



CITY OF AVON LAKE, OHIO



Comprehensive Annual Financial Report

For the Year Ended

December 31, 2013



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Avon Lake, Lorain County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2013 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Avon Lake is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

September 17, 2014

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CITY OF AVON LAKE, OHIO



Comprehensive Annual Financial Report

**For the Year Ended
December 31, 2013**

Issued by the Finance Department

**Steven Presley
Director of Finance**

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INTRODUCTORY SECTION

City of Avon Lake, Ohio
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For the Year Ended December 31, 2013
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930-4102

Civil Service Commission
933-6141

Clerk of Council
930-4121

Council President
930-4120

Engineering Department
930-4101

Finance Department
930-4124

Fire Department
933-8306

Human Resources
933-6141

Law Director
930-4122

Mayor's Office
930-4100

Municipal Court
930-4103

Municipal Utilities
933-6226

Planning Department
930-4101

Police Department
933-4567

Recreation Department
930-4130

Service Department
930-4126

Zoning Department
930-4143

July 16, 2014

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

We are pleased to submit the Comprehensive Annual Financial Report of the City of Avon Lake, Ohio for the year ended December 31, 2013.

This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires cities to file unaudited general purpose external financial statements with the Auditor of State within 150 days of year end.

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

James G. Zupka, CPA, Inc., has issued an unmodified (“clean”) opinion on the City of Avon Lake, Ohio’s financial statements for the year ended December 31, 2013. The independent auditor’s report is located at the front of the financial section of this report.

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

Profile of the Government

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

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

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

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

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

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

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

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

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

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

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

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

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

Major Initiatives

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

The City continues to work on the sewer separation projects to meet our EPA obligation of 2020 to be fully separated. The Belmar Sewer Separation Project will be completed in 2014 and was started in early 2013 as a joint project between Avon Lake Municipal Utilities and the City of Avon Lake. The next project that started its construction phase at the end of June 2014 has a two year completion date and is the Moorewood Sewer District Project at a total cost of \$9.1 million. This project impacts almost 400

homes and will install new sanitary and storm sewers as well as some new waterlines within the sewer district and will eliminate two Sanitary Sewer Overflows (SSO's) to Lake Erie once completed. As part of the City's full compliance with EPA regulations the City has three more separation projects in the works to comply with our 2020 mandate.

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

Economic Development

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

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

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

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

Community Reinvestment Area (CRA) Program

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

Community Improvement Corporation

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

Jobs Growth Incentive Plan

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

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

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

Long-Term Financial Planning

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

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

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

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

Awards and Acknowledgement

The City of Avon Lake is submitting this Comprehensive Annual Financial Report to the Government Finance Officers Association of the United States and Canada (GFOA) with the intentions of receiving the Certificate of Achievement for Excellence in Financial Reporting from the GFOA for the fiscal year ended December 31, 2013. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized comprehensive annual financial report that satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements. A certificate is valid for a period of only year only. We believe our current report will meet the Certificate of Achievement Program's requirements, and are submitting it to GFOA to determine its eligibility for this certificate. The successful completion of a report of this scope depends upon the dedicated contributions of many employees. The sincere appreciation of those primarily responsible for the completion of this CAFR is extended to all contributors, but especially those employees in the Department of Finance.

Respectfully submitted,



Gregory J. Zilka
Mayor



Steven Presley
Director of Finance

City of Avon Lake, Ohio

Directory of Officials

December 31, 2013

COUNCIL

At-Large:

Daniel Bucci

John Shondel

Martin O'Donnell

Wards:

Robert James (Ward I)

Jennifer Fenderbosch (Ward II)

Larry Meiners (Ward III)

David Kos (Ward IV)

Clerk of Council:

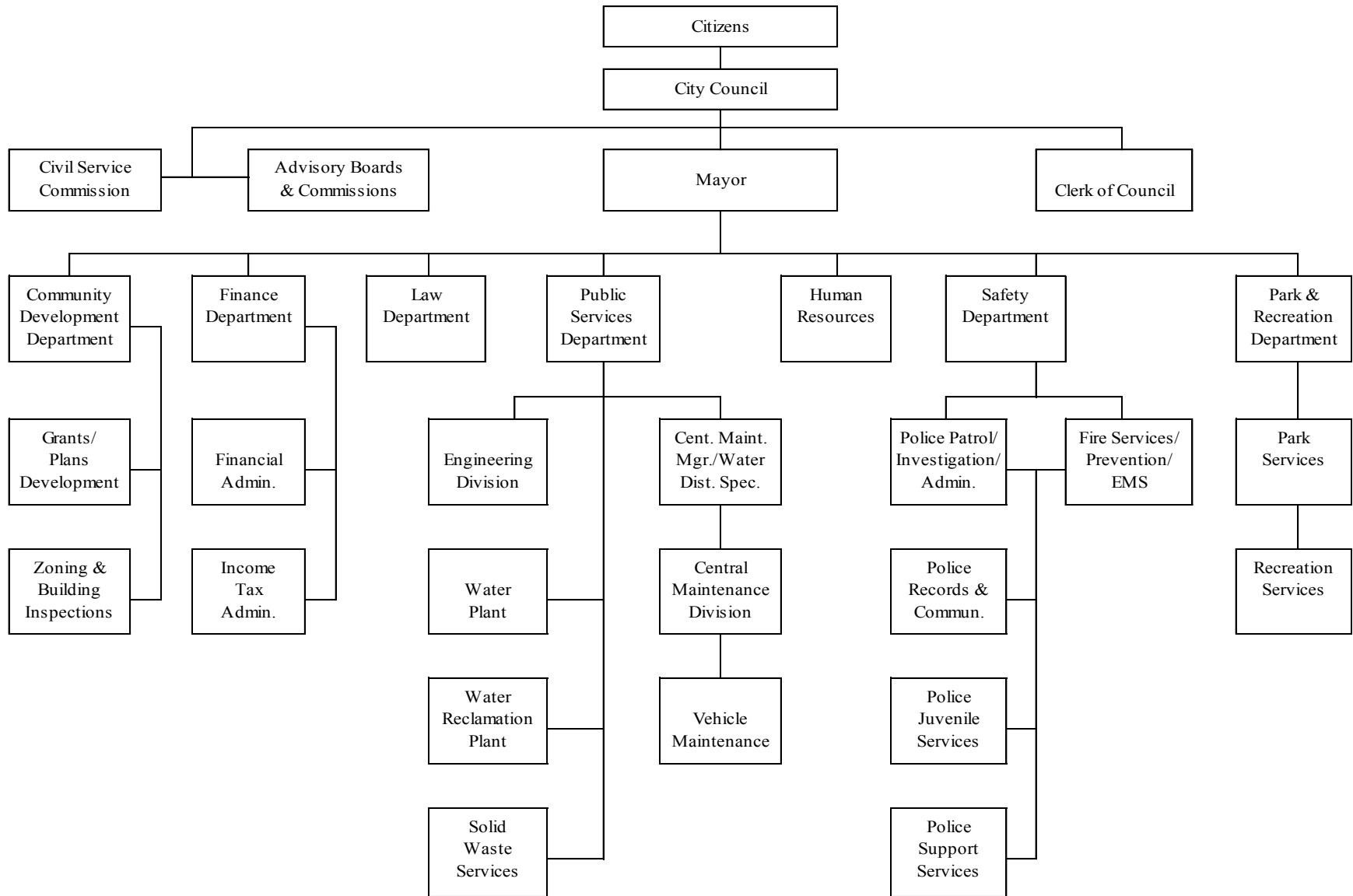
Barbara Dopp

OFFICIALS

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

* Steven Presley became Director of Finance in May of 2014.

City of Avon Lake, Ohio
Organizational Chart
 December 31, 2013



FINANCIAL SECTION

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

The Honorable David Yost
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Avon Lake, Lorain County, Ohio, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Avon Lake, Ohio, as of December 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

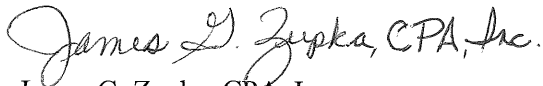
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Avon Lake, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2014, on our consideration of the City of Avon Lake, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Avon Lake, Ohio's internal control over financial reporting and compliance.



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

July 16, 2014

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City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

The discussion and analysis of the City of Avon Lake's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2013. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the financial statement and notes to those respective statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2013 are as follows:

- The City's economic condition continued to improve as municipal income tax revenue slightly increased by \$22,523 over 2012.
- Total Net Position increased \$2,321,327 in 2013 over 2012.
- Planning, engineering and design continued on the Moorewood Avenue sewer separation project. In 2013, the construction phase began for the Belmar sewer separation project.
- In 2013, the City issued \$1,950,000 in bond anticipation notes, which helped provide funding for various equipment purchases on construction projects within the governmental activities. Total outstanding debt decreased \$899,965 from 2012.
- GenOn Energy Incorporated, the largest landowner in the City, announced that it would close its Avon Lake power plant in April 2015 despite its merger, in 2012, with NRG Energy Inc.

Overview of the Comprehensive Annual Financial Report (CAFR)

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

Government-wide Financial Statements

Our analysis of the City as a whole begins on page 5. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question.

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

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

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

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

Notes to the Basic Financial Statements

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

Other Information

In addition to the basic financial statements and the accompanying notes, this CAFR also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements, the combining statements are presented along with individual detailed budgetary schedules for all funds. This information can be found starting on page 74.

The City of Avon Lake as a Whole

Analysis of Net Position

The City's total Net Position changed from a year ago, increasing from \$112,951,971 to \$115,273,298.

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

Table 1- Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
ASSETS						
Current and other assets	\$ 26,744,359	\$ 25,116,064	\$ 18,082,087	\$ 18,257,423	\$ 44,826,446	\$ 43,373,487
Capital assets, net	55,107,235	55,953,207	89,352,067	88,451,641	144,459,302	144,404,848
Total Assets	81,851,594	81,069,271	107,434,154	106,709,064	189,285,748	187,778,335
DEFERRED OUTFLOWS OF RESOURCES						
Deferral on Refunding	250,901	310,990	195,950	216,028	446,851	527,018
LIABILITIES						
Current and other liabilities	1,447,968	1,460,580	818,560	1,195,921	2,266,528	2,656,501
Long-term liabilities:						
Due within one year	3,534,982	1,790,029	2,880,833	3,655,269	6,415,815	5,445,298
Due in more than one year	11,150,909	12,226,686	49,184,866	49,589,598	60,335,775	61,816,284
Total Liabilities	16,133,859	15,477,295	52,884,259	54,440,788	69,018,118	69,918,083
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	5,441,183	5,435,299	-	-	5,441,183	5,435,299
NET POSITION						
Net Investment in						
Capital Assets	44,445,366	44,703,908	38,036,092	35,920,203	82,481,458	80,624,111
Restricted	9,152,098	7,833,010	1,353,870	1,383,230	10,505,968	9,216,240
Unrestricted	6,929,989	7,930,749	15,355,883	15,180,871	22,285,872	23,111,620
Total Net Position	\$ 60,527,453	\$ 60,467,667	\$ 54,745,845	\$ 52,484,304	\$ 115,273,298	\$ 112,951,971

Total assets increased by \$1,507,413 in 2013. Capital assets are used to provide services to the City's citizens; however, they are not available for future spending. Total capital assets (net of depreciation) increased slightly by \$54,454. This increase was mainly attributed to several new construction projects beginning in 2013 which were offset by current year depreciation expenses.

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

Current and other assets increased \$1,452,959 mainly from an increase in equity in pooled cash and cash equivalents as a result of the City receiving proceeds from bond anticipation notes issued in 2013. As of December 31, 2013, the City had not fully completed all of the capital projects funded by the bond anticipation notes. As a result, the unspent proceeds remained in the City's equity in pooled cash and cash equivalents at year end.

Total liabilities decreased by \$899,965 in 2013 with current liabilities decreasing \$389,973 and long-term liabilities decreasing \$509,992. The decrease in long-term liabilities was primarily due to the payment of long-term debt.

Investments in capital assets (land, construction in progress, buildings and improvements, machinery and equipment, vehicles and infrastructure, net of depreciation) less any debt related to acquire those assets that is still outstanding represents the largest portion of net position which increased \$1,857,347 from 2012 to 2013. Restricted net position increased \$1,289,728 due primarily to unspent bond anticipation note proceeds for infrastructure related capital improvement projects. Unrestricted net position decreased \$825,748 due to decreases in funding of shared taxes at the state level.

Table 2 shows the changes in net position for governmental activities and business-type activities for the year ended December 31, 2013 compared to December 31, 2012.

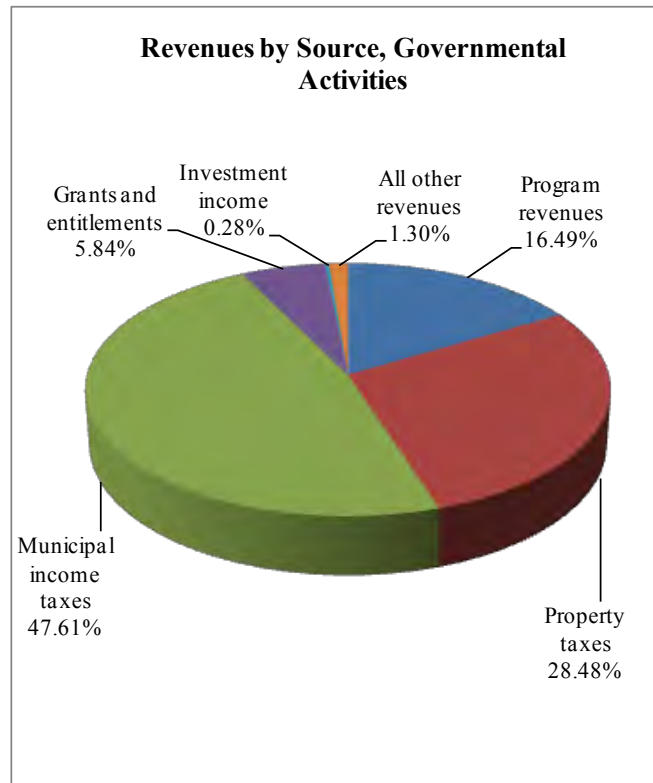
Table 2- Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
REVENUES						
Program Revenues:						
Charges for services	\$ 1,978,386	\$ 1,833,786	\$ 15,928,903	\$ 16,752,720	\$ 17,907,289	\$ 18,586,506
Operating grants and contributions	999,229	947,621	329,942	222,175	1,329,171	1,169,796
Capital grants and contributions	397,755	315,084	145,350	155,422	543,105	470,506
Total Program Revenues	3,375,370	3,096,491	16,404,195	17,130,317	19,779,565	20,226,808
General Revenues:						
Property taxes	5,831,131	5,513,386	-	-	5,831,131	5,513,386
Municipal income taxes	9,746,498	9,763,450	512,524	473,049	10,259,022	10,236,499
Grants and entitlements	1,195,278	2,056,510	-	-	1,195,278	2,056,510
Investment income	58,145	123,385	7,034	72,661	65,179	196,046
All other revenues	265,394	370,066	230,639	337,426	496,033	707,492
Total General Revenues	17,096,446	17,826,797	750,197	883,136	17,846,643	18,709,933
Total Revenues	20,471,816	20,923,288	17,154,392	18,013,453	37,626,208	38,936,741
EXPENSES						
Program Expenses:						
Security of persons and property	8,465,633	8,534,837	-	-	8,465,633	8,534,837
Public health services	188,239	140,705	-	-	188,239	140,705
Leisure time activities	1,158,288	1,239,644	-	-	1,158,288	1,239,644
Community environment	487,654	473,952	-	-	487,654	473,952
Basic utility services	-	388,614	-	-	-	388,614
Transportation	6,236,676	6,157,639	-	-	6,236,676	6,157,639
General government	3,391,591	3,136,087	-	-	3,391,591	3,136,087
Interest and fiscal charges	470,790	473,463	-	-	470,790	473,463
Water	-	-	9,109,859	9,214,574	9,109,859	9,214,574
Sewer	-	-	5,796,151	5,259,464	5,796,151	5,259,464
Total Expenses	20,398,871	20,544,941	14,906,010	14,474,038	35,304,881	35,018,979
Changes in Net Position before Transfers	72,945	378,347	2,248,382	3,539,415	2,321,327	3,917,762
Transfers	(13,159)	25,703	13,159	(25,703)	-	-
Changes in Net Position	59,786	404,050	2,261,541	3,513,712	2,321,327	3,917,762
Net Position - Beginning of Year	60,467,667	60,063,617	52,484,304	48,970,592	112,951,971	109,034,209
Net Position - End of Year	\$ 60,527,453	\$ 60,467,667	\$ 54,745,845	\$ 52,484,304	\$ 115,273,298	\$ 112,951,971

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

Governmental Activities

Revenues by source of governmental activities for 2013 were comprised of:



Revenues

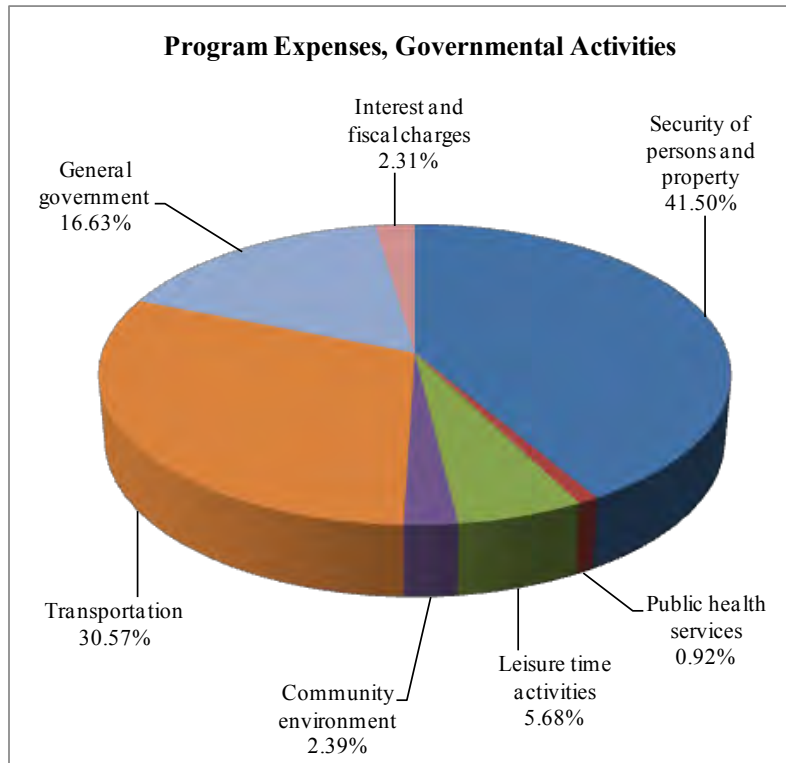
Total revenues decreased by \$451,472 or 2.16%. The 1.5 percent municipal income tax is the largest revenue source totaling \$9,746,498 or 47.61%. Municipal income tax slightly decreased by 16,952 or 0.17%. The municipal income tax revenue is allocated by ordinance as follows: the Capital Improvement Fund receives 20.00%, the Sewer System Construction Fund receives 5.00% and the remaining 75.00% is allocated to the General Fund. The municipal income tax has remained stable for each of the last four years.

The next largest revenue source is property taxes totaling \$5,831,131 or 28.48%. Property taxes experienced an increase from 2012 of \$317,745 or 5.76%. The grants and entitlements suffered the largest decrease within governmental activities' revenues. This revenue source decreased \$861,232 or 41.88% from 2012 to 2013 as a result of additional reductions in shared taxes at the state level.

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

Expenses

Program expenses of governmental activities for 2013 were comprised of:



Program expenses amounted to \$20,398,871 in 2013, of which only \$3,375,370 was supported by program revenues. Security of persons and property, which includes police, fire and paramedic services, represented \$8,465,633 or 41.50% of total program expenses. Transportation, which includes street maintenance, snow removal, etc., represents \$6,236,676 or 30.57% of program expenses. General government, which includes legislative and administrative services of council, mayor, law, finance, engineering, building services, and utilities and maintenance of the buildings that house these functions, represents \$3,391,591 or 16.63%. Leisure time activities represented \$1,158,288 or 5.68% of program expenses and includes recreation pool and special programs. Other program expenses consisting of public health and welfare, community environment, and interest and fiscal charges amounted to 5.62%. Program expenses decreased slightly in 2013 by \$146,070 or 0.71% from the 2012 program expenses.

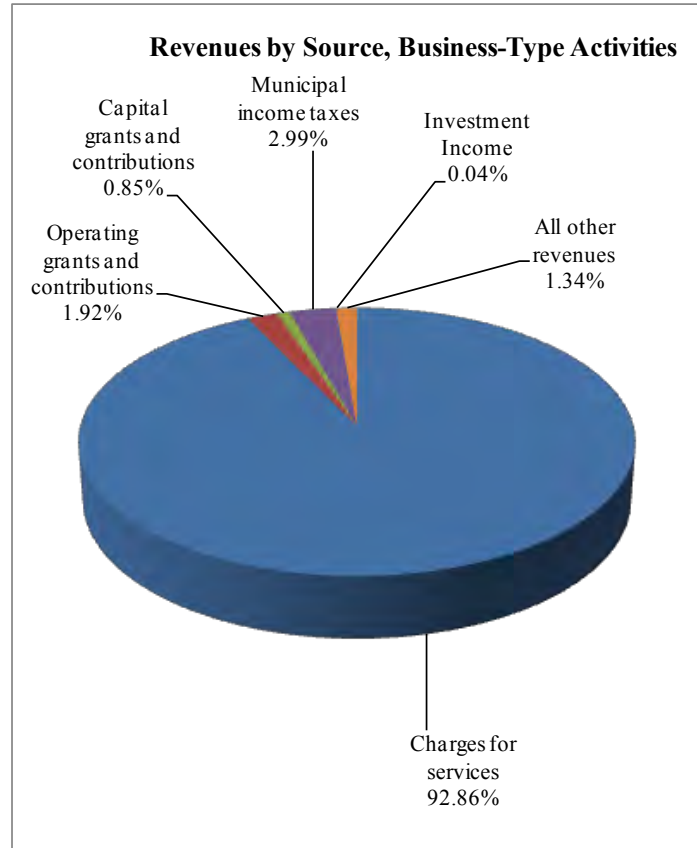
The City's efforts to control costs within the various departments has paid off as evident by the decrease in expenses when compared to 2012. The general government expense experienced the largest increase of \$255,504. This increase was the result of the City reclassifying the engineering department's expenses from basic utility services into general government expenses.

Business-Type Activities

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

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

Revenues by source for business-type activities for 2013 were comprised of:

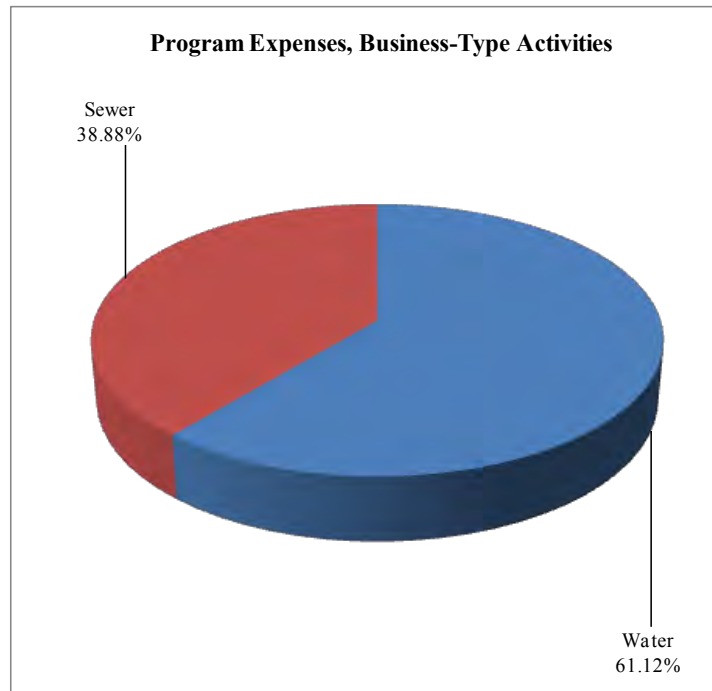


Revenues

Program revenue consisting of charges for services, operating and capital grants and contributions represented 95.63% of total revenues for the business-type activities in 2013. Charges for services for the business-type activities amounted to \$15,928,903 with 68.84% provided by water services and 31.16% from sanitary sewer services.

Water operations generate the fees charged for the sale of water within Avon Lake and several surrounding communities. Those fees are then used to maintain lines for delivery and to treat water for further consumption. Water operating revenues decreased \$537,671 or 4.63%.

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)



Expenses

Water operation expenses amounted to \$9,109,859 or 61.12% and sanitary sewer operation expenses amounted to \$5,796,151 or 38.88% of total program expenses for business-type activities in 2013.

Total expenses for business-type activities increased by \$431,972 due mainly to increases in additional supply and overtime expenses.

The City's Funds

Information about the City's major governmental funds begins on page 20. These funds are reported using the modified accrual basis of accounting. All governmental funds had total revenues of \$20,854,679 and expenditures of \$20,225,530 (not including other financing sources and uses). The General Fund's fund balance decreased by \$59,830. The City closely monitors its revenues and expenditures to maintain a sound fund balance.

General Fund Analysis

The General Fund is the chief operating fund of the City. At the beginning of the current year, total fund balance for the General Fund was \$3,128,150. General Fund expenditures (including transfers out) for the current year were \$15,116,260, with revenues and other financing sources of \$15,056,430, leaving a fund balance of \$3,068,320, and an unassigned balance of \$331,507 in the General Fund.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (including transfers out). The General Fund's unassigned fund balance represents 2.19 percent of total General Fund expenditures while total fund balance represents 20.30 percent of that same amount. The City's General Fund balance decreased by \$59,830 in 2013 when compared to 2012.

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

Other Major Funds Analysis

The City's Water Fund experienced an increase of \$2,455,954 in its 2013 net position compared to 2012. The main contributors to this increase were reductions in overtime and contractual services expenses which assists in the City's efforts to maintain expenses lower than revenues.

The City's Sewer Fund experienced a decrease of \$194,413 in its net position compared to 2012. The main contributors to this decrease were lower charges for service fees coupled with higher operating expenses due to the beginning of several major infrastructure projects.

General Fund Budgeting Highlights

The City's budget is prepared according to the laws of the State of Ohio and is based on accounting for certain transactions on a cash basis for receipts, expenditures, and encumbrances. The most significant budgeted fund is the general fund. The legal level of budgetary control is at the personnel and other levels within the departments for the general fund and at the personnel and other levels for all other funds. Any budgetary modifications at these levels may only be made by an ordinance of City Council. During 2013, a number of supplemental appropriation measures were authorized by the City Council. Administrative control of the budget is maintained through the establishment of detailed line-item budgets. Transfers are contained in the annual appropriation measure and are permitted once the permanent appropriation measure has been passed by City Council.

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

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

For the general fund, original budgeted revenues are \$13,713,236, final budgeted revenues are \$14,900,000 and actual revenue collections are \$15,058,092. The majority of the increase in actual revenue over the final budgeted amounts is due to receiving more income tax revenue than expected. Actual general fund expenditures were \$15,836,326 or \$747,715 less than the final budget. The decrease in actual expenditures represents the City's proactive management and legislative action to control costs across the City's departments when practicable.

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Capital assets, net of depreciation, at December 31, 2013 and 2012 consisted of:

Table 3- Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 5,283,340	\$ 5,283,340	\$ 1,601,738	\$ 1,601,738	\$ 6,885,078	\$ 6,885,078
Construction in progress	392,128	-	22,079,427	19,050,158	22,471,555	19,050,158
Buildings and improvements	15,633,305	16,127,174	18,071,927	18,700,360	33,705,232	34,827,534
Machinery and equipment	1,065,621	915,162	1,714,029	1,630,173	2,779,650	2,545,335
Vehicles	1,499,730	1,514,252	260,669	264,835	1,760,399	1,779,087
Infrastructure	31,233,111	32,113,279	45,624,277	47,204,377	76,857,388	79,317,656
Total Capital Assets, Net of Depreciation	<u>\$ 55,107,235</u>	<u>\$ 55,953,207</u>	<u>\$ 89,352,067</u>	<u>\$ 88,451,641</u>	<u>\$ 144,459,302</u>	<u>\$ 144,404,848</u>

Capital assets are major assets that are used in operations and have useful lives of more than one year. As of December 31, 2013, total capital assets for the City were \$144,459,302 which reflects a slight increase of \$54,454 from the 2012 ending balance of \$144,404,848. Governmental activities capital assets, net of depreciation, decreased \$845,972 from 2012. The City's annual street improvement program was reduced in 2013 in order to stay within the capital budget. Business-type capital assets, net of depreciation, increased \$900,426 as a result of continuing additions and improvements to the City's water and sewer infrastructure.

