$33,518	\$0	\$4,584	\$4,584

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Road Widening Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Detroit Road Culvert:				
Capital Outlay	<u>15,000</u>	<u>40,000</u>	<u>40,000</u>	<u>0</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(15,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>0</u>
Other Financing Sources				
Transfers In	<u>15,000</u>	<u>40,000</u>	<u>40,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sidewalk Program Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Other	\$0	\$7,700	\$7,700	\$0
Expenditures				
Capital Outlay:				
Sidewalk Program:				
Capital Outlay	<u>3,833</u>	<u>11,533</u>	<u>11,533</u>	<u>0</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(3,833)</u>	<u>(3,833)</u>	<u>(3,833)</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfers In	25,000	25,000	25,000	0
Transfers Out	<u>(21,167)</u>	<u>(21,167)</u>	<u>(21,167)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>3,833</u>	<u>3,833</u>	<u>3,833</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Capital Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Intergovernmental	\$1,056,062	\$245,000	\$40,000	(\$205,000)
Interest	91,589	18,479	21,023	2,544
<i>Total Revenues</i>	<u>1,147,651</u>	<u>263,479</u>	<u>61,023</u>	<u>(202,456)</u>
Expenditures				
Current:				
Sewer				
Contractual Services	144,038	187,190	159,987	27,203
Capital Outlay	620,155	694,236	689,060	5,176
<i>Total Sewer</i>	<u>764,193</u>	<u>881,426</u>	<u>849,047</u>	<u>32,379</u>
Debt Service:				
Principal Retirement	516,100	516,100	516,100	0
Interest and Fiscal Charges	11,485	11,375	11,375	0
<i>Total Debt Service</i>	<u>527,585</u>	<u>527,475</u>	<u>527,475</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,291,778</u>	<u>1,408,901</u>	<u>1,376,522</u>	<u>32,379</u>
<i>Excess of Revenues</i> <i>Under Expenditures</i>	<u>(144,127)</u>	<u>(1,145,422)</u>	<u>(1,315,499)</u>	<u>(170,077)</u>
Other Financing Sources (Uses)				
Notes Issued	350,000	350,000	350,000	0
Advances In	205,000	205,000	205,000	0
Advances Out	(205,000)	(205,000)	0	205,000
Transfers In	745,000	745,000	788,976	43,976
Transfers Out	(158,979)	(158,979)	(158,979)	0
<i>Total Other Financing Sources (Uses)</i>	<u>936,021</u>	<u>936,021</u>	<u>1,184,997</u>	<u>248,976</u>
<i>Net Change in Fund Balance</i>	791,894	(209,401)	(130,502)	78,899
<i>Fund Balance Beginning of Year</i>	1,322,283	1,322,283	1,322,283	0
Prior Year Encumbrances Appropriated	264,657	264,657	264,657	0
<i>Fund Balance End of Year</i>	<u>\$2,378,834</u>	<u>\$1,377,539</u>	<u>\$1,456,438</u>	<u>\$78,899</u>

City of Avon, Ohio
Governmental Activities Revenues by Source and Expenses by Function
Last Two Years

	2002	2001
Program Revenues		
Charges for Services and Sales	\$2,280,932	\$2,208,634
Operating Grants and Contributions	692,119	993,420
Capital Grants and Contributions	2,996,623	3,216,959
 General Revenues		
Taxes (1)	7,079,464	5,164,648
Grants and Entitlements	237,174	115,580
Investment Earnings	533,541	821,670
Miscellaneous	125,650	88,801
 Total	 \$13,945,503	 \$12,609,712
 Expenses		
Current:		
General Government	\$1,510,968	\$1,218,050
Security of Persons and Property	2,699,899	2,417,554
Transportation	2,931,435	2,994,870
Community Environment	940,434	960,122
Basic Utility Services	461,515	237,495
Leisure Time Activities	805,698	1,649,925
Interest and Fiscal Charges	511,821	499,035
 Total	 \$9,861,770	 \$9,977,051

Source: City Financial Records

(1) Includes All Taxes

City of Avon, Ohio
*Governmental Revenues by Source
and Expenditures by Function (1)*
Last Ten Years

