

CITY OF AVON LAKE, OHIO



Annual Comprehensive Financial Report

**For the Year Ended
December 31, 2021**

Issued by the Finance Department

**Steven J. Presley
Director of Finance**

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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(800) 282-0370

Members of Council
City of Avon Lake
150 Avon Belden Road
Avon Lake, Ohio 44012

We have reviewed the *Independent Auditor's Report* of the City of Avon Lake, Lorain County, prepared by Zupka & Associates, for the audit period January 1, 2021 through December 31, 2021. 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. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

The Auditor of State is conducting an investigation, which is on-going as of the date of this report. Dependent on the outcome of the investigation, results may be reported on at a later date.

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 "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

October 06, 2022

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INTRODUCTORY SECTION



City of Avon Lake, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2021
Table of Contents

I. Introductory Section

Table of Contents.....	i
Letter of Transmittal.....	viii
GFOA Certificate of Achievement.....	xv
Directory of Officials.....	xvi
Organizational Chart - City.....	xvii
Organizational Chart – Avon Lake Regional Water.....	xviii

II. Financial Section

Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	5
Basic Financial Statements	
Government Financial Statements:	
Statement of Net Position.....	19
Statement of Activities.....	20
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	22
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	23
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Fund to the Statement of Activities.....	25
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund.....	26
Statement of Fund Net Position – Proprietary Funds.....	27
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds.....	28
Statement of Cash Flows – Proprietary Funds.....	29
Statement of Fiduciary Net Position – Custodial Funds.....	31

City of Avon Lake, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2021
Table of Contents

II. Financial Section (Continued)

Statement of Changes in Fiduciary Net Position – Custodial Funds..... 32

Notes to the Basic Financial Statements:

Note 1: Description of the City and the Reporting Entity 33

Note 2: Summary of Significant Accounting Policies..... 33

Note 3: Changes in Accounting Principles and Restatement of Net Position 45

Note 4: Budgetary Basis of Accounting 45

Note 5: Accountability and Compliance 46

Note 6: Deposits and Investments 48

Note 7: Receivables..... 51

Note 8: Capital Assets 54

Note 9: Long-Term Obligations 56

Note 10: Asset Retirement Obligations..... 65

Note 11: Operating Leases 65

Note 12: Defined Benefit Pension Plans 65

Note 13: Defined Benefits OPEB Plans 77

Note 14: Risk Management..... 89

Note 15: Jointly Governed Organizations and Joint Venture..... 89

Note 16: Contingent Liabilities 90

Note 17: Interfund Transfers and Balances 91

Note 18: Fund Balances 93

Note 19: Landfill Postclosure Costs..... 94

Note 21: Other Commitments 94

Note 22: Capital Lease 95

City of Avon Lake, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2021
Table of Contents

II. Financial Section (Continued)

Note 22: Tax Abatements	95
Note 23: COVID-19	95
Required Supplementary Information:	
Schedule of the City’s Proportionate Share of the Net Pension Liability/Asset	96
Schedule of City Contributions - Pension	100
Schedule of the City’s Proportionate Share of the Net OPEB Liability/Asset	104
Schedule of City Contributions – OPEB	106
Notes to the Required Supplementary Information	110
Combining Statements and Individual Fund Schedules:	
Combining Statements – Nonmajor Governmental Funds:	
Fund Descriptions	113
Combining Balance Sheet – Nonmajor Governmental Funds	117
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	118
Combining Balance Sheet – Nonmajor Special Revenue Funds	120
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	124
Combining Balance Sheet – Nonmajor Debt Service Funds	128
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	129
Combining Balance Sheet – Nonmajor Capital Projects Funds	130
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	134

City of Avon Lake, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2021
Table of Contents

II. Financial Section (Continued)

Combining Statement – Fiduciary Funds:

Fund Descriptions..... 138

Combining Statement of Fiduciary Net Position – Custodial Funds..... 139

Combining Statement of Changes in Fiduciary Net Position – Custodial Funds 140

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

Major Funds:

General Fund..... 142

Capital Improvement Fund..... 145

Nonmajor Funds:

Street Construction, Maintenance and Repair Fund 146

State Highway Fund..... 147

Income Tax Transfer Fund..... 148

Paramedic Fund 149

Office on Aging Fund 150

Dial-A-Bus Fund..... 151

Cable TV Fund..... 152

Law Enforcement Trust Fund 153

Law Enforcement and Education Fund..... 154

Indigent Drivers Alcohol Treatment Fund..... 155

Municipal Court Computer Fund..... 156

COPS Fund 157

Avon Lake/Bay Park Fund..... 158

Board of Building Standards Fund 159

City of Avon Lake, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2021
Table of Contents

II. Financial Section (Continued)

Street Tree Fund.....	160
Continued Professional Training - Police Fund.....	161
Court Security Fund.....	162
Court Interlock Fund.....	163
Police Pension Fund.....	164
Fire Pension Fund.....	165
Recreation Trust Fund.....	166
Recreation Fund	167
Local Coronavirus Relief Fund	168
American Rescue Plan Fund	169
AI Public Arts Fund.....	170
Deposits Trust Fund	171
Unclaimed Monies Fund	172
General Bond Retirement (Unvoted) Fund.....	173
General Bond Retirement (Voted) Fund	174
Special Assessment Bond Retirement Fund.....	175
Sewer Separation Fund	176
Police/Court Facility Fund	177
45's Sewer Separation Fund.....	178
Troy School Driveway Fund	179
Bicycle Trails Fund	180
Walker Road Widening Fund.....	181

City of Avon Lake, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2021
Table of Contents

II. Financial Section (Continued)

North Point Erosion Fund.....	182
Pool Renovation Control Fund.....	183
Walker Rd. Sewer/Lear Rd. East Fund	184
Titus-Pitts-Hill Ditch Fund.....	185
Sidewalk/Street Lighting Fund.....	186
Cove Ave. Improvements Fund.....	187
Curtis Road Sewer Improvements Fund.....	188
ALPS Playground Fund.....	189

III. Statistical Section

Statistical Section Description and Table of Contents.....	S1
Net Position by Component – Last Ten Years	S2
Changes in Net Position – Last Ten Years	S4
Fund Balances, Governmental Funds - Last Ten Years.....	S10
Changes in Fund Balances, Governmental Funds – Last Ten Years	S12
Assessed Valuations and Estimated Actual Values of Taxable Property – Last Ten Years.....	S16
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years	S18
Property Tax Levies and Collections – Last Ten Years.....	S20
Principal Taxpayers – Real Estate Tax – 2020 and 2011.....	S21
Municipal Income Tax Revenue Base and Collections (Cash Basis) – Last Ten Years	S22
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita - Last Ten Years.....	S24
Ratio of General Obligation Bonded Debt to Estimated Actual Value and Net Bonded Debt Per Capita - Last Ten Years.....	S26
Computation of Direct and Overlapping Governmental Activities Debt	S27

City of Avon Lake, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2021
Table of Contents

III. Statistical Section (Continued)

Legal Debt Margin - Last Ten Years	S28
Demographic and Economic Statistics – Last Ten Years	S30
Principal Municipal Income Tax Withholders – Current and Nine Years Ago	S32
Full-Time City Employees by Function/Program - Last Ten Years	S33
Operating Indicators by Function/Program - Last Ten Years	S34
Capital Assets Statistics by Function/Program – Last Ten Years	S38



CITY OF AVON LAKE, OHIO

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Building Department
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

June 25, 2022

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

We are pleased to submit the Annual Comprehensive Financial Report of the City of Avon Lake, Ohio for the year ended December 31, 2021.

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, 2021. 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 1951 under the laws of the State of Ohio. In 2020, the U.S. Census Bureau reported that Avon Lake has a population of 25,000.

The City of Avon Lake operates and is governed by its Charter, first adopted by the voters on June 5, 1951. The Charter has been and may be amended by the voters from time to time. A nine-member Charter Review Commission reviews the Charter every five years. The City is also subject to some general laws applicable to all cities. Under the State of Ohio Constitution, the City may exercise all powers of local self-government and police powers to the extent not in conflict with applicable laws. The Charter provides for a mayor-council form of government.

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 employees, 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 established 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 Director of Public Safety, 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, sanitary and storm sewer maintenance, street maintenance and repair, street lighting, traffic signalization, snow/leaf removal, refuse disposal negotiated by the city for residents, cemetery services 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.

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. The Finance Director is authorized to allocate appropriations for function and object levels within the same department and category as explained above without prior Council approval, as long as the total appropriation for each department and category does not exceed that of the Council-approved appropriation.

Profile of the City

The City of Avon Lake is served by diversified transportation facilities, including U.S. Highway 90 and Interstate I-71 and I-80 (The Ohio Turnpike). It is served by Norfolk and Southern Railroad for freight rail services, Amtrak for passenger rail services (located in nearby Cleveland and Elyria), and is served by passenger and freight air services at Cleveland Hopkins International Airport, located within 18 miles of the City, and Burke Lakefront Airport located in downtown Cleveland.

Within a 30-minute drive from Avon Lake are the Rock and Roll Hall of Fame, Progressive Field, Rocket Mortgage Arena, FirstEnergy Stadium, the world-Class Cleveland Orchestra, Cleveland Museum of Art, Cleveland Museum of Natural History, Western Reserve Historical Society, Cleveland Playhouse, and Karamu House. These and other facilities in the area offer an extensive variety of cultural and educational programs to the community. The Cleveland metropolitan area is also proud to be the home of many professional sports team such as the Cleveland Guardians (baseball), Cleveland Cavaliers (basketball), Cleveland Browns (football), and Cleveland Monsters (AHL hockey), as well as the Lake Erie Crushers, an independent professional minor league baseball team.

The Avon Lake City Schools (ALCS) also play a significant role in the success of our community. The school system educates over 3,800 students with 556 contracted employees including teachers, professionals, and support staff working to offer quality educational opportunities. It issued 730 W-2 forms in 2020 due to the number of part-time workers it employs. Avon Lake City Schools has been recognized as Excellent by the Ohio Department of Education for the past 17 years. According to U.S. News and World Report, in 2020 the school system ranked #30 out of 614 districts in Ohio, and #756 out of 18,000 districts in the U.S. The school system was ranked #8 in the Cleveland area.