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

Debt

The outstanding debt and other long-term obligations for the City as of December 31, 2013, was \$63,994,981 which consisted of \$12,483,056 for governmental activities and \$51,511,925 for business-type activities. The City-wide balance reflects a decrease of \$519,780 from the previous year's balance of \$64,514,761.

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

Table 4- Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds	\$ 7,807,179	\$ 8,595,954	\$ 4,225,645	\$ 5,177,681	\$ 12,032,824	\$ 13,773,635
Special Assessment Bonds	1,675,983	1,928,697	-	-	1,675,983	1,928,697
Long-term Notes Payable	2,510,728	938,972	-	-	2,510,728	938,972
OWDA Loans	237,675	-	40,682,410	39,988,768	40,920,085	39,988,768
OPWC Loans	70,000	76,666	-	-	70,000	76,666
Mortgage Revenue Bonds	-	-	6,595,000	7,545,000	6,595,000	7,545,000
Equipment Loan	92,000	115,000	-	-	92,000	115,000
Police Pension Liability	89,491	92,006	-	-	89,491	92,006
Promissory Note	-	20,000	-	-	-	20,000
Capital Leases	-	-	8,870	36,017	8,870	36,017
Total Outstanding Debt	<u>\$ 12,483,056</u>	<u>\$ 11,767,295</u>	<u>\$ 51,511,925</u>	<u>\$ 52,747,466</u>	<u>\$ 63,994,981</u>	<u>\$ 64,514,761</u>

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

During 2013, the City continued two sewer projects and began the water plant expansion project which were all funded by the Ohio Water Development Authority (OWDA). The City received \$2,517,202 in loan proceeds from OWDA.

During 2013, the City issued bond anticipation notes for various construction projects and equipment purchases within the governmental activities. The notes will mature on July 15, 2014 and a portion of the notes (\$207,000) will be paid down with the City's own funds and the remaining portion (\$1,743,000) will be rolled into new bond anticipation notes.

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

CURRENT FINANCIAL RELATED ACTIVITIES

The City's governmental activities continued to struggle with many of the same economic issues as other communities including unfunded capital costs, increased operating costs, and decreasing revenue sources in addition to the announcement by GenOn Energy Incorporated that it will close its power plant in April 2015.

The property tax revenue increased by \$317,745 or 5.8 percent in 2013 while municipal income tax revenue remained flat; however, State funding cuts were the main reason intergovernmental revenues decreased by \$861,232.

The City made preparations for the Lear/ Walker road intersection improvement project that is scheduled for construction in 2014. This improvement will widen the intersection to 4 lanes in each direction while changing the overall elevation of the intersection to improve drainage. The total cost of the project is \$1,596,312. The City will receive an OPWC Grant in the amount of \$252,288 and an OPWC interest free loan of \$125,000 to aid in the funding of the project.

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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

Basic Financial Statements

City of Avon Lake, Ohio
Statement of Net Position
December 31, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 13,921,632	\$ 9,949,980	\$ 23,871,612
Cash and Cash Equivalents:			
With Escrow Agents	10,968	-	10,968
Materials and Supplies Inventory	124,735	168,037	292,772
Accounts Receivable	221,398	1,756,627	1,978,025
Accrued Interest Receivable	51,522	19,364	70,886
Intergovernmental Receivable	1,167,433	2,092,205	3,259,638
Prepaid Items	54,902	47,213	102,115
Municipal Income Taxes Receivable	3,595,970	189,262	3,785,232
Property and Other Taxes Receivable	5,807,646	-	5,807,646
Special Assessments Receivable	1,788,153	119,494	1,907,647
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	-	1,353,870	1,353,870
Investment In Joint Venture	-	2,386,035	2,386,035
Nondepreciable Capital Assets	5,675,468	23,681,165	29,356,633
Depreciable Capital Assets	49,431,767	65,670,902	115,102,669
Total Assets	<u>81,851,594</u>	<u>107,434,154</u>	<u>189,285,748</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferral on Refunding	250,901	195,950	446,851
Total Deferred Outflows of Resources	<u>250,901</u>	<u>195,950</u>	<u>446,851</u>
LIABILITIES			
Accounts Payable	350,768	336,985	687,753
Accrued Wages and Benefits	388,416	154,154	542,570
Intergovernmental Payable	396,235	228,829	625,064
Matured Compensated Absences Payable	43,815	11,180	54,995
Accrued Interest Payable	51,089	87,412	138,501
Retainage Payable	10,645	-	10,645
Notes Payable	207,000	-	207,000
Long-term Liabilities:			
Due within one year	3,534,982	2,880,833	6,415,815
Due in more than one year	11,150,909	49,184,866	60,335,775
Total Liabilities	<u>16,133,859</u>	<u>52,884,259</u>	<u>69,018,118</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	5,441,183	-	5,441,183
Total Deferred Inflows of Resources	<u>5,441,183</u>	<u>-</u>	<u>5,441,183</u>
NET POSITION			
Net Investment in Capital Assets	44,445,366	38,036,092	82,481,458
Restricted for:			
Debt Service	2,145,775	1,304,490	3,450,265
Capital Projects	4,762,223	-	4,762,223
Public Safety	925,421	-	925,421
Parks and Recreation	287,959	-	287,959
Streets and Highways	1,028,878	-	1,028,878
Other Purposes	1,842	49,380	51,222
Unrestricted	6,929,989	15,355,883	22,285,872
Total Net Position	<u>\$ 60,527,453</u>	<u>\$ 54,745,845</u>	<u>\$ 115,273,298</u>

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

City of Avon Lake, Ohio
Statement of Activities
For the Year Ended December 31, 2013

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
Security of Persons and Property	\$ 8,465,633	\$ 476,704	\$ 31,444	\$ -
Public Health Services	188,239	-	-	-
Leisure Time Activities	1,158,288	470,814	9,092	-
Community Environment	487,654	-	-	-
Basic Utility Services	-	7,490	-	-
Transportation	6,236,676	156,440	934,353	397,058
General Government	3,391,591	866,938	24,340	697
Interest and Fiscal Charges	470,790	-	-	-
Total Governmental activities	20,398,871	1,978,386	999,229	397,755
Business-type activities:				
Water	9,109,859	10,965,314	324,886	73,200
Sewer	5,796,151	4,963,589	5,056	72,150
Total Business-type activities	14,906,010	15,928,903	329,942	145,350
Total Primary Government	\$ 35,304,881	\$ 17,907,289	\$ 1,329,171	\$ 543,105

General Revenues:

- Property and Other Taxes levied for:
 - General Purposes
 - Debt Service Purpose
 - Other Purposes
- Municipal Income Taxes levied for:
 - General Purposes
 - Sewer
- Grants & Entitlements not restricted to specific programs
- Investment Income
- Gain on Sale of Capital Assets
- All Other Revenues
- Transfers
 - Total General Revenues and Transfers
- Changes in Net Position
- Net Position - Beginning of Year
- Net Position - End of Year**

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

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

Governmental Activities	Business-type Activities	Total
\$ (7,957,485)	\$ -	\$ (7,957,485)
(188,239)	-	(188,239)
(678,382)	-	(678,382)
(487,654)	-	(487,654)
7,490	-	7,490
(4,748,825)	-	(4,748,825)
(2,499,616)	-	(2,499,616)
(470,790)	-	(470,790)
<u>(17,023,501)</u>	<u>-</u>	<u>(17,023,501)</u>
-	2,253,541	2,253,541
-	(755,356)	(755,356)
<u>-</u>	<u>1,498,185</u>	<u>1,498,185</u>
<u>(17,023,501)</u>	<u>1,498,185</u>	<u>(15,525,316)</u>
3,716,672	-	3,716,672
300,607	-	300,607
1,813,852	-	1,813,852
9,746,498	-	9,746,498
-	512,524	512,524
1,195,278	-	1,195,278
58,145	7,034	65,179
1,469	-	1,469
263,925	230,639	494,564
(13,159)	13,159	-
<u>17,083,287</u>	<u>763,356</u>	<u>17,846,643</u>
59,786	2,261,541	2,321,327
<u>60,467,667</u>	<u>52,484,304</u>	<u>112,951,971</u>
<u>\$ 60,527,453</u>	<u>\$ 54,745,845</u>	<u>\$ 115,273,298</u>

City of Avon Lake, Ohio
Balance Sheet
Governmental Funds
December 31, 2013

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 2,357,355	\$ 11,564,277	\$ 13,921,632
Cash and Cash Equivalents:			
With Escrow Agents	-	10,968	10,968
Materials and Supplies Inventory	57,523	67,212	124,735
Accrued Interest Receivable	-	51,522	51,522
Accounts Receivable	214,930	6,468	221,398
Interfund Receivable	40,000	214,808	254,808
Intergovernmental Receivable	448,983	718,450	1,167,433
Prepaid Items	51,759	3,143	54,902
Municipal Income Taxes Receivable	2,838,924	757,046	3,595,970
Property and Other Taxes Receivable	3,598,617	2,209,029	5,807,646
Special Assessments Receivable	-	1,788,153	1,788,153
Total Assets	\$ 9,608,091	\$ 17,391,076	\$ 26,999,167
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 201,905	\$ 148,863	\$ 350,768
Accrued Wages and Benefits	315,799	72,617	388,416
Intergovernmental Payable	321,230	75,005	396,235
Matured Compensated Absences Payable	43,815	-	43,815
Retainage Payable	-	10,645	10,645
Interfund Payable	-	254,808	254,808
Notes Payable	-	207,000	207,000
<i>Total Liabilities</i>	<u>882,749</u>	<u>768,938</u>	<u>1,651,687</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	3,337,620	2,103,563	5,441,183
Unavailable Revenue - Delinquent Property Taxes	170,892	105,466	276,358
Unavailable Revenue - Municipal Income Taxes	1,709,720	455,925	2,165,645
Unavailable Revenue - Other	438,790	2,304,439	2,743,229
<i>Total Deferred Inflows of Resources</i>	<u>5,657,022</u>	<u>4,969,393</u>	<u>10,626,415</u>
FUND BALANCES			
Nonspendable	149,282	70,355	219,637
Restricted	-	5,303,791	5,303,791
Committed	384,401	6,365,290	6,749,691
Assigned	2,203,130	143,428	2,346,558
Unassigned (Deficits)	331,507	(230,119)	101,388
<i>Total Fund Balances</i>	<u>3,068,320</u>	<u>11,652,745</u>	<u>14,721,065</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,608,091	\$ 17,391,076	\$ 26,999,167

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

City of Avon Lake, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2013*

Total Governmental Funds Balance \$ 14,721,065

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

Capital Assets used in Governmental Activities are not financial resources
 and, therefore, are not reported in the funds 55,107,235

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

Delinquent property taxes	\$	276,358	
Municipal income taxes		2,165,645	
Special assessments		1,788,153	
Intergovernmental		895,369	
Charges for services		59,707	
Total			5,185,232

In the Statement of Activities, interest is accrued on outstanding
 bonds, whereas in Governmental funds, an interest expenditure
 is reported when due. (51,089)

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

General obligation bonds		(7,763,315)	
Special assessment bonds		(1,655,741)	
OPWC loan		(70,000)	
OWDA loan		(237,675)	
Long-term notes payable		(2,502,972)	
Deferral on refunding		250,901	
Unamortized bond premium		(71,862)	
Other long-term obligations		(771,872)	
Compensated absences		(1,612,454)	
Total			<u>(14,434,990)</u>

Net Position of Governmental Activities \$ 60,527,453

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

City of Avon Lake, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

	General	Other	Total
	Fund	Governmental	Governmental
		Funds	Funds
REVENUES			
Property and Other Taxes	\$ 3,711,492	\$ 2,111,711	\$ 5,823,203
Municipal Income Taxes	7,516,129	2,012,865	9,528,994
Intergovernmental	1,485,361	1,283,363	2,768,724
Interest	-	58,145	58,145
Fees, Licenses, and Permits	310,188	4,070	314,258
Fines and Forfeitures	287,920	75,886	363,806
Charges for Services	945,949	148,053	1,094,002
Contributions and Donations	3,527	10,092	13,619
Special Assessments	-	376,113	376,113
All Other Revenues	224,278	289,537	513,815
Total Revenues	<u>14,484,844</u>	<u>6,369,835</u>	<u>20,854,679</u>
EXPENDITURES			
Current:			
Security of Persons and Property	6,164,983	1,878,127	8,043,110
Public Health Services	71,333	105,028	176,361
Leisure Time Activities	832,578	66,894	899,472
Community Environment	415,195	57,715	472,910
Transportation	2,684,049	1,212,115	3,896,164
General Government	2,846,768	74,575	2,921,343
Capital Outlay	-	2,130,676	2,130,676
Debt Service:			
Principal Retirement	-	1,260,302	1,260,302
Interest and Fiscal Charges	2,630	411,912	414,542
Debt Issuance Costs	-	10,650	10,650
Total Expenditures	<u>13,017,536</u>	<u>7,207,994</u>	<u>20,225,530</u>
Excess of Revenues (Under) Expenditures	<u>1,467,308</u>	<u>(838,159)</u>	<u>629,149</u>
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	20,138	1,000	21,138
Bond Anticipation Notes Issued	-	1,743,000	1,743,000
Premium on Debt Issuance	-	11,642	11,642
Transfers In	551,448	3,126,551	3,677,999
Transfers Out	(2,098,724)	(1,616,038)	(3,714,762)
Total Other Financing Sources (Uses)	<u>(1,527,138)</u>	<u>3,266,155</u>	<u>1,739,017</u>
Net Change in Fund Balances	(59,830)	2,427,996	2,368,166
Fund Balances - Beginning of Year	3,128,150	9,224,749	12,352,899
Fund Balances - End of Year	<u>\$ 3,068,320</u>	<u>\$ 11,652,745</u>	<u>\$ 14,721,065</u>

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

City of Avon Lake, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
 In Fund Balance of Governmental Funds to the Statement of Activities
 For the Year Ended December 31, 2013*

Net Change in Fund Balances-Total Governmental Funds \$ 2,368,166

*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 depreciation exceeded capital outlay in the current period.

Capital outlay	\$	1,788,286	
Capital contributions		608,327	
Depreciation		<u>(3,222,916)</u>	
Total			(826,303)

In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the capital assets. (19,669)

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

Delinquent property taxes		7,928	
Municipal income taxes		217,504	
Special assessments		(356,505)	
Intergovernmental		(345,240)	
Charges for services		<u>(250,344)</u>	
Total			(726,657)

Other financing sources in the Governmental funds increase long-term liabilities in the Statement of Net Position. These sources were attributed to the issuance of bond anticipation notes and the related premium and to the recognition of an OWDA loan related to the contributed capital asset. (1,997,040)

Repayment of bond principal, loans and notes payable, and other long-term liabilities are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 1,260,302

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		(8,048)	
Landfill postclosure costs		54,633	
Accrued interest on bonds		(6,486)	
Amortization of bond premium		20,977	
Amortization of deferral on refunding		<u>(60,089)</u>	
Total			<u>987</u>

Change in Net Position of Governmental Activities \$ 59,786

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

City of Avon Lake, Ohio
*Statement of Revenues, Expenditures and Changes in Fund Balance –
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 3,762,956	\$ 3,762,956	\$ 3,351,689	\$ (411,267)
Municipal Income Taxes	6,288,323	6,791,711	7,511,052	719,341
Other Taxes	360,000	360,000	358,190	(1,810)
Intergovernmental	939,175	1,445,524	1,498,245	52,721
Fees, Licenses, and Permits	283,150	283,150	293,014	9,864
Fines and Forfeitures	270,455	270,455	284,785	14,330
Charges for Services	1,068,500	1,068,500	960,460	(108,040)
Contributions and Donations	3,000	3,100	2,830	(270)
All Other Revenues	249,000	388,969	221,241	(167,728)
Total Revenues	<u>13,224,559</u>	<u>14,374,365</u>	<u>14,481,506</u>	<u>107,141</u>
Expenditures:				
Current:				
Security of Persons and Property	6,520,423	6,594,968	6,355,790	239,178
Public Health Services	139,425	139,425	124,425	15,000
Leisure Time Activities	816,351	829,653	752,509	77,144
Community Environment	418,081	419,468	380,148	39,320
Transportation	2,848,546	2,919,304	2,846,446	72,858
General Government	3,321,170	3,463,155	3,066,112	397,043
Total Expenditures	<u>14,063,996</u>	<u>14,365,973</u>	<u>13,525,430</u>	<u>840,543</u>
Excess of Revenues Over (Under) Expenditures	(839,437)	8,392	956,076	947,684
Other Financing Sources (Uses)				
Sale of Capital Assets	22,000	22,000	20,138	(1,862)
Advances In	5,000	5,000	5,000	-
Transfers In	461,677	498,635	551,448	52,813
Transfers Out	(1,704,116)	(2,218,068)	(2,310,896)	(92,828)
Total Other Financing Sources (Uses)	<u>(1,215,439)</u>	<u>(1,692,433)</u>	<u>(1,734,310)</u>	<u>(41,877)</u>
Net Change in Fund Balance	(2,054,876)	(1,684,041)	(778,234)	905,807
Fund Balance - Beginning of Year	1,847,423	1,847,423	1,847,423	-
Prior Year Encumbrances Appropriated	281,523	281,523	281,523	-
Fund Balance - End of Year	<u>\$ 74,070</u>	<u>\$ 444,905</u>	<u>\$ 1,350,712</u>	<u>\$ 905,807</u>

See accompanying notes to the basic financial statements.

City of Avon Lake, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2013

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
ASSETS			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 7,065,427	\$ 2,884,553	\$ 9,949,980
Materials and Supplies Inventory	149,907	18,130	168,037
Accrued Interest Receivable	15,611	3,753	19,364
Accounts Receivable	787,948	968,679	1,756,627
Interfund Receivable	705,000	-	705,000
Intergovernmental Receivable	1,221,943	870,262	2,092,205
Prepaid Items	26,998	20,215	47,213
Municipal Income Taxes Receivable	-	189,262	189,262
Special Assessments Receivable	-	119,494	119,494
<i>Total Current Assets</i>	<u>9,972,834</u>	<u>5,074,348</u>	<u>15,047,182</u>
Noncurrent Assets:			
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	1,304,490	49,380	1,353,870
Investment in Joint Venture	2,386,035	-	2,386,035
Capital Assets:			
Land	621,716	980,022	1,601,738
Construction in Progress	587,905	21,491,522	22,079,427
Depreciable Assets, Net of Depreciation	33,351,363	32,319,539	65,670,902
<i>Total Noncurrent Assets</i>	<u>38,251,509</u>	<u>54,840,463</u>	<u>93,091,972</u>
Total Assets	<u>48,224,343</u>	<u>59,914,811</u>	<u>108,139,154</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferral on Refunding	7,845	188,105	195,950
Total Deferred Outflows of Resources	<u>7,845</u>	<u>188,105</u>	<u>195,950</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	145,953	191,032	336,985
Accrued Wages and Benefits	90,785	63,369	154,154
Matured Compensated Absences Payable	3,686	7,494	11,180
Intergovernmental Payable	152,051	76,778	228,829
Interfund Payable	-	705,000	705,000
Accrued Interest Payable	80,594	6,818	87,412
Compensated Absences Payable	89,113	87,481	176,594
General Obligation Bonds Payable	637,312	363,632	1,000,944
Revenue Bonds Payable	385,000	-	385,000
OWDA Loans Payable	889,791	419,634	1,309,425
Capital Leases Payable	4,435	4,435	8,870
<i>Total Current Liabilities</i>	<u>2,478,720</u>	<u>1,925,673</u>	<u>4,404,393</u>
Noncurrent Liabilities:			
Compensated Absences Payable	191,903	185,277	377,180
General Obligation Bonds Payable	1,946	3,222,755	3,224,701
Revenue Bonds Payable	6,210,000	-	6,210,000
OWDA Loans Payable	4,995,891	34,377,094	39,372,985
<i>Total Noncurrent Liabilities</i>	<u>11,399,740</u>	<u>37,785,126</u>	<u>49,184,866</u>
Total Liabilities	<u>13,878,460</u>	<u>39,710,799</u>	<u>53,589,259</u>
NET POSITION			
Net Investment in Capital Assets	21,444,454	16,591,638	38,036,092
Restricted for:			
Debt Service	1,304,490	-	1,304,490
Other Purposes	-	49,380	49,380
Unrestricted	11,604,784	3,751,099	15,355,883
Total Net Position	<u>\$ 34,353,728</u>	<u>\$ 20,392,117</u>	<u>\$ 54,745,845</u>

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

City of Avon Lake, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2013

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
OPERATING REVENUES			
Charges for Services	\$ 10,872,430	\$ 4,963,589	\$ 15,836,019
Miscellaneous	197,078	33,561	230,639
Total Operating Revenues	<u>11,069,508</u>	<u>4,997,150</u>	<u>16,066,658</u>
OPERATING EXPENSES			
Salaries	2,291,425	2,081,159	4,372,584
Purchased Services	2,478,224	745,233	3,223,457
Materials and Supplies	2,332,166	348,580	2,680,746
Depreciation	1,161,486	1,160,537	2,322,023
Other	2,479	26,622	29,101
Total Operating Expense	<u>8,265,780</u>	<u>4,362,131</u>	<u>12,627,911</u>
Operating Income	<u>2,803,728</u>	<u>635,019</u>	<u>3,438,747</u>
NONOPERATING REVENUES (EXPENSES)			
Municipal Income Taxes	-	512,524	512,524
Interest	5,335	1,699	7,034
Interest and Fiscal Charges	(844,079)	(1,434,020)	(2,278,099)
Intergovernmental	324,886	5,056	329,942
Gain on Investment in Joint Venture	92,884	-	92,884
Total Nonoperating Revenues (Expenses)	<u>(420,974)</u>	<u>(914,741)</u>	<u>(1,335,715)</u>
Capital Contributions from Developers	73,200	72,150	145,350
Transfers In	-	36,763	36,763
Transfers Out	-	(23,604)	(23,604)
Changes in Net Position	<u>2,455,954</u>	<u>(194,413)</u>	<u>2,261,541</u>
Net Position - Beginning of Year	<u>31,897,774</u>	<u>20,586,530</u>	<u>52,484,304</u>
Net Position - End of Year	<u>\$ 34,353,728</u>	<u>\$ 20,392,117</u>	<u>\$ 54,745,845</u>

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

City of Avon Lake, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013

	Business-Type Activities-Enterprise Funds		
	Water	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers and Users	\$ 10,913,766	\$ 4,916,760	\$ 15,830,526
Other Cash Receipts	197,078	33,561	230,639
Cash Payments to Employees for Services	(2,172,209)	(2,155,362)	(4,327,571)
Cash Payments for Goods and Services	(4,897,315)	(1,061,153)	(5,958,468)
Other Cash Payments	(2,479)	(25,234)	(27,713)
Net Cash Provided by Operating Activities	<u>4,038,841</u>	<u>1,708,572</u>	<u>5,747,413</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental Revenue	496,139	-	496,139
Income Taxes	-	500,737	500,737
Advances In	-	705,000	705,000
Advances Out	(1,155,000)	-	(1,155,000)
Transfers In	-	36,763	36,763
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(658,861)</u>	<u>1,242,500</u>	<u>583,639</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from OWDA Loans	476,947	2,040,255	2,517,202
Principal Paid on G.O. Bonds	(598,706)	(349,866)	(948,572)
Principal Paid on Revenue Bonds	(950,000)	-	(950,000)
Principal Paid on OWDA Loans	(831,515)	(749,647)	(1,581,162)
Principal Paid on Capital Leases	(13,574)	(13,573)	(27,147)
Interest Payments	(838,450)	(1,418,597)	(2,257,047)
Payments for Capital Acquisitions	(663,423)	(2,640,999)	(3,304,422)
Special Assessments	-	29,709	29,709
Net Cash Used in Capital and Related Financing Activities	<u>(3,418,721)</u>	<u>(3,102,718)</u>	<u>(6,521,439)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	13,333	3,346	16,679
Net Cash Provided by Investing Activities	<u>13,333</u>	<u>3,346</u>	<u>16,679</u>
Net Decrease in Cash and Cash Equivalents	(25,408)	(148,300)	(173,708)
Cash and Cash Equivalents - Beginning of Year	8,395,325	3,082,233	11,477,558
Cash and Cash Equivalents - End of Year	<u>\$ 8,369,917</u>	<u>\$ 2,933,933</u>	<u>\$ 11,303,850</u>

City of Avon Lake, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013
(Continued)

	<u>Business-Type Activities-Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME			
TO NET CASH PROVIDED BY OPERATING			
ACTIVITIES			
Operating Income	\$ 2,803,728	\$ 635,019	\$ 3,438,747
Adjustments:			
Depreciation	1,161,486	1,160,537	2,322,023
(Increase) Decrease in Assets:			
Accounts Receivable	41,336	(46,829)	(5,493)
Materials and Supplies Inventory	(96,466)	8,004	(88,462)
Prepaid Items	(6,369)	(3,984)	(10,353)
Increase (Decrease) in Liabilities:			
Accounts Payable	(66,076)	37,222	(28,854)
Accrued Wages and Benefits	31,364	(2,124)	29,240
Matured Compensated Absences Payable	(1,478)	(28,994)	(30,472)
Intergovernmental Payable	103,748	(39,084)	64,664
Compensated Absences Payable	67,568	(11,195)	56,373
Net Cash Provided by Operating Activities	<u>\$ 4,038,841</u>	<u>\$ 1,708,572</u>	<u>\$ 5,747,413</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Capital contribution to governmental activities	\$ -	\$ (266,002)	\$ (266,002)
OWDA loan contribution to governmental activities	-	242,398	242,398
Net amount of contribution to governmental activities	-	(23,604)	(23,604)
Adjustment to loan balance from OWDA	-	5,056	5,056
Capital contribution from developers	73,200	72,150	145,350

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

City of Avon Lake, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2013

	Agency Funds
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 1,588,956
Total Assets	<u>\$ 1,588,956</u>
Liabilities	
Due to Other Governments	\$ 584,958
Deposits Held and Due to Others	<u>1,003,998</u>
Total Liabilities	<u>\$ 1,588,956</u>

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

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City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 1: DESCRIPTION OF THE CITY AND REPORTING ENTITY

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

Reporting Entity

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

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

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

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

Fund Financial Statements

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

B. **Fund Accounting**

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

Governmental Funds

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

B. Fund Accounting

The following is the City's major governmental fund:

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

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

Proprietary Funds

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

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

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

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds account for fees and deposits collected on behalf of others, municipal court collections that are distributed to various local governments, and performance bonds pledged by contractors.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

C. Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the Statement of Net Position. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) to net position.

Fund Financial Statements

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Net Position. The Statement of Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

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

Revenues - Exchange and Non-exchange Transactions (Continued)

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2013, but which were levied to finance year 2014 operations. These amounts have been recorded as deferred inflows on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, intergovernmental revenues, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

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

Expenses/Expenditures

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

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

E. **Budgetary Process**

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

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

Tax Budget

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

Estimated Resources

The County Budget Commission determines if the tax budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by October 1. As part of this certification, the City receives the official certificate of estimated resources that states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate of estimated resources can be further amended during the year if the fiscal officer determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported in the budgetary statements as original represent the amounts in the official certificate of estimated resources when the original appropriations were adopted. The amounts reported in the budgetary statements as final reflect the amounts in the final amended official certificate of estimated resources issued during 2013.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

E. **Budgetary Process** (Continued)

Appropriations

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

Lapsing of Appropriations

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

Encumbrances

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

F. **Cash Equivalents**

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

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

STAR Ohio allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2013.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

F. **Cash Equivalents** (Continued)

Following Ohio statutes, the City has, by ordinance, specified the Capital Improvement Fund to receive an allocation of interest earnings. Interest receipts credited to the Capital Improvement Fund (non-major governmental fund) during 2013 amounted to \$51,141 which includes \$47,174 assigned from other City funds.

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

The City presents “Cash and Cash Equivalents with Escrow Agents” on its Statement of Net Position. In governmental activities, the \$10,968 represents cash held by escrow agent for contractor retainage. During 2013, this amount was invested in money market savings interest bearing accounts.