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Revenues				
All Taxes	\$7,309,367	\$4,523,935	\$3,992,440	\$3,529,510
Charges for Services	660,046	440,916	384,792	259,262
Licenses and Permits	1,301,949	1,450,399	1,159,788	1,305,564
Fines and Forfeitures	318,937	317,319	173,153	225,127
Intergovernmental	1,130,957	1,396,646	1,317,935	1,174,431
Special Assessment	174,939	124,577	458,449	179,288
Interest	533,541	821,670	504,273	241,127
Contributions and Donations	131,651	36,000	0	0
Other	125,650	88,801	117,489	134,587
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u><u>\$11,687,037</u></u>	<u><u>\$9,200,263</u></u>	<u><u>\$8,108,319</u></u>	<u><u>\$7,048,896</u></u>
Expenditures				
Current:				
General Government	\$1,463,958	\$1,260,416	\$1,052,166	\$1,066,278
Security of Persons and Property	2,661,078	2,267,977	1,939,213	1,665,211
Transportation	947,671	1,032,355	923,213	882,931
Community Environment	910,906	884,742	731,479	577,816
Basic Utility Services	33,541	25,722	54,984	21,836
Leisure Time Activities	775,672	1,631,866	322,900	270,963
Capital Outlay	2,659,213	2,942,272	1,978,321	1,271,920
Debt Service	862,199	874,257	863,413	654,669
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u><u>\$10,314,238</u></u>	<u><u>\$10,919,607</u></u>	<u><u>\$7,865,689</u></u>	<u><u>\$6,411,624</u></u>

Source: City financial records

<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
\$3,012,945	\$2,566,746	\$2,264,419	\$1,958,214	\$1,795,299	\$1,296,543
243,356	214,312	334,070	264,404	111,677	127,586
745,385	592,380	821,153	765,583	788,162	555,106
188,972	186,569	0	0	0	0
1,264,970	1,180,320	2,248,201	955,777	683,091	576,961
354,190	70,222	149,649	202,677	62,127	56,960
233,579	244,412	226,370	201,321	107,697	34,906
0	0	0	0	0	0
114,000	77,599	18,592	42,351	13,381	18,074
<u>\$6,157,397</u>	<u>\$5,132,560</u>	<u>\$6,062,454</u>	<u>\$4,390,327</u>	<u>\$3,561,434</u>	<u>\$2,666,136</u>

\$985,736	\$834,400	\$791,157	\$785,662	\$621,926	\$603,845
1,613,884	1,409,250	1,255,728	1,194,686	1,019,014	970,956
718,903	665,352	535,762	634,879	517,227	426,846
477,229	367,821	333,113	270,022	216,957	138,211
20,860	26,372	27,922	23,273	26,165	25,957
414,757	417,208	73,415	261,048	61,897	45,374
956,665	1,991,327	2,163,537	2,367,206	1,079,406	246,577
624,251	377,682	766,653	189,304	195,220	129,045
<u>\$5,812,285</u>	<u>\$6,089,412</u>	<u>\$5,947,287</u>	<u>\$5,726,080</u>	<u>\$3,737,812</u>	<u>\$2,586,811</u>

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

<u>Collection Year</u>	<u>Current Tax Levy (1)</u>	<u>Current Tax Collections (1)</u>	<u>Percent Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
2002	\$2,209,111	\$2,160,415	97.8%	\$68,527	\$2,228,942
2001	2,015,612	1,954,837	97.0	54,316	2,009,153
2000	1,785,912	1,742,455	97.6	52,846	1,795,301
1999	1,679,130	1,618,904	96.4	38,080	1,656,984
1998	1,299,724	1,259,756	96.9	23,636	1,283,392
1997	1,162,180	1,124,799	96.8	17,473	1,142,272
1996	1,033,712	1,016,174	98.3	15,559	1,031,733
1995	1,073,543	1,057,489	98.5	28,081	1,085,570
1994	873,109	856,352	98.1	19,631	875,983
1993	727,753	707,435	97.2	14,936	722,371

Source: County Auditor, Lorain County, Ohio

(1) State reimbursement for rollback and homestead exemptions are included

<u>Percent of Total Collections to Current Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Outstanding Delinquent Taxes to Current Tax Levy</u>
100.9%	\$66,430	3.0%
99.7	74,869	3.7
100.5	60,392	3.4
98.7	69,858	4.2
98.7	45,374	3.5
98.3	39,913	3.4
99.8	18,818	1.8
101.1	19,258	1.8
100.3	29,526	3.4
99.3	29,134	4.0