The City of Avon Lake owns and manages 15 park areas that total 226.16 acres. Individual parks range in size from 0.05 acres to 79.1 acres, provide a wide variety of both active and passive recreational opportunities. 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 hosts one of the Recreation Department's Greenbox program locations, and Point Park features both detailed gardens and a memorial plaque describing the location's connection to the Interurban Railway. The City is pleased to announce its most recent addition, a .49 acre pocket park located on Lake Erie at the intersection of Moore Rd. and Lake Rd.

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). Many neighborhood parks include a playground, picnic tables, and charcoal grills. Resatar Park includes 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 contain a wide variety of amenities, which include athletic fields (baseball, softball, lacrosse, and soccer), picnic areas/pavilions, hiking/biking trails, a skate park, and volleyball and basketball courts. Miller Road Park and Veterans Memorial Park are situated along the Lake Erie shoreline and contain limited beach areas and water access facilities (a boat launch and fishing pier). Additionally, Veterans Memorial Park is home to the Avon Lake Boat Club, the historic Folger Home, and The Lake House, a popular event venue. Miller Road Park includes the Peter Miller House Museum (c. 1830) and an adjoining wildflower garden. Both the Peter Miller House Museum and the Folger Home are listed 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 Avon Lake Play Space playground, lighted tennis and basketball courts, as well as the Ellen Trivanovich Aquatic Center. Weiss Field features a dog park, horse arena, and skate park. Many of the community parks host large programs and festivals produced by both the City and other organizations.

Major Initiatives

The City of Avon Lake has several ongoing initiatives to improve roadway conditions for vehicles and bicycle riders as well as improving the water quality in Lake Erie. Roadways in Avon Lake are ranked each year in the priority of needs. A street rated a #5 will need immediate attention while a #1 rated street is new or recently rebuilt. This ranking is updated each fall and presented to the Mayor and City Council for budget purposes. The City annually spends \$1 million to over \$2 million each year on street maintenance and upkeep. Supplementing the yearly street program are projects the City pursues Ohio Public Works Commission (OPWC) grants and loans for. The City has also acquired ODOT LTIP money for paving projects in the City. In 2021 the City additionally installed new solar powered LED Crosswalks at two of our higher pedestrian crossings and will look to add additional similar crossings in 2022.

The City has also acquired ODOT/NOACA funds for the repaving of Moore Road south of Walker Road in early 2022. This comes after the City replaced the Powdermaker Creek culvert in 2019 after ODOT declared it to be unsafe. The ODOT/NOACA paving project will also add bike lanes from Walker Road to Pin Oak Parkway.

Avon Lake has met its deadline of January 1, 2020 to have our sewer systems separated per our Consent Decree with Ohio EPA yet we continue to move forward to do more to improve water service and improve stormwater drainage. The sewer separation project completed in late 2019 was our largest separation project to date and came in at over \$17 million. This project impacted over 350 homes and took over two years to build. The final project added stormwater drainage along the entire project length and added almost 6000 feet of new storm sewers.

For stormwater improvements within Avon Lake the City hired CDM Engineering to create stormwater SWMM computer models for both Heider Creek and Gable Creek. These computer models have helped the City with two new developments in order to appropriately size the new retention basins and large drainage pipes. This tool will be used for many years to come as part of our Master Stormwater Plan for the City.

Last but far from the least, the City has hired Mannik and Smith Engineering to conduct a bicycle safety study along Lake Road, US 6 through the community to identify safety improvements and needs in anticipation with ODOT conducting their Urban Paving Project on US 6 in 2023. This safety study has made short and long term safety improvement recommendations that will start to be implemented in 2021. Coming from this study the City has been granted LTIP money from NOACA for road improvements at Miller Road and US 6 for traffic calming, bicycle and pedestrian safety.

Economic Development

The city benefits from a solid industrial tax base with several major industries located in the southwest portion of the city. Many small and large industries are located along Moore, Walker and Miller Roads, as well as Pin Oak Parkway. The largest are Avient (formerly PolyOne Corporation), a Fortune 1000 company, Ford Motor Company's Ohio Assembly Plant, and a division of Lubrizol Corporation. Other companies include Thogus Products, Mexichem (Orbia) Specialty Resins, Inc., Western Enterprises, and National Fleet Services of Ohio. The Comprehensive Land Use Plan, adopted in 2019 looks to continue growth in the industrial area by attracting new companies and developing the small amount of still available land. The total number of acres in our industrial areas is over 1,400 acres, with less than 150 available for future development

The industrial southwest corner of the city got its start in the 1950s with a B.F. Goodrich research facility. The industrial campus of that facility now houses Avient (formerly PolyOne), Lubrizol and Mexichem, and is located along Walker Road. All three of those businesses deal with polymer research or production. Pin Oak Parkway runs through the industrial area of the City and was expanded about 17 years ago. It can now 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.

One of the oldest industrial residents is now being demolished. Our coal powered electric plant had been in operation since the 1920's. The plant is located on the north side of Lake Road with over 2,600 linear feet of Lake Erie shoreline. At one point, the coal powered plant was scheduled to be converted to natural gas, but changed its direction as it decided to continue to use coal and to implement pollution control technology to fall within the new MATS (Mercury and Air Toxics Standards) set by the federal government. The plant began operations in June of 2016 using cleaner coal technology. The construction of the natural gas pipeline remains in the planning stages for the future. But in 2022, the plant was to be sold and the demolition process begun. The City is working with the new owner of the plant on a plan for redevelopment of the site.

There are commercial districts on Walker Road as it intersects a number of north/south roads. 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. Towne 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 businesses and also a senior living complex that provides both independent living and assisted living along with a rehabilitation facility. Beach Park Station is located near the GenOn plant along Lake Road and is the home of the post office, restaurants, and other businesses. Finally, there is a shopping plaza at the corner of Walker Rd. and Moore Rd. that has about fifteen businesses, anchored by Discount Drug Mart.

Community Reinvestment Area (CRA) Program

The City has a Pre-1994 CRA program. Approved new construction and expansion projects are granted an exemption from real estate property taxes for a percentage 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. Avon Lake companies that have recently expanded with the help of the CRA Program include Randall's Lawn Care & Landscaping, Catania Medallie, and Northern Hammerworks.

Community Improvement Corporation

The city created a Community Improvement Corporation which operates as a 501(c)3 Non-Profit Organization. Their mission is 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 are generated from sources other than tax revenues.

In its early years, the CIC held a business plan competition which required that the applicants attend a series of workshops to help them improve their business practices. They then ran a grant program for small businesses which awarded up to ten businesses \$2,500 each to achieve their goals. Most recently, when the Covid-19 public health crisis shuttered restaurants and bars the CIC quickly mobilized to organize a grant program that gave \$98,000 to Avon Lake restaurants and bars. In 2021, the CIC became part of the City's effort to redevelop the power plant site, seeking Brownfield funds in particular.

Jobs Growth Incentive Program

City Council approved a five-year program that rewards businesses, both new and long standing, with a 35% 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 with this incentive. Home-based businesses and non-profit organizations are not eligible. The program is in its tenth year. It was evaluated at the end of 2017 and extended another five years. The City just gave awards for the 2020 tax year, a year in which businesses large and small were devastated by Covid-19. While the overall amount granted by the City was lower than average, the number of businesses that received awards was on par with prior years.

Because of its location in a region with a varied economic base, unemployment has been relatively stable. The City of Avon Lake continues to experience unemployment rates consistently lower than national averages. This is consistent with an increase in income tax revenues

Median household incomes within the City of Avon Lake are higher than for the state as a whole. In 2018, the median family income in Avon Lake was \$87,525, while the median family income for the State of Ohio was \$72,028. Housing prices in Avon Lake continue to remain strong. The median home value in the city is estimated at \$297,211 with a projected increase in the coming year. The sale of homes and home sale prices began to increase in 2016 and at the end of 2020 were \$284,020.

Long-Term Financial Planning

Moody's Investors Service has rated the City's General Obligation debt at an Aa3 as of June 2022. This is a slight upgrade from the previous rating of an A1. Substantial improvements in the city's overall fund balances, including the Enterprise funds are the primary reason for the upgrade.

It is the City's goal to maintain fund balances equal to 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 Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Avon Lake for its annual comprehensive financial report for the year ended December 31, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the eighth year in a row that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another 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 ACFR is extended to all contributors, but especially those employees in the Department of Finance.

Respectfully submitted,

Handwritten signature of Gregory J. Zilka in cursive script.

Gregory J. Zilka
Mayor

Handwritten signature of Steven Presley in cursive script.

Steven Presley
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Avon Lake
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morrill

Executive Director/CEO

City of Avon Lake, Ohio

Directory of Officials

December 31, 2021

COUNCIL

At-Large:

Zach Arnold

K.C. Zuber

Martin O'Donnell

Wards:

Billy Jo David (Ward I)

Jennifer Fenderbosch (Ward II)

Mark Spaetzel (Ward III)

David Kos (Ward IV)

Clerk of Council:

Valerie Rosmarin

OFFICIALS

Gregory J. Zilka

Mayor

Gary A. Ebert

Director of Law

Steven J. Presley

Director of Finance

Thomas Carleton

Building Official

Robert Munro

Chief Utilities Executive

Gregory J. Zilka

Safety Director

Vincent Molnar

Police Chief

Jeremy Betsa

Fire Chief

Ted Esborn

Director of Economic Development

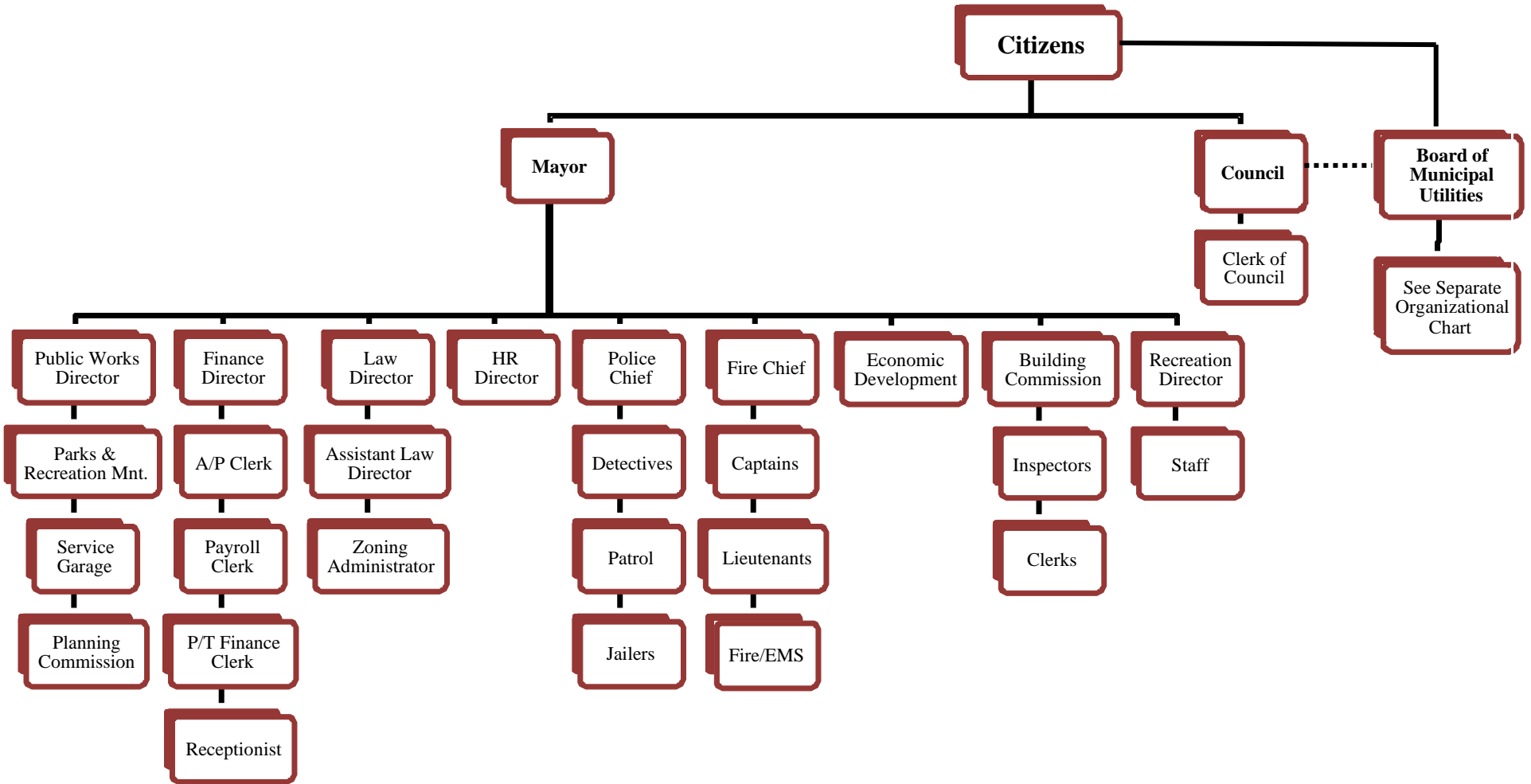
Erin Fach

Recreation Director

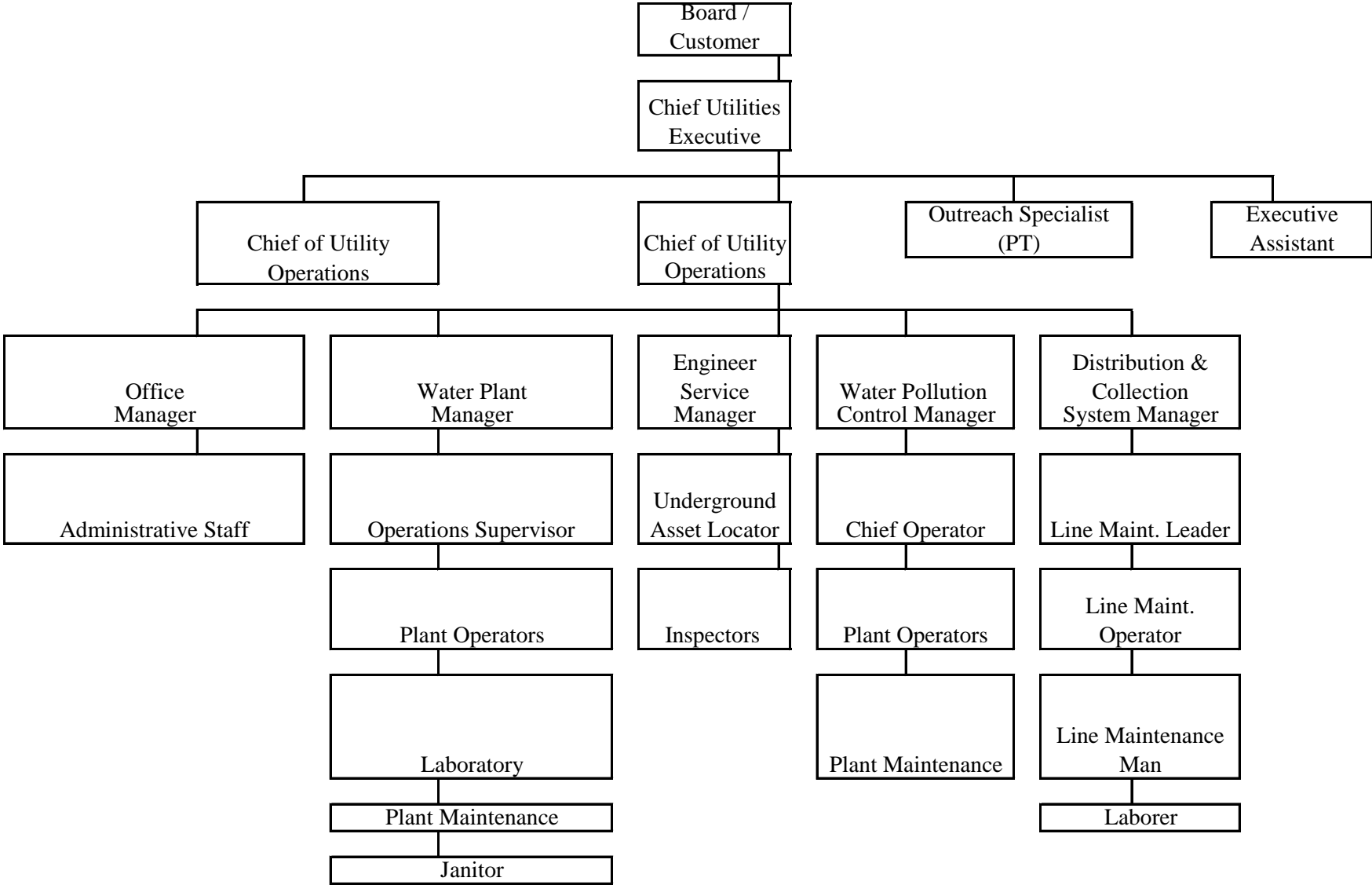
Darrel Bilancini

Judge of Municipal Court

City of Avon Lake, Ohio
Organizational Chart – City
 December 31, 2021



City of Avon Lake, Ohio
Organizational Chart – Avon Lake Regional Water
 December 31, 2021



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

City of Avon Lake
Lorain County
150 Avon Belden Road
Avon Lake, OH 44012

To the Members of City Council:

Report on the Financial Statements

Opinions

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, (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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 as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

As discussed in Note 23 to the basic financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. Our opinion is not modified with respect to this matter.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Zupka & Associates
Certified Public Accountants

August 31, 2022

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(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, 2021. 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 2021 are as follows:

- The City's economic condition continued to improve as total revenues increased by \$2,342,848 or 4.40 % over 2020.
- Total Net Position increased \$16,373,798 in 2021 over 2020.

Overview of the Annual Comprehensive Financial Report

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 19 and 20) 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 22. 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 7. 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.

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:

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

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. Municipal 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 14. 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 fund types, 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 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 custodial funds included under the fiduciary funds category. The accounting used for fiduciary funds is much like that used for proprietary funds.

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 Annual Comprehensive Financial Report also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements, the required supplementary information, the combining statements are presented along with individual detailed budgetary schedules for all funds.

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

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 \$102,790,768 to \$119,164,566.

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	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current and other assets	\$ 33,526,592	\$ 32,754,817	\$ 26,725,733	\$ 22,812,044	\$ 60,252,325	\$ 55,566,861
Net Pension Asset	75,218	61,682	45,192	43,566	120,410	105,248
Net OPEB Asset	600,244	-	360,633	-	960,877	-
Capital assets, net	77,205,036	74,015,157	180,239,957	185,266,562	257,444,993	259,281,719
Total Assets	111,407,090	106,831,656	207,371,515	208,122,172	318,778,605	314,953,828
DEFERRED OUTFLOWS OF RESOURCES						
Deferral on Refunding	260,852	295,993	91,017	103,153	351,869	399,146
Pension	3,378,207	3,608,828	484,246	818,562	3,862,453	4,427,390
OPEB	1,918,671	2,457,456	183,735	581,195	2,102,406	3,038,651
Total Deferred Outflows Of Resources	5,557,730	6,362,277	758,998	1,502,910	6,316,728	7,865,187
LIABILITIES						
Current and other liabilities	2,132,590	1,719,687	1,103,659	809,367	3,236,249	2,529,054
Long-term liabilities:						
Due within one year	2,201,349	2,129,955	6,599,513	6,497,153	8,800,862	8,627,108
Due in More Than One Year:						
Net Pension Liability	20,556,875	22,078,072	3,036,519	4,728,689	23,593,394	26,806,761
Net OPEB Liability	2,409,462	6,880,078	-	3,266,241	2,409,462	10,146,319
Other Amounts	29,373,730	30,827,614	121,421,367	127,238,497	150,795,097	158,066,111
Total Liabilities	56,674,006	63,635,406	132,161,058	142,539,947	188,835,064	206,175,353
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	6,711,302	6,555,513	-	-	6,711,302	6,555,513
Pension	4,566,738	3,592,982	1,576,874	1,443,192	6,143,612	5,036,174
OPEB	2,759,432	1,569,167	1,481,357	692,040	4,240,789	2,261,207
Total Deferred Inflows Of Resources	14,037,472	11,717,662	3,058,231	2,135,232	17,095,703	13,852,894
NET POSITION						
Net Investment in						
Capital Assets	47,954,460	43,649,736	52,741,345	52,123,767	100,695,805	95,773,503
Restricted	10,044,828	10,208,592	-	-	10,044,828	10,208,592
Unrestricted	(11,745,946)	(16,017,463)	20,169,879	12,826,136	8,423,933	(3,191,327)
Total Net Position	\$ 46,253,342	\$ 37,840,865	\$ 72,911,224	\$ 64,949,903	\$ 119,164,566	\$ 102,790,768

The net pension liability (NPL) is the largest single liability reported by the City is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The City previously adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed on next page, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and net pension/OPEB asset.