In business-type activities, the restricted cash of \$1,304,490 in the Water Fund represents cash segregated by the City from funds held by trustees in accordance with the trust agreement associated with the water system mortgage revenue refunding bonds issued on April 22, 2005. During 2013, this restricted cash was invested in U.S. Treasury obligations. The restricted cash of \$49,380 in the Sewer Fund represents cash segregated by the City from funds related to construction projects with the Lorain County Rural Wastewater District (LORCO). See Note 9 for additional information regarding these bonds and related segregated assets.

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

G. **Inventories**

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

H. **Prepaid Expenses**

Payments made to vendors for services that will benefit periods beyond December 31, 2013 are recorded as prepaid items using the consumption method. A current asset for the period amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

I. **Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

I. **Capital Assets** (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of ten thousand dollars. The City's infrastructure consists of parking lots, storm sewers and manholes, streets, and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized, if significant.

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

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

J. **Interfund Balances**

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

K. **Capitalization of Interest**

The City's policy is to delay capitalizing net interest on proprietary funds' construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax exempt borrowing used to finance the project and the interest earned from temporary investment of the debt proceeds. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 2013, proprietary funds did have any capitalized interest costs.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

L. **Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

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

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

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

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

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

N. **Fund Balance**

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

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are not spendable in form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts would represent intended uses established by City Council.

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

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

O. Net Position

Net Position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The government-wide statement of net position reports \$10,505,968 of the restricted component of net position, none of which is restricted by enabling legislation. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted components of net position are available.

P. Operating Revenues and Expenses

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

Q. Contributions of Capital

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

R. Interfund Activity

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

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

S. Extraordinary and Special Items

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

T. Use of Estimates

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

NOTE 3: **CHANGES IN ACCOUNTING PRINCIPLES**

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2012 and have been implemented by the City.

GASB Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statement No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 GASB and AICPA Pronouncements*. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2012 and have been implemented by the City.

The implementation of the above GASB Statements did not have an impact on the City's financial statements.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

NOTE 4: **BUDGETARY BASIS OF ACCOUNTING**

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

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

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

	General
GAAP Basis- Net Change in Fund Balance	\$ (59,830)
<u>Increase (Decrease) Due to:</u>	
Revenue Accruals	3,029
Expenditure Accruals	(122,316)
Outstanding Encumbrances	(593,820)
Funds with Separate Legally Adopted Budgets	(5,297)
Budgetary Basis-Net Change in Fund Balance	\$ (778,234)

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

NOTE 5: **ACCOUNTABILITY AND COMPLIANCE**

A. **Deficit Fund Balances**

At December 31, 2013, the Troy School Driveway and Cove Avenue Improvements funds (non-major governmental funds) had deficit fund balances of \$40,000 and \$190,119, respectively. These deficit fund balances are the result of adjustments for accrued liabilities in these funds. The General Fund is liable for any deficits in these funds and previous transfers when cash is needed, not when accruals occur.

NOTE 6: **DEPOSITS AND INVESTMENTS**

A. **Legal Requirements**

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

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

A second category consists of “inactive” monies; those monies not required for use within the current five-year period of designation of depositories. Inactive monies may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories or by savings or deposit accounts including, but not limited to, passbook accounts.

A third category consists of “interim” monies; those monies which are not needed for immediate use but which will be needed before the end of the current period of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts. Interim monies may be invested in the following obligations provided they mature or are redeemable within five years from the date of purchase.

1. Bonds, notes, or other obligations of, or guaranteed by, the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality.
3. Written repurchase agreements for a period not to exceed thirty days in securities listed above that mature within five years from the date of purchase.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

A. **Legal Requirements** (Continued)

4. Bonds and other obligations of the State of Ohio.
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
6. The State Treasurer's investment pool (STAR Ohio).

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

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

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

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

B. **Deposits**

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, the carrying amount of the City's deposits was \$1,054,012 and \$2,645 in petty cash with the bank balance at \$1,312,929. The City's bank balance of \$597,598 was covered by federal depository insurance with the remaining amount of \$715,331 uninsured and collateralized.

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

C. **Investments**

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

Investments are reported at fair value. As of December 31, 2013, the City had the following investments

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturities</u>
Federal Home Loan Bank	\$ 669,831	09/11/2015-11/17/2017
Federal Home Loan Mortgage Corp.	500,165	1/7/2014
Federal National Mtg Assn.	300,720	2/5/2014
Freddie Mac	3,812,277	04/23/2014-06/13/2018
Fannie Mae	5,442,224	03/13/2014-09/18/2018
United States Treasury Notes	2,612,575	10/31/2014-10/31/2016
Money Market Mutual Funds	2,272,507	n/a
STAR Ohio	10,158,450	n/a
Total Investments	<u>\$ 25,768,749</u>	

D. **Interest Rate Risk**

As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that the securities mature to meet cash requirements for ongoing operations and/of long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. Currently, no investments have been purchased with a life greater than five years.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

E. **Credit Risk**

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

The City has no investment policy that addresses credit risk.

F. **Concentration of Credit Risk**

The following is the City's allocation as of December 31, 2013:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment</u>
Federal Home Loan Bank	\$ 669,831	2.60%
Federal Home Loan Mortgage Corp.	500,165	1.94%
Federal Nation Mtg Assn.	300,720	1.17%
Freddie Mac	3,812,277	14.79%
Fannie Mae	5,442,224	21.12%
United States Treasury Notes	2,612,575	10.14%
Money Market Mutual Funds	2,272,507	8.82%
STAR Ohio	10,158,450	39.42%
Total Investments	<u>\$ 25,768,749</u>	<u>100.00%</u>

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

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

NOTE 7: **RECEIVABLES**

Receivables at December 31, 2013, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, accrued interest on investments, and accounts (billings for utility service) receivable.

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

A. Property Taxes

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

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

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

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

The full tax rate for all City operations for the year ended December 31, 2013 was \$8.13 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2013 property tax receipts were based are as follows:

Real Property - 2013:	
Residential/Agriculture	\$ 639,492,550
Other Real Estate	89,718,790
Tangible Personal Property - 2013:	
Public Utilities	56,087,710
Total Valuation	<u>\$ 785,299,050</u>

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

NOTE 7: **RECEIVABLES** (Continued)

B. Income Taxes

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

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

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

C. Intergovernmental Revenues

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Homestead and Rollback	\$ 351,727
Gasoline Tax	399,213
Local Government	205,845
Motor Vehicle	52,094
Auto Registration	57,276
Avon Lake City School District	40,000
Miscellaneous	61,278
Total Governmental Activities	1,167,433
Business-Type Activities	
Water	1,221,943
Sewer	870,262
Total Business-Type Activities	2,092,205
Total Intergovernmental Receivable	\$3,259,638

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

NOTE 7: **RECEIVABLES** (Continued)

C. Intergovernmental Revenues (Continued)

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

NOTE 8: **CAPITAL ASSETS**

	<u>Balances</u> 12/31/2012	<u>Additions</u>	<u>Disposals</u>	<u>Balances</u> 12/31/2013
Governmental Activities				
Nondepreciable Assets:				
Land	\$ 5,283,340	\$ -	\$ -	\$ 5,283,340
Construction in progress	-	392,128	-	392,128
Total Nondepreciable Assets	<u>5,283,340</u>	<u>392,128</u>	<u>-</u>	<u>5,675,468</u>
Depreciable Assets:				
Buildings and Improvements	21,122,304	47,616	-	21,169,920
Machinery and Equipment	3,522,178	309,865	(149,151)	3,682,892
Vehicles	4,218,937	210,826	(236,139)	4,193,624
Infrastructure	66,699,871	1,436,178	-	68,136,049
Total Depreciable Assets	<u>95,563,290</u>	<u>2,004,485</u>	<u>(385,290)</u>	<u>97,182,485</u>
Less Accumulated Depreciation				
Buildings and Improvements	(4,995,130)	(541,485)	-	(5,536,615)
Machinery and Equipment	(2,607,016)	(139,737)	129,482	(2,617,271)
Vehicles	(2,704,685)	(225,348)	236,139	(2,693,894)
Infrastructure	(34,586,592)	(2,316,346)	-	(36,902,938)
Total Accumulated Depreciation	<u>(44,893,423)</u>	<u>(3,222,916)</u>	<u>365,621</u>	<u>(47,750,718)</u>
Total Depreciable Assets, Net	<u>50,669,867</u>	<u>(1,218,431)</u>	<u>(19,669)</u>	<u>49,431,767</u>
Governmental Activities Capital Assets, Net	<u>\$ 55,953,207</u>	<u>\$ (826,303)</u>	<u>\$ (19,669)</u>	<u>\$ 55,107,235</u>

Depreciation expense was charged to governmental functions as follows:

Security of Persons and Property	\$ 196,491
Leisure Time Activities	323,317
Transportation	2,269,363
General Government	433,745
Total Depreciation Expense	<u>\$3,222,916</u>

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

	Balances 12/31/2012	Additions	Disposals	Balances 12/31/2013
Business-Type Activities				
Nondepreciable Assets:				
Land	\$ 1,601,738	\$ -	\$ -	\$ 1,601,738
Construction in progress	19,050,158	3,029,269	-	22,079,427
Total Nondepreciable Assets	<u>20,651,896</u>	<u>3,029,269</u>	<u>-</u>	<u>23,681,165</u>
Depreciable Assets:				
Buildings and Improvements	37,401,188	-	-	37,401,188
Machinery and Equipment	2,935,503	212,050	-	3,147,553
Vehicles	630,362	67,556	-	697,918
Infrastructure	65,097,495	179,576	(294,879)	64,982,192
Total Depreciable Assets	<u>106,064,548</u>	<u>459,182</u>	<u>(294,879)</u>	<u>106,228,851</u>
Less Accumulated Depreciation				
Buildings and Improvements	(18,700,828)	(628,433)	-	(19,329,261)
Machinery and Equipment	(1,305,330)	(128,194)	-	(1,433,524)
Vehicles	(365,527)	(71,722)	-	(437,249)
Infrastructure	(17,893,118)	(1,493,674)	28,877	(19,357,915)
Total Accumulated Depreciation	<u>(38,264,803)</u>	<u>(2,322,023)</u>	<u>28,877</u>	<u>(40,557,949)</u>
Total Depreciable Assets, Net	<u>67,799,745</u>	<u>(1,862,841)</u>	<u>(266,002)</u>	<u>65,670,902</u>
Business-Type Activities Capital Assets, Net	<u>\$ 88,451,641</u>	<u>\$ 1,166,428</u>	<u>\$ (266,002)</u>	<u>\$ 89,352,067</u>

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City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

NOTE 9: LONG-TERM OBLIGATIONS

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
Governmental Activities				
General Obligation Bonds				
Refunding	2001	2020	3.3% - 5.5%	\$ 525,160
Recreational Facility	2003	2028	3.0% - 5.0%	1,000,000
Pin Oak Parkway	2001	2020	2.75% - 4.75%	498,659
LTGO Various Purpose	2009	2017	2.0% - 3.5%	1,430,000
Recreational Facility	2009	2028	3.0% - 5.0%	4,500,000
Refunding	2010	2020	2.0% - 3.75%	3,110,000
Refunding	2012	2028	1.0% - 2.75%	765,000
Special Assessment Bonds				
Pin Oak Parkway	2001	2020	2.75% - 4.75%	886,341
Refunding	2010	2020	2.0% - 3.75%	1,870,000
Street Improvement Notes				
Canterbury Road	2011	2016	2.95%	925,000
Webber Road	2011	2016	2.95%	146,000
Ohio Public Works Commission Loan				
Walker Road/Bike Lane	2009	2024	0.00%	100,000
Promissory Note	2010	2013	0.00%	64,500
Equipment Loan	2012	2017	0.00%	115,000
Business-Type Activities				
General Obligation Bonds				
Refunding	2001	2020	3.3% - 5.5%	6,499,726
Refunding	2001	2020	3.3% - 5.5%	1,727,775
Wastewater Collection System	2003	2028	3.0% - 5.0%	4,500,000
Refunding	2010	2020	2.0% - 2.35%	425,000
Refunding	2012	2028	1.0% - 2.75%	3,430,000
Mortgage Revenue Bonds				
Water System Refunding	2005	2026	3.0% - 5.0%	14,075,000
Ohio Water Development Authority Loans				
Water Plant Expansion	1991	2017	7.84%	9,084,095
Wastewater Improvements	1998	2018	5.76%	638,031
Water System Improvements	2003	2025	4.51%	4,764,656
Fay/Vineyard Sanitary Sewer	2008	2029	4.15%	1,548,287
Center Road Pump Station	2008	2029	4.28%	1,356,266
LORCO Force Main	2009	2041	3.68%	9,718,470
LORCO Collection Systems (*)	2009	2041	4.08%	18,387,672
Sewer Separation	2010	2041	3.27%	3,018,029
Water Plant Expansion (*)	2013	2044	2.84%	5,086,137
Belmar Sewer Separation (*)	2013	2044	2.94%	6,033,563
ETL1 Loan Payable	2011	2021	2.20%	585,327

* - OWDA project remains open as of December 31, 2013

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

Changes in the City's long-term obligations during 2013 were as follows:

	Outstanding 12/31/2012	Additions	Reductions	Outstanding 12/31/2013	Amount Due in One Year
Governmental activities					
General obligation bonds					
Refunding bonds (2001)					
various % through 2014	\$ 95,484	\$ -	\$ 46,428	\$ 49,056	\$ 49,056
Pin Oak Parkway (2001)					
various % through 2020	162,059	-	37,800	124,259	39,600
Recreational facility (2003)					
various % through 2028	35,000	-	35,000	-	-
Various purpose (2009)					
various % through 2017	930,000	-	170,000	760,000	170,000
Recreational facility (2009)					
various % through 2028	3,885,000	-	165,000	3,720,000	170,000
Refunding bonds (2010)					
various through 2020	2,675,000	-	315,000	2,360,000	315,000
Unamortized premium	42,616	-	9,220	33,396	-
Refunding bonds (2012)					
various through 2028	760,000	-	10,000	750,000	45,000
Unamortized premium	10,795	-	327	10,468	-
Total general obligation bonds	<u>8,595,954</u>	<u>-</u>	<u>788,775</u>	<u>7,807,179</u>	<u>788,656</u>
Special assessment bonds					
Pin Oak Parkway (2001)					
various % through 2020	287,941	-	67,200	220,741	70,400
Refunding bonds (2010)					
various % through 2020	1,615,000	-	180,000	1,435,000	185,000
Unamortized premium	25,756	-	5,514	20,242	-
Total special assessment bonds	<u>1,928,697</u>	<u>-</u>	<u>252,714</u>	<u>1,675,983</u>	<u>255,400</u>
Long-Term Notes Payable					
Street Improvement Notes (2011)					
2.9% through 2016	936,942	-	176,970	759,972	134,058
Unamortized premium	2,030	-	580	1,450	-
Various Purpose Improvement					
Notes (2013) 1.00% through 2014	-	1,743,000	-	1,743,000	1,743,000
Unamortized premium	-	11,642	5,336	6,306	6,306
Total long-term notes payable	<u>938,972</u>	<u>1,754,642</u>	<u>182,886</u>	<u>2,510,728</u>	<u>1,883,364</u>
OPWC loan- Walker Rd/Bike Lane					
0.0% through 2024	76,666	-	6,666	70,000	6,667
OWDA loan - Jaycox Sewer					
Separation, 3.27% through 2041	-	242,398	4,723	237,675	5,594
Total loans	<u>76,666</u>	<u>242,398</u>	<u>11,389</u>	<u>307,675</u>	<u>12,261</u>
Equipment loan	115,000	-	23,000	92,000	23,000
Landfill postclosure costs	645,014	9,868	64,501	590,381	65,598
Police pension liability	92,006	-	2,515	89,491	2,623
Promissory note	20,000	-	20,000	-	-
Compensated absences	1,604,406	12,577	4,529	1,612,454	504,080
Total Governmental activities	<u>\$ 14,016,715</u>	<u>\$ 2,019,485</u>	<u>\$ 1,350,309</u>	<u>\$ 14,685,891</u>	<u>\$ 3,534,982</u>

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

	Outstanding 12/31/2012	Additions	Reductions	Outstanding 12/31/2013	Amount Due in One Year
Business-type activities					
General obligation bonds					
Refunding bonds (2001)					
various % through 2020	\$ 1,149,516	\$ -	\$ 748,572	\$ 400,944	\$ 400,944
Wastewater collection system (2003)					
various % through 2028	150,000	-	150,000	-	-
Refunding bonds (2012)					
various % through 2028	3,420,000	-	45,000	3,375,000	200,000
Unamortized premium	49,247	-	1,492	47,755	-
Refunding bonds (2010)					
various % through 2020	405,000	-	5,000	400,000	400,000
Unamortized premium	3,918	-	1,972	1,946	-
Total general obligation bonds	<u>5,177,681</u>	<u>-</u>	<u>952,036</u>	<u>4,225,645</u>	<u>1,000,944</u>
Mortgage revenue bonds					
Water system refunding (2005)					
various % through 2026	7,545,000	-	950,000	6,595,000	385,000
OWDA					
Water plant expansion (1991)					
7.84% through 2017	2,789,988	-	620,654	2,169,334	669,313
Wastewater improvements (1998)					
5.76% through 2018	250,772	-	40,103	210,669	42,413
Water system improvements (2003)					
4.51% through 2025	3,450,262	-	210,861	3,239,401	220,478
Fay/Vineyard sanitary sewer (2008)					
4.15% through 2029	1,331,259	-	60,061	1,271,198	62,580
Center Road pump station (2008)					
4.28% through 2029	1,168,396	-	52,154	1,116,242	54,410
LORCO force main (2009)					
3.68% through 2041	9,718,470	-	192,069	9,526,401	199,202
LORCO collection system (2009)					
4.08% through 2041	18,387,672	407,448	348,682	18,446,438	-
Sewer separation (2010)					
3.27% through 2041	2,891,949	-	298,976	2,592,973	61,029
Water Plant Expansion (2013)					
2.84% through 2044	-	476,947	-	476,947	-
Belmar Sewer Separation (2013)					
2.94% through 2044	-	1,632,807	-	1,632,807	-
Total OWDA	<u>39,988,768</u>	<u>2,517,202</u>	<u>1,823,560</u>	<u>40,682,410</u>	<u>1,309,425</u>
Capital lease obligations	36,017	-	27,147	8,870	8,870
Compensated absences	497,401	56,373	-	553,774	176,594
Total business-type activities	<u>\$ 53,244,867</u>	<u>\$ 2,573,575</u>	<u>\$ 3,752,743</u>	<u>\$ 52,065,699</u>	<u>\$ 2,880,833</u>

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

General obligation bonds, other than the enterprise general obligation and mortgage revenue bonds, will be paid from the General Bond Retirement Debt Service Fund from income taxes. Ohio Water Development Authority loans will be repaid from resources within the water and sewer funds. Special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City. The police pension liability will be paid from taxes receipted in the police pension special revenue fund. Landfill post-closure costs are based on estimates as of December 31, 2013. The actual costs may be higher due to inflation, changes in technology, or changes in regulations and they will be paid from the General Fund. Compensated absences will be paid from the fund which the employees' salaries are paid.

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

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

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

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

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

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

Proceeds were deposited in an irrevocable trust with an escrow agent to provide for future debt payments on the refunded 2001 Various Improvement Bonds. As a result, \$4,955,000 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. The amount still outstanding as December 31, 2013 is \$4,115,000.

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

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

Proceeds were deposited in an irrevocable trust with an escrow agent to provide for future debt payments on the refunded 2003 Various Improvement Bonds. As a result, \$3,895,000 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. As of December 31, 2013 the full amount of the defeased debt has been called.

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

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

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

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

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

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

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

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

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

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

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

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

During 2009, the City entered into a loan agreement with OWDA for the LORCO collection system. The loan has a fixed rate of 4.08 percent interest over a twenty-nine year period beginning January 1, 2012 through January 1, 2041. As of December 2013, the loan balance for the portion of the project completed was \$18,446,438.

During 2010, the City entered into a loan agreement with OWDA for the Sewer separation project. The loan has a fixed rate of 3.27 percent interest over a thirty year period beginning January 1, 2011 through January 1, 2041. As of December 2013, the loan balance for the portion of the project completed was \$2,830,649. During 2013, the City contributed a portion of the debt and related capital assets (\$242,398) from the Business-Type Activities to the Governmental Activities.

During 2013, the City entered into a loan agreement with OWDA for the water plant expansion project. The loan has a fixed rate of 2.84 percent interest over a thirty year period beginning July 1, 2014 through January 1, 2044. As of December 2013, the loan balance for the portion of the project completed was \$476,947.

During 2013, the City entered into a loan agreement with OWDA for the Belmar sewer separation project. The loan has a fixed rate of 2.94 percent interest over a thirty year period beginning January 1, 2015 through July 1, 2044. As of December 2013, the loan balance for the portion of the project completed was \$1,632,807.

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

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

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

Year Ended	Governmental Activities					
	Notes		OPWC Loan		Total Principal	Total Interest
	Principal	Interest	Principal			
2014	\$ 1,877,058	\$ 41,115	\$ 6,667	\$ 2,933,375	\$ 383,185	
2015	134,058	19,730	6,667	1,186,503	331,935	
2016	491,856	15,776	6,667	1,584,492	296,467	
2017	-	-	6,667	1,222,833	268,944	
2018	-	-	6,667	1,073,036	213,440	
2019-2023	-	-	33,335	2,258,471	609,721	
2024-2028	-	-	3,330	1,839,653	250,255	
2029-2033	-	-	-	48,598	18,005	
2034-2038	-	-	-	57,155	9,448	
2039-2040	-	-	-	25,587	1,054	
	<u>\$ 2,502,972</u>	<u>\$ 76,621</u>	<u>\$ 70,000</u>	<u>\$ 12,098,363</u>	<u>\$ 2,353,947</u>	

Year Ended	Business-Type Activities			
	General Obligation Bonds		Mortgage Revenue Bond	
	Principal	Interest	Principal	Interest
2014	\$ 1,000,944	\$ 125,714	\$ 385,000	\$ 314,890
2015	210,000	70,813	395,000	299,490
2016	210,000	66,613	415,000	283,690
2017	210,000	62,413	430,000	266,675
2018	215,000	58,213	450,000	245,175
2019-2023	1,110,000	225,852	2,615,000	864,625
2024-2028	1,220,000	96,841	1,905,000	183,525
	<u>\$ 4,175,944</u>	<u>\$ 706,459</u>	<u>\$ 6,595,000</u>	<u>\$ 2,458,070</u>

Year Ended	Business-Type Activities			
	OWDA Loans			
	Principal	Interest	Total Principal	Total Interest
2014	\$ 1,309,425	\$ 837,977	\$ 2,695,369	\$ 1,278,581
2015	1,388,787	764,172	1,993,787	1,134,475
2016	1,473,271	685,680	2,098,271	1,035,983
2017	724,278	601,752	1,364,278	930,840
2018	727,502	571,182	1,392,502	874,570
2019-2023	3,964,428	2,391,437	7,689,428	3,481,914
2024-2028	3,484,229	1,595,003	6,609,229	1,875,369
2029-2033	2,384,014	1,064,920	2,384,014	1,064,920
2034-2038	2,848,140	597,714	2,848,140	597,714
2039-2041	1,822,144	104,366	1,822,144	104,366
	<u>\$ 20,126,218</u>	<u>\$ 9,214,203</u>	<u>\$ 30,897,162</u>	<u>\$ 12,378,732</u>

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

There are three OWDA loans where the final amortization schedules have not been completed as of December 31, 2013, due to two still in construction phase and another one is in the process of being finalized. Therefore, the previous table does not include outstanding principal and interest payments for those OWDA loans. This information will be provided once final amortization schedules are available.

NOTE 10: **SHORT-TERM OBLIGATIONS**

Changes in the City's short-term obligations during 2013 were as follows:

	Outstanding 12/31/2012	Additions	Reductions	Outstanding 12/31/2013
Short-Term Notes Payable				
Various Purpose Improvement				
Notes (2013) 1.00% through 2014	\$ -	\$ 207,000	\$ -	\$ 207,000

On July 16, 2013, the City issued various purpose bond anticipation notes in the amount of \$1,950,000. These bond anticipation notes will mature on July 16, 2014 and carry an annual interest rate of 1.00 percent. The bond anticipation notes were issued to fund the Belmar storm sewer projects, purchase of Service Department equipment, construction of the Salt Storage Facility, and the purchase of City Hall security systems. Only \$207,000 of the total bond anticipation notes issued is considered short-term obligations.

NOTE 11: **CAPITAL LEASES**

In prior years, the City entered into a capital lease for an Atomic Spectrophotometer. This lease met the criteria of a capital lease pursuant to generally accepted accounting principles. Capital lease payments are reflected as a reduction of the liability in the enterprise fund statements. Capital assets were recorded in the amount of \$51,028 for the Atomic Spectrophotometer. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the long-term liabilities section of the enterprise fund statements. Principal payments in 2013 totaled \$27,147 in the business-type activities.

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

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

NOTE 11: **CAPITAL LEASES** (Continued)

The following is a schedule of future minimum lease payments under capital leases together with the net present value of the minimum lease payments as of December 31, 2013.

Year Ending December 31,	Business-Type Activities
2014	\$ 9,020
Total Minimum Lease Payments	9,020
Less Amount Representing Interest	(150)
Net Present Value of Minimum Lease Payments	\$ 8,870

NOTE 12: **OPERATING LEASES**

The City is obligated under leases accounted for as operating leases. Total lease expense for the year ended December 31, 2013 was \$18,378 for Governmental Activities and \$6,076 for Business-type Activities. The following is a schedule of future minimum lease payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of December 31, 2013.

Year Ending December 31,	Governmental Activities	Business-Type Activities
2014	\$ 18,495	\$ 6,076
2015	14,217	5,557
2016	10,971	4,000
2017	4,581	4,000
thereafter	-	360,000
Total Minimum Lease Payments	\$ 48,264	\$ 379,633

NOTE 13: **DEFINED BENEFIT PENSION PLANS**

A. **Ohio Public Employees Retirement System**

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

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

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2013, the members of all three plans were required to contribute 10.00 percent of their annual covered salaries. The City's contribution rate was 14.00 percent of covered payroll. The pension allocation for the Traditional and Combined Plans was 13.00 percent during calendar year 2013. The City's required pension contributions for the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012, and 2011 were \$914,710, \$728,777, and \$702,002, respectively; 87.94 percent has been contributed for 2013 and 100 percent has been contributed for 2012 and 2011.

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

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

From January 1, 2013 thru July 1, 2013, Plan members were required to contribute 10.00 percent of their annual covered salary. From July 2, 2013 thru December 31, 2013, Plan members were required to contribute 10.75 percent of their annual covered salary. Throughout 2013, the City is required to contribute 19.50 percent and 24.0 percent for police officers and firefighters, respectively.

The portion of the City's contributions to fund pension obligations from January 1, 2013 thru May 31, 2013, for both police officers and firefighters was 14.81 percent and 19.31 percent, respectively. The portion of the City's contributions to fund pension obligations from June 1, 2013 thru December 31, 2013 for both police officers and firefighters was 16.65 percent and 21.15 percent, respectively. The City's contributions for pension obligations to the OP&F for police and firefighters were \$364,145 and \$475,121 for the year ended December 31, 2013, \$304,719 and \$419,600 for the year ended December 31, 2012, and \$296,600 and \$410,338 for the year ended December 31, 2011. For 2013, 88.42 percent for police and 87.26 percent for firefighters has been contributed with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

B. Ohio Police and Fire Pension Fund (Continued)

In addition to the current contributions, the City pays installments on the accrued liability incurred within the State of Ohio established pension system for police and firefighters in 1967. As of December 31, 2013, the outstanding liability of the City was \$89,491 payable in semi-annual payments through the year 2035. This is an accounting liability of the City which will not vary. The liability is reported as “long-term liabilities” in the governmental activities column on the Statement of Net Position.

NOTE 14: **POST-EMPLOYMENT BENEFITS**

A. Ohio Public Employees Retirement System

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

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

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide the OPEB Plan to its eligible members and beneficiaries. Authority to establish and amend the OPEB Plan is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting www.opers.org/investments/cafr.shtml, by writing to OPERS, 277 E. Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post-retirement health care coverage. The 2013 local government employer contribution rate was 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for local government employers. Active members do not make contributions to the OPEB Plan.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

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

OPERS' Post-employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 1.00 percent during calendar year 2013. The portion of employer contributions allocated to health care for members in the Combined Plan was 1.00 percent during calendar year 2013. Effective January 1, 2014, the portion of employer contributions allocated to health care was raised to 2.00 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The City's actual employer contributions for December 31, 2013, 2012 and 2011 which were used to fund post-employment benefits were \$70,362, \$291,511, and \$280,801, respectively. For 2013, 87.94 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00 percent of the employer contributions toward the health care fund after the end of the transition period.