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

Collection Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2002	\$333,997,220	\$954,277,771	\$11,260,440	\$12,795,955
2001	297,017,550	848,621,571	15,157,750	17,224,716
2000	243,429,610	695,513,171	18,578,450	21,111,875
1999	218,823,620	625,210,343	19,035,790	21,631,580
1998	198,825,660	568,073,314	18,971,270	21,558,261
1997	145,084,780	414,527,943	18,608,300	21,145,795
1996	126,386,940	361,105,543	17,609,820	20,011,159
1995	116,044,800	331,556,571	18,932,760	21,514,500
1994	96,780,230	276,514,943	14,031,140	15,944,477
1993	93,754,190	267,869,114	12,556,370	14,268,602

Source: County Auditor, Lorain County, Ohio

Estimated actual value is calculated by dividing the assessed value by assessment percentage. The percentages for 2002 were 35% for real property, 35% for public utility real, 88% for public utility tangible and 25% for capital assets and 24 percent for inventory for tangible personal.

<u>Tangible Personal Property</u>		<u>Total</u>		<u>Ratio of Assessed Value to Actual Value</u>
<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	
\$20,953,670	\$83,814,680	\$366,211,330	\$1,050,888,406	35%
16,337,140	65,348,560	328,512,440	931,194,847	35
14,965,300	59,861,200	276,973,360	776,486,246	36
14,944,821	59,779,284	252,804,231	706,621,207	36
15,240,470	60,961,880	233,037,400	650,593,455	36
10,155,660	40,622,640	173,848,740	476,296,378	37
9,182,579	36,730,316	153,179,339	417,847,018	37
8,930,603	35,722,412	143,908,163	388,793,483	37
8,990,600	35,962,400	119,801,970	328,421,820	36
7,721,281	30,885,124	114,031,841	313,022,840	36

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

City of Avon					
Collection Year	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total City
2002	\$2.02	\$8.13	\$0.25	\$0.00	\$10.40
2001	2.02	8.13	0.30	0.00	10.45
2000	2.02	8.13	0.30	0.00	10.45
1999	2.02	6.63	0.35	1.50	10.50
1998	2.02	7.28	0.37	0.50	10.17
1997	2.02	7.28	0.72	0.50	10.52
1996	2.02	7.08	0.72	0.50	10.32
1995	2.02	7.08	0.72	0.50	10.32
1994	2.02	7.08	0.00	0.50	9.60
1993	2.02	7.08	0.00	0.50	9.60

Source: County Auditor, Lorain County, Ohio

<u>Avon City School District</u>	<u>Lorain County</u>	<u>Lorain County Joint Vocational School</u>	<u>Total Direct and Overlapping Governments</u>
\$47.46	\$12.89	\$2.45	\$73.20
48.58	10.79	2.45	72.27
49.24	10.79	2.45	72.93
50.27	10.79	2.45	74.01
50.60	10.79	2.45	74.01
52.23	12.69	2.45	77.89
52.95	12.69	2.45	78.41
47.05	11.49	2.45	71.31
47.35	11.49	2.45	70.89
47.80	11.39	2.45	71.24

City of Avon, Ohio
Special Assessments
Billings and Collections
Last Ten Years (1)

<u>Collection Year</u>	<u>Amount Billed</u>	<u>Amount Collected (2)</u>	<u>Percent Collected</u>
2002	\$444,272	\$174,939	39.4%
2001	657,864	124,577	18.9
2000	567,063	458,449	80.8
1999	387,653	179,288	46.2
1998	281,902	354,190	125.6
1997	73,765	70,222	95.2
1996	160,377	149,649	93.3
1995	66,719	64,993	97.4
1994	71,857	62,127	86.5
1993	67,067	56,960	84.9

Source: County Auditor, Lorain County, Ohio

- (1) Special assessments prepaid by residents and not billed by the County or which were recorded in the proprietary funds are not included.
- (2) Prior to 2001, special assessments includes both principal and interest.