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability/asset and the net OPEB liability/asset to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Total assets increased by \$3,824,777 in 2021. 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) decreased by \$1,836,726. This decrease was mainly attributed to depreciation exceeding capital asset additions.

Current and other assets increased \$4,685,464 mainly from an increase in equity in pooled cash and cash equivalents in the business-type activities.

Total liabilities decreased by \$17,340,289 in 2021 with current liabilities increasing \$707,195 and long-term liabilities decreasing \$18,047,484. The decrease in long-term liabilities is due to the principal payments made on debt and decrease in net pension liability and net OPEB liability.

The changes in net pension asset, net OPEB asset, deferred outflows of resources, net pension liability, net OPEB liability and deferred inflows of resources are due to the recording of GASB Statements No. 68 and 75 as previously discussed.

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 \$4,922,302 from 2020 to 2021. Restricted net position decreased \$163,764 and unrestricted net position increased \$11,615,260.

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City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

Table 2 shows the Changes in Net Position for governmental activities and business-type activities for the year ended December 31, 2021 compared to December 31, 2020.

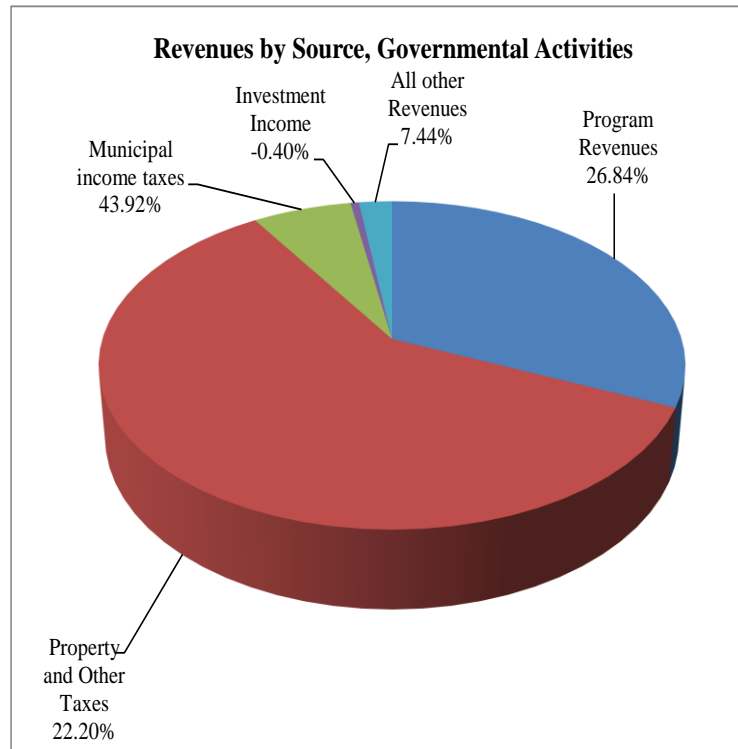
Table 2- Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program Revenues:						
Charges for services	\$ 2,178,022	\$ 1,503,526	\$ 24,731,596	\$ 25,192,348	\$ 26,909,618	\$ 26,695,874
Operating grants and contributions	2,235,279	3,268,922	35,574	127,073	2,270,853	3,395,995
Capital grants and contributions	3,740,990	41,000	-	49,089	3,740,990	90,089
Total Program Revenues	8,154,291	4,813,448	24,767,170	25,368,510	32,921,461	30,181,958
General Revenues:						
Property taxes	6,745,949	6,472,214	-	-	6,745,949	6,472,214
Municipal income taxes	13,346,755	12,809,267	-	-	13,346,755	12,809,267
Other taxes	351,546	402,867	-	-	351,546	402,867
Grants and entitlements	1,432,719	1,270,864	-	-	1,432,719	1,270,864
Investment income	(120,051)	427,663	43,887	212,436	(76,164)	640,099
All other revenues	475,604	847,188	412,169	642,734	887,773	1,489,922
Total General Revenues	22,232,522	22,230,063	456,056	855,170	22,688,578	23,085,233
Total Revenues	30,386,813	27,043,511	25,223,226	26,223,680	55,610,039	53,267,191
EXPENSES						
Program Expenses:						
Security of persons and property	10,943,878	11,196,697	-	-	10,943,878	11,196,697
Leisure time activities	1,443,906	1,450,787	-	-	1,443,906	1,450,787
Community environment	434,731	710,895	-	-	434,731	710,895
Transportation	6,073,064	8,377,882	-	-	6,073,064	8,377,882
General government	3,060,873	4,364,779	-	-	3,060,873	4,364,779
Interest and fiscal charges	564,005	612,256	-	-	564,005	612,256
Water	-	-	9,607,546	11,705,141	9,607,546	11,705,141
Sewer	-	-	7,108,238	8,349,728	7,108,238	8,349,728
Total Expenses	22,520,457	26,713,296	16,715,784	20,054,869	39,236,241	46,768,165
Changes in Net Position before Transfers	7,866,356	330,215	8,507,442	6,168,811	16,373,798	6,499,026
Transfers	546,121	-	(546,121)	-	-	-
Changes in Net Position	8,412,477	330,215	7,961,321	6,168,811	16,373,798	6,499,026
Net Position - Beginning of Year	37,840,865	37,510,650	64,949,903	58,781,092	102,790,768	96,291,742
Net Position - End of Year	\$ 46,253,342	\$ 37,840,865	\$ 72,911,224	\$ 64,949,903	\$ 119,164,566	\$ 102,790,768

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

Governmental Activities

Revenues by source of governmental activities for 2021 were comprised of:



Revenues

Total revenues increased by \$3,343,302 or 12.36%. The 1.50% municipal income tax is the largest revenue source totaling \$13,346,755 or 43.92%. Municipal income tax increased by \$537,488 or 4.20%. The municipal income tax revenue is receipted into the Income Tax Transfer Fund and then allocated by Ordinance to other funds on an annual basis. For 2021 the Capital Improvement Fund, General Bond Retirement Fund, Recreation Trust Fund and General Fund received \$1,500,000, \$1,500,000, \$422,500 and \$8,000,000 respectively.

The next largest general revenue source is property taxes totaling \$6,745,949 or 22.20%. Property taxes increased by \$273,735. Charges for services increased by \$674,496 or 44.86% due to the increase of activity in recreation center since the COVID-19 pandemic. Operating grants and contributions decreased by \$1,033,643 or 31.62% due to receiving and spending COVID-19 money in the prior year. The increase in capital grants and contributions is mainly due to contributions from developers in 2020 as compared to 2021. All other revenues decreased by \$371,584 due to Ohio Bureau of Workers' Compensation reimbursement to the City in 2020. Investment income decreased \$547,714 due to the change in fair market value from the prior year.

Expenses

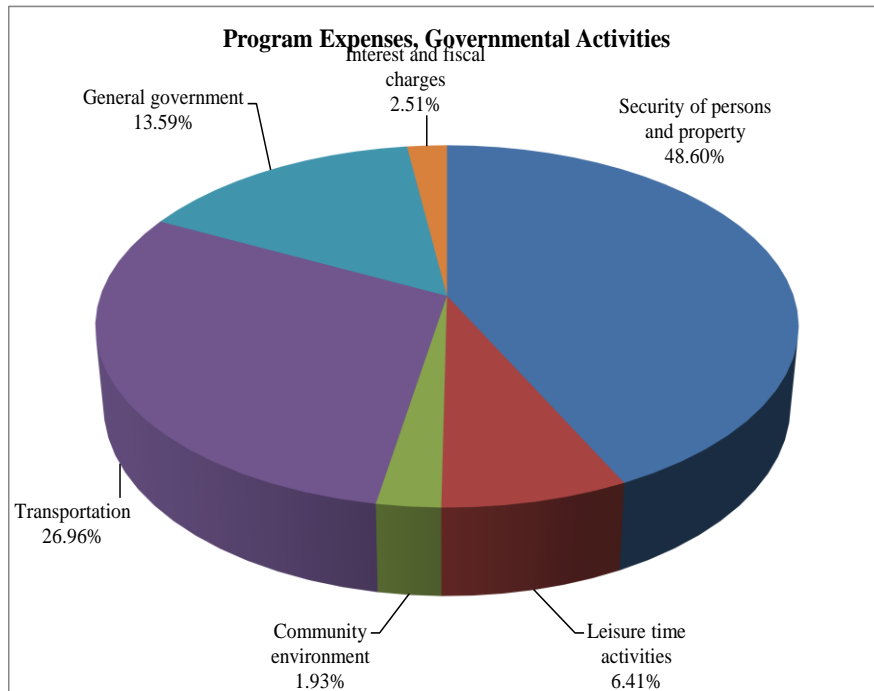
Expenses decreased \$4,192,839 or 15.70% in 2021. The significant change in expense is due to the recording of GASB Statements No. 68 and 75.

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

The provisions of GASB Statements 68 and 75 required the City to recognize a pension/OPEB adjustment that reduced expenses by \$3,672,166 in 2020 and increased expense by \$1,994,509 in 2020. As a result, it is difficult to ascertain the true operational cost of services and the changes in the cost of services from year to year. The table below shows the total cost of services by function with the GASB Statements 68 and 75 pension and OPEB costs removed.

	Governmental Activities	
	2021	2020
EXPENSES		
Program Expenses:		
Security of persons and property	\$ 11,226,929	\$ 10,063,726
Leisure time activities	1,926,491	1,356,079
Community environment	660,790	645,488
Transportation	7,799,825	7,933,081
General government	4,014,583	4,108,157
Interest and fiscal charges	564,005	612,256
Total Expenses	\$ 26,192,623	\$ 24,718,787

Program expenses of governmental activities for 2021 were comprised of:



Using the table above, program expenses amounted to \$26,192,623 in 2021, of which only \$8,154,291 was supported by program revenues. Security of persons and property, which includes police, fire and paramedic services, represented \$11,226,929 or 42.86% of total program expenses. Transportation, which includes street maintenance, snow removal, etc., represents \$7,799,825 or 29.78% of program expenses.