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

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

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

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

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

B. Ohio Police and Fire Pension Fund (Continued)

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 Trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 4.69 percent of covered payroll from January 1, 2013 thru May 31, 2013 and 2.85 percent of covered payroll from June 1, 2013 thru December 31, 2013. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of the Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$80,444 and \$81,910 for the year ended December 31, 2013, \$157,023 and \$160,567 for the year ended December 31, 2012, and \$146,492 and \$160,567 for the year ended December 31, 2011, respectively. For 2013, 88.42 percent has been contributed for police and 87.26 percent has been contributed for firefighters with the balance for both police and firefighters are being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

NOTE 15: **RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2013, the City contracted with U.S. Specialty Insurance Company for the following types of insurance:

Company	Type	Coverage
U.S. Specialty Insurance Company	Blanket Building and Content Replacement	\$ 56,404,903
	Miscellaneous Equipment	5,437,513
	Earthquake Coverage	1,000,000
	Flood Coverage	1,000,000
	Hazardous Substance	250,000
	Public Employee Dishonesty	100,000
	Faithful Performance of Duty	100,000
	Money and Securities In/Out Coverage	100,000
	Forgery and Alteration	25,000
	General Liability - Each Occurrence	1,000,000
	Employee Benefits Liability	1,000,000
	Law Enforcement Liability - Each Occurrence	1,000,000
	Public Official Liability - Each Occurrence	1,000,000
	Employment Practice - Each Occurrence	1,000,000
	Automobile Liability	1,000,000
Excess Liability - Each Occurrence	5,000,000	
Arlington/Roe Insurance Company	Terrorism Insurance	2,000,000

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

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

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

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

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

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

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

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

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each community then elect one person to serve on the eight-member NOPEC Board of Directors. In 2013, the City made no contributions to NOPEC. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, at 31360 Solon Road, Suite 33, Solon, Ohio 44139 or at the website www.nopecinfo.org.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

C. **Medina-Lorain Water Consortium**

The City is a member of the Medina-Lorain Water Consortium (the Consortium), which is a joint venture between the City of Avon Lake, the Rural Lorain County Water Authority, Medina County, and the City of Medina. The Consortium was created in 1999 for the purpose of construction, operation and maintenance of a water transmission line to serve the members of the Consortium, and for the purpose of bulk water delivery from the City of Avon Lake. There is an ongoing financial responsibility for all parties for the maintenance and repair of the project. The Consortium is governed by representatives of the member parties. The City of Avon Lake serves as the fiscal agent for the Consortium. As of December 31, 2013, the City's equity interest in the Consortium was \$2,386,035. Financial information can be obtained from the City of Avon Lake Finance Director, 150 Avon Belden Road, Avon Lake, Ohio 44012.

NOTE 17: **CONTINGENT LIABILITIES**

A. **Grants**

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

B. **Litigation**

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

NOTE 18: **INTERFUND TRANSFERS AND BALANCES**

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

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

Interfund transfers for the year ended December 31, 2013 consisted of the following:

Transfer To	Transfer From		Total
	General Fund	Nonmajor Governmental Funds	
Governmental Funds:			
Non-Major Governmental Funds	\$ 2,098,724	\$ 1,579,275	\$ 3,677,999
Total Governmental Funds	2,098,724	1,579,275	3,677,999
Enterprise Funds:			
Sewer Fund	-	36,763	36,763
Total Enterprise Funds	-	36,763	36,763
Total	\$ 2,098,724	\$ 1,616,038	\$ 3,714,762

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

In addition to the above transfers, the Sewer Fund contributed capital in the amount of \$23,604 to the governmental activities. This activity is presented on the entity-wide financial statements.

Interfund balances for the year ended December 31, 2013 consisted of the following:

	Interfund Receivable	Interfund Payable
Governmental Funds:		
General Fund	\$ 40,000	\$ -
Non-Major Governmental Funds	214,808	254,808
Total Governmental Funds	254,808	254,808
Enterprise Funds:		
Water Fund	705,000	-
Sewer Fund	-	705,000
Total Enterprise Funds	705,000	705,000
Total	\$ 959,808	\$ 959,808

Interfund balances at December 31, 2013 consisted of \$40,000 due to the General Fund from the Troy School Driveway Capital Projects Fund, a non-major governmental fund, and \$214,808 due to the Debt Service Fund from the Cove Avenue Improvement Fund. The General Fund advanced monies to the non-major governmental fund to cover project expenditures in anticipation of payments of \$5,000 per year for ten years from the Avon Lake City School District. The Debt Service Fund issued manuscript debt for Cove Avenue improvements in anticipation of the collection of special assessments. For 2013, \$9,974 in principal payments were paid back to reduce the manuscript debt.

The Water Fund advanced monies to the Sewer Fund to provide temporary funding for a common project. This loan will be repaid within the subsequent period.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

NOTE 19: **FUND BALANCES**

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

<u>Fund Balances</u>	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>Nonspendable</i>			
Prepaid Items	\$ 51,759	\$ 3,143	\$ 54,902
Materials and Supplies Inventory	57,523	67,212	124,735
Long-term Interfund Balances	40,000	-	40,000
<i>Total Nonspendable</i>	<u>149,282</u>	<u>70,355</u>	<u>219,637</u>
<i>Restricted for</i>			
Police Pension	-	7,824	7,824
Fire Pension	-	25,281	25,281
Paramedic Services	-	347,946	347,946
Other Law Enforcement	-	100,482	100,482
Streets and Highways	-	628,548	628,548
Courts	-	327,675	327,675
Debt Service - Voted	-	115,513	115,513
Debt Service - Special Assessments	-	485,862	485,862
Capital Projects	-	3,262,611	3,262,611
Other Purposes	-	2,049	2,049
<i>Total Restricted</i>	<u>-</u>	<u>5,303,791</u>	<u>5,303,791</u>
<i>Committed to</i>			
Termination Benefits	334,759	-	334,759
Dial-A-Bus Program	32,247	-	32,247
Cable TV	15,584	-	15,584
Office on Aging	1,811	-	1,811
Income Tax Allocation	-	3,890,196	3,890,196
Street Trees	-	147,009	147,009
Recreation	-	140,743	140,743
Debt Service - Unvoted	-	62,042	62,042
Capital Improvements	-	2,125,300	2,125,300
<i>Total Committed</i>	<u>384,401</u>	<u>6,365,290</u>	<u>6,749,691</u>
<i>Assigned to</i>			
Fiscal Year 2014 Appropriations	1,748,491	-	1,748,491
Police/Court Facility	-	135,504	135,504
Other Capital Projects	-	7,924	7,924
Purchases on Order	454,639	-	454,639
<i>Total Assigned</i>	<u>2,203,130</u>	<u>143,428</u>	<u>2,346,558</u>
<i>Unassigned (Deficit)</i>	<u>331,507</u>	<u>(230,119)</u>	<u>101,388</u>
Total Fund Balances	<u>\$ 3,068,320</u>	<u>\$ 11,652,745</u>	<u>\$ 14,721,065</u>

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(Continued)

NOTE 20: LANDFILL POSTCLOSURE COSTS

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

NOTE 21: CONSTRUCTION COMMITMENTS

As of December 31, 2013, the City had the following significant contractual commitments:

<u>Contractor</u>	<u>Total Contractor Amount</u>	<u>Amount Paid as of 12/31/2013</u>	<u>Remaining on the Contract</u>
<i>Water Plant Improvements:</i>			
Bay Mechanical	\$ 4,824,274	\$ 567,256	\$ 4,257,018
<i>Belmar Sewer Separation:</i>			
Underground Utilities, Inc.	4,873,685	1,601,699	3,271,986
<i>WPCC Roofing Project:</i>			
WTI (Tremco)	469,286	419,421	49,865
<i>Island Road Booster Station Upgrade:</i>			
Engineered Fluid Inc.	435,076	-	435,076
<i>WPCC Blower Replacement Project:</i>			
Bay Mechanical	879,600	-	879,600
<i>Total Projects</i>	<u>\$ 11,481,921</u>	<u>\$ 2,588,376</u>	<u>\$ 8,893,545</u>

NOTE 22: SUBSEQUENT EVENTS

On July 15, 2014, the City issued various purpose bond anticipation notes in the amount of \$12,329,000. These bond anticipation notes will mature on July 15, 2015 and carry an annual interest rate of 1.00 percent. The 2014 bond anticipation notes were issued to retire \$1,743,000 from the 2013 bond anticipation notes and also to provide \$10,586,000 in new proceeds for additional capital projects.

In 2014, the City received a grant (\$252,288) and a loan (\$125,000) from the Ohio Public Works Commission (OPWC). These funds will be utilized for the Lear/ Walker road intersection improvement project that is scheduled for construction during 2014. This improvement will widen the intersection to 4 lanes in each direction while changing the overall elevation of the intersection to improve drainage. The loan portion of the funding provided from OPWC is interest free.



Combining Statements

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Special Revenue Funds (Continued)

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

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

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

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

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

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

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

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

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

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

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Debt Service Funds

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

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

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

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

Non-Major Capital Project Funds

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

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

Walker/Moore Rd. Intersection Fund – This fund accounts for the grant revenues construction and improvements to the Walker/Moore Road intersection. This fund did not have a budget in 2013 and therefore now budgetary schedule has been provided.

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

Curtis Sewer Fund – This fund accounts for the resources provided through transfers from various funds assigned for the construction and improvement to the Curtis sewer project. This fund did not have a budget in 2013 and therefore now budgetary schedule has been provided.

Miller Rd. Breakwall Fund – This fund accounts for the resources provided through transfers from various funds assigned for the construction and improvement to the Miller Rd. breakwall project. This fund did not have a budget in 2013 and therefore now budgetary schedule has been provided.

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

Energy Conservation Projects Fund – This fund accounts for grant revenues restricted for energy conservation projects within the City's facilities.

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

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Capital Project Funds (Continued)

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

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

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

City Wide Signalization Fund – This fund accounts for the resources provided through transfers from various funds assigned for the construction and improvement to the city-wide signalization project. This fund did not have a budget in 2013 and therefore now budgetary schedule has been provided.

North Point Erosion Fund – This fund accounts for the resources provided through transfers from various funds assigned for the construction and improvement to the North Point erosion project. This fund did not have a budget in 2013 and therefore now budgetary schedule has been provided.

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

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

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

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

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

City of Avon Lake, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 5,599,517	\$ 445,633	\$ 5,519,127	\$ 11,564,277
Cash and Cash Equivalents:				
With Escrow Agents	-	-	10,968	10,968
Materials and Supplies Inventory	67,212	-	-	67,212
Accrued Interest Receivable	809	2,976	47,737	51,522
Accounts Receivable	6,468	-	-	6,468
Interfund Receivable	-	214,808	-	214,808
Intergovernmental Receivable	650,780	27,670	40,000	718,450
Prepaid Items	2,327	-	816	3,143
Municipal Income Taxes Receivable	-	-	757,046	757,046
Property and Other Taxes Receivable	1,894,925	314,104	-	2,209,029
Special Assessments Receivable	-	1,497,005	291,148	1,788,153
Total Assets	<u>\$ 8,222,038</u>	<u>\$ 2,502,196</u>	<u>\$ 6,666,842</u>	<u>\$ 17,391,076</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 43,583	\$ -	\$ 105,280	\$ 148,863
Accrued Wages and Benefits	72,617	-	-	72,617
Intergovernmental Payable	75,005	-	-	75,005
Retainage Payable	-	-	10,645	10,645
Interfund Payable	-	-	254,808	254,808
Notes Payable	-	-	207,000	207,000
<i>Total Liabilities</i>	<u>191,205</u>	<u>-</u>	<u>577,733</u>	<u>768,938</u>
Deferred Inflows of Resources:				
Property Taxes	1,804,537	299,026	-	2,103,563
Unavailable Revenue - Delinquent Property Taxes	90,388	15,078	-	105,466
Unavailable Revenue - Municipal Income Taxes	-	-	455,925	455,925
Unavailable Revenue - Other	448,616	1,524,675	331,148	2,304,439
<i>Total Deferred Inflows of Resources</i>	<u>2,343,541</u>	<u>1,838,779</u>	<u>787,073</u>	<u>4,969,393</u>
Fund Balances:				
Nonspendable	69,539	-	816	70,355
Restricted	1,439,805	601,375	3,262,611	5,303,791
Committed	4,177,948	62,042	2,125,300	6,365,290
Assigned	-	-	143,428	143,428
Unassigned (Deficits)	-	-	(230,119)	(230,119)
<i>Total Fund Balances</i>	<u>5,687,292</u>	<u>663,417</u>	<u>5,302,036</u>	<u>11,652,745</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,222,038</u>	<u>\$ 2,502,196</u>	<u>\$ 6,666,842</u>	<u>\$ 17,391,076</u>

City of Avon Lake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Property and Other Taxes	\$ 1,811,520	\$ 300,191	\$ -	\$ 2,111,711
Municipal Income Taxes	8,564	-	2,004,301	2,012,865
Intergovernmental	1,254,525	25,195	3,643	1,283,363
Interest	1,321	5,673	51,151	58,145
Fees, Licenses, and Permits	4,070	-	-	4,070
Fines and Forfeitures	75,886	-	-	75,886
Charges for Services	40,946	-	107,107	148,053
Contributions and Donations	1,000	9,092	-	10,092
Special Assessments	-	327,256	48,857	376,113
All Other Revenues	21,537	-	268,000	289,537
Total Revenues	<u>3,219,369</u>	<u>667,407</u>	<u>2,483,059</u>	<u>6,369,835</u>
EXPENDITURES				
Current:				
Security of Persons and Property	1,875,380	-	2,747	1,878,127
Public Health Services	-	-	105,028	105,028
Leisure Time Activities	-	-	66,894	66,894
Community Environment	40,192	-	17,523	57,715
Transportation	1,196,591	-	15,524	1,212,115
General Government	-	18,347	56,228	74,575
Capital Outlay	-	-	2,130,676	2,130,676
Debt Service:				
Principal Retirement	45,515	1,037,817	176,970	1,260,302
Interest and Fiscal Charges	3,884	370,728	37,300	411,912
Debt Issuance Costs	-	10,650	-	10,650
Total Expenditures	<u>3,161,562</u>	<u>1,437,542</u>	<u>2,608,890</u>	<u>7,207,994</u>
Excess of Revenues Over (Under) Expenditures	<u>57,807</u>	<u>(770,135)</u>	<u>(125,831)</u>	<u>(838,159)</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	1,000	-	-	1,000
Bond Anticipation Notes Issued	-	-	1,743,000	1,743,000
Premium on Debt Issuance	-	11,642	-	11,642
Transfers In	406,310	794,869	1,925,372	3,126,551
Transfers Out	(735,264)	-	(880,774)	(1,616,038)
Total Other Financing Sources (Uses)	<u>(327,954)</u>	<u>806,511</u>	<u>2,787,598</u>	<u>3,266,155</u>
Net Change in Fund Balances	(270,147)	36,376	2,661,767	2,427,996
Fund Balances - Beginning of Year	5,957,439	627,041	2,640,269	9,224,749
Fund Balances - End of Year	<u>\$ 5,687,292</u>	<u>\$ 663,417</u>	<u>\$ 5,302,036</u>	<u>\$ 11,652,745</u>

City of Avon Lake, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

	Street Construction Maintenance and Repair	State Highway	Income Tax Transfer	Paramedic
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 431,462	\$ 111,206	\$ 3,881,633	\$ 432,259
Materials and Supplies Inventory	67,212	-	-	-
Accrued Interest Receivable	597	201	-	-
Accounts Receivable	-	-	-	-
Intergovernmental Receivable	476,640	33,849	8,563	91,145
Prepaid Items	839	-	-	831
Property Taxes Receivable	-	-	-	1,456,537
Total Assets	<u>\$ 976,750</u>	<u>\$ 145,256</u>	<u>\$ 3,890,196</u>	<u>\$ 1,980,772</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 15,840	\$ 23,840	\$ -	\$ 3,903
Accrued Wages and Benefits	32,069	-	-	37,528
Intergovernmental Payable	21,379	-	-	42,882
<i>Total Liabilities</i>	<u>69,288</u>	<u>23,840</u>	<u>-</u>	<u>84,313</u>
Deferred Inflows of Resources:				
Property Taxes	-	-	-	1,387,187
Unavailable Revenue - Delinquent Property Taxes	-	-	-	69,350
Unavailable Revenue - Other	310,364	21,915	-	91,145
<i>Total Deferred Inflows of Resources</i>	<u>310,364</u>	<u>21,915</u>	<u>-</u>	<u>1,547,682</u>
Fund Balances:				
Nonspendable	68,051	-	-	831
Restricted	529,047	99,501	-	347,946
Committed	-	-	3,890,196	-
<i>Total Fund Balances</i>	<u>597,098</u>	<u>99,501</u>	<u>3,890,196</u>	<u>348,777</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 976,750</u>	<u>\$ 145,256</u>	<u>\$ 3,890,196</u>	<u>\$ 1,980,772</u>

Law Enforcement Trust	Law Enforcement Education	Indigent Drivers Alcohol Treatment	Municipal Court Computer	COPS	Avon Lake Bay Park	Board of Building Standards	Street Tree
\$ 53,902	\$ 26,969	\$ 62,966	\$ 127,472	\$ 4,586	\$ 207	\$ 2,317	\$ 147,009
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
175	25	570	1,880	-	-	-	-
-	-	3,046	-	12,345	-	-	-
-	-	-	657	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 54,077</u>	<u>\$ 26,994</u>	<u>\$ 66,582</u>	<u>\$ 130,009</u>	<u>\$ 16,931</u>	<u>\$ 207</u>	<u>\$ 2,317</u>	<u>\$ 147,009</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	3,020	-	-	-
-	-	7,021	-	3,085	-	475	-
-	-	7,021	-	6,105	-	475	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	657	-	-	-	-
54,077	26,994	59,561	129,352	10,826	207	1,842	-
-	-	-	-	-	-	-	147,009
<u>54,077</u>	<u>26,994</u>	<u>59,561</u>	<u>130,009</u>	<u>10,826</u>	<u>207</u>	<u>1,842</u>	<u>147,009</u>
<u>\$ 54,077</u>	<u>\$ 26,994</u>	<u>\$ 66,582</u>	<u>\$ 130,009</u>	<u>\$ 16,931</u>	<u>\$ 207</u>	<u>\$ 2,317</u>	<u>\$ 147,009</u>

(Continued)

City of Avon Lake, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013
(Continued)

	<u>Continued Professional Training</u>	<u>Court Security</u>	<u>Court Interlock</u>
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 8,585	\$ 75,490	\$ 60,687
Materials and Supplies Inventory	-	-	-
Accrued Interest Receivable	-	-	-
Accounts Receivable	-	1,869	879
Intergovernmental Receivable	-	-	-
Prepaid Items	-	-	-
Property Taxes Receivable	-	-	-
Total Assets	<u>\$ 8,585</u>	<u>\$ 77,359</u>	<u>\$ 61,566</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	-	-
Intergovernmental Payable	-	163	-
<i>Total Liabilities</i>	<u>-</u>	<u>163</u>	<u>-</u>
Deferred Inflows of Resources:			
Property Taxes	-	-	-
Unavailable Revenue - Delinquent Property Taxes	-	-	-
Unavailable Revenue - Other	-	-	-
<i>Total Deferred Inflows of Resources</i>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Nonspendable	-	-	-
Restricted	8,585	77,196	61,566
Committed	-	-	-
<i>Total Fund Balances</i>	<u>8,585</u>	<u>77,196</u>	<u>61,566</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,585</u>	<u>\$ 77,359</u>	<u>\$ 61,566</u>

Police Pension	Fire Pension	Recreation Trust	Total Nonmajor Special Revenue Funds
\$ 7,824	\$ 25,281	\$ 139,662	\$ 5,599,517
-	-	-	67,212
-	-	11	809
-	-	1,070	6,468
12,596	12,596	-	650,780
-	-	-	2,327
219,194	219,194	-	1,894,925
<u>\$ 239,614</u>	<u>\$ 257,071</u>	<u>\$ 140,743</u>	<u>\$ 8,222,038</u>
\$ -	\$ -	\$ -	\$ 43,583
-	-	-	72,617
-	-	-	75,005
<u>-</u>	<u>-</u>	<u>-</u>	<u>191,205</u>
208,675	208,675	-	1,804,537
10,519	10,519	-	90,388
12,596	12,596	-	448,616
<u>231,790</u>	<u>231,790</u>	<u>-</u>	<u>2,343,541</u>
-	-	-	69,539
7,824	25,281	-	1,439,805
-	-	140,743	4,177,948
<u>7,824</u>	<u>25,281</u>	<u>140,743</u>	<u>5,687,292</u>
<u>\$ 239,614</u>	<u>\$ 257,071</u>	<u>\$ 140,743</u>	<u>\$ 8,222,038</u>

City of Avon Lake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Street Construction Maintenance and Repair	State Highway	Income Tax Transfer	Paramedic
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ 1,392,650
Municipal Income Taxes	-	-	8,564	-
Intergovernmental	1,012,846	69,146	-	89,841
Interest	1,208	111	-	-
Fees, Licenses, and Permits	-	-	-	-
Fines and Forfeitures	-	-	-	-
Charges for Services	-	-	-	-
Contributions and Donations	-	-	-	-
All Other Revenues	10,762	-	-	9,890
Total Revenues	<u>1,024,816</u>	<u>69,257</u>	<u>8,564</u>	<u>1,492,381</u>
EXPENDITURES				
Current:				
Security of Persons and Property:	-	-	-	1,292,891
Community Environment	-	-	-	-
Transportation	1,117,934	78,657	-	-
Debt Service:				
Principal Retirement	-	-	-	23,000
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>1,117,934</u>	<u>78,657</u>	<u>-</u>	<u>1,315,891</u>
Excess of Revenues Over (Under) Expenditures	<u>(93,118)</u>	<u>(9,400)</u>	<u>8,564</u>	<u>176,490</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	-	-
Transfers In	350,000	-	-	-
Transfers Out	-	-	(735,264)	-
Total Other Financing Sources (Uses)	<u>350,000</u>	<u>-</u>	<u>(735,264)</u>	<u>-</u>
Net Change in Fund Balances	256,882	(9,400)	(726,700)	176,490
Fund Balances - Beginning of Year	340,216	108,901	4,616,896	172,287
Fund Balances - End of Year	<u>\$ 597,098</u>	<u>\$ 99,501</u>	<u>\$ 3,890,196</u>	<u>\$ 348,777</u>

Law Enforcement Trust	Law Enforcement Education	Indigent Drivers Alcohol Treatment	Municipal Court Computer	COPS	Avon Lake Bay Park	Board of Building Standards	Street Tree
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	39,838	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	4,070	-
3,135	945	14,346	22,192	-	-	-	-
-	-	-	-	-	-	-	2,761
1,000	-	-	-	-	-	-	-
-	-	-	-	802	-	-	-
<u>4,135</u>	<u>945</u>	<u>14,346</u>	<u>22,192</u>	<u>40,640</u>	<u>-</u>	<u>4,070</u>	<u>2,761</u>
-	-	-	12,245	102,485	-	-	-
-	-	36,163	-	-	-	4,029	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	36,163	12,245	102,485	-	4,029	-
<u>4,135</u>	<u>945</u>	<u>(21,817)</u>	<u>9,947</u>	<u>(61,845)</u>	<u>-</u>	<u>41</u>	<u>2,761</u>
1,000	-	-	-	-	-	-	-
-	-	-	-	56,310	-	-	-
-	-	-	-	-	-	-	-
<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,310</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>5,135</u>	<u>945</u>	<u>(21,817)</u>	<u>9,947</u>	<u>(5,535)</u>	<u>-</u>	<u>41</u>	<u>2,761</u>
48,942	26,049	81,378	120,062	16,361	207	1,801	144,248
<u>\$ 54,077</u>	<u>\$ 26,994</u>	<u>\$ 59,561</u>	<u>\$ 130,009</u>	<u>\$ 10,826</u>	<u>\$ 207</u>	<u>\$ 1,842</u>	<u>\$ 147,009</u>

(Continued)

City of Avon Lake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013
(Continued)

	Continued Professional Training	Court Security	Court Interlock
REVENUES			
Property Taxes	\$ -	\$ -	\$ -
Municipal Income Taxes	-	-	-
Intergovernmental	-	-	-
Interest	-	-	-
Fees, Licenses, and Permits	-	-	-
Fines and Forfeitures	-	23,411	11,857
Charges for Services	-	-	-
Contributions and Donations	-	-	-
All Other Revenues	-	83	-
Total Revenues	<u>-</u>	<u>23,494</u>	<u>11,857</u>
EXPENDITURES			
Current:			
Security of Persons and Property:	-	8,343	-
Community Environment	-	-	-
Transportation	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	<u>-</u>	<u>8,343</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>15,151</u>	<u>11,857</u>
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	15,151	11,857
Fund Balances - Beginning of Year	8,585	62,045	49,709
Fund Balances - End of Year	<u>\$ 8,585</u>	<u>\$ 77,196</u>	<u>\$ 61,566</u>

Police Pension	Fire Pension	Recreation Trust	Total Nonmajor Special Revenue Funds
\$ 209,435	\$ 209,435	\$ -	\$ 1,811,520
-	-	-	8,564
21,439	21,415	-	1,254,525
-	-	2	1,321
-	-	-	4,070
-	-	-	75,886
-	-	38,185	40,946
-	-	-	1,000
-	-	-	21,537
<u>230,874</u>	<u>230,850</u>	<u>38,187</u>	<u>3,219,369</u>
235,249	224,167	-	1,875,380
-	-	-	40,192
-	-	-	1,196,591
2,515	-	20,000	45,515
3,884	-	-	3,884
<u>241,648</u>	<u>224,167</u>	<u>20,000</u>	<u>3,161,562</u>
<u>(10,774)</u>	<u>6,683</u>	<u>18,187</u>	<u>57,807</u>
-	-	-	1,000
-	-	-	406,310
-	-	-	(735,264)
-	-	-	(327,954)
<u>(10,774)</u>	<u>6,683</u>	<u>18,187</u>	<u>(270,147)</u>
18,598	18,598	122,556	5,957,439
<u>\$ 7,824</u>	<u>\$ 25,281</u>	<u>\$ 140,743</u>	<u>\$ 5,687,292</u>

City of Avon Lake, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2013

	GO Bond Retirement (Unvoted)	GO Bond Retirement (Voted)	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 62,042	\$ 115,513	\$ 268,078	\$ 445,633
Accrued Interest Receivable	-	-	2,976	2,976
Interfund Receivable	-	-	214,808	214,808
Intergovernmental Receivable	-	27,670	-	27,670
Property Taxes Receivable	-	314,104	-	314,104
Special Assessments Receivable	-	-	1,497,005	1,497,005
Total Assets	<u>\$ 62,042</u>	<u>\$ 457,287</u>	<u>\$ 1,982,867</u>	<u>\$ 2,502,196</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Deferred Inflows of Resources:				
Property Taxes and Payments in Lieu of Taxes	-	299,026	-	299,026
Unavailable Revenue - Delinquent Property Taxes	-	15,078	-	15,078
Unavailable Revenue - Other	-	27,670	1,497,005	1,524,675
<i>Total Deferred Inflows of Resources</i>	<u>-</u>	<u>341,774</u>	<u>1,497,005</u>	<u>1,838,779</u>
Fund Balances:				
Restricted	-	115,513	485,862	601,375
Committed	62,042	-	-	62,042
<i>Total Fund Balances</i>	<u>62,042</u>	<u>115,513</u>	<u>485,862</u>	<u>663,417</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 62,042</u>	<u>\$ 457,287</u>	<u>\$ 1,982,867</u>	<u>\$ 2,502,196</u>