City of Avon, Ohio
Computation of Legal Debt Margin
December 31, 2002

Assessed Value		\$366,211,330
Legal Debt Margin:		
Debt Limitation - 10.5 percent of Assessed Value		38,452,190
Debt Applicable to Limitation:		
General Obligation Bonds	\$3,384,009	
Special Assessment Bonds	3,955,990	
Notes	5,300,000	
OWDA Loans	1,165,371	
OPWC Loans	79,713	
Contractual Debt Obligation	1,169,941	
Gross Indebtedness (Total Voted and Unvoted Debt)	15,055,024	
Less: Debt Outside Limitations		
Special Assessment Bonds	3,955,990	
OPWC Loans	79,713	
Contractual Debt Obligation	1,169,941	
Total Debt Outside Limitations	5,205,644	
Total Debt Applicable to Limitation - Within 10.5% Limitations	9,849,380	
Less: Amount Available in Debt Service Fund to pay debt applicable to limitation	(8,543)	
Net Debt Within 10.5% Limitation		9,840,837
Overall Debt Margin Within 10.5% Limitation		\$28,611,353

Unvoted Debt Limitation - 5.5% of Assessed Valuation		\$20,141,623
Gross Indebtedness Authorized by Council	15,055,024	
Less: Debt Outside Limitations:		
Total Debt Outside Limitations	5,205,644	
Debt Within 5.5% Limitation	9,849,380	
Less Amount Available in Debt Service Fund	(8,543)	
Net Debt Within 5.5% Limitation		9,840,837
Unvoted Debt Margin Within 5.5% Limitation		\$10,300,786

Source: City Financial Records

City of Avon, Ohio
*Ratio of Net General Bonded Debt to Assessed
Value and Net Bonded Debt Per Capita
Last Ten Years*

<u>Year</u>	<u>Population (1)</u>	<u>Assessed Value (2)</u>	<u>Gross General Bonded Debt</u>	<u>Debt Service Monies Available</u>	<u>Net General Bonded Debt</u>	<u>Ratio of Net General Bonded Debt to Assessed Value</u>	<u>Net General Bonded Debt Per Capita</u>
2002	11,353	\$366,211,330	\$2,842,209	\$8,543	\$2,833,666	0.77%	\$249.60
2001	11,353	328,512,440	2,984,471	22,379	2,962,092	0.90	260.91
2000	11,353	276,973,360	3,123,320	17,855	3,105,465	1.12	273.54
1999	7,337	252,804,231	3,251,539	35,467	3,216,072	1.27	438.34
1998	7,337	233,037,400	3,177,290	168,479	3,008,811	1.29	410.09
1997	7,337	173,848,740	3,292,426	39,366	3,253,060	1.87	443.38
1996	7,337	153,179,339	1,805,387	12,024	1,793,363	1.17	244.43
1995	7,337	143,908,163	168,348	127,023	41,325	0.03	5.63
1994	7,337	119,801,970	176,309	0	176,309	0.15	24.03
1993	7,337	114,031,841	229,270	36,045	193,225	0.17	26.34

(1) Source: U.S. Bureau of Census

(2) Source: County Auditor, Lorain, Ohio

City of Avon, Ohio
*Ratio of Annual Debt Service Expenditures for
 General Bonded Debt to Total Governmental Expenditures
 Last Ten Years*

<u>Year</u>	<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total Debt Service</u>	<u>Total Governmental Expenditures</u>	<u>Ratio of Debt Service to Total Governmental Expenditures</u>
2002	\$142,262	\$159,439	\$301,701	\$10,314,238	2.93%
2001	138,849	158,829	297,678	10,919,607	2.73
2000	128,219	172,953	301,172	7,865,689	3.83
1999	125,089	174,955	300,044	6,411,624	4.68
1998	115,136	173,393	288,529	5,812,285	4.96
1997	63,761	117,731	181,492	6,089,412	2.98
1996	72,961	20,480	93,441	5,947,287	1.57
1995	72,961	11,637	84,598	5,726,080	1.48
1994	52,961	15,441	68,402	3,737,812	1.83
1993	52,673	20,091	72,764	2,586,811	2.81

Source: City Financial Records

City of Avon, Ohio
Computation of Direct and Overlapping Debt
December 31, 2002

	<u>General Tax Supported Debt Outstanding</u>	<u>Overlapping Percentage Applicable to City of Avon (1)</u>	<u>Amount Applicable to City of Avon</u>
<i>Direct:</i>			
City of Avon	\$2,842,209	100.00%	\$2,842,209
<i>Overlapping:</i>			
Lorain County	<u>27,235,000</u>	5.80	<u>1,579,630</u>
Total	<u><u>\$30,077,209</u></u>		<u><u>\$4,421,839</u></u>

Source: County Auditor, Lorain County, Ohio

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the total assessed valuation of the subdivision.