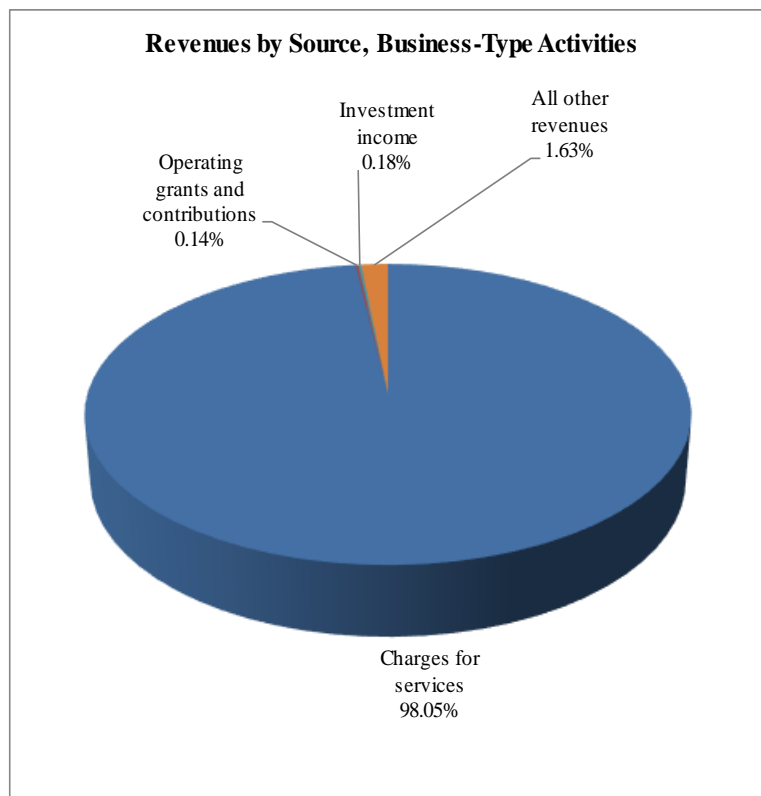
City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

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 \$4,014,583 or 15.33%. Leisure time activities represented \$1,926,491 or 7.36% of program expenses and includes recreation pool and special programs. Other program expenses consisting of community environment, and interest and fiscal charges amounted to 4.67%. Program expenses increased in 2021 by \$1,473,836 or 5.96% from the 2020 program 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.

Revenues by source for business-type activities for 2021 were comprised of:



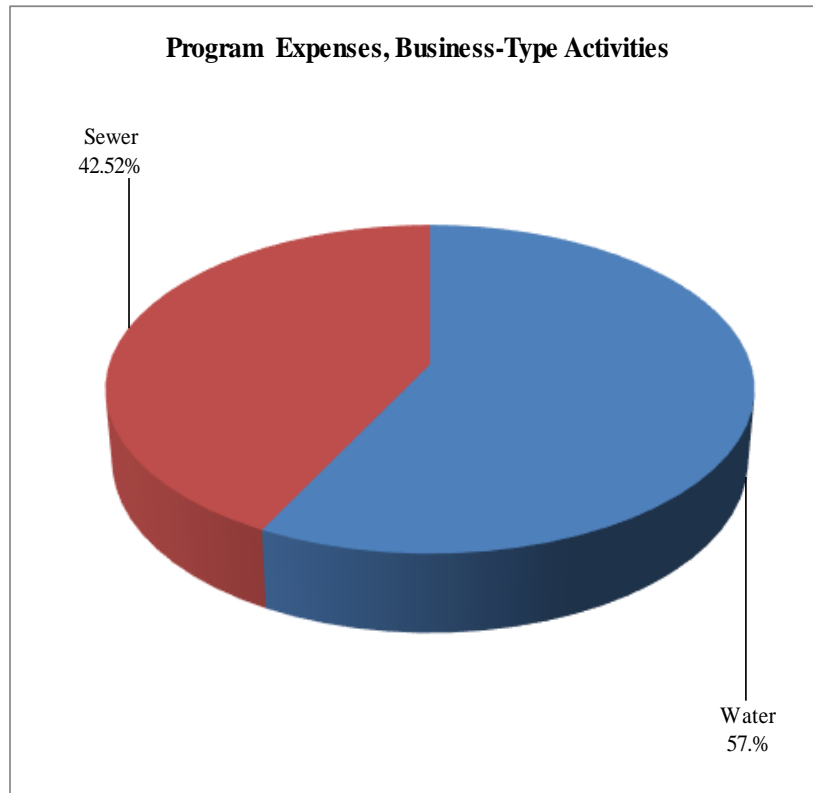
Revenues

Program revenue consisting of charges for services, operating and capital grants and contributions represented 98.05% of total revenues for the business-type activities in 2021. Charges for services for the business-type activities amounted to \$24,731,596 with 61.06% provided by water services and 38.94% from sanitary sewer services.

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

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 \$1,603,982 or 9.55% due to an decrease in sales.

Program Expenses for business-type activities for 2021 were comprised of:



Expenses

Water operation expenses amounted to \$9,607,546 or 57.48% and sanitary sewer operation expenses amounted to \$7,108,238 or 42.52% of total program expenses for business-type activities in 2021.

Total expenses for business-type activities decreased in 2021 by \$3,339,085 due to the recorded of GASB Statement No. 75.

The City's Funds

Information about the City's major governmental funds begins on page 22. These funds are reported using the modified accrual basis of accounting. All governmental funds had total revenues of \$27,666,549 and expenditures of \$27,003,138 (not including other financing sources and uses). All other revenues decreased due to the decrease of Ohio Workers Compensation reimbursement.

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

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 \$3,016,250. General Fund expenditures (including transfers out) for the current year were \$15,863,879, with revenues and other financing sources of \$15,391,763 leaving a fund balance of \$2,544,134 and an unassigned balance of \$1,565,161 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 9.87% of total General Fund expenditures while total fund balance represents 16.04% of that same amount. The fund balance of the City's General Fund balance decreased by \$472,116 in 2021 when compared to 2020 due to a decrease in revenues in 2021. Miscellaneous revenues decreased due to the Ohio Bureau of Workers' Compensation reimbursement to the City in 2020.

Other Major Funds Analysis

The City's Capital Improvement fund experienced a decrease in fund balance in the amount of \$621,314 mainly due to the decrease in municipal income taxes in 2021.

The City's Water Fund experienced an increase of \$5,591,174 in its 2021 net position compared to 2020. The main contributor to this is the City's efforts to maintain expense lower than revenues.

The City's Sewer Fund experienced an increase of \$2,370,147 in its 2021 net position compared to 2020. The main contributor to this is the City's efforts to maintain expense lower than revenues.

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 2021, 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.

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

For the General Fund, original budgeted revenues including other financing sources are \$14,033,115 and final budgeted revenues including other financing sources are \$16,016,212, and actual revenue including other financing sources are \$15,053,583. Final budgeted revenues increased from original budgeted revenues. Actual revenue decreased over the final budgeted amounts. Original budgeted expenditures including other financing uses are \$15,334,473 and final budgeted expenditures including other financing uses are \$16,372,573, this increase is mainly due to transfer out. Actual general fund expenditures including other financing uses were \$16,219,368 or \$153,205 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.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Capital assets, net of depreciation, at December 31, 2021 and 2020 consisted of:

Table 3- Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 5,713,977	\$ 5,713,977	\$ 1,922,412	\$ 1,922,412	\$ 7,636,389	\$ 7,636,389
Construction in progress	462,987	2,906,948	892,471	3,592,171	1,355,458	6,499,119
Buildings and improvements	11,960,666	12,478,350	18,713,782	19,229,829	30,674,448	31,708,179
Machinery and equipment	2,021,836	1,769,133	2,118,295	2,216,007	4,140,131	3,985,140
Vehicles	2,564,014	1,935,974	369,718	432,680	2,933,732	2,368,654
Infrastructure	54,481,556	49,210,775	156,223,279	157,873,463	210,704,835	207,084,238
Total Capital Assets, Net of Depreciation	<u>\$ 77,205,036</u>	<u>\$ 74,015,157</u>	<u>\$ 180,239,957</u>	<u>\$ 185,266,562</u>	<u>\$ 257,444,993</u>	<u>\$ 259,281,719</u>

Capital assets are major assets that are used in operations and have useful lives of more than one year. As of December 31, 2021, total capital assets for the City were \$257,444,993 which reflects a decrease of \$1,836,726 from the 2020 ending balance of \$259,281,719. Governmental activities' capital assets, net of depreciation, increased \$3,189,879 from 2020. Business-type capital assets, net of depreciation, decreased \$5,026,605, as a result of several construction projects completed in 2021 and current year depreciation expenses.

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, 2021, was \$157,059,078 which consisted of \$29,469,449 for governmental activities and \$127,589,629 for business-type activities. The City-wide balance reflects a decrease of \$6,916,869 from 2020.

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

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

Table 4- Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$ 11,204,289	\$ 12,022,567	\$ 7,971,142	\$ 8,503,692	\$ 19,175,431	\$ 20,526,259
OWDA Loans	17,885,362	18,344,795	117,732,545	122,234,936	135,617,907	140,579,731
OPWC Loans	132,272	149,372	-	-	132,272	149,372
Mortgage Revenue Bonds	-	-	1,885,942	2,507,320	1,885,942	2,507,320
Police Pension Liability	65,064	68,585	-	-	65,064	68,585
Capital Leases	182,462	144,680	-	-	182,462	144,680
Total Outstanding Debt	<u>\$ 29,469,449</u>	<u>\$ 30,729,999</u>	<u>\$ 127,589,629</u>	<u>\$ 133,245,948</u>	<u>\$ 157,059,078</u>	<u>\$ 163,975,947</u>

The City's General Obligation Bond Rating from Moody's was upgraded to Aa3 effective May 2022 citing "the City's on-going property tax and income tax base expansion which has contributed to a strengthening of operating fund balance and liquidity. The rating also incorporates the city's value per capita, above average resident income characteristics, and moderate leverage of outstanding debt and post-retirement benefit liabilities." Other obligations include accrued leave benefits and landfill post-closure costs. For more information about the City's debt obligations please see Notes 9, 10 and 11 of the Notes to the Basic Financial Statements.