City of Avon Lake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2013

	GO Bond Retirement (Unvoted)	GO Bond Retirement (Voted)	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
REVENUES				
Property Taxes	\$ -	\$ 300,191	\$ -	\$ 300,191
Intergovernmental	-	25,195	-	25,195
Interest	-	-	5,673	5,673
Contributions and Donations	9,092	-	-	9,092
Special Assessments	-	-	327,256	327,256
Total Revenues	<u>9,092</u>	<u>325,386</u>	<u>332,929</u>	<u>667,407</u>
EXPENDITURES				
Current:				
General Government	-	5,042	13,305	18,347
Debt Service:				
Principal Retirement	579,189	165,000	293,628	1,037,817
Interest and Fiscal Charges	142,608	160,201	67,919	370,728
Debt Issuance Costs	10,650	-	-	10,650
Total Expenditures	<u>732,447</u>	<u>330,243</u>	<u>374,852</u>	<u>1,437,542</u>
Excess Revenues Over Expenditures	<u>(723,355)</u>	<u>(4,857)</u>	<u>(41,923)</u>	<u>(770,135)</u>
OTHER FINANCING SOURCES				
Premium on Debt Issuance	11,642	-	-	11,642
Transfers In	755,878	-	38,991	794,869
Total Other Financing Sources	<u>767,520</u>	<u>-</u>	<u>38,991</u>	<u>806,511</u>
Net Change in Fund Balances	44,165	(4,857)	(2,932)	36,376
Fund Balances - Beginning of Year	17,877	120,370	488,794	627,041
Fund Balances - End of Year	<u>\$ 62,042</u>	<u>\$ 115,513</u>	<u>\$ 485,862</u>	<u>\$ 663,417</u>

City of Avon Lake, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2013

	<u>Capital Improvement</u>	<u>Walker/ Moore Rd. Intersection</u>	<u>Sewer Separation Projects</u>	<u>Curtis Sewer</u>
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 1,524,834	\$ 13,685	\$ 1,326,398	\$ 1,477
Cash and Cash Equivalents:				
With Escrow Agents	10,968	-	-	-
Accrued Interest Receivable	47,723	-	-	-
Intergovernmental Receivable	-	-	-	-
Prepaid Items	816	-	-	-
Municipal Income Taxes Receivable	757,046	-	-	-
Special Assessments Receivable	-	-	-	-
Total Assets	<u>\$ 2,341,387</u>	<u>\$ 13,685</u>	<u>\$ 1,326,398</u>	<u>\$ 1,477</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 36,822	\$ -	\$ -	\$ -
Retainage Payable	6,965	-	-	-
Interfund Payable	-	-	-	-
Notes Payable	207,000	-	-	-
<i>Total Liabilities</i>	<u>250,787</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable Revenue - Municipal Income Taxes	455,925	-	-	-
Unavailable Revenue - Other	-	-	-	-
<i>Total Deferred Inflows of Resources</i>	<u>455,925</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	816	-	-	-
Restricted	-	13,685	1,326,398	-
Committed	1,633,859	-	-	-
Assigned	-	-	-	1,477
Unassigned (Deficits)	-	-	-	-
<i>Total Fund Balances (Deficits)</i>	<u>1,634,675</u>	<u>13,685</u>	<u>1,326,398</u>	<u>1,477</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,341,387</u>	<u>\$ 13,685</u>	<u>\$ 1,326,398</u>	<u>\$ 1,477</u>

Miller Rd Park Breakwall	Police Court Facility	Canterbury Road Improvement	Troy School Driveway	Bicycle Trails	Walker Rd. Widening
\$ 1,646	\$ 207,628	\$ 48,092	\$ -	\$ 200	\$ 1,242,800
-	-	-	-	-	-
-	14	-	-	-	-
-	-	-	40,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,646</u>	<u>\$ 207,642</u>	<u>\$ 48,092</u>	<u>\$ 40,000</u>	<u>\$ 200</u>	<u>\$ 1,242,800</u>
\$ -	\$ 68,458	\$ -	\$ -	\$ -	\$ -
-	3,680	-	-	-	-
-	-	-	40,000	-	-
-	-	-	-	-	-
<u>-</u>	<u>72,138</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	40,000	-	-
-	-	-	40,000	-	-
-	-	-	-	-	-
-	-	48,092	-	-	1,242,800
-	-	-	-	200	-
1,646	135,504	-	-	-	-
-	-	-	(40,000)	-	-
<u>1,646</u>	<u>135,504</u>	<u>48,092</u>	<u>(40,000)</u>	<u>200</u>	<u>1,242,800</u>
<u>\$ 1,646</u>	<u>\$ 207,642</u>	<u>\$ 48,092</u>	<u>\$ 40,000</u>	<u>\$ 200</u>	<u>\$ 1,242,800</u>

(Continued)

City of Avon Lake, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2013
(Continued)

	<u>City Wide Signalization</u>	<u>North Point Erosion Control</u>	<u>Pool Renovation</u>
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 1,030	\$ 3,771	\$ 124,519
Cash and Cash Equivalents:			
With Escrow Agents	-	-	-
Accrued Interest Receivable	-	-	-
Intergovernmental Receivable	-	-	-
Prepaid Items	-	-	-
Municipal Income Taxes Receivable	-	-	-
Special Assessments Receivable	-	-	-
Total Assets	<u>\$ 1,030</u>	<u>\$ 3,771</u>	<u>\$ 124,519</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Retainage Payable	-	-	-
Interfund Payable	-	-	-
Notes Payable	-	-	-
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:			
Unavailable Revenue - Municipal Income Taxes	-	-	-
Unavailable Revenue - Other	-	-	-
<i>Total Deferred Inflows of Resources</i>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Nonspendable	-	-	-
Restricted	-	-	124,519
Committed	-	-	-
Assigned	1,030	3,771	-
Unassigned (Deficits)	-	-	-
<i>Total Fund Balances (Deficits)</i>	<u>1,030</u>	<u>3,771</u>	<u>124,519</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,030</u>	<u>\$ 3,771</u>	<u>\$ 124,519</u>

Walker Rd Sewer/Lear Rd East	Titus- Pitts-Hill Ditch	Sidewalk/ Street Lighting	Cove Ave Improvement	Total Nonmajor Capital Projects Funds
\$ 374,569	\$ 491,241	\$ 132,548	\$ 24,689	\$ 5,519,127
-	-	-	-	10,968
-	-	-	-	47,737
-	-	-	-	40,000
-	-	-	-	816
-	-	-	-	757,046
104,261	-	52,371	134,516	291,148
<u>\$ 478,830</u>	<u>\$ 491,241</u>	<u>\$ 184,919</u>	<u>\$ 159,205</u>	<u>\$ 6,666,842</u>
\$ -	\$ -	\$ -	\$ -	\$ 105,280
-	-	-	-	10,645
-	-	-	214,808	254,808
-	-	-	-	207,000
-	-	-	214,808	577,733
-	-	-	-	455,925
104,261	-	52,371	134,516	331,148
<u>104,261</u>	<u>-</u>	<u>52,371</u>	<u>134,516</u>	<u>787,073</u>
-	-	-	-	816
374,569	-	132,548	-	3,262,611
-	491,241	-	-	2,125,300
-	-	-	-	143,428
-	-	-	(190,119)	(230,119)
<u>374,569</u>	<u>491,241</u>	<u>132,548</u>	<u>(190,119)</u>	<u>5,302,036</u>
<u>\$ 478,830</u>	<u>\$ 491,241</u>	<u>\$ 184,919</u>	<u>\$ 159,205</u>	<u>\$ 6,666,842</u>

City of Avon Lake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2013

	Capital Improvement	Walker/ Moore Rd. Intersection	Sewer Separation Projects	Curtis Sewer
REVENUES				
Municipal Income Taxes	\$ 2,004,301	\$ -	\$ -	\$ -
Intergovernmental	3,643	-	-	-
Interest	51,141	-	-	-
Charges for Services	-	-	-	-
Special Assessments	-	-	-	-
All Other Revenues	18,000	-	-	-
Total Revenues	2,077,085	-	-	-
EXPENDITURES				
Current:				
Security of Persons and Property	2,747	-	-	-
Public Health Services	105,028	-	-	-
Leisure Time Activities	66,894	-	-	-
Community Environment	-	-	-	-
Transportation	15,524	-	-	-
General Government	54,068	-	-	-
Capital Outlay	1,674,557	-	173,602	-
Debt Service:	-	-	-	-
Principal Retirement	29,200	-	-	-
Interest and Fiscal Charges	3,447	-	-	-
Total Expenditures	1,951,465	-	173,602	-
Excess of Revenues (Under) Expenditures	125,620	-	(173,602)	-
OTHER FINANCING SOURCES (USES)				
Bond Anticipation Notes Issued	243,000	-	1,500,000	-
Transfers In	853,458	-	-	-
Transfers Out	(841,783)	-	-	-
Total Other Financing Sources (Uses)	254,675	-	1,500,000	-
Net Change in Fund Balances	380,295	-	1,326,398	-
Fund Balances (Deficits)- Beginning of Year	1,254,380	13,685	-	1,477
Fund Balances (Deficits) - End of Year	\$ 1,634,675	\$ 13,685	\$ 1,326,398	\$ 1,477

Miller Rd Park Breakwall	Police Court Facility	Energy Conservation Projects	Canterbury Road Improvement	Troy School Driveway	Bicycle Trails	Walker Rd. Widening
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	10	-	-	-	-	-
-	-	-	54,733	5,000	-	-
-	-	-	-	-	-	-
-	250,000	-	-	-	-	-
-	250,010	-	54,733	5,000	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	252,127	30,390	-	-	-	-
-	-	-	-	-	-	-
-	-	-	147,770	-	-	-
-	-	-	24,183	-	-	-
-	252,127	30,390	171,953	-	-	-
-	(2,117)	(30,390)	(117,220)	5,000	-	-
-	-	-	-	-	-	-
-	-	-	117,230	-	-	954,684
-	-	-	-	-	-	-
-	-	-	117,230	-	-	954,684
-	(2,117)	(30,390)	10	5,000	-	954,684
1,646	137,621	30,390	48,082	(45,000)	200	288,116
<u>\$ 1,646</u>	<u>\$ 135,504</u>	<u>\$ -</u>	<u>\$ 48,092</u>	<u>\$ (40,000)</u>	<u>\$ 200</u>	<u>\$ 1,242,800</u>

(Continued)

City of Avon Lake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2013
(Continued)

	<u>City Wide Signalization</u>	<u>North Point Erosion Control</u>	<u>Pool Renovation</u>
REVENUES			
Municipal Income Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Interest	-	-	-
Charges for Services	-	-	-
Special Assessments	-	-	-
All Other Revenues	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current:			
Security of Persons and Property	-	-	-
Public Health Services	-	-	-
Leisure Time Activities	-	-	-
Community Environment	-	-	17,523
Transportation	-	-	-
General Government	-	-	-
Capital Outlay	-	-	-
Debt Service:	-	-	-
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>17,523</u>
Excess of Revenues (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(17,523)</u>
OTHER FINANCING SOURCES (USES)			
Bond Anticipation Notes Issued	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	(17,523)
Fund Balances (Deficits)- Beginning of Year	1,030	3,771	142,042
Fund Balances (Deficits) - End of Year	<u>\$ 1,030</u>	<u>\$ 3,771</u>	<u>\$ 124,519</u>

Walker Rd Sewer/Lear Rd East	Titus- Pitts-Hill Ditch	Sidewalk/ Street Lighting	Cove Ave Improvement	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ 2,004,301
-	-	-	-	3,643
-	-	-	-	51,151
-	47,374	-	-	107,107
23,676	-	9,950	15,231	48,857
-	-	-	-	268,000
<u>23,676</u>	<u>47,374</u>	<u>9,950</u>	<u>15,231</u>	<u>2,483,059</u>
-	-	-	-	2,747
-	-	-	-	105,028
-	-	-	-	66,894
-	-	-	-	17,523
-	-	-	-	15,524
950	-	624	586	56,228
-	-	-	-	2,130,676
-	-	-	-	176,970
-	-	-	9,670	37,300
<u>950</u>	<u>-</u>	<u>624</u>	<u>10,256</u>	<u>2,608,890</u>
<u>22,726</u>	<u>47,374</u>	<u>9,326</u>	<u>4,975</u>	<u>(125,831)</u>
-	-	-	-	1,743,000
-	-	-	-	1,925,372
-	(38,991)	-	-	(880,774)
-	(38,991)	-	-	2,787,598
22,726	8,383	9,326	4,975	2,661,767
351,843	482,858	123,222	(195,094)	2,640,269
<u>\$ 374,569</u>	<u>\$ 491,241</u>	<u>\$ 132,548</u>	<u>\$ (190,119)</u>	<u>\$ 5,302,036</u>

Fund Descriptions – Fiduciary Funds

Fiduciary Funds

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

Agency Funds

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

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

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

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

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

City of Avon Lake, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2013

	Balance 12/31/2012	Additions	Deletions	Balance 12/31/2013
<u>Deposit Trust</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 14,335	\$ 20,200	\$ -	\$ 34,535
Liabilities				
Due to Others	\$ 14,335	\$ 20,200		\$ 34,535
<u>Unclaimed Monies</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 3,962	\$ 766	\$ -	\$ 4,728
Liabilities				
Due to Others	\$ 3,962	\$ 766	\$ -	\$ 4,728
<u>Transfer</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,704	\$ 3,478	\$ 3,478	\$ 1,704
Liabilities				
Due to Other Governments	\$ 1,704	\$ 3,478	\$ 3,478	\$ 1,704
<u>ETL 2 MOR</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 820,288	\$ 3,996,025	\$ 3,346,035	\$ 1,470,278
Due from Other Governments	450,000	-	450,000	-
<i>Total Assets</i>	<u>\$ 1,270,288</u>	<u>\$ 3,996,025</u>	<u>\$ 3,796,035</u>	<u>\$ 1,470,278</u>
Liabilities				
Due to Other Governments	\$ 386,142	\$ 557,107	\$ 386,142	\$ 557,107
Due to Others	884,146	4,382,167	4,353,142	913,171
<i>Total Liabilities</i>	<u>\$ 1,270,288</u>	<u>\$ 4,939,274</u>	<u>\$ 4,739,284</u>	<u>\$ 1,470,278</u>
<u>Municipal Court</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 66,471	\$ 878,094	\$ 866,854	\$ 77,711
Liabilities				
Due to Other Governments	\$ 17,226	\$ 8,921	\$ -	\$ 26,147
Due to Others	49,245	869,173	866,854	51,564
<i>Total Liabilities</i>	<u>\$ 66,471</u>	<u>\$ 878,094</u>	<u>\$ 866,854</u>	<u>\$ 77,711</u>
<u>Total - All Agency Funds</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,356,760	\$ 4,898,563	\$ 4,666,367	\$ 1,588,956
Due from Other Governments	450,000	-	450,000	-
<i>Total Assets</i>	<u>\$ 1,806,760</u>	<u>\$ 4,898,563</u>	<u>\$ 5,116,367</u>	<u>\$ 1,588,956</u>
Liabilities				
Due to Other Governments	\$ 405,072	\$ 569,506	\$ 389,620	\$ 584,958
Due to Others	951,688	5,272,306	5,219,996	1,003,998
<i>Total Liabilities</i>	<u>\$ 1,356,760</u>	<u>\$ 5,841,812</u>	<u>\$ 5,609,616</u>	<u>\$ 1,588,956</u>

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

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual*
General Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 3,762,956	\$ 3,762,956	\$ 3,351,689	\$ (411,267)
Municipal Income Taxes	6,288,323	6,791,711	7,511,052	719,341
Other Taxes	360,000	360,000	358,190	(1,810)
Intergovernmental	939,175	1,445,524	1,498,245	52,721
Fees, Licenses, and Permits	283,150	283,150	293,014	9,864
Fines and Forfeitures	270,455	270,455	284,785	14,330
Charges for Services	1,068,500	1,068,500	960,460	(108,040)
Contributions and Donations	3,000	3,100	2,830	(270)
All Other Revenues	249,000	388,969	221,241	(167,728)
Total Revenues	<u>13,224,559</u>	<u>14,374,365</u>	<u>14,481,506</u>	<u>107,141</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Personal Services	3,613,127	3,663,074	3,575,841	87,233
Other	344,370	338,475	336,260	2,215
Total Police	<u>3,957,497</u>	<u>4,001,549</u>	<u>3,912,101</u>	<u>89,448</u>
Fire				
Personal Services	2,353,506	2,395,409	2,268,239	127,170
Other	209,420	198,010	175,450	22,560
Total Fire	<u>2,562,926</u>	<u>2,593,419</u>	<u>2,443,689</u>	<u>149,730</u>
Total Security of Persons and Property	<u>6,520,423</u>	<u>6,594,968</u>	<u>6,355,790</u>	<u>239,178</u>
Public Health Services				
Public Health				
Other	139,425	139,425	124,425	15,000
Total Public Health Services	<u>139,425</u>	<u>139,425</u>	<u>124,425</u>	<u>15,000</u>
Leisure Time Activities				
Recreation				
Personal Services	487,653	487,653	474,707	12,946
Other	328,698	342,000	277,802	64,198
Total Leisure Time Activities	<u>816,351</u>	<u>829,653</u>	<u>752,509</u>	<u>77,144</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual*
General Fund
For the Year Ended December 31, 2013
 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Community Environment				
Building Inspection				
Personal Services	380,705	380,705	342,168	38,537
Other	31,899	32,899	32,886	13
Total Building Inspection	<u>412,604</u>	<u>413,604</u>	<u>375,054</u>	<u>38,550</u>
Planning Commission				
Other	2,000	2,500	2,570	(70)
Historical Preservation Committee				
Other	1,313	1,200	1,196	4
EEAB				
Personal Services	524	524	338	186
Other	1,640	1,640	990	650
Total EEAB	<u>2,164</u>	<u>2,164</u>	<u>1,328</u>	<u>836</u>
Total Community Environment	<u>418,081</u>	<u>419,468</u>	<u>380,148</u>	<u>39,320</u>
Transportation				
Service				
Personal Services	1,519,427	1,519,427	1,460,847	58,580
Other	1,329,119	1,399,877	1,385,599	14,278
Total Transportation	<u>2,848,546</u>	<u>2,919,304</u>	<u>2,846,446</u>	<u>72,858</u>
General Government				
Legislative - Council				
Personal Services	175,445	175,445	173,690	1,755
Other	22,642	22,642	18,237	4,405
Total Legislative - Council	<u>198,087</u>	<u>198,087</u>	<u>191,927</u>	<u>6,160</u>
Judicial - Court				
Personal Services	269,693	270,693	269,362	1,331
Other	85,468	83,811	75,827	7,984
Total Judicial - Court	<u>355,161</u>	<u>354,504</u>	<u>345,189</u>	<u>9,315</u>
Legal Counsel				
Personal Services	223,977	223,977	207,928	16,049
Other	124,972	133,803	132,709	1,094
Total Legal Counsel	<u>348,949</u>	<u>357,780</u>	<u>340,637</u>	<u>17,143</u>
Civil Service				
Personal Services	5,816	5,316	2,248	3,068
Other	16,780	17,268	16,398	870
Total Civil Service	<u>22,596</u>	<u>22,584</u>	<u>18,646</u>	<u>3,938</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual*
General Fund
For the Year Ended December 31, 2013
 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Mayor				
Personal Services	253,120	254,475	222,935	31,540
Other	500,970	577,868	506,943	70,925
Total Mayor	754,090	832,343	729,878	102,465
Finance				
Personal Services	346,333	381,333	331,199	50,134
Other	523,652	569,584	433,435	136,149
Total Finance	869,985	950,917	764,634	186,283
City Engineering				
Personal Services	387,302	387,302	385,060	2,242
Other	385,000	359,638	290,141	69,497
Total City Engineering	772,302	746,940	675,201	71,739
Total General Government	3,321,170	3,463,155	3,066,112	397,043
Total Expenditures	14,063,996	14,365,973	13,525,430	840,543
Excess of Revenues Over (Under) Expenditures	(839,437)	8,392	956,076	947,684
Other Financing Sources (Uses)				
Sale of Capital Assets	22,000	22,000	20,138	(1,862)
Advances In	5,000	5,000	5,000	-
Transfers In	461,677	498,635	551,448	52,813
Transfers Out	(1,704,116)	(2,218,068)	(2,310,896)	(92,828)
Total Other Financing Sources (Uses)	(1,215,439)	(1,692,433)	(1,734,310)	(41,877)
Net Change in Fund Balance	(2,054,876)	(1,684,041)	(778,234)	905,807
Fund Balance - Beginning of Year	1,847,423	1,847,423	1,847,423	-
Prior Year Encumbrances Appropriated	281,523	281,523	281,523	-
Fund Balance - End of Year	\$ 74,070	\$ 444,905	\$ 1,350,712	\$ 905,807

City of Avon Lake, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual*
Water Fund
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 44,844	\$ 44,844	\$ 51,073	\$ 6,229
Rentals	50,000	50,000	174,831	124,831
Charges for Services	10,497,059	10,481,059	11,409,906	928,847
All Other Revenues	2,922,555	972,555	453,189	(519,366)
Total Revenues	<u>13,514,458</u>	<u>11,548,458</u>	<u>12,088,999</u>	<u>540,541</u>
Expenses:				
Current:				
Personal Services	2,221,800	2,221,800	2,172,209	49,591
Materials and Supplies	2,428,483	2,428,483	2,550,029	(121,546)
Purchased Services	4,028,174	3,592,299	3,466,723	125,576
Capital Outlay	4,265,308	787,527	620,003	167,524
Debt Service:				
Principal	2,414,121	2,357,180	2,380,221	(23,041)
Interest & Fiscal Charges	868,250	868,250	837,873	30,377
Total Debt Service	<u>3,282,371</u>	<u>3,225,430</u>	<u>3,218,094</u>	<u>7,336</u>
Total Expenses	<u>16,226,136</u>	<u>12,255,539</u>	<u>12,027,058</u>	<u>228,481</u>
Excess of Revenues Over (Under) Expenses	(2,711,678)	(707,081)	61,941	769,022
Other Financing Sources (Uses)				
OWDA Loans Issued	300,000	-	-	-
Advances In	866,000	16,000	-	(16,000)
Advances Out	(450,000)	(1,180,000)	(705,000)	475,000
Transfers In	3,019,000	3,304,000	-	(3,304,000)
Transfers Out	(3,019,000)	(3,019,000)	-	3,019,000
Total Other Financing Sources (Uses)	<u>716,000</u>	<u>(879,000)</u>	<u>(705,000)</u>	<u>174,000</u>
Net Change in Fund Equity	(1,995,678)	(1,586,081)	(643,059)	943,022
Fund Equity - Beginning of Year	8,191,866	8,191,866	8,191,866	-
Prior Year Encumbrances Appropriated	191,465	191,465	191,465	-
Fund Equity - End of Year	<u>\$ 6,387,653</u>	<u>\$ 6,797,250</u>	<u>\$ 7,740,272</u>	<u>\$ 943,022</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual*
Sewer Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal Income Taxes	\$ 461,144	\$ 461,144	\$ 500,737	\$ 39,593
Interest	50,465	50,465	12,279	(38,186)
Rentals	-	25,000	11,263	(13,737)
Charges for Services	5,649,979	5,544,980	5,836,759	291,779
Special Assessments	30,000	29,709	29,709	-
All Other Revenues	351,776	19,276	195,900	176,624
Total Revenues	<u>6,543,364</u>	<u>6,130,574</u>	<u>6,586,647</u>	<u>456,073</u>
Expenses:				
Current:				
Personal Services	2,280,258	2,292,686	2,155,362	137,324
Materials and Supplies	326,100	325,870	403,926	(78,056)
Purchased Services	2,655,183	2,103,480	1,980,025	123,455
Other	33,600	33,600	30,250	3,350
Capital Outlay	4,237,930	3,480,297	3,178,137	302,160
Debt Service:				
Principal	-	1,258,301	1,094,458	163,843
Interest & Fiscal Charges	-	1,260,246	1,423,076	(162,830)
Total Debt Service	-	2,518,547	2,517,534	1,013
Total Expenses	<u>9,533,071</u>	<u>10,754,480</u>	<u>10,265,234</u>	<u>489,246</u>
Excess of Revenues Over (Under) Expenses	(2,989,707)	(4,623,906)	(3,678,587)	945,319
Other Financing Sources (Uses)				
OWDA Loans Issued	3,884,771	2,629,487	2,030,029	(599,458)
Advances In	531,952	293,015	705,000	411,985
Advances Out	(700,000)	-	-	-
Transfers In	33,856	33,856	36,763	2,907
Total Other Financing Sources (Uses)	<u>3,750,579</u>	<u>2,956,358</u>	<u>2,771,792</u>	<u>(184,566)</u>
Net Change in Fund Equity	760,872	(1,667,548)	(906,795)	760,753
Fund Equity - Beginning of Year	2,504,518	2,504,518	2,504,518	-
Prior Year Encumbrances Appropriated	574,973	574,973	574,973	-
Fund Equity - End of Year	<u>\$ 3,840,363</u>	<u>\$ 1,411,943</u>	<u>\$ 2,172,696</u>	<u>\$ 760,753</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual*
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 962,000	\$ 962,000	\$ 1,008,089	\$ 46,089
Interest	600	600	1,955	1,355
All Other Revenues	-	-	10,762	10,762
Total Revenues	<u>962,600</u>	<u>962,600</u>	<u>1,020,806</u>	<u>58,206</u>
Expenditures:				
Current:				
Transportation				
Street Construction, Maintenance and Repair				
Personal Services	901,005	903,812	843,484	60,328
Other	504,154	488,346	344,465	143,881
Total Expenditures	<u>1,405,159</u>	<u>1,392,158</u>	<u>1,187,949</u>	<u>204,209</u>
Excess of Revenues Over (Under) Expenditures	<u>(442,559)</u>	<u>(429,558)</u>	<u>(167,143)</u>	<u>262,415</u>
Other Financing Sources				
Transfers In	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>
Total Other Financing Sources	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>
Net Change in Fund Balance	(92,559)	(79,558)	182,857	262,415
Fund Balance - Beginning of Year	141,095	141,095	141,095	-
Prior Year Encumbrances Appropriated	46,082	46,082	46,082	-
Fund Balance - End of Year	<u>\$ 94,618</u>	<u>\$ 107,619</u>	<u>\$ 370,034</u>	<u>\$ 262,415</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual*
State Highway Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 74,500	\$ 63,500	\$ 68,782	\$ 5,282
Interest	500	500	658	158
Total Revenues	<u>75,000</u>	<u>64,000</u>	<u>69,440</u>	<u>5,440</u>
Expenditures:				
Current:				
Transportation				
Street Construction, Maintenance and Repair				
Other	166,717	166,717	90,558	76,159
Total Expenditures	<u>166,717</u>	<u>166,717</u>	<u>90,558</u>	<u>76,159</u>
Net Change in Fund Balance	(91,717)	(102,717)	(21,118)	81,599
Fund Balance - Beginning of Year	96,915	96,915	96,915	-
Prior Year Encumbrances Appropriated	11,717	11,717	11,717	-
Fund Balance - End of Year	<u>\$ 16,915</u>	<u>\$ 5,915</u>	<u>\$ 87,514</u>	<u>\$ 81,599</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Income Tax Transfer Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Uses				
Transfers Out	\$ (1,090,000)	\$ (808,822)	\$ (735,264)	\$ 73,558
Total Other Financing Uses	<u>(1,090,000)</u>	<u>(808,822)</u>	<u>(735,264)</u>	<u>73,558</u>
Net Change in Fund Balance	(1,090,000)	(808,822)	(735,264)	73,558
Fund Balance - Beginning of Year	4,616,897	4,616,897	4,616,897	-
Fund Balance - End of Year	<u>\$ 3,526,897</u>	<u>\$ 3,808,075</u>	<u>\$ 3,881,633</u>	<u>\$ 73,558</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual*
Paramedic Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 1,500,000	\$ 1,500,000	\$ 1,392,650	\$ (107,350)
Intergovernmental	-	-	89,841	89,841
All Other Revenues	-	-	9,890	9,890
Total Revenues	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,492,381</u>	<u>(7,619)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Fire				
Personal Services	1,295,954	1,295,954	1,154,878	141,076
Other	260,074	253,519	162,401	91,118
Total Security of Persons & Property	<u>1,556,028</u>	<u>1,549,473</u>	<u>1,317,279</u>	<u>232,194</u>
Debt Service:				
Principal	23,000	23,000	23,000	-
Total Expenditures	<u>1,579,028</u>	<u>1,572,473</u>	<u>1,340,279</u>	<u>232,194</u>
Net Change in Fund Balance	(79,028)	(72,473)	152,102	224,575
Fund Balance - Beginning of Year	217,325	217,325	217,325	-
Prior Year Encumbrances Appropriated	40,567	40,567	40,567	-
Fund Balance - End of Year	<u>\$ 178,864</u>	<u>\$ 185,419</u>	<u>\$ 409,994</u>	<u>\$ 224,575</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Office on Aging Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Public Health Services				
Other	41,731	41,731	41,731	-
Total Expenditures	41,731	41,731	41,731	-
Excess of Revenues Over (Under) Expenditures	(41,731)	(41,731)	(41,731)	-
Other Financing Sources				
Transfers In	42,542	42,542	42,542	-
Total Other Financing Sources	42,542	42,542	42,542	-
Net Change in Fund Balance	811	811	811	-
Fund Balance - Beginning of Year	1,000	1,000	1,000	-
Fund Balance - End of Year	<u>\$ 1,811</u>	<u>\$ 1,811</u>	<u>\$ 1,811</u>	<u>\$ -</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual*
Dial-A-Bus Fund
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
All Other Revenues	\$ -	\$ -	\$ 241	\$ 241
Total Revenues	<u>-</u>	<u>-</u>	<u>241</u>	<u>241</u>
Expenditures:				
Current:				
Transportation				
Service				
Personal Services	37,780	37,780	17,611	20,169
Other	2,974	2,942	475	2,467
Total Expenditures	<u>40,754</u>	<u>40,722</u>	<u>18,086</u>	<u>22,636</u>
Excess of Revenues Over (Under) Expenditures	<u>(40,754)</u>	<u>(40,722)</u>	<u>(17,845)</u>	<u>22,877</u>
Other Financing Sources				
Transfers In	30,000	30,000	30,000	-
Total Other Financing Sources	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net Change in Fund Balance	(10,754)	(10,722)	12,155	22,877
Fund Balance - Beginning of Year	20,994	20,994	20,994	-
Prior Year Encumbrances Appropriated	32	32	32	-
Fund Balance - End of Year	<u>\$ 10,272</u>	<u>\$ 10,304</u>	<u>\$ 33,181</u>	<u>\$ 22,877</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Cable TV Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
All Other Revenues	\$ 600	\$ 600	\$ 1,236	\$ 636
Total Revenues	<u>600</u>	<u>600</u>	<u>1,236</u>	<u>636</u>
Expenditures:				
Current:				
Leisure Time Activities				
Cable TV				
Personal Services	67,753	67,753	59,109	8,644
Other	37,856	37,362	30,205	7,157
Total Expenditures	<u>105,609</u>	<u>105,115</u>	<u>89,314</u>	<u>15,801</u>
Excess of Revenues Over (Under) Expenditures	<u>(105,009)</u>	<u>(104,515)</u>	<u>(88,078)</u>	<u>16,437</u>
Other Financing Sources				
Transfers In	87,000	87,000	87,000	-
Total Other Financing Sources	<u>87,000</u>	<u>87,000</u>	<u>87,000</u>	<u>-</u>
Net Change in Fund Balance	(18,009)	(17,515)	(1,078)	16,437
Fund Balance - Beginning of Year	17,044	17,044	17,044	-
Prior Year Encumbrances Appropriated	3,621	3,621	3,621	-
Fund Balance - End of Year	<u>\$ 2,656</u>	<u>\$ 3,150</u>	<u>\$ 19,587</u>	<u>\$ 16,437</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Law Enforcement Trust Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 4,900	\$ 4,900	\$ 2,995	\$ (1,905)
Contributions and Donations	-	-	1,000	1,000
Total Revenues	<u>4,900</u>	<u>4,900</u>	<u>3,995</u>	<u>(905)</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Other	10,000	10,000	-	10,000
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,100)</u>	<u>(5,100)</u>	<u>3,995</u>	<u>9,095</u>
Other Financing Sources				
Sale of Capital Assets	-	-	1,000	1,000
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Net Change in Fund Balance	(5,100)	(5,100)	4,995	10,095
Fund Balance - Beginning of Year	48,907	48,907	48,907	-
Fund Balance - End of Year	<u>\$ 43,807</u>	<u>\$ 43,807</u>	<u>\$ 53,902</u>	<u>\$ 10,095</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Law Enforcement and Education Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 1,000	\$ 1,000	\$ 1,043	\$ 43
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,043</u>	<u>43</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Other	10,000	10,000	-	10,000
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net Change in Fund Balance	(9,000)	(9,000)	1,043	10,043
Fund Balance - Beginning of Year	25,926	25,926	25,926	-
Fund Balance - End of Year	<u>\$ 16,926</u>	<u>\$ 16,926</u>	<u>\$ 26,969</u>	<u>\$ 10,043</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Indigent Drivers Alcohol Treatment Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 13,500	\$ 10,878	\$ 11,478	\$ 600
Total Revenues	<u>13,500</u>	<u>10,878</u>	<u>11,478</u>	<u>600</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Other	126,504	80,000	77,784	2,216
Total Expenditures	<u>126,504</u>	<u>80,000</u>	<u>77,784</u>	<u>2,216</u>
Net Change in Fund Balance	(113,004)	(69,122)	(66,306)	2,816
Fund Balance - Beginning of Year	100,853	100,853	100,853	-
Prior Year Encumbrances Appropriated	14,504	14,504	14,504	-
Fund Balance - End of Year	<u>\$ 2,353</u>	<u>\$ 46,235</u>	<u>\$ 49,051</u>	<u>\$ 2,816</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Municipal Court Computer Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 20,000	\$ 21,353	\$ 23,240	\$ 1,887
Total Revenues	<u>20,000</u>	<u>21,353</u>	<u>23,240</u>	<u>1,887</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Other	25,000	25,000	12,655	12,345
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>12,655</u>	<u>12,345</u>
Net Change in Fund Balance	(5,000)	(3,647)	10,585	14,232
Fund Balance - Beginning of Year	116,567	116,567	116,567	-
Fund Balance - End of Year	<u>\$ 111,567</u>	<u>\$ 112,920</u>	<u>\$ 127,152</u>	<u>\$ 14,232</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 COPS Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 52,309	\$ 52,310	\$ 38,790	\$ (13,520)
All Other Revenues	-	-	802	802
Total Revenues	<u>52,309</u>	<u>52,310</u>	<u>39,592</u>	<u>(12,718)</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Personal Services	104,620	108,620	104,833	3,787
Total Expenditures	<u>104,620</u>	<u>108,620</u>	<u>104,833</u>	<u>3,787</u>
Excess of Revenues Over (Under) Expenditures	<u>(52,311)</u>	<u>(56,310)</u>	<u>(65,241)</u>	<u>(8,931)</u>
Other Financing Sources				
Transfers In	52,310	48,310	56,310	8,000
Total Other Financing Sources	<u>52,310</u>	<u>48,310</u>	<u>56,310</u>	<u>8,000</u>
Net Change in Fund Balance	(1)	(8,000)	(8,931)	(931)
Fund Balance - Beginning of Year	13,517	13,517	13,517	-
Fund Balance - End of Year	<u>\$ 13,516</u>	<u>\$ 5,517</u>	<u>\$ 4,586</u>	<u>\$ (931)</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Avon Lake/Bay Park Fund
 For the Year Ended December 31, 2013*