City of Avon, Ohio
Demographic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Lorain County (3)</u>
2002	11,353	2,266	6.4%
2001	11,353	1,910	5.8
2000	11,353	1,747	5.4
1999	7,337	1,600	5.0
1998	7,337	1,519	3.6
1997	7,337	1,382	6.1
1996	7,337	1,322	7.8
1995	7,337	1,229	5.1
1994	7,337	1,145	4.4
1993	7,337	1,135	5.9

Sources: (1) U.S. Bureau of the Census
(2) Avon Board of Education
(3) Ohio Department of Unemployment, Labor Market Information Department

City of Avon, Ohio
Property Values, Construction and Bank Deposits
Last Ten Years

<u>Year</u>	<u>Number of Building Permits</u>	<u>Dollar Value of Building Permits Issued (1)</u>	<u>Estimated Actual Property Values (2)</u>	<u>Bank Deposits (3, 4)</u>
2002	542	\$112,580,398	\$1,050,888,406	\$614,592,000
2001	607	172,727,004	931,194,847	555,591,000
2000	606	111,482,170	776,486,246	513,102,000
1999	612	119,544,836	706,621,207	463,993,000
1998	454	85,451,965	650,593,455	444,974,000
1997	365	67,079,328	476,296,378	1,381,977,000
1996	341	55,698,940	417,847,018	1,329,795,000
1995	177	44,123,801	388,793,483	1,237,991,000
1994	159	26,888,041	328,421,820	1,254,166,000
1993	148	16,168,271	313,022,840	1,170,581,000

Source: (1) Avon Building Department
(2) Lorain County Auditor's Office
(3) Federal Reserve Bank of Cleveland
(4) The decrease at 1998 resulted when out-of-county banks acquired local bank branches. The deposits were moved out of Lorain County.

City of Avon, Ohio
Ten Largest Real Property Taxpayers
December 31, 2002

<u>Taxpayer</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of Total Real Property Assessed Valuation</u>
First Interstate Avon, LTD.	\$11,584,480	3.47%
AERC Avon	6,590,010	1.97
Comprehensive Health	3,644,920	1.09
F I BJS	2,239,910	0.67
Manco Incorporated	2,092,900	0.63
Timber Lake Apartments	1,933,030	0.58
JS Avon North	1,903,980	0.57
Caravon Golf Company	1,733,620	0.52
Avon Oaks County Club	1,451,970	0.43
David Kirschenbaum (Good Samaritan)	<u>1,442,590</u>	<u>0.43</u>
Total of Above	<u><u>\$34,617,410</u></u>	<u><u>10.36%</u></u>
Total City Valuation	<u><u>\$333,997,220</u></u>	

Source: County Auditor, Lorain County, Ohio

City of Avon, Ohio
Miscellaneous Statistics
December 31, 2002

GOVERNMENT:		
Date of Incorporation as a Village		1917
Date of Incorporation as a City		1961
Form of Government		Mayor/Council
AREA:		20.5 square miles
STREETS:		120 miles of streets
NUMBER OF STREET LIGHTS (PER LIGHT BILL)		430
EDUCATION:		
Attendance Centers		5
Teachers		160
Students		2,266
WATER:		
Miles of Water Mains		90
SEWERS:		
Miles of Sanitary Sewers		66
BUILDING PERMITS ISSUED:		
Residential (Single-family and Multi-family)		381
Commercial/Industrial (New and Expansion)		161
RECREATION AND CULTURE:		
Number of Parks		5
Number of Libraries		1
Number of Baseball Diamonds		6
Number of Soccer Fields		9
POLICE:		
Stations		1
Policemen and Officers: Full-Time		22
FIRE:		
Stations		2
Firefighters and Rescue Workers: Part-Time		30
TOTAL EMPLOYEES:		
Full-Time		65
Part-Time		79



**Auditor of State
Betty Montgomery**

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800-282-0370
Facsimile 614-466-4490

CITY OF AVON

LORAIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 3, 2003**