CURRENT FINANCIAL RELATED ACTIVITIES

The City's governmental activities have improved in the past year with Municipal Income Tax Collections Increasing over 6% from fiscal 2020 and are up over 28% in 2022 when compared to collections through July 2021. Additionally, the City received over \$1.2M from the Federal Government in 2021 as part of the American Rescue Plan Act (ARPA) and will receive an additional \$1.2M in 2022 as part of ARPA funding.

Local Property values have been reassessed by the County and as a result total valuation will increase by 6.3% effective January 1, 2022. This will result in additional property tax receipts being received in 2022.

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 Steven 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, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 20,741,743	\$ 19,414,724	\$ 40,156,467
With Escrow Agents	11,043	-	11,043
Materials and Supplies Inventory	142,233	199,470	341,703
Accounts Receivable	247,229	2,498,190	2,745,419
Accrued Interest Receivable	58,531	-	58,531
Intergovernmental Receivable	1,536,069	1,788,670	3,324,739
Prepaid Items	104,442	84,168	188,610
Municipal Income Taxes Receivable	3,486,822	-	3,486,822
Property Taxes Receivable	6,901,124	-	6,901,124
Special Assessments Receivable	297,356	106,918	404,274
Loans Receivable	-	770,530	770,530
Investment In Joint Venture	-	1,863,063	1,863,063
Nondepreciable Capital Assets	6,176,964	2,814,883	8,991,847
Depreciable Capital Assets	71,028,072	177,425,074	248,453,146
Net Pension Asset	75,218	45,192	120,410
Net OPEB Asset	600,244	360,633	960,877
Total Assets	<u>111,407,090</u>	<u>207,371,515</u>	<u>318,778,605</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferral on Refunding	260,852	91,017	351,869
Pension	3,378,207	484,246	3,862,453
OPEB	1,918,671	183,735	2,102,406
Total Deferred Outflows of Resources	<u>5,557,730</u>	<u>758,998</u>	<u>6,316,728</u>
LIABILITIES			
Accounts Payable	280,382	604,401	884,783
Accrued Wages and Benefits	373,434	115,495	488,929
Intergovernmental Payable	282,376	356,570	638,946
Matured Compensated Absences Payable	39,791	-	39,791
Accrued Interest Payable	25,464	27,193	52,657
Unearned Revenue	1,131,143	-	1,131,143
Long-term Liabilities:			
Due within one year	2,201,349	6,599,513	8,800,862
Due in more than one year:			
Net Pension Liability	20,556,875	3,036,519	23,593,394
Net OPEB Liability	2,409,462	-	2,409,462
Other Amounts	29,373,730	121,421,367	150,795,097
Total Liabilities	<u>56,674,006</u>	<u>132,161,058</u>	<u>188,835,064</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	6,711,302	-	6,711,302
Pension	4,566,738	1,576,874	6,143,612
OPEB	2,759,432	1,481,357	4,240,789
Total Deferred Inflows of Resources	<u>14,037,472</u>	<u>3,058,231</u>	<u>17,095,703</u>
NET POSITION			
Net Investment in Capital Assets	47,954,460	52,741,345	100,695,805
Restricted for:			
Debt Service	1,434,286	-	1,434,286
Capital Projects	2,634,787	-	2,634,787
Public Safety	2,588,974	-	2,588,974
Parks and Recreation	117,382	-	117,382
Streets and Highways	3,247,243	-	3,247,243
Other Purposes	22,156	-	22,156
Unrestricted	(11,745,946)	20,169,879	8,423,933
Total Net Position	<u>\$ 46,253,342</u>	<u>\$ 72,911,224</u>	<u>\$ 119,164,566</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, 2021

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
Security of Persons and Property	\$ 10,943,878	\$ 661,737	\$ 259,229	\$ -
Leisure Time Activities	1,443,906	825,105	42,217	65,109
Community Environment	434,731	389,415	150,000	-
Basic Utility Services	-	27	7,364	-
Transportation	6,073,064	-	1,774,194	3,675,881
General Government	3,060,873	301,738	2,275	-
Interest and Fiscal Charges	564,005	-	-	-
Total Governmental activities	22,520,457	2,178,022	2,235,279	3,740,990
Business-type activities:				
Water	9,607,546	15,100,270	35,574	-
Sewer	7,108,238	9,631,326	-	-
Total Business-type activities	16,715,784	24,731,596	35,574	-
Total Primary Government	\$ 39,236,241	\$ 26,909,618	\$ 2,270,853	\$ 3,740,990

General Revenues:

Property Taxes levied for:
 General Purposes
 Debt Service Purpose
 Other Purposes
Municipal Income Taxes levied for:
 General Purposes
Franchise Taxes
Grants & Entitlements not restricted to specific programs
Interest
Gain on Sale of Capital Assets
All Other Revenues
Transfers
 Total General Revenues
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
\$ (10,022,912)	\$ -	\$ (10,022,912)
(511,475)	-	(511,475)
104,684	-	104,684
7,391	-	7,391
(622,989)	-	(622,989)
(2,756,860)	-	(2,756,860)
(564,005)	-	(564,005)
<u>(14,366,166)</u>	<u>-</u>	<u>(14,366,166)</u>
-	5,528,298	5,528,298
-	2,523,088	2,523,088
<u>-</u>	<u>8,051,386</u>	<u>8,051,386</u>
<u>(14,366,166)</u>	<u>8,051,386</u>	<u>(6,314,780)</u>
4,305,018	-	4,305,018
296,829	-	296,829
2,144,102	-	2,144,102
13,346,755	-	13,346,755
351,546	-	351,546
1,432,719	-	1,432,719
(120,051)	43,887	(76,164)
334	-	334
475,270	412,169	887,439
546,121	(546,121)	-
<u>22,778,643</u>	<u>(90,065)</u>	<u>22,688,578</u>
8,412,477	7,961,321	16,373,798
37,840,865	64,949,903	102,790,768
<u>\$ 46,253,342</u>	<u>\$ 72,911,224</u>	<u>\$ 119,164,566</u>

City of Avon Lake, Ohio
Balance Sheet
Governmental Funds
December 31, 2021

	<u>General Fund</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 1,201,800	\$ 2,885,243	\$ 16,654,700	\$ 20,741,743
Cash and Cash Equivalents:				
With Escrow Agents	-	11,043	-	11,043
Materials and Supplies Inventory	-	-	142,233	142,233
Accrued Interest Receivable	-	58,531	-	58,531
Accounts Receivable	187,008	54,942	5,279	247,229
Interfund Receivable	114,897	-	117,484	232,381
Intergovernmental Receivable	548,392	-	987,677	1,536,069
Prepaid Items	83,613	-	20,829	104,442
Municipal Income Taxes Receivable	2,231,566	662,496	592,760	3,486,822
Property Taxes Receivable	4,401,184	-	2,499,940	6,901,124
Special Assessments Receivable	-	-	297,356	297,356
Total Assets	<u>\$ 8,768,460</u>	<u>\$ 3,672,255</u>	<u>\$ 21,318,258</u>	<u>\$ 33,758,973</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 77,711	\$ 82,670	\$ 120,001	\$ 280,382
Accrued Wages and Benefits	289,351	-	84,083	373,434
Intergovernmental Payable	223,055	-	59,321	282,376
Matured Compensated Absences Payable	-	-	39,791	39,791
Interfund Payable	-	-	232,381	232,381
Unearned Revenue	61,730	-	1,069,413	1,131,143
<i>Total Liabilities</i>	<u>651,847</u>	<u>82,670</u>	<u>1,604,990</u>	<u>2,339,507</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	4,280,085	-	2,431,217	6,711,302
Unavailable Revenue - Delinquent Property Taxes	121,099	-	68,723	189,822
Unavailable Revenue - Municipal Income Taxes	699,211	207,578	185,728	1,092,517
Unavailable Revenue - Other	472,084	-	974,793	1,446,877
<i>Total Deferred Inflows of Resources</i>	<u>5,572,479</u>	<u>207,578</u>	<u>3,660,461</u>	<u>9,440,518</u>
FUND BALANCES				
Nonspendable	208,572	-	157,039	365,611
Restricted	-	-	8,438,413	8,438,413
Committed	86,307	3,382,007	7,252,796	10,721,110
Assigned	684,094	-	328,104	1,012,198
Unassigned (Deficits)	1,565,161	-	(123,545)	1,441,616
<i>Total Fund Balances</i>	<u>2,544,134</u>	<u>3,382,007</u>	<u>16,052,807</u>	<u>21,978,948</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,768,460</u>	<u>\$ 3,672,255</u>	<u>\$ 21,318,258</u>	<u>\$ 33,758,973</u>

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, 2021*

Total Governmental Funds Balance 21,978,948

*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 77,205,036

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

Delinquent property taxes	\$	189,822	
Municipal income taxes		1,092,517	
Special assessments		297,356	
Intergovernmental		1,129,915	
Charges for services		19,606	
Total		2,729,216	2,729,216

In the Statement of Activities, interest is accrued on outstanding
 bonds, whereas in Governmental funds, an interest expenditure
 is reported when due. (25,464)

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

Deferred Outflows - Pension		3,378,207	
Deferred Inflows - Pension		(4,566,738)	
Net Pension Asset		75,218	
Net OPEB Asset		600,244	
Net Pension Liability		(20,556,875)	
Deferred Outflows - OPEB		1,918,671	
Deferred Inflows - OPEB		(2,759,432)	
Net OPEB Liability		(2,409,462)	
Total			(24,320,167)

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		(10,875,000)	
OPWC loans		(132,272)	
OWDA loan		(17,885,362)	
Deferral on refunding		260,852	
Unamortized bond premium		(329,289)	
Capital leases		(182,462)	
Other long-term obligations		(140,923)	
Compensated absences		(2,029,771)	
Total			(31,314,227)