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

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Board of Building Standards Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fees, Licenses, and Permits	\$ 3,000	\$ 3,000	\$ 4,070	\$ 1,070
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>4,070</u>	<u>1,070</u>
Expenditures:				
Current:				
Community Environment				
Building Inspection				
Other	4,000	4,000	3,553	447
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>3,553</u>	<u>447</u>
Net Change in Fund Balance	(1,000)	(1,000)	517	1,517
Fund Balance - Beginning of Year	1,800	1,800	1,800	-
Fund Balance - End of Year	<u>\$ 800</u>	<u>\$ 800</u>	<u>\$ 2,317</u>	<u>\$ 1,517</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Employee Sick Time Buy Back Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Personal Services	55,000	55,000	-	55,000
Transportation				
Service				
Personal Services	55,000	55,000	28,565	26,435
Total Expenditures	110,000	110,000	28,565	81,435
Excess of Revenues Over (Under) Expenditures	(110,000)	(110,000)	(28,565)	81,435
Other Financing Sources				
Transfers In	22,554	50,000	50,000	-
Total Other Financing Sources	22,554	50,000	50,000	-
Net Change in Fund Balance	(87,446)	(60,000)	21,435	81,435
Fund Balance - Beginning of Year	327,748	327,748	327,748	-
Fund Balance - End of Year	\$ 240,302	\$ 267,748	\$ 349,183	\$ 81,435

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual*
Street Tree Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 5,000	\$ 2,760	\$ 2,760	\$ -
Total Revenues	<u>5,000</u>	<u>2,760</u>	<u>2,760</u>	<u>-</u>
Expenditures:				
Current:				
Leisure Time Activities				
Parks and Recreation				
Other	25,000	25,000	-	25,000
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Net Change in Fund Balance	(20,000)	(22,240)	2,760	25,000
Fund Balance - Beginning of Year	144,249	144,249	144,249	-
Fund Balance - End of Year	<u>\$ 124,249</u>	<u>\$ 122,009</u>	<u>\$ 147,009</u>	<u>\$ 25,000</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Continued Professional Training - Police Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,500	\$ -	\$ -	\$ -
Total Revenues	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Other	5,780	5,780	-	5,780
Total Expenditures	<u>5,780</u>	<u>5,780</u>	<u>-</u>	<u>5,780</u>
Net Change in Fund Balance	(3,280)	(5,780)	-	5,780
Fund Balance - Beginning of Year	8,585	8,585	8,585	-
Fund Balance - End of Year	<u>\$ 5,305</u>	<u>\$ 2,805</u>	<u>\$ 8,585</u>	<u>\$ 5,780</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual*
Court Security Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 22,000	\$ 21,294	\$ 23,090	\$ 1,796
All Other Revenues	-	-	83	83
Total Revenues	<u>22,000</u>	<u>21,294</u>	<u>23,173</u>	<u>1,879</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Personal Services	16,234	16,234	7,930	8,304
Other	-	3,000	861	2,139
Total Expenditures	<u>16,234</u>	<u>19,234</u>	<u>8,791</u>	<u>10,443</u>
Net Change in Fund Balance	5,766	2,060	14,382	12,322
Fund Balance - Beginning of Year	60,874	60,874	60,874	-
Fund Balance - End of Year	<u><u>\$ 66,640</u></u>	<u><u>\$ 62,934</u></u>	<u><u>\$ 75,256</u></u>	<u><u>\$ 12,322</u></u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Court Interlock Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 15,000	\$ 10,543	\$ 11,689	\$ 1,146
Total Revenues	<u>15,000</u>	<u>10,543</u>	<u>11,689</u>	<u>1,146</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Other	15,000	15,000	-	15,000
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Net Change in Fund Balance	-	(4,457)	11,689	16,146
Fund Balance - Beginning of Year	48,998	48,998	48,998	-
Fund Balance - End of Year	<u>\$ 48,998</u>	<u>\$ 44,541</u>	<u>\$ 60,687</u>	<u>\$ 16,146</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Police Pension Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 235,590	\$ 202,104	\$ 209,435	\$ 7,331
Intergovernmental	28,771	28,770	21,439	(7,331)
Total Revenues	<u>264,361</u>	<u>230,874</u>	<u>230,874</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Personal Services	236,217	236,217	236,055	162
Travel and Education	6,691	6,691	5,593	1,098
Total Expenditures	<u>242,908</u>	<u>242,908</u>	<u>241,648</u>	<u>1,260</u>
Net Change in Fund Balance	21,453	(12,034)	(10,774)	1,260
Fund Balance - Beginning of Year	18,598	18,598	18,598	-
Fund Balance - End of Year	<u>\$ 40,051</u>	<u>\$ 6,564</u>	<u>\$ 7,824</u>	<u>\$ 1,260</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual*
Fire Pension Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Property Taxes	\$ 235,590	\$ 202,080	\$ 209,435	\$ 7,355
Intergovernmental	28,771	28,770	21,415	(7,355)
Total Revenues	<u>264,361</u>	<u>230,850</u>	<u>230,850</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property				
Fire				
Personal Services	236,217	236,217	218,575	17,642
Other	6,691	6,691	5,592	1,099
Total Expenditures	<u>242,908</u>	<u>242,908</u>	<u>224,167</u>	<u>18,741</u>
Net Change in Fund Balance	21,453	(12,058)	6,683	18,741
Fund Balance - Beginning of Year	18,598	18,598	18,598	-
Fund Balance - End of Year	<u>\$ 40,051</u>	<u>\$ 6,540</u>	<u>\$ 25,281</u>	<u>\$ 18,741</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Recreation Trust Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 50	\$ 50	\$ 35	\$ (15)
Charges for Services	40,000	37,099	37,115	16
Total Revenues	<u>40,050</u>	<u>37,149</u>	<u>37,150</u>	<u>1</u>
Expenditures:				
Debt Service:				
Principal	20,000	20,000	20,000	-
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net Change in Fund Balance	20,050	17,149	17,150	1
Fund Balance - Beginning of Year	122,530	122,530	122,530	-
Fund Balance - End of Year	<u>\$ 142,580</u>	<u>\$ 139,679</u>	<u>\$ 139,680</u>	<u>\$ 1</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Bond Retirement (Unvoted) Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Contributions and Donations	\$ 10,077	\$ 10,077	\$ 9,092	\$ (985)
Total Revenues	<u>10,077</u>	<u>10,077</u>	<u>9,092</u>	<u>(985)</u>
Expenditures:				
Debt Service:				
Principal	597,876	599,868	579,189	20,679
Interest & Fiscal Charges	151,589	166,094	142,609	23,485
Debt Issuance Costs	9,538	10,650	10,650	-
Total Expenditures	<u>759,003</u>	<u>776,612</u>	<u>732,448</u>	<u>44,164</u>
Excess of Revenues Over (Under) Expenditures	<u>(748,926)</u>	<u>(766,535)</u>	<u>(723,356)</u>	<u>43,179</u>
Other Financing Sources (Uses)				
Premium on Debt Issuance	-	11,642	11,642	-
Transfers In	751,424	748,392	755,878	7,486
Total Other Financing Sources (Uses)	<u>751,424</u>	<u>760,034</u>	<u>767,520</u>	<u>7,486</u>
Net Change in Fund Balance	2,498	(6,501)	44,164	50,665
Fund Balance - Beginning of Year	17,878	17,878	17,878	-
Fund Balance - End of Year	<u>\$ 20,376</u>	<u>\$ 11,377</u>	<u>\$ 62,042</u>	<u>\$ 50,665</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Bond Retirement (Voted) Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Property Taxes	\$ 337,679	\$ 310,387	\$ 300,191	\$ (10,196)
Intergovernmental	15,000	15,000	19,316	4,316
Total Revenues	<u>352,679</u>	<u>325,387</u>	<u>319,507</u>	<u>(5,880)</u>
Expenditures:				
Current:				
General Government				
Mayor				
Other	5,076	5,076	5,042	34
Debt Service:				
Principal	165,000	165,000	165,000	-
Interest & Fiscal Charges	160,201	160,201	160,201	-
Total Debt Service	<u>325,201</u>	<u>325,201</u>	<u>325,201</u>	<u>-</u>
Total Expenditures	<u>330,277</u>	<u>330,277</u>	<u>330,243</u>	<u>34</u>
Excess of Revenues Over (Under) Expenditures	<u>22,402</u>	<u>(4,890)</u>	<u>(10,736)</u>	<u>(5,846)</u>
Other Financing Sources				
Premium on Debt Issuance	-	-	5,880	5,880
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>5,880</u>	<u>5,880</u>
Net Change in Fund Balance	22,402	(4,890)	(4,856)	34
Fund Balance- Beginning of Year	120,369	120,369	120,369	-
Fund Balance- End of Year	<u>\$ 142,771</u>	<u>\$ 115,479</u>	<u>\$ 115,513</u>	<u>\$ 34</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Special Assessment Bond Retirement Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Interest	\$ 12,600	\$ 12,600	\$ 9,735	\$ (2,865)
Special Assessments	303,788	324,391	327,256	2,865
Total Revenues	<u>316,388</u>	<u>336,991</u>	<u>336,991</u>	<u>-</u>
Expenditures:				
Current:				
General Government				
Mayor				
Other	17,700	17,700	13,305	4,395
Debt Service:				
Principal	316,536	321,536	319,874	1,662
Interest & Fiscal Charges	80,425	85,425	84,192	1,233
Total Debt Service	<u>396,961</u>	<u>406,961</u>	<u>404,066</u>	<u>2,895</u>
Total Expenditures	<u>414,661</u>	<u>424,661</u>	<u>417,371</u>	<u>7,290</u>
Excess of Revenues Over (Under) Expenditures	<u>(98,273)</u>	<u>(87,670)</u>	<u>(80,380)</u>	<u>7,290</u>
Other Financing Sources				
Transfers In	84,120	84,120	84,120	-
Total Other Financing Sources	<u>84,120</u>	<u>84,120</u>	<u>84,120</u>	<u>-</u>
Net Change in Fund Balance	(14,153)	(3,550)	3,740	7,290
Fund Balance - Beginning of Year	484,054	484,054	484,054	-
Fund Balance - End of Year	<u>\$ 469,901</u>	<u>\$ 480,504</u>	<u>\$ 487,794</u>	<u>\$ 7,290</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Capital Improvement Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income Taxes	\$ 1,844,574	\$ 2,002,947	\$ 2,002,947	\$ -
Intergovernmental	3,250	3,250	3,643	393
Interest	197,000	197,000	156,137	(40,863)
All Other Revenues	18,000	66,000	18,000	(48,000)
Total Revenues	<u>2,062,824</u>	<u>2,269,197</u>	<u>2,180,727</u>	<u>(88,470)</u>
Expenditures:				
Capital Outlay:				
Other	452,000	496,725	331,734	164,991
Capital Outlay	3,165,332	3,003,452	2,568,073	435,379
Total Capital Outlay	<u>3,617,332</u>	<u>3,500,177</u>	<u>2,899,807</u>	<u>600,370</u>
Debt Service:				
Principal	29,200	62,200	29,200	33,000
Interest & Fiscal Charges	3,447	9,205	3,447	5,758
Total Debt Service	<u>32,647</u>	<u>71,405</u>	<u>32,647</u>	<u>38,758</u>
Total Expenditures	<u>3,649,979</u>	<u>3,571,582</u>	<u>2,932,454</u>	<u>639,128</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,587,155)</u>	<u>(1,302,385)</u>	<u>(751,727)</u>	<u>550,658</u>
Other Financing Sources (Uses)				
Bond Anticipation Notes Issued	-	295,000	450,000	155,000
Transfers In	953,426	1,003,569	853,458	(150,111)
Transfers Out	(410,153)	(410,153)	(841,783)	(431,630)
Total Other Financing Sources (Uses)	<u>543,273</u>	<u>888,416</u>	<u>461,675</u>	<u>(426,741)</u>
Net Change in Fund Balance	(1,043,882)	(413,969)	(290,052)	123,917
Fund Balance - Beginning of Year	322,069	322,069	322,069	-
Prior Year Encumbrances Appropriated	779,851	779,851	779,851	-
Fund Balance - End of Year	<u>\$ 58,038</u>	<u>\$ 687,951</u>	<u>\$ 811,868</u>	<u>\$ 123,917</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Sewer Separation Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay:				
Capital Outlay	1,500,000	1,500,000	173,602	1,326,398
Total Expenditures	1,500,000	1,500,000	173,602	1,326,398
Excess of Revenues Over (Under) Expenditures	(1,500,000)	(1,500,000)	(173,602)	1,326,398
Other Financing Sources				
Bond Anticipation Notes Issued	1,500,000	1,500,000	1,500,000	-
Total Other Financing Sources	1,500,000	1,500,000	1,500,000	-
Net Change in Fund Balance	-	-	1,326,398	1,326,398
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 1,326,398	\$ 1,326,398

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Police/Court Facility Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ -	\$ -	\$ 45	\$ 45
All Other Revenues	202,707	250,045	250,000	(45)
Total Revenues	<u>202,707</u>	<u>250,045</u>	<u>250,045</u>	<u>-</u>
Expenditures:				
Capital Outlay:				
Capital Outlay	333,403	333,403	260,629	72,774
Total Expenditures	<u>333,403</u>	<u>333,403</u>	<u>260,629</u>	<u>72,774</u>
Net Change in Fund Balance	(130,696)	(83,358)	(10,584)	72,774
Fund Balance - Beginning of Year	131,763	131,763	131,763	-
Prior Year Encumbrances Appropriated	5,832	5,832	5,832	-
Fund Balance - End of Year	<u>\$ 6,899</u>	<u>\$ 54,237</u>	<u>\$ 127,011</u>	<u>\$ 72,774</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Energy Conservation Projects Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay:				
Capital Outlay	30,390	30,390	30,390	-
Total Expenditures	30,390	30,390	30,390	-
Net Change in Fund Balance	(30,390)	(30,390)	(30,390)	-
Fund Balance - Beginning of Year	14,429	14,429	14,429	-
Prior Year Encumbrances Appropriated	15,961	15,961	15,961	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Canterbury Road Improvement Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 11,822	\$ 54,734	\$ 54,733	\$ (1)
Total Revenues	<u>11,822</u>	<u>54,734</u>	<u>54,733</u>	<u>(1)</u>
Expenditures:				
Capital Outlay:				
Capital Outlay	40,082	-	-	-
Debt Service:				
Principal	104,858	147,770	147,770	-
Interest & Fiscal Charges	24,193	24,193	24,182	11
Total Debt Service	<u>129,051</u>	<u>171,963</u>	<u>171,952</u>	<u>11</u>
Total Expenditures	<u>169,133</u>	<u>171,963</u>	<u>171,952</u>	<u>11</u>
Excess of Revenues Over (Under) Expenditures	<u>(157,311)</u>	<u>(117,229)</u>	<u>(117,219)</u>	<u>10</u>
Other Financing Sources				
Transfers In	<u>117,230</u>	<u>117,230</u>	<u>117,230</u>	<u>-</u>
Total Other Financing Sources	<u>117,230</u>	<u>117,230</u>	<u>117,230</u>	<u>-</u>
Net Change in Fund Balance	(40,081)	1	11	10
Fund Balance - Beginning of Year	8,000	8,000	8,000	-
Prior Year Encumbrances Appropriated	40,081	40,081	40,081	-
Fund Balance - End of Year	<u>\$ 8,000</u>	<u>\$ 48,082</u>	<u>\$ 48,092</u>	<u>\$ 10</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Troy School Driveway Fund
 For the Year Ended December 31, 2013*

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

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual*
Bike Trails Fund
For the Year Ended December 31, 2013

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

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Walker Rd. Widening Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay:				
Capital Outlay	-	1,220,000	1,219,084	916
Total Expenditures	-	1,220,000	1,219,084	916
Excess of Revenues Over (Under) Expenditures	-	(1,220,000)	(1,219,084)	916
Other Financing Sources				
Transfers In	-	955,684	954,684	(1,000)
Total Other Financing Sources	-	955,684	954,684	(1,000)
Net Change in Fund Balance	-	(264,316)	(264,400)	(84)
Fund Balance - Beginning of Year	288,116	288,116	288,116	-
Fund Balance - End of Year	<u>\$ 288,116</u>	<u>\$ 23,800</u>	<u>\$ 23,716</u>	<u>\$ (84)</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Pool Renovation Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay:				
Capital Outlay	140,942	140,000	17,758	122,242
Total Expenditures	140,942	140,000	17,758	122,242
Net Change in Fund Balance	(140,942)	(140,000)	(17,758)	122,242
Fund Balance - Beginning of Year	141,100	141,100	141,100	-
Prior Year Encumbrances Appropriated	942	942	942	-
Fund Balance - End of Year	<u>\$ 1,100</u>	<u>\$ 2,042</u>	<u>\$ 124,284</u>	<u>\$ 122,242</u>

City of Avon Lake, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Walker Rd. Sewer/Lear Rd. East Fund
For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ 24,000	\$ 23,676	\$ 23,676	\$ -
Total Revenues	<u>24,000</u>	<u>23,676</u>	<u>23,676</u>	<u>-</u>
Expenditures:				
Current:				
General Government				
Other	1,510	1,510	951	559
Total Expenditures	<u>1,510</u>	<u>1,510</u>	<u>951</u>	<u>559</u>
Net Change in Fund Balance	22,490	22,166	22,725	559
Fund Balance - Beginning of Year	351,844	351,844	351,844	-
Fund Balance - End of Year	<u>\$ 374,334</u>	<u>\$ 374,010</u>	<u>\$ 374,569</u>	<u>\$ 559</u>

City of Avon Lake, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Titus-Pitts-Hill Ditch Fund
For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 47,500	\$ 47,374	\$ 47,374	\$ -
Total Revenues	<u>47,500</u>	<u>47,374</u>	<u>47,374</u>	<u>-</u>
Expenditures:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>47,500</u>	<u>47,374</u>	<u>47,374</u>	<u>-</u>
Other Financing Uses				
Transfers Out	(38,991)	(38,991)	(38,991)	-
Total Other Financing Uses	<u>(38,991)</u>	<u>(38,991)</u>	<u>(38,991)</u>	<u>-</u>
Net Change in Fund Balance	8,509	8,383	8,383	-
Fund Balance - Beginning of Year	<u>482,858</u>	<u>482,858</u>	<u>482,858</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 491,367</u>	<u>\$ 491,241</u>	<u>\$ 491,241</u>	<u>\$ -</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Sidewalk/Street Lighting Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ 10,000	\$ 9,950	\$ 9,950	\$ -
Total Revenues	<u>10,000</u>	<u>9,950</u>	<u>9,950</u>	<u>-</u>
Expenditures:				
Current:				
General Government				
Other	800	800	623	177
Total Expenditures	<u>800</u>	<u>800</u>	<u>623</u>	<u>177</u>
Net Change in Fund Balance	9,200	9,150	9,327	177
Fund Balance - Beginning of Year	123,221	123,221	123,221	-
Fund Balance - End of Year	<u>\$ 132,421</u>	<u>\$ 132,371</u>	<u>\$ 132,548</u>	<u>\$ 177</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Cove Ave. Improvements Fund
 For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ 18,455	\$ 15,231	\$ 15,231	\$ -
Total Revenues	<u>18,455</u>	<u>15,231</u>	<u>15,231</u>	<u>-</u>
Expenditures:				
Current:				
General Government				
Other	1,075	1,075	586	489
Total Expenditures	<u>1,075</u>	<u>1,075</u>	<u>586</u>	<u>489</u>
Excess of Revenues Over (Under) Expenditures	<u>17,380</u>	<u>14,156</u>	<u>14,645</u>	<u>489</u>
Other Financing Uses				
Transfers Out	(19,644)	(19,644)	(19,644)	-
Total Other Financing Uses	<u>(19,644)</u>	<u>(19,644)</u>	<u>(19,644)</u>	<u>-</u>
Net Change in Fund Balance	(2,264)	(5,488)	(4,999)	489
Fund Balance - Beginning of Year	29,688	29,688	29,688	-
Fund Balance - End of Year	<u>\$ 27,424</u>	<u>\$ 24,200</u>	<u>\$ 24,689</u>	<u>\$ 489</u>



STATISTICAL SECTION

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City of Avon Lake, Ohio

Statistical Section

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

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

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

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

	2013	2012	2011
<u>Governmental Activities</u>			
Net Investment in Capital Assets	\$ 44,445,366	\$ 44,703,908	\$ 46,558,254
Restricted	9,152,098	7,833,010	7,757,417
Unrestricted	6,929,989	7,930,749	6,860,542
Total Governmental Activities Net Position	\$ 60,527,453	\$ 60,467,667	\$ 61,176,213
 <u>Business Type - Activities</u>			
Net Investment in Capital Assets	\$ 38,036,092	\$ 35,920,203	\$ 34,565,370
Restricted	1,353,870	1,383,230	1,304,490
Unrestricted	15,355,883	15,180,871	14,224,028
Total Business-Type Activities Net Position	\$ 54,745,845	\$ 52,484,304	\$ 50,093,888
 <u>Primary Government</u>			
Net Investment in Capital Assets	\$ 82,481,458	\$ 80,624,111	\$ 81,123,624
Restricted	10,505,968	9,216,240	9,061,907
Unrestricted	22,285,872	23,111,620	21,084,570
Total Primary Government Net Position	\$ 115,273,298	\$ 112,951,971	\$ 111,270,101