Net Position of Governmental Activities 46,253,342

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, 2021

	General Fund	Capital Improvement	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 4,294,664	\$ -	\$ 2,435,310	\$ 6,729,974
Municipal Income Taxes	8,129,227	1,694,337	3,863,673	13,687,237
Franchise Taxes	410,993	-	-	410,993
Intergovernmental	1,099,212	393,318	2,486,130	3,978,660
Interest	4,191	(132,209)	7,970	(120,048)
Fees, Licenses, and Permits	345,298	-	4,403	349,701
Fines and Forfeitures	236,218	-	98,579	334,797
Rentals	76,223	-	114,214	190,437
Charges for Services	622,406	-	668,045	1,290,451
Contributions and Donations	2,275	51,000	97,040	150,315
Special Assessments	-	-	219,315	219,315
All Other Revenues	170,722	112,860	161,135	444,717
Total Revenues	15,391,429	2,119,306	10,155,814	27,666,549
EXPENDITURES				
Current:				
Security of Persons and Property	7,574,010	13,673	3,292,170	10,879,853
Leisure Time Activities	239,772	-	1,382,583	1,622,355
Community Environment	511,243	-	150,609	661,852
Transportation	3,723,479	37,445	1,890,598	5,651,522
General Government	3,477,545	80,962	22,595	3,581,102
Capital Outlay	-	2,642,604	63,997	2,706,601
Debt Service:				
Principal Retirement	-	68,207	1,265,054	1,333,261
Interest and Fiscal Charges	2,830	3,718	560,044	566,592
Total Expenditures	15,528,879	2,846,609	8,627,650	27,003,138
Excess of Revenues (Under) Expenditures	(137,450)	(727,303)	1,528,164	663,411
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	334	-	-	334
Inception of Capital Lease	-	105,989	-	105,989
Transfers In	-	-	435,000	435,000
Transfers Out	(335,000)	-	(100,000)	(435,000)
Total Other Financing Sources (Uses)	(334,666)	105,989	335,000	106,323
Net Change in Fund Balances	(472,116)	(621,314)	1,863,164	769,734
Fund Balances - Beginning of Year	3,016,250	4,003,321	14,189,643	21,209,214
Fund Balances - End of Year	\$ 2,544,134	\$ 3,382,007	\$ 16,052,807	\$ 21,978,948

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, 2021*

Net Change in Fund Balances-Total Governmental Funds \$ 769,734

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay and contributions exceeded depreciation in the current period.

Capital outlay	\$	3,046,570	
Capital contributions		3,834,275	
Depreciation		<u>(3,690,966)</u>	
Total			3,189,879

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

Delinquent property taxes		15,975	
Municipal income taxes		(340,482)	
Special assessments		(262,283)	
Intergovernmental		80,150	
Charges for services		<u>(61,583)</u>	
Total			(568,223)

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 a capital lease. (105,989)

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. 1,333,261

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

Pension			2,014,708
OPEB			36,977

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability, net pension asset, and net OPEB liability are reported as pension expense in the statement of activities.

Pension			(1,684,352)
OPEB			3,304,833

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		52,056	
Landfill postclosure costs		69,884	
Accrued interest on bonds		1,572	
Amortization of bond premium		33,278	
Amortization of deferral on refunding		<u>(35,141)</u>	
Total			<u>121,649</u>

Change in Net Position of Governmental Activities \$ 8,412,477

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, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 3,673,339	\$ 4,880,773	\$ 4,294,664	\$ (586,109)
Other Taxes	336,604	447,247	393,539	(53,708)
Intergovernmental	807,457	1,072,870	944,034	(128,836)
Interest	3,585	4,763	4,191	(572)
Fees, Licenses, and Permits	295,342	392,422	345,298	(47,124)
Fines and Forfeitures	205,254	272,722	239,972	(32,750)
Charges for Services	507,037	673,702	592,800	(80,902)
Rentals	65,196	86,625	76,223	(10,402)
Contributions and Donations	1,946	2,585	2,275	(310)
All Other Revenues	137,069	182,123	160,253	(21,870)
Total Revenues	6,032,829	8,015,832	7,053,249	(962,583)
Expenditures:				
Current:				
Security of Persons and Property	7,317,316	7,724,316	7,738,451	(14,135)
Community Environment	738,203	685,453	673,765	11,688
Transportation	3,405,504	3,902,504	3,820,198	82,306
General Government	3,283,450	3,447,550	3,374,311	73,239
Total Expenditures	14,744,473	15,759,823	15,606,725	153,098
Excess of Revenues Over (Under) Expenditures	(8,711,644)	(7,743,991)	(8,553,476)	(809,485)
Other Financing Sources (Uses)				
Sale of Capital Assets	286	380	334	(46)
Transfers In	8,000,000	8,000,000	8,000,000	-
Transfers Out	(590,000)	(612,750)	(612,643)	107
Total Other Financing Sources (Uses)	7,410,286	7,387,630	7,387,691	61
Net Change in Fund Balance	(1,301,358)	(356,361)	(1,165,785)	(809,424)
Fund Balance - Beginning of Year	1,686,060	1,686,060	1,686,060	-
Prior Year Encumbrances Appropriated	272,478	272,478	272,478	-
Fund Balance - End of Year	\$ 657,180	\$ 1,602,177	\$ 792,753	\$ (809,424)

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

City of Avon Lake, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2021

	Business-Type Activities - Enterprise Funds		
	Water Fund	Sewer Fund	Total
ASSETS			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$13,566,659	\$5,848,065	\$19,414,724
Materials and Supplies Inventory	73,218	126,252	199,470
Accounts Receivable	1,046,055	1,452,135	2,498,190
Interfund Receivable	3,600,000	-	3,600,000
Intergovernmental Receivable	596,056	1,192,614	1,788,670
Prepaid Items	30,533	53,635	84,168
Special Assessments Receivable	-	106,918	106,918
Loans Receivable	-	770,530	770,530
Total Current Assets	18,912,521	9,550,149	28,462,670
Noncurrent Assets:			
Investment in Joint Venture	1,863,063	-	1,863,063
Capital Assets:			
Land	846,330	1,076,082	1,922,412
Construction in Progress	892,471	-	892,471
Depreciable Assets, Net of Depreciation	77,912,524	99,512,550	177,425,074
Net Pension Asset	23,301	21,891	45,192
Net OPEB Asset	185,944	174,689	360,633
Total Noncurrent Assets	81,723,633	100,785,212	182,508,845
Total Assets	100,636,154	110,335,361	210,971,515
DEFERRED OUTFLOWS OF RESOURCES			
Deferral on Refunding	-	91,017	91,017
Pension	249,679	234,567	484,246
OPEB	94,827	88,908	183,735
Total Deferred Outflows of Resources	344,506	414,492	758,998
LIABILITIES			
Current Liabilities:			
Accounts Payable	456,155	148,246	604,401
Accrued Wages and Benefits	61,884	53,611	115,495
Intergovernmental Payable	195,490	161,080	356,570
Interfund Payable	-	3,600,000	3,600,000
Accrued Interest Payable	11,529	15,664	27,193
Compensated Absences Payable	86,405	105,677	192,082
General Obligation Bonds Payable	290,000	225,000	515,000
Revenue Bonds Payable	630,000	-	630,000
OWDA Loans Payable	2,550,249	2,712,182	5,262,431
Total Current Liabilities	4,281,712	7,021,460	11,303,172
Noncurrent Liabilities:			
Compensated Absences Payable	97,482	141,687	239,169
General Obligation Bonds Payable	1,112,112	6,344,030	7,456,142
Revenue Bonds Payable	1,255,942	-	1,255,942
OWDA Loans Payable	38,302,181	74,167,933	112,470,114
Net Pension Liability	1,565,642	1,470,877	3,036,519
Total Noncurrent Liabilities	42,333,359	82,124,527	124,457,886
Total Liabilities	46,615,071	89,145,987	135,761,058
DEFERRED INFLOWS OF RESOURCES			
Pension	813,043	763,831	1,576,874
OPEB	821,777	659,580	1,481,357
Total Deferred Inflows of Resources	1,634,820	1,423,411	3,058,231
NET POSITION			
Net Investment in Capital Assets	35,510,841	17,230,504	52,741,345
Unrestricted	17,219,928	2,949,951	20,169,879
Total Net Position	\$52,730,769	\$20,180,455	\$72,911,224

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, 2021

	Business-Type Activities - Enterprise Funds		
	Water Fund	Sewer Fund	Total
OPERATING REVENUES			
Charges for Services	\$15,100,270	\$9,631,326	\$24,731,596
Miscellaneous	91,513	262,387	353,900
Total Operating Revenues	15,191,783	9,893,713	25,085,496
OPERATING EXPENSES			
Salaries	492,645	778,856	1,271,501
Purchased Services	5,311,374	571,670	5,883,044
Materials and Supplies	1,289,777	439,176	1,728,953
Depreciation	2,290,951	3,234,414	5,525,365
Other	31,559	328,749	360,308
Total Operating Expense	9,416,306	5,352,865	14,769,171
Operating Income	5,775,477	4,540,848	10,316,325
NONOPERATING REVENUES (EXPENSES)			
Interest	9,215	34,672	43,887
Interest and Fiscal Charges	(191,240)	(1,755,373)	(1,946,613)
Intergovernmental	35,574	-	35,574
Capital Distribution	(546,121)	-	(546,121)
Gain on Investment in Joint Venture	58,269	-	58,269
Total Nonoperating Revenues (Expenses)	(634,303)	(1,720,701)	(2,355,004)
Transfers In	450,000	-	450,000
Transfers Out	-	(450,000)	(450,000)
Change in Net Position	5,591,174	2,370,147	7,961,321
Net Position - Beginning of Year	47,139,595	17,810,308	64,949,903
Net Position - End of Year	\$52,730,769	\$20,180,455	\$72,911,224

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, 2021

	Business-Type Activities - Enterprise Funds		
	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Charges for Services	\$15,310,177	\$9,917,449	\$25,227,626
Cash Received from Other Operating Sources	91,513	262,387	353,900
Cash Payments for Employee Services and Benefits	(2,571,730)	(2,391,101)	(4,962,831)
Cash Payments for Goods and Services	(6,481,521)	(918,333)	(7,399,854)
Cash Payments for Other Operating Expenses	(29,825)	(266,142)	(295,967)
Net Cash Provided by Operating Activities	<u>6,318,614</u>	<u>6,604,260</u>	<u>12,922,874</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	5,201,825	5,439,124	10,640,949
Transfers Out	(4,716,251)	(5,889,124)	(10,605,375)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>485,574</u>	<u>(450,000)</u>	<u>35,574</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from OWDA Loans	17,343	674,815	692,158
Principal Paid on G.O. Bonds and Revenue Bonds	(900,000)	(225,000)	(1,125,000)
Principal Paid on OWDA Loans	(2,545,213)	(2,649,336)	(5,194,549)
Interest Payments	(184,908)	(1,755,361)	(1,940,269)
Payments for Capital Acquisitions	(626,462)	(449,542)	(1,076,004)
Special Assessments	-	26,583	26,583
Net Cash (Used in) Capital and Related Financing Activities	<u>(4,239,240)</u>	<u>(4,377,841)</u>	<u>(8,617,081)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	19,246	21,362	40,608
Net Cash Provided by Investing Activities	<u>19,246</u>	<u>21,362</u>	<u>40,608</u>
Net Increase in Cash and Cash Equivalents	2,584,194	1,797,781	4,381,975
Cash and Cash Equivalents - Beginning of Year	10,982,465	4,050,284	15,032,749
Cash and Cash Equivalents - End of Year	<u><u>\$13,566,659</u></u>	<u><u>\$5,848,065</u></u>	<u><u>\$19,414,724</u></u>