2010	2009	2008	2007	2006	2005	2004
\$ 46,549,247	\$ 45,910,786	\$ 49,477,777	\$ 46,314,994	\$ 45,673,857	\$ 43,749,490	\$ 40,289,897
8,350,517	10,625,576	9,609,593	5,686,481	4,906,549	4,623,825	4,727,751
8,380,284	8,602,963	7,756,771	14,049,795	10,171,350	8,189,449	7,645,399
<u>\$ 63,280,048</u>	<u>\$ 65,139,325</u>	<u>\$ 66,844,141</u>	<u>\$ 66,051,270</u>	<u>\$ 60,751,756</u>	<u>\$ 56,562,764</u>	<u>\$ 52,663,047</u>
\$ 28,756,401	\$ 26,741,033	\$ 24,000,628	\$ 22,247,782	\$ 20,489,445	\$ 19,621,722	\$ 19,528,746
1,305,583	1,305,570	1,316,165	1,514,933	1,449,347	1,388,904	1,356,577
14,382,693	13,596,723	13,149,864	13,008,301	12,569,758	12,688,894	11,125,467
<u>\$ 44,444,677</u>	<u>\$ 41,643,326</u>	<u>\$ 38,466,657</u>	<u>\$ 36,771,016</u>	<u>\$ 34,508,550</u>	<u>\$ 33,699,520</u>	<u>\$ 32,010,790</u>
\$ 75,305,648	\$ 72,651,819	\$ 73,478,405	\$ 68,562,776	\$ 66,163,302	\$ 63,371,212	\$ 59,818,643
9,656,100	11,931,146	10,925,758	7,201,414	6,355,896	6,012,729	6,084,328
22,762,977	22,199,686	20,906,635	27,058,096	22,741,108	20,878,343	18,770,866
<u>\$ 107,724,725</u>	<u>\$ 106,782,651</u>	<u>\$ 105,310,798</u>	<u>\$ 102,822,286</u>	<u>\$ 95,260,306</u>	<u>\$ 90,262,284</u>	<u>\$ 84,673,837</u>

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

	2013	2012	2011
<u>Expenses</u>			
Governmental Activities:			
Security of Persons and Property	\$ 8,465,633	\$ 8,534,837	\$ 8,503,399
Public Health	188,239	140,705	153,410
Leisure Time Activities	1,158,288	1,239,644	1,266,323
Community Environment	487,654	473,952	395,885
Basic Utility Services (1)	0	388,614	621,573
Transportation	6,236,676	6,157,639	7,264,429
General Government	3,391,591	3,136,087	2,941,143
Interest & Fiscal Charges	470,790	473,463	523,145
Total Governmental Activities Expenses	20,398,871	20,544,941	21,669,307
<u>Business-Type Activities</u>			
Water	9,109,859	9,214,574	9,785,666
Sewer	5,796,151	5,259,464	3,834,849
Total Business-Type Activities Expenses	14,906,010	14,474,038	13,620,515
Total Primary Government Program Expenses	35,304,881	35,018,979	35,289,822
<u>Net (Expense)/Revenue</u>			
Governmental Activities	(17,023,501)	(17,448,450)	(18,053,731)
Business-Type Activities	1,498,185	2,656,279	4,844,836
Total Primary Government Net Expense	(15,525,316)	(14,792,171)	(13,208,895)

2010	2009	2008	2007	2006	2005	2004
\$ 8,431,818	\$ 8,116,714	\$ 8,081,408	\$ 7,549,732	\$ 6,877,385	\$ 6,832,921	\$ 6,798,463
128,170	111,728	136,490	84,207	97,659	105,795	100,920
628,833	1,653,617	1,370,665	1,329,943	934,262	947,130	1,437,425
429,459	302,258	327,723	395,427	343,834	334,885	333,983
628,726	44,730	68,840	28,484	25,135	28,915	72,119
7,195,981	6,538,060	6,866,122	6,989,020	6,898,804	6,177,298	6,110,417
2,833,799	3,324,095	3,303,881	3,210,104	2,639,522	2,930,957	2,828,170
649,798	523,512	408,718	484,948	450,294	455,278	510,056
<u>20,926,584</u>	<u>20,614,714</u>	<u>20,563,847</u>	<u>20,071,865</u>	<u>18,266,895</u>	<u>17,813,179</u>	<u>18,191,553</u>
7,912,953	7,294,819	7,640,691	7,854,970	8,397,714	7,720,172	7,390,149
6,115,362	3,140,757	5,284,361	4,158,545	3,595,535	3,846,137	3,795,315
<u>14,028,315</u>	<u>10,435,576</u>	<u>12,925,052</u>	<u>12,013,515</u>	<u>11,993,249</u>	<u>11,566,309</u>	<u>11,185,464</u>
<u>34,954,899</u>	<u>31,050,290</u>	<u>33,488,899</u>	<u>32,085,380</u>	<u>30,260,144</u>	<u>29,379,488</u>	<u>29,377,017</u>
(17,363,141)	(18,903,162)	(17,460,736)	(15,769,631)	(14,871,205)	(13,341,650)	(14,299,954)
1,573,541	2,550,577	660,760	1,525,804	50,709	1,812,621	1,981,038
<u>(15,789,600)</u>	<u>(16,352,585)</u>	<u>(16,799,976)</u>	<u>(14,243,827)</u>	<u>(14,820,496)</u>	<u>(11,529,029)</u>	<u>(12,318,916)</u>

(Continued)

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

	2013	2012	2011
<u>General Revenues and Other Changes in Net Position</u>			
Governmental Activities			
Property Taxes Levied For:			
General Purposes	\$ 3,716,672	3,876,214	4,913,620
Debt Service Purpose	300,607	285,046	0
Other Purposes	1,813,852	1,352,126	0
Municipal Income Taxes Levied For:			
General Purposes	9,746,498	9,763,450	9,001,318
Sewer	0	0	0
Special Assessments	0	0	0
Intergovernmental	0	0	0
Grants and Entitlements not Restricted to			
Specific Programs	1,195,278	2,056,510	2,026,080
Investment Income	58,145	123,385	259,795
Gain on Sale of Capital Assets	1,469	0	37,061
All Other Revenues	263,925	370,066	28,696
Transfers	(13,159)	25,703	4,137
Total Governmental	<u>17,083,287</u>	<u>17,852,500</u>	<u>16,270,707</u>
Business-Type Activities			
Municipal Income Taxes Levied For:			
Sewer	512,524	473,049	258,615
Special Assessments	0	0	0
Intergovernmental	0	0	0
Investment Income	7,034	72,661	127,307
All Other Revenues	230,639	337,426	101,779
Transfers	13,159	(25,703)	(4,137)
Total Business-Type Activities	<u>763,356</u>	<u>857,433</u>	<u>483,564</u>
Total Primary Government General Revenues and Other Changes in Net Position	<u>17,846,643</u>	<u>18,709,933</u>	<u>16,754,271</u>
<u>Change in Net Position</u>			
Governmental Activities	59,786	404,050	(1,783,024)
Business-Type Activities	2,261,541	3,513,712	5,328,400
Total Primary Government Change in Net Position	<u>\$ 2,321,327</u>	<u>\$ 3,917,762</u>	<u>\$ 3,545,376</u>

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

2010	2009	2008	2007	2006	2005	2004
\$ 6,132,324	\$ 5,571,368	\$ 5,427,231	\$ 5,566,092	\$ 5,207,484	\$ 5,737,116	\$ 5,273,924
0	0	0	0	0	0	0
0	0	0	0	0	0	0
8,118,314	7,559,236	9,721,195	10,013,692	9,602,798	7,290,240	7,164,047
0	0	0	0	0	0	0
0	328,542	7,336	901,641	412,572	436,927	405,455
0	0	0	3,363,079	3,343,650	2,578,034	2,188,383
1,781,735	3,765,072	3,177,253	0	0	0	0
267,001	161,242	740,381	1,377,075	860,731	461,612	226,496
0	0	0	0	0	0	0
86,562	221,817	222,278	288,235	67,816	100,828	28,928
(882,072)	(408,931)	(545,323)	(440,669)	(434,854)	636,610	(467,506)
15,503,864	17,198,346	18,750,351	21,069,145	19,060,197	17,241,367	14,819,727
0	0	0	0	0	0	0
0	0	0	26,685	0	0	0
0	0	0	0	19,039	34,469	368
220,757	119,890	121,309	224,866	225,736	165,182	127,770
124,981	97,271	0	0	30,170	273,023	1,308
882,072	408,931	545,323	485,111	483,376	(596,565)	195,053
1,227,810	626,092	666,632	736,662	758,321	(123,891)	324,499
16,731,674	17,824,438	19,416,983	21,805,807	19,818,518	17,117,476	15,144,226
(1,859,277)	(1,704,816)	1,289,615	5,299,514	4,188,992	3,899,717	519,773
2,801,351	3,176,669	1,327,392	2,262,466	809,030	1,688,730	2,305,537
\$ 942,074	\$ 1,471,853	\$ 2,617,007	\$ 7,561,980	\$ 4,998,022	\$ 5,588,447	\$ 2,825,310

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

	2013	2012	2011	2010
<u>General Fund</u>				
Nonspendable	\$ 149,282	\$ 154,115	\$ 147,081	\$ 0
Committed	384,401	365,421	390,996	0
Assigned	2,203,130	1,971,632	2,145,213	0
Unassigned	331,507	636,982	671,702	0
Reserved For:				
Encumbrances	0	0	0	137,555
Inventory	0	0	0	59,093
Prepaid Items	0	0	0	34,016
Unreserved Reported In:				
General Fund	0	0	0	2,956,952
Special Revenue Funds	0	0	0	0
Debt Service Funds	0	0	0	0
Capital Project Funds	0	0	0	0
Total General Fund	<u>3,068,320</u>	<u>3,128,150</u>	<u>3,354,992</u>	<u>3,187,616</u>
<u>All Other Governmental Funds</u>				
Nonspendable	70,355	80,426	90,173	0
Restricted	5,303,791	2,603,420	2,463,198	0
Committed	6,365,290	6,635,452	5,743,801	0
Assigned	143,428	145,545	145,515	0
Unassigned (Deficit)	(230,119)	(240,094)	(302,207)	0
Reserved For:				
Encumbrances	0	0	0	179,810
Inventory	0	0	0	130,486
Prepaid Items	0	0	0	7,766
Debt Service Funds	0	0	0	0
Unreserved Reported In:				
General Fund	0	0	0	0
Special Revenue Funds	0	0	0	5,827,991
Debt Service Funds	0	0	0	587,008
Capital Project Funds	0	0	0	1,964,956
Total All Other Governmental Funds	<u>11,652,745</u>	<u>9,224,749</u>	<u>8,140,480</u>	<u>8,698,017</u>
Total Governmental Funds	<u>\$ 14,721,065</u>	<u>\$ 12,352,899</u>	<u>\$ 11,495,472</u>	<u>\$ 11,885,633</u>

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

2009	2008	2007	2006	2005	2004
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
260,041	125,120	90,264	118,604	164,395	80,430
59,717	34,857	17,540	17,243	27,648	26,113
534,720	0	0	0	0	0
2,587,648	2,870,052	2,370,440	1,186,573	990,825	1,945,230
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>3,442,126</u>	<u>3,030,029</u>	<u>2,478,244</u>	<u>1,322,420</u>	<u>1,182,868</u>	<u>2,051,773</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,948,154	529,223	814,946	804,854	957,011	919,216
103,997	95,362	84,265	88,859	60,438	65,816
0	0	0	0	0	0
0	0	526,437	523,965	528,753	537,536
0	0	5,621,051	4,600,655	2,595,811	2,883,679
6,960,348	7,398,236	2,257,454	2,028,258	1,728,011	1,628,495
582,506	559,965	0	0	0	0
1,644,416	1,148,631	1,452,282	385,175	1,424,465	1,168,952
<u>11,239,421</u>	<u>9,731,417</u>	<u>10,756,435</u>	<u>8,431,766</u>	<u>7,294,489</u>	<u>7,203,694</u>
<u>\$ 14,681,547</u>	<u>\$ 12,761,446</u>	<u>\$ 13,234,679</u>	<u>\$ 9,754,186</u>	<u>\$ 8,477,357</u>	<u>\$ 9,255,467</u>

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

	2013	2012	2011
<u>Revenues</u>			
Property and Other Taxes	\$ 5,823,203	\$ 5,452,174	\$ 5,492,222
Municipal Income Taxes	9,528,994	9,407,646	9,404,479
Intergovernmental	2,768,724	2,860,391	3,904,539
Interest	58,145	123,385	259,795
Fees, Licenses and Permits	314,258	264,386	248,856
Fines and Forfeitures	363,806	343,231	349,213
Charges for Services	1,094,002	1,102,449	908,736
Contributions and Donations	13,619	12,335	0
Special Assessments	376,113	465,612	410,275
All Other Revenues	513,815	117,416	139,565
Total Revenues	20,854,679	20,149,025	21,117,680
<u>Expenditures</u>			
Current:			
Security of Persons and Property	8,043,110	8,375,212	8,309,778
Public Health Services	176,361	150,834	153,410
Leisure Time Activities	899,472	917,967	919,497
Community Environment	472,910	482,536	396,484
Basic Utility Services (1)	0	388,614	667,103
Transportation	3,896,164	4,456,045	6,031,554
General Government	2,921,343	2,553,332	2,720,378
Capital Outlay	2,130,676	508,078	1,795,595
Debt Service:			
Principal Retirement	1,260,302	1,136,937	1,062,842
Interest and Fiscal Charges	414,542	462,746	481,950
Bond Issuance Costs	10,650	20,069	0
Total Expenditures	20,225,530	19,452,370	22,538,591
Excess of Revenues Over (Under) Expenditures	629,149	696,655	(1,420,911)

2010	2009	2008	2007	2006	2005	2004
\$ 5,378,941	\$ 5,650,803	\$ 5,168,414	\$ 5,566,092	\$ 4,888,308	\$ 4,898,738	\$ 5,546,351
7,308,383	7,766,597	9,543,714	9,896,822	9,087,129	6,975,393	7,220,780
4,559,299	4,052,249	3,663,561	3,363,079	3,807,429	2,830,491	2,381,553
333,840	278,211	556,573	1,377,075	860,731	461,611	226,496
344,963	243,696	480,964	427,811	566,125	733,754	695,149
443,945	314,370	280,896	254,720	238,286	230,807	223,703
662,193	355,073	404,574	423,007	355,336	430,504	342,607
0	0	0	51,765	95,538	50,635	97,352
402,899	417,206	422,505	901,641	412,572	436,927	405,455
157,988	190,038	167,194	327,340	67,746	100,828	28,928
<u>19,592,451</u>	<u>19,268,243</u>	<u>20,688,395</u>	<u>22,589,352</u>	<u>20,379,200</u>	<u>17,149,688</u>	<u>17,168,374</u>
8,546,321	7,826,875	7,972,125	7,126,210	6,515,984	6,468,317	6,480,568
128,170	111,728	136,490	84,207	97,659	105,795	100,920
1,143,540	1,545,296	998,018	796,172	882,536	962,469	1,498,057
387,038	300,413	325,405	392,594	341,008	332,181	332,598
635,832	25,164	43,757	0	0	4,790	45,277
5,183,094	5,318,815	6,438,048	5,318,742	4,975,361	4,183,722	4,011,720
2,504,806	2,831,674	2,792,067	2,451,021	2,180,755	2,461,875	2,536,659
1,466,267	3,723,312	1,010,865	1,467,186	2,646,888	2,067,697	3,610,059
942,966	839,715	573,350	557,541	517,981	521,017	500,359
649,378	505,510	376,314	484,948	474,461	470,770	520,266
92,319	0	0	0	0	0	0
<u>21,679,731</u>	<u>23,028,502</u>	<u>20,666,439</u>	<u>18,678,621</u>	<u>18,632,633</u>	<u>17,578,633</u>	<u>19,636,483</u>
<u>(2,087,280)</u>	<u>(3,760,259)</u>	<u>21,956</u>	<u>3,910,731</u>	<u>1,746,567</u>	<u>(428,945)</u>	<u>(2,468,109)</u>

(Continued)

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

	2013	2012	2011
<u>Other Financing Sources (Uses)</u>			
Loans Issued	0	115,000	0
Refunding Bonds Issued	0	765,000	0
Premium on Bond Issuance	0	11,122	0
Payment to Refunded Bond Escrow Account	0	(756,053)	0
Transfers In	3,677,999	1,747,894	2,291,517
Transfers Out	(3,714,762)	(1,722,191)	(2,287,380)
Sale of Capital Assets	21,138	0	37,061
Bond Anticipation Notes Issued	1,743,000	0	1,071,000
Premium on Notes Issued	11,642	0	2,900
Inception of Capital Lease	0	0	0
Promissory Notes Issued	0	0	0
Bond Proceeds	0	0	0
Loan Proceeds	0	0	0
Capital Lease Proceeds	0	0	0
Total Other Financing Sources (Uses)	<u>1,739,017</u>	<u>160,772</u>	<u>1,115,098</u>
Net Change in Fund Balances	<u>\$ 2,368,166</u>	<u>\$ 857,427</u>	<u>\$ (305,813)</u>
 Debt Service as a Percentage of Noncapital Expenditures	 9.08%	 8.82%	 8.10%

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

2010	2009	2008	2007	2006	2005	2004
0	0	0	0	0	0	0
4,980,000	0	0	0	0	0	0
109,961	0	0	0	0	0	0
(4,993,270)	0	0	0	0	0	0
8,939,484	9,864,998	10,569,353	10,712,250	8,687,295	9,219,562	8,412,654
(9,821,556)	(10,273,929)	(11,064,542)	(11,142,488)	(9,157,033)	(9,568,727)	(8,876,247)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
12,247	0	0	0	0	0	0
64,500	0	0	0	0	0	0
0	5,930,000	0	0	0	0	0
0	100,000	0	0	0	0	0
0	59,291	0	0	0	0	0
<u>(708,634)</u>	<u>5,680,360</u>	<u>(495,189)</u>	<u>(430,238)</u>	<u>(469,738)</u>	<u>(349,165)</u>	<u>(463,593)</u>
<u>\$ (2,795,914)</u>	<u>\$ 1,920,101</u>	<u>\$ (473,233)</u>	<u>\$ 3,480,493</u>	<u>\$ 1,276,829</u>	<u>\$ (778,110)</u>	<u>\$ (2,931,702)</u>
8.60%	7.37%	5.94%	7.64%	7.24%	9.03%	7.49%

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

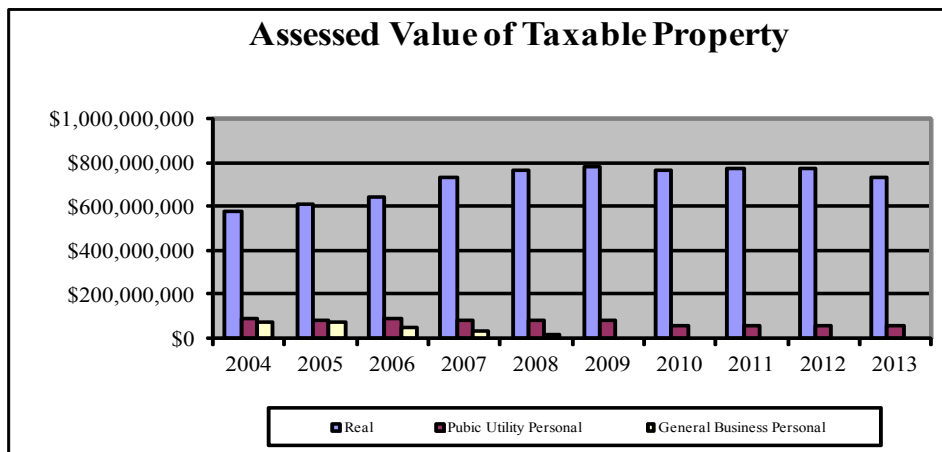
Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Other Real Estate		Assessed Value	Estimated Actual Value
2013	\$ 639,492,550	\$ 89,718,790	\$ 2,083,460,971	\$ 56,087,710	\$ 63,736,034
2012	685,489,510	88,643,530	2,211,808,686	55,420,640	62,978,000
2011	679,942,600	88,859,130	2,196,576,371	57,136,730	64,928,102
2010	673,103,030	87,597,840	2,173,431,057	56,889,809	64,647,510
2009	696,704,860	87,612,390	2,240,906,429	78,619,679	89,340,544
2008	675,269,400	89,124,220	2,183,981,771	80,254,830	91,198,670
2007	648,700,950	84,229,750	2,094,087,714	82,074,850	93,266,875
2006	558,227,510	80,772,810	1,825,715,200	89,484,090	101,686,466
2005	532,360,500	76,467,950	1,739,509,857	77,222,720	87,753,091
2004	503,675,360	73,809,110	1,649,955,629	89,826,130	102,075,148

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. For collection year 2006 both types of general business tangible personal property were assessed at 18.75 percent. The percentage will be 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

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

Tangible Personal Property		Total		Ratio	Direct Tax Rate
General Business					
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$ -	\$ -	\$ 785,299,050	\$ 2,147,197,005	36.57%	\$ 8.13
-	-	829,553,680	2,274,786,686	36.47%	7.34
-	-	825,938,460	2,261,504,474	36.52%	7.34
-	-	817,590,679	2,238,078,567	36.53%	7.35
-	-	862,936,929	2,330,246,973	37.03%	7.36
16,228,352	86,551,211	860,876,802	2,361,731,653	36.45%	6.95
32,948,472	175,725,184	847,954,022	2,363,079,773	35.88%	6.95
52,701,113	210,804,452	781,185,523	2,138,206,118	36.53%	6.95
71,691,440	286,765,760	757,742,610	2,114,028,708	35.84%	6.95
76,118,840	304,475,360	743,429,440	2,056,506,136	36.15%	6.95



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

	Collection Year 2013	Collection Year 2012	Collection Year 2011	Collection Year 2010
<u>Unvoted Millage</u>				
General	\$ 3.60	\$ 3.60	\$ 3.60	\$ 3.60
Fireman's Fund	0.30	0.30	0.30	0.30
Police Pension	0.30	0.30	0.30	0.30
Total Unvoted Millage	4.20	4.20	4.20	4.20
<u>Voted Millage</u>				
2000 Charter Current Expense	1.50	1.50	1.50	1.50
2003 Ambulance & EMS	-	-	-	-
2008 Bond	0.43	0.39	0.39	0.40
2009 Ambulance & EMS	-	1.25	1.25	1.25
2012 Ambulance & EMS	2.00	-	-	-
Total Voted Millage	3.93	3.14	3.14	3.15
Total Millage	\$ 8.13	\$ 7.34	\$ 7.34	\$ 7.35
<u>Overlapping Rates by Taxing District</u>				
City of Avon Lake				
Residential/Agricultural Effective Rate	\$ 7.7630	\$ 6.8917	\$ 6.8907	\$ 6.8994
Commercial/Industrial and Public Utility Effective Rate	8.0090	7.2862	7.2847	7.2967
General Business and Public Utility Personal Property	8.1300	7.3400	7.3400	7.3500
Avon Lake School District				
Residential/Agricultural Effective Rate	39.3201	36.3220	36.6250	36.7441
Commercial/Industrial and Public Utility Effective Rate	49.5474	48.4658	48.7681	48.9317
General Business and Public Utility Personal Property	67.2300	65.5700	65.8900	66.0300
Lorain County				
Residential/Agricultural Effective Rate	12.8534	12.2226	12.2143	11.5436
Commercial/Industrial and Public Utility Effective Rate	12.5193	12.4841	12.3890	11.9718
General Business and Public Utility Personal Property	13.6550	13.6900	13.6900	13.3900
Special Taxing Districts (1)				
Residential/Agricultural Effective Rate	5.1161	4.9184	3.7588	3.7556
Commercial/Industrial and Public Utility Effective Rate	4.7762	4.8177	3.7564	3.7780
General Business and Public Utility Personal Property	5.2500	5.2500	4.2500	4.2500

Source: Lorain County Auditor

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

Collection Year 2009	Collection Year 2008	Collection Year 2007	Collection Year 2006	Collection Year 2005	Collection Year 2004
\$ 3.60	\$ 3.60	\$ 3.60	\$ 3.60	\$ 3.60	\$ 3.60
0.30	0.30	0.30	0.30	0.30	0.30
0.30	0.30	0.30	0.30	0.30	0.30
<u>4.20</u>	<u>4.20</u>	<u>4.20</u>	<u>4.20</u>	<u>4.20</u>	<u>4.20</u>
1.50	1.50	1.50	1.50	1.50	1.50
-	1.25	1.25	1.25	1.25	1.25
0.41	-	-	-	-	-
1.25	-	-	-	-	-
-	-	-	-	-	-
<u>3.16</u>	<u>2.75</u>	<u>2.75</u>	<u>2.75</u>	<u>2.75</u>	<u>2.75</u>
<u>\$ 7.36</u>	<u>\$ 6.95</u>	<u>\$ 6.95</u>	<u>\$ 6.95</u>	<u>\$ 6.95</u>	<u>\$ 6.95</u>
\$ 6.5797	\$ 6.1844	\$ 6.1954	\$ 6.4782	\$ 6.4976	\$ 6.5389
7.2115	6.7832	6.7885	6.9157	6.9257	6.9500
7.3600	6.9500	6.9500	6.9500	6.9500	6.9500
33.7194	33.8538	34.2071	30.1817	30.1876	30.2999
46.2283	46.1552	46.5637	43.8663	43.9780	44.3476
66.0300	64.0200	64.3700	60.2600	60.2600	60.3600
10.9380	10.9618	10.9270	12.1745	10.7597	10.1213
11.8436	11.9061	11.8184	12.7796	12.0305	11.6677
13.3900	13.3900	13.4900	13.4900	13.1900	12.8900
3.5562	3.5679	3.5766	3.5858	3.5993	3.6281
3.7243	3.7192	3.7157	3.7775	3.7841	3.8000
4.2500	4.2500	4.2500	4.2500	4.2500	4.2500

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

Year	Current Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections to Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Current Tax Levy
2013	\$ 6,138,888	\$ 6,024,471	98.14%	\$ 139,194	\$ 6,163,665	100.40%	\$ 303,289	4.94%
2012	5,776,842	5,634,246	97.53%	119,655	\$ 5,753,901	99.60%	303,401	5.25%
2011	5,751,945	5,574,744	96.92%	129,590	\$ 5,704,334	99.17%	286,221	4.98%
2010	5,698,741	5,314,413	93.26%	115,039	\$ 5,429,452	95.27%	531,893	9.33%
2009	5,787,865	5,637,584	97.40%	95,795	\$ 5,733,379	99.06%	186,606	3.22%
2008	5,313,751	5,218,434	98.21%	87,601	\$ 5,306,035	99.85%	130,373	2.45%
2007	5,161,168	4,497,052	87.13%	75,444	\$ 4,572,496	88.59%	725,209	14.05%
2006	4,786,307	4,712,326	98.45%	53,400	\$ 4,765,726	99.57%	102,763	2.15%
2005	4,524,053	4,471,230	98.83%	85,626	\$ 4,556,856	100.73%	79,476	1.76%
2004	4,434,704	4,354,924	98.20%	57,123	\$ 4,412,047	99.49%	108,568	2.45%

Source: Lorain County Auditor

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

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

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

2013		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Genon Power Midwest LP	\$ 35,913,530	4.93 %
Orion Power Midwest LP	18,858,560	2.59 %
Cleveland Electric Illuminating Co	11,095,660	1.52 %
American Transmission Systems Inc	7,099,910	0.97 %
Ford Motor Company	4,739,550	0.65 %
Polyone Corporation	4,163,470	0.57 %
Health Care REIT Inc	3,756,040	0.52 %
181 Somerset Realty LLC	3,311,050	0.45 %
Legacy Pointe LTD	3,022,270	0.41 %
Kopf Properties II LTD	2,156,510	0.30 %
Total	\$ 94,116,550	12.91 %
Total Assessed Valuation	\$ 729,211,340	

2004		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Orion Power Midwest LP	\$ 89,212,430	15.45 %
Ford Motor Company	9,945,200	1.72 %
Cleveland Electric	9,738,320	1.69 %
American Transmission Systems Inc	4,840,060	0.84 %
Geon Co	4,084,290	0.71 %
Legacy Pointe LTD	2,632,830	0.46 %
Kopf Properties II LTD	2,619,600	0.45 %
Centurytel of Ohio Inc	2,474,310	0.43 %
Learwood Square Co LLC	1,906,170	0.33 %
Towne Center Apartments	1,850,240	0.31 %
Total	\$ 129,303,450	22.39 %
Total Assessed Valuation	\$ 577,484,470	

Source: Lorain County Auditor

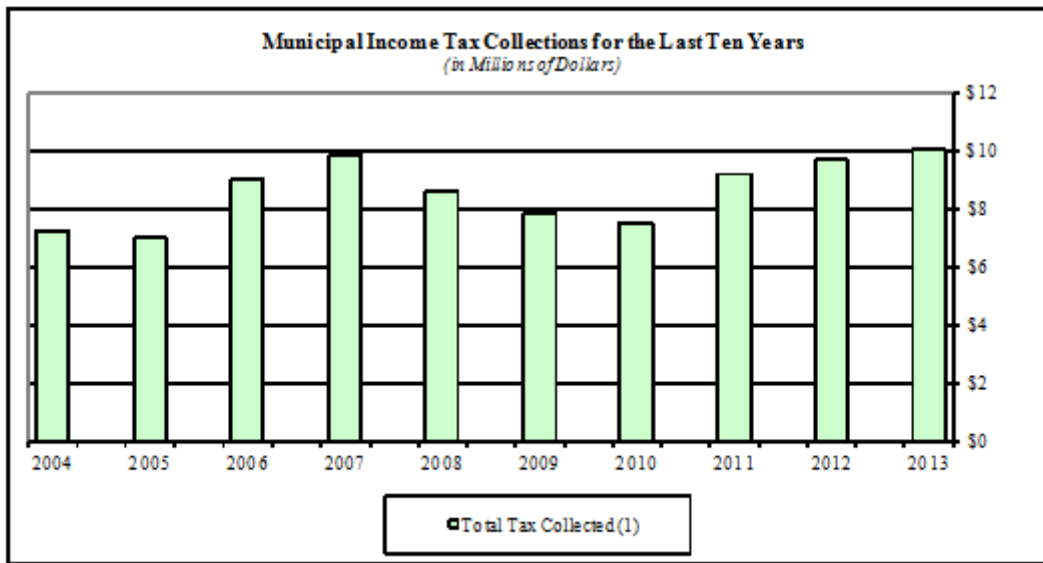
(1) The amounts presented represent the assessed values upon which 2013 and 2004 collections were based.

City of Avon Lake, Ohio
Municipal Income Tax Revenue Base and Collections
Cash Basis
2013 and 2004

Tax Year	Tax Rate	Total Tax Collected (1)
2013	1.50%	\$9,999,500
2012	1.50%	\$9,726,367
2011	1.50%	\$9,167,096
2010	1.50%	\$7,492,129
2009	1.50%	\$7,798,625
2008	1.50%	\$8,585,458
2007	1.50%	\$9,830,694
2006	1.50%	\$8,972,882
2005	1.50%	\$6,950,982
2004	1.50%	\$7,243,265

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

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





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

Year	Governmental Activities						
	General Obligation Bonds (1)	Special Assessment Bonds	OWDA Loans	OPWC Loans	Notes Payable	Capital Leases	Other Debt
2013	\$ 7,807,179	\$ 1,675,983	\$ 237,675	\$ 70,000	\$ 2,717,728	\$ -	\$ 181,491
2012	\$ 8,595,954	\$ 1,928,697	\$ -	\$ 76,666	\$ 938,972	\$ -	\$ 227,006
2011	\$ 9,063,612	\$ 2,055,283	\$ -	\$ 83,333	\$ 1,073,610	\$ 7,821	\$ 134,418
2010	\$ 9,725,770	\$ 2,271,423	\$ 65,835	\$ 90,000	\$ -	\$ 38,048	\$ 163,770
2009	\$ 10,234,263	\$ 2,404,937	\$ 126,919	\$ 100,000	\$ -	\$ 54,741	\$ 201,545
2008	\$ 4,858,877	\$ 2,602,537	\$ 183,599	\$ -	\$ -	\$ 23,481	\$ 303,727
2007	\$ 5,175,065	\$ 2,794,011	\$ 236,193	\$ -	\$ -	\$ -	\$ 220,484
2006	\$ 5,472,691	\$ 2,975,485	\$ 284,994	\$ -	\$ -	\$ -	\$ 323,069
2005	\$ 5,767,115	\$ 3,153,759	\$ 330,277	\$ -	\$ -	\$ -	\$ 389,552
2004	\$ 6,055,371	\$ 3,331,768	\$ 385,029	\$ -	\$ -	\$ -	\$ 491,397

(1) Amounts include associated premiums and deferrals on refunding

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

Business-Type Activities							
General Obligation Bonds (1)	Capital Leases	OWDA Loans	Other Debt	Mortgage Revenue Bond	Total Debt	Percentage of Personal Income	Per Capita
\$ 4,225,645	\$ 8,870	\$ 40,682,410	\$ -	\$ 6,595,000	\$ 64,201,981	6.96%	\$ 2,843
\$ 5,177,681	\$ 36,017	\$ 39,988,768	\$ -	\$ 7,545,000	\$ 64,514,761	6.99%	\$ 2,857
\$ 5,727,803	\$ 4,711	\$ 38,472,429	\$ 247,638	\$ 8,460,000	\$ 65,330,658	7.08%	\$ 2,893
\$ 6,535,221	\$ 60,534	\$ 33,899,521	\$ -	\$ 9,340,000	\$ 62,190,122	6.74%	\$ 2,754
\$ 7,294,431	\$ 102,571	\$ 15,141,625	\$ -	\$ 10,195,000	\$ 45,856,032	7.82%	\$ 2,527
\$ 8,025,710	\$ 150,389	\$ 12,335,034	\$ -	\$ 11,020,000	\$ 39,503,354	6.73%	\$ 2,177
\$ 8,725,728	\$ -	\$ 10,520,581	\$ -	\$ 11,825,000	\$ 39,497,062	6.73%	\$ 2,177
\$ 9,212,729	\$ -	\$ 11,197,531	\$ -	\$ 12,605,000	\$ 42,071,499	7.17%	\$ 2,319
\$ 9,912,105	\$ -	\$ 11,820,052	\$ -	\$ 13,360,000	\$ 44,732,860	7.62%	\$ 2,465
\$ 10,587,649	\$ -	\$ 11,605,806	\$ -	\$ 13,365,000	\$ 45,822,020	7.81%	\$ 2,525

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

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Net Bonded Debt (3)	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capita
2013	22,581	\$ 2,147,197,005	\$ 12,032,824	0.56 %	\$ 533
2012	22,581	\$ 2,274,786,686	\$ 13,773,635	0.61 %	\$ 610
2011	22,581	\$ 2,261,504,474	\$ 12,000,752	0.53 %	\$ 531
2010	22,581	\$ 2,238,078,567	\$ 13,015,455	0.58 %	\$ 576
2009	18,145	\$ 2,330,246,973	\$ 13,932,545	0.60 %	\$ 768
2008	18,145	\$ 2,361,731,653	\$ 9,288,438	0.39 %	\$ 512
2007	18,145	\$ 2,363,079,773	\$ 10,125,105	0.43 %	\$ 558
2006	18,145	\$ 2,138,206,118	\$ 11,737,983	0.55 %	\$ 647
2005	18,145	\$ 2,114,028,708	\$ 12,623,186	0.60 %	\$ 696
2004	18,145	\$ 2,056,506,136	\$ 13,634,120	0.66 %	\$ 751

Sources:

(1) Source: U. S. Census

(a) Years 2004 through 2009 - 2000 Federal Census

(b) Years 2010 through 2013 - 2010 Federal Census

(2) Lorain County Auditor

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

City of Avon Lake, Ohio
*Computation of Direct and Overlapping
 Governmental Activities Debt
 December 31, 2013*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Avon Lake			
General Obligation Bonds, net	\$ 7,556,278	100.00%	\$ 7,556,278
Special Assessment Bonds, net	1,675,983	100.00%	1,675,983
OPWC Loan	70,000	100.00%	70,000
OWDA Loan	237,675	100.00%	237,675
Long-Term Notes Payable	2,510,728	100.00%	2,510,728
Short-Term Notes Payable	207,000	100.00%	207,000
Other Loans	181,491	100.00%	181,491
Total Direct Debt	<u>12,439,155</u>		<u>12,439,155</u>
Overlapping			
Avon Lake City School District	51,388,178	100.00%	51,388,178
Lorain County	<u>25,910,000</u>	12.75%	<u>3,303,525</u>
Total Overlapping Debt	<u>77,298,178</u>		<u>54,691,703</u>
Total	<u><u>\$ 89,737,333</u></u>		<u><u>\$ 67,130,858</u></u>

Source: Lorain County Auditor

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

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

	2013	2012	2011	2010
Total Assessed Property Value	<u>\$ 785,299,050</u>	<u>\$ 829,553,680</u>	<u>\$ 825,938,460</u>	<u>\$ 817,590,679</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>82,456,400</u>	<u>87,103,136</u>	<u>86,723,538</u>	<u>85,847,021</u>
Debt Outstanding:				
General Obligation Bonds	\$ 7,807,179	\$ 8,595,954	\$ 9,063,612	\$ 9,725,770
General Obligation Bonds - Enterprise	4,225,645	5,177,681	5,727,803	6,535,221
Special Assessment Bonds	1,675,983	1,928,697	2,055,283	2,271,423
Notes Payable	2,717,728	938,972	1,073,610	0
OPWC Loans	70,000	76,666	83,333	90,000
OWDA Loans	237,675	0	0	65,835
OWDA Loans - Enterprise	40,682,410	39,988,768	38,472,429	33,899,521
Mortgage Revenue Bonds	6,595,000	7,545,000	8,460,000	9,340,000
Total Gross Indebtedness	<u>64,011,620</u>	<u>64,251,738</u>	<u>64,936,070</u>	<u>61,927,770</u>
Less:				
General Obligation Bonds - Enterprise	(4,225,645)	(5,177,681)	(5,727,803)	(6,535,221)
Special Assessment Bonds	(1,675,983)	(1,928,697)	(2,055,283)	(2,271,423)
Notes Payable	0	0	0	0
OPWC Loans	(70,000)	(76,666)	(83,333)	(90,000)
OWDA Loans	(237,675)	0	0	(65,835)
OWDA Loans - Enterprise	(40,682,410)	(39,988,768)	(38,472,429)	(33,899,521)
Mortgage Revenue Bonds	(6,595,000)	(7,545,000)	(8,460,000)	(9,340,000)
General Obligation Bond Retirement Fund Balance	(177,555)	(138,247)	(119,200)	(96,386)
Total Net Debt Applicable to Debt Limit	<u>10,347,352</u>	<u>9,396,679</u>	<u>10,018,022</u>	<u>9,629,384</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$ 72,109,048</u>	<u>\$ 77,706,457</u>	<u>\$ 76,705,516</u>	<u>\$ 76,217,637</u>
Legal Debt Margin as a Percentage of the Debt Limit	87.45%	89.21%	88.45%	88.78%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$ 43,191,448</u>	<u>\$ 45,625,452</u>	<u>\$ 45,426,615</u>	<u>\$ 44,967,487</u>
Total Gross Indebtedness	\$ 64,011,620	\$ 64,251,738	\$ 64,936,070	\$ 61,927,770
Less:				
General Obligation Bonds - Enterprise	(4,225,645)	(5,177,681)	(5,727,803)	(6,535,221)
Special Assessment Bonds	(1,675,983)	(1,928,697)	(2,055,283)	(2,271,423)
Notes Payable	0	0	0	0
OPWC Loans	(70,000)	(76,666)	(83,333)	(90,000)
OWDA Loans	(237,675)	0	0	(65,835)
OWDA Loans - Enterprise	(40,682,410)	(39,988,768)	(38,472,429)	(33,899,521)
Mortgage Revenue Bonds	(6,595,000)	(7,545,000)	(8,460,000)	(9,340,000)
General Obligation Bond Retirement Fund Balance	(177,555)	(138,247)	(119,200)	(96,386)
Net Debt Within 5 ½ % Limitations	<u>10,347,352</u>	<u>9,396,679</u>	<u>10,018,022</u>	<u>9,629,384</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$ 32,844,096</u>	<u>\$ 36,228,773</u>	<u>\$ 35,408,593</u>	<u>\$ 35,338,103</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	76.04%	79.40%	77.95%	78.59%

Source: City Financial Records

2009	2008	2007	2006	2005	2004
<u>\$ 862,936,929</u>	<u>\$ 860,876,802</u>	<u>\$ 847,954,022</u>	<u>\$ 781,185,523</u>	<u>\$ 757,742,610</u>	<u>\$ 743,429,440</u>
90,608,378	90,392,064	89,035,172	82,024,480	79,562,974	78,060,091
\$ 10,234,263	\$ 4,858,877	\$ 5,175,065	\$ 5,472,691	\$ 5,767,115	\$ 6,055,371
7,294,431	8,025,710	8,725,728	9,212,729	9,912,105	10,587,649
2,404,937	2,602,537	2,794,011	2,975,485	3,153,759	3,331,768
0	0	0	0	0	0
100,000	0	0	0	0	0
126,919	183,599	236,193	284,994	330,277	385,029
15,141,625	12,335,034	10,520,581	11,197,531	8,820,052	11,605,806
<u>10,195,000</u>	<u>11,020,000</u>	<u>11,825,000</u>	<u>12,605,000</u>	<u>13,360,000</u>	<u>13,365,000</u>
45,497,175	39,025,757	39,276,578	41,748,430	41,343,308	45,330,623
(7,294,431)	(8,025,710)	(8,725,728)	(9,212,729)	(9,912,105)	(10,587,649)
(2,404,937)	(2,602,537)	(2,794,011)	(2,975,485)	(3,153,759)	(3,331,768)
0	0	0	0	0	0
(100,000)	0	0	0	0	0
(126,919)	(183,599)	(236,193)	(284,994)	(330,277)	(385,029)
(15,141,625)	(12,335,034)	(10,520,581)	(11,197,531)	(8,820,052)	(11,605,806)
(10,195,000)	(11,020,000)	(11,825,000)	(12,605,000)	(13,360,000)	(13,365,000)
0	0	0	0	0	0
<u>10,234,263</u>	<u>4,858,877</u>	<u>5,175,065</u>	<u>5,472,691</u>	<u>5,767,115</u>	<u>6,055,371</u>
<u>\$ 80,374,115</u>	<u>\$ 85,533,187</u>	<u>\$ 83,860,107</u>	<u>\$ 76,551,789</u>	<u>\$ 73,795,859</u>	<u>\$ 72,004,720</u>
88.70%	94.62%	94.19%	93.33%	92.75%	92.24%
\$ 47,461,531	\$ 47,348,224	\$ 46,637,471	\$ 42,965,204	\$ 41,675,844	\$ 40,888,619
\$ 45,497,175	\$ 39,025,757	\$ 39,276,578	\$ 41,748,430	\$ 41,343,308	\$ 45,330,623
(7,294,431)	(8,025,710)	(8,725,728)	(9,212,729)	(9,912,105)	(10,587,649)
(2,404,937)	(2,602,537)	(2,794,011)	(2,975,485)	(3,153,759)	(3,331,768)
0	0	0	0	0	0
(100,000)	0	0	0	0	0
(126,919)	(183,599)	(236,193)	(284,994)	(330,277)	(385,029)
(15,141,625)	(12,335,034)	(10,520,581)	(11,197,531)	(8,820,052)	(11,605,806)
(10,195,000)	(11,020,000)	(11,825,000)	(12,605,000)	(13,360,000)	(13,365,000)
0	0	0	0	0	0
<u>10,234,263</u>	<u>4,858,877</u>	<u>5,175,065</u>	<u>5,472,691</u>	<u>5,767,115</u>	<u>6,055,371</u>
<u>\$ 37,227,268</u>	<u>\$ 42,489,347</u>	<u>\$ 41,462,406</u>	<u>\$ 37,492,513</u>	<u>\$ 35,908,729</u>	<u>\$ 34,833,248</u>
78.44%	89.74%	88.90%	87.26%	86.16%	85.19%

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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)
2013	22,581	\$ 922,614,498	\$ 40,858	\$ 81,177	41.9	49.3%
2012	22,581	\$ 922,614,498	\$ 40,858	\$ 81,177	41.9	49.3%
2011	22,581	\$ 922,614,498	\$ 40,858	\$ 81,177	41.9	49.3%
2010	22,581	\$ 922,614,498	\$ 40,858	\$ 81,177	41.9	49.3%
2009	18,145	\$ 586,736,720	\$ 32,336	\$ 65,988	38.4	43.0%
2008	18,145	\$ 586,736,720	\$ 32,336	\$ 65,988	38.4	43.0%
2007	18,145	\$ 586,736,720	\$ 32,336	\$ 65,988	38.4	43.0%
2006	18,145	\$ 586,736,720	\$ 32,336	\$ 65,988	38.4	43.0%
2005	18,145	\$ 586,736,720	\$ 32,336	\$ 65,988	38.4	43.0%
2004	18,145	\$ 586,736,720	\$ 32,336	\$ 65,988	38.4	43.0%

(1) Source: U. S. Census

(a) Years 2004 through 2009 - 2000 Federal Census

(b) Years 2010 through 2013 - 2010 Federal Census

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

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

(4) Source: Lorain County Auditor

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

School Enrollment (2)	Lorain County Unemployment Rate (3)	Average Value of Residential Property (4)	Total Assessed Property Value (4)
3,575	8.1%	\$ 217,034	\$ 785,299,050
3,718	8.1%	\$ 217,406	\$ 829,553,680
3,781	8.3%	\$ 231,737	\$ 825,938,460
3,689	9.4%	\$ 230,941	\$ 817,590,679
3,616	9.9%	\$ 230,180	\$ 862,936,929
3,487	7.2%	\$ 239,740	\$ 860,876,802
3,446	6.3%	\$ 236,930	\$ 847,954,022
3,401	5.9%	\$ 233,540	\$ 781,185,523
n/a	5.8%	\$ 202,960	\$ 757,742,610
n/a	5.9%	\$ 205,370	\$ 743,429,440

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

2013

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

2007 (1)

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

Source: Regional Income Tax Agency (RITA)

(1) - Information prior to 2007 is unavailable

N/A - Information not available

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

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

Source: City Payroll Department

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

(1) Information prior to 2010 is not available

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

Function/Program	2013	2012	2011
General Government			
<i>Council and Clerk</i>			
Number of Ordinances Introduced	157	148	123
Number of Resolutions Introduced	13	22	19
<i>Finance Department</i>			
Number of checks issued	4,921	4,951	5,105
Amount of checks issued	\$ 18,807,358	\$ 18,060,712	\$ 23,132,288
Community Environment			
<i>Building Department Indicators</i>			
Construction Permits Issued	1,431	1,117	1,036
Estimated Value of Construction	\$ 44,513,459	\$ 38,500,941	\$ 32,298,388
Amount of Revenue generated from permits	\$ 309,563	\$ 237,941	\$ 192,688
Number of contract registrations issued (A)	695	656	743
Annual Apartment/Rooming House License Fees (B)	0	0	0
Revenue generated from above (A, B)	\$ 47,575	\$ 43,477	\$ 49,650
Security of Persons & Property			
<i>Police</i>			
Total Calls for Services	13,057	12,444	13,866
Number of traffic citations issued	438	489	397
Number of parking citations issued	144	191	137
Number of criminal arrests	596	405	412
Number of accident reports completed	375	311	352
Part 1 Offenses (major offenses)	37	33	49
Animal Warden service calls responded to per annual report	128	115	94
DUI Arrests	40	43	36
Prisoners	282	319	283
Prisoner meal costs	\$ 2,227	\$ 1,029	n/a
Property damage accidents	63	74	43
Fatalities from Motor Vehicle Accidents	0	0	0
<i>Fire</i>			
Fire Calls	35	65	50
Overpressure, Overhear (no fire)	1	0	1
Rescue & EMS Incident	1,416	1,476	1,443
Hazardous Condition (no fire)	62	70	107
Service Call	233	224	229
Good Intent Call	80	91	126
False Alarm & False Call	174	182	197
Severe Weather & Natural Disaster	3	4	0
Special Incident Type	4	9	5
Miscellaneous Calls	0	0	0
Total Calls	2,008	2,121	2,158
Number of times Mutual Aid given to Fire and EMS	58	58	67
Number of times Mutual Aid received for Fire and EMS	37	61	50

2010	2009	2008	2007	2006	2005	2004
104	105	n/a	n/a	n/a	n/a	n/a
26	21	n/a	n/a	n/a	n/a	n/a
5,120	4,963	4,819	4,786	5,017	4,987	5,477
\$ 21,580,223	\$ 21,755,452	\$ 19,384,724	\$ 17,151,900	\$ 16,612,235	\$ 16,091,725	\$ 22,292,264
1,662	906	980	1,113	1,115	1,173	1,061
\$ 49,964,911	\$ 30,158,897	\$ 57,517,152	\$ 65,254,112	\$ 66,609,676	\$ 112,107,438	\$ 78,443,560
\$ 269,941	\$ 183,048	\$ 375,113	\$ 386,443	\$ 431,772	\$ 545,496	\$ 417,422
810	734	606	770	884	797	714
0	0	0	0	0	0	0
\$ 54,140	\$ 47,931	\$ 39,800	\$ 49,725	\$ 56,250	\$ 50,575	\$ 44,978
14,005	14,308	14,902	14,737	14,588	13,931	19,376
514	534	408	450	545	718	515
90	268	150	201	160	168	146
460	344	523	535	509	343	584
345	291	355	377	374	266	201
33	53	56	64	30	31	48
184	194	513	308	155	540	650
56	53	36	43	75	67	68
391	342	392	450	433	425	465
n/a	n/a	n/a	n/a	n/a	n/a	n/a
92	54	46	140	122	66	84
0	0	0	0	0	1	0
58	61	n/a	n/a	n/a	n/a	n/a
1	1	n/a	n/a	n/a	n/a	n/a
1,364	1,390	n/a	n/a	n/a	n/a	n/a
81	47	n/a	n/a	n/a	n/a	n/a
203	139	n/a	n/a	n/a	n/a	n/a
78	62	n/a	n/a	n/a	n/a	n/a
170	162	n/a	n/a	n/a	n/a	n/a
3	0	n/a	n/a	n/a	n/a	n/a
3	4	n/a	n/a	n/a	n/a	n/a
0	0	n/a	n/a	n/a	n/a	n/a
1,961	1,866	0	0	0	0	0
45	52	n/a	n/a	n/a	n/a	n/a
51	37	n/a	n/a	n/a	n/a	n/a

(Continued)

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

Function/Program	2013	2012	2011
Leisure Time Activities			
<i>Recreation</i>			
Pool:			
Total Attendance	39,784	51,810	25,871
Total Admission Income	\$ 137,257	\$ 143,946	\$ 140,962
Total Pass Sales	641	642	793
Total Pool Parties	55	53	46
Total Pool Party Income	\$ 8,160	\$ 8,348	\$ 10,066
Other Recreation Programs:			
Total Income from Sport related Programs	\$ 49,972	\$ 41,000	\$ 34,626
Total Income from Non-Sport related Programs	\$ 4,039	\$ 4,112	\$ 6,283
Total Income from Food Programs	\$ 2,972	\$ 2,568	\$ 2,948
Total Income from Youth & Family related Programs	\$ 2,723	\$ 3,134	\$ 2,317
Rental of Facilities:			
Total Income from Pavilion Rentals	\$ 9,475	\$ 8,500	\$ 8,000
Total Income from Lake House Rentals	n/a	\$ 37,135	\$ 35,168
<i>Cable Television</i>			
Bulletin Boards	350	229	386
Program Hours	414h 35m	387h 29m	392h 40m
Community Producers	21	17	16
Series:			
Public	12	12	13
Government	11	11	12
One Time/Specials:			
Public	15	11	7
Government	33	22	23
Studio Tours	1	5	0
Public Editor Used	11	13	7
Water			
Water rates per 1000 gallons, 1st 50,000 gallons of water used (2)	\$ 1.61	\$ 1.55	\$ 1.37
Total accounts within Avon Lake	8,251	8,192	8,124
Bulk customers outside of Avon Lake	7	7	7
Total water sales (billions of gallons)	7.159	8.086	7.548
Average daily production (millions of gallons)	20	22	21
Total miles of water line in Avon Lake	133	133	132
Total water revenues from within Avon Lake	\$ 1,493,529	\$ 1,563,952	\$ 1,315,101
Total water revenues from bulk customers outside of Avon Lake	\$ 7,320,250	\$ 7,557,323	\$ 6,306,417
Sewer			
Wastewater rates per 1000 gallons	\$ 3.17	\$ 2.84	\$ 2.51
Total accounts within Avon Lake	8,054	7,990	7,929
Bulk customers outside of Avon Lake	2	2	2
Total flow of wastewater treatment plant (billions of gallons)	1.942	2.042	2.229
Average daily flow (millions of gallons per day)	5	6	6
Tons of dry sludge removed	7,245	8,426	6,768
Total miles of sanitary and combined sewer in Avon Lake	102	102	102
Total wastewater pumping stations in Avon Lake	5	5	5
Total wastewater revenues from within Avon Lake	\$ 3,019,221	\$ 2,900,898	\$ 2,590,456
Total wastewater revenues from bulk customers outside of Avon L	\$ 411,844	\$ 385,622	\$ 323,587

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

n/a - Information is unavailable

	2010	2009	2008	2007	2006	2005	2004
	27,283	6,885	9,715	8,573	9,158	n/a	n/a
\$	119,160	\$ 36,969	\$ 58,327	\$ 58,847	\$ 57,743	\$ 67,812	\$ 48,850
	555	300	354	401	503	602	383
	59	9	23	n/a	n/a	n/a	n/a
\$	8,850	\$ 1,350	\$ 995	n/a	n/a	n/a	n/a
\$	35,079	\$ 21,432	\$ 17,210	\$ 8,023	\$ 9,315	\$ 13,457	\$ 1,477
	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	n/a	n/a	n/a	n/a	n/a	n/a	n/a
\$	1,987	\$ 2,605	n/a	n/a	n/a	n/a	n/a
	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	n/a	n/a	\$ 21,460	\$ 17,286	\$ 15,805	\$ 15,525	\$ 12,010
	306	334	227	392	204	295	371
	376h 31m	315h 16m	465h 55m	n/a	n/a	n/a	n/a
	11	15	24	19	20	12	18
	13	15	20	14	19	17	13
	11	15	15	9	9	8	9
	11	11	10	14	18	20	15
	21	22	30	23	24	22	17
	0	3	3	n/a	n/a	n/a	n/a
	3	13	80	n/a	n/a	n/a	n/a
\$	1.19	\$ 1.19	\$ 1.19	\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.10
	8,082	8,034	7,962	7,884	7,748	7,557	7,301
	7	7	7	7	7	7	7
	7.532	7.314	7.676	8.207	7.515	7.784	7.068
	21	21	22	23	21	22	21
	131	131	131	130	128	126	124
\$	1,279,250	\$ 1,134,044	\$ 1,212,929	\$ 1,214,969	\$ 1,131,490	\$ 1,218,150	\$ 1,121,843
\$	6,020,174	\$ 5,960,861	\$ 6,054,225	\$ 5,924,925	\$ 5,510,386	\$ 5,619,172	\$ 5,027,558
\$	2.18	\$ 2.18	\$ 2.18	\$ 1.98	\$ 1.98	\$ 1.98	\$ 1.98
	7,885	7,831	7,768	7,684	7,548	7,366	7,104
	1	1	1	1	1	1	1
	1.760	1.663	1.835	1.688	1.602	1.582	1.514
	5	5	5	5	4	4	4
	5,730	6,191	5,471	5,747	5,050	4,870	4,370
	101	101	97	95	92	90	87
	5	5	5	5	5	5	5
\$	2,425,504	\$ 2,255,238	\$ 2,302,068	\$ 2,298,781	\$ 2,202,310	\$ 2,276,864	\$ 2,247,136
\$	257,500	\$ 252,431	\$ 240,316	\$ 153,665	\$ 131,927	\$ 114,568	\$ 87,539

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

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

Source: City's Department records
(1) - Information prior to 2009 is unavailable.

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

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2013**

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

**CITY OF AVON LAKE
LORAIN COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013**

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

Certified Public Accountants

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Avon Lake, Lorain County, Ohio (the City), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City of Avon Lake, Ohio's basic financial statements, and have issued our report thereon dated July 16, 2014.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of This Report

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

James G. Zupka,
CPA, President

Digitally signed by James G. Zupka, CPA,
President
DN: cn=James G. Zupka, CPA, President,
o=James G. Zupka, CPA, Inc., ou=Accounting,
email=jgzcpa@sbcglobal.net, c=US
Date: 2014.07.29 15:32:54 -04'00'

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

July 16, 2014

**CITY OF AVON LAKE
LORAIN COUNTY, OHIO
STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013**

The prior audit report, as of December 31, 2012, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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Dave Yost • Auditor of State

CITY OF AVON LAKE

LORAIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 30, 2014**