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

(Continued)

City of Avon Lake, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021
(Continued)

	Business-Type Activities - Enterprise Funds		
	Water Fund	Sewer Fund	Total
RECONCILIATION OF OPERATING INCOME			
TO NET CASH PROVIDED BY			
OPERATING ACTIVITIES			
Operating Income	\$5,775,477	\$4,540,848	\$10,316,325
Adjustments:			
Depreciation	2,290,951	3,234,414	5,525,365
(Increase) Decrease in Assets and Deferred Outflows of Resources:			
Accounts Receivable	136,905	85,391	222,296
Prepays	9,843	(22,477)	(12,634)
Materials and Supplies Inventory	(23,339)	(16,534)	(39,873)
Intergovernmental Receivable	76,986	-	76,986
Loans Receivable	-	184,755	184,755
Net Pension Asset	(337)	(1,289)	(1,626)
Net OPEB Asset	(185,944)	(174,689)	(360,633)
Deferred Outflows of Resources - Pension	185,469	148,847	334,316
Deferred Outflows of Resources - OPEB	213,987	183,473	397,460
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:			
Accounts Payable	221,596	91,155	312,751
Accrued Wages and Benefits	(2,634)	(8,611)	(11,245)
Compensated Absences Payable	36,612	(95,063)	(58,451)
Intergovernmental Payable	(47,190)	119,684	72,494
Net Pension Liability	(926,894)	(765,276)	(1,692,170)
Net OPEB Liability	(1,721,666)	(1,544,575)	(3,266,241)
Deferred Inflows of Resources - Pension	(94,791)	228,473	133,682
Deferred Inflows of Resources - OPEB	373,583	415,734	789,317
Net Cash Provided by Operating Activities	\$6,318,614	\$6,604,260	\$12,922,874

City of Avon Lake, Ohio
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2021

	Custodial
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 50,310
Cash and Cash Equivalents with Fiscal Agent	2,272,300
Total Assets	2,322,610
LIABILITIES	
Due to External Parties	436,173
Total Liabilities	436,173
NET POSITION	
Restricted For:	
Individuals, Organizations, and Other Governments	1,886,437
Total Net Position	\$ 1,886,437

See accompany notes to the basic financial statements.

City of Avon Lake, Ohio
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2021

	Custodial
ADDITIONS	
Amounts Received as Fiscal Agent	\$ 5,404,166
Fines and Forfeitures for Other Governments	973,832
Total Additions	6,377,998
 DEDUCTIONS	
Fines and Forefeitures Distributions to Other Governments	973,766
Distributions as Fiscal Agent	4,823,531
Total Deductions	5,797,297
Net Increase in Fiduciary Net Position	580,701
 Net Position - Beginning of Year	 1,305,736
Net Position - End of Year	\$ 1,886,437

See accompany notes to the basic financial statements.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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 15).

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, 2021
(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, 2021
(Continued)

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

B. Fund Accounting (Continued)

The following are the City's major governmental funds:

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.

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.

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 (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The City's fiduciary funds are custodial funds. Custodial funds are used to account for fees and deposits collected on behalf of others, municipal court collections that are distributed to various local governments, and the City serves as the fiscal agent for the Medina-Lorain Water Consortium.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(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 total net position.

Fund Financial Statements

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and 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.

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

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 sixty days of year-end.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include municipal income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from municipal 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: municipal 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 represent 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 are reported on the government-wide statement of net position for deferral on refunding, pension and OPEB. A deferral on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13.

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, pension, OPEB and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2021, but which were levied to finance year 2022 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, special assessments, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities fund on page 23. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13)

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(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 custodial 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 2021.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(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, five 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. **Equity in Pooled Cash and Cash Equivalents**

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "equity in pooled 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 funds, U.S. agencies, U.S. Treasury notes, and STAR Ohio, an investment pool managed by the State Treasurer's Office.

The City's investment in State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The city measures their investment in STAR Ohio as the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

F. **Equity in Pooled Cash and Cash Equivalents** (Continued)

For 2021, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

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 during 2021 amounted to negative amount of \$132,209 due to the change in fair market value from the prior year.

The cash of the Municipal Court is included in the “equity in pooled cash and cash equivalents” line item on the Statement of Fiduciary Net Position. 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 \$11,043 represents cash held by escrow agent for contractor retainage. During 2021, this amount was invested in money market savings interest bearing accounts.

Investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the City are presented on the financial statements as “cash”. Investments with an original maturity of more than three months are reported as “Equity in Pooled Cash and 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 Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2021 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, 2021
(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 acquisition value 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:

Description	Governmental Activities Useful Lives	Business-Type Activities Useful Lives
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. **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.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

L. **Compensated Absences** (Continued)

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. **Pensions/Other Postemployment Benefits (OPEB)**

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

N. **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. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

O. **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 policies of the City Council or a City official delegated that authority by City Charter or ordinance, or by State statute. State statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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, 2021
(Continued)

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

P. 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 a total of \$10,044,828 for 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, 2021
(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. Neither type of transaction occurred during 2021.

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**

During the year, the City implemented the following Governmental Accounting Standards Board (GASB) Statements:

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. These changes were incorporated in the City's financial statements; however, there was no effect on the beginning net position/fund balance.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*. The objective of this Statement is to establish the term annual comprehensive financial report and its acronym *ACFR*. These changes were incorporated in the City's financial statements; however, there was no effect on the beginning net position/fund balance.

GASB Implementation Guide 2019-1, *Update*. These changes were incorporated in the City's financial statements; however, there was no effect on the beginning net position/fund balance.

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);

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 4: **BUDGETARY BASIS OF ACCOUNTING** (Continued)

- 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	\$ (472,116)
<u>Increase (Decrease) Due to:</u>	
Revenue Accruals	(336,737)
Expenditure Accruals	(187,896)
Outstanding Encumbrances	(179,183)
Funds with Separate Legally Adopted Budgets	10,147
Budgetary Basis-Net Change in Fund Balance	\$ (1,165,785)

NOTE 5: **ACCOUNTABILITY AND COMPLIANCE**

A. Accountability

At December 31, 2021, Troy School Driveway Fund, Pool Renovation Fund, Cove Avenue Improvements Fund, and Curtis Road Sewer Improvements Fund (non-major governmental funds) had deficit fund balances of \$5,000, \$580, \$96,442, and \$21,523, 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.

B. Compliance

The City had negative cash fund balances Cops Special Revenue Fund, Recreation Special Revenue Fund, Curtis Road Sewer Improvements Capital Project Fund, Pool Renovation Capital Project Fund and Office on Aging Special Revenue fund in the amounts of \$1,653, \$1,718, \$21,523, \$580 and \$2,210, respectively, indicating that revenue from other sources were used to pay obligations contrary to Ohio Revised Code Section 5705.10 (H).

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 5: **ACCOUNTABILITY AND COMPLIANCE** (Continued)

Contrary to Ohio Revised Code Section 5705.39 the following has total appropriations in excess of total estimated resources:

Fund	Total Estimated Resources	Total Appropriations	Variance
<u>Office on Aging Fund</u>			
Final Budget	\$ 73,023	\$ 75,250	\$ (2,227)
<u>Cable TV Fund</u>			
Final Budget	195,844	198,840	(2,996)
<u>COPS Fund</u>			
Final Budget	275,939	281,055	(5,116)
<u>Recreation Fund</u>			
Final Budget	1,364,989	1,368,970	(3,981)
<u>Local Coronavirus Relief Fund</u>			
Final Budget	26,906	144,146	(117,240)
<u>Sidewalk/Street Lighting Fund</u>			
Final Budget	288,405	300,000	(11,595)

Contrary to Ohio Revised Code Section 5705.41(B), the following had expenditures in excess of appropriations.

Fund	Final Appropriations	Actual Expenditures	Variance
<u>General Fund</u>			
Police			
Personal	\$ 4,275,445	\$ 4,307,558	\$ (32,113)
Planning Commission			
Personal	136,545	141,019	(4,474)
Service			
Personal	2,683,990	2,695,168	(11,178)
Legislative- Council			
Personal	198,005	202,842	(4,837)
<u>Capital Improvement Fund</u>			
General Government	65,100	124,931	(59,831)
<u>COPS Fund</u>			
Police			
Personal Services	281,055	282,854	(1,799)
<u>Recreation Fund</u>			
Leisure Time Activities			
Personal Services	862,920	870,451	(7,531)
<u>Cove Avenue Improvement</u>			
Transfers Out	-	17,034	(17,034)

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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.
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.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

A. **Legal Requirements** (Continued)

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 \$22,136,933 and \$2,645 in petty cash with the bank balance at \$22,862,781. Of the City's bank balance, \$760,175 was covered by federal depository insurance and \$11,734,621 uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name, and \$10,367,985 was uninsured and uncollateralized. One of the City's financial institutions was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System, resulting in the uninsured and uncollateralized balance.

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

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

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The City's financial institutions had enrolled in OPCS as of December 31, 2021.

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, Federal Farm Credit Bank, and Fannie Mae 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.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

C. **Investments** (Continued)

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.

STAR Ohio is measured at net asset value per share while all other investments are measured at fair value. Fair value is determined by quoted market prices and acceptable other pricing methodologies.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The City's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs). The following table identifies the City's recurring fair value measurement as of December 31, 2021. As previously discussed, Star Ohio is reported at its net asset value. As of December 31, 2021, the City had the following investments:

<u>Investment Type</u>	<u>Measurement Value</u>	<u>Level Input</u>	<u>Maturities</u>
Federal Home Loan Bank	\$ 2,721,095	2	3/11/2022-3/14/2025
Federal Farm Credit Bank	500,085	2	6/2/2022
Freddie Mac	984,210	2	6/26/2023 & 9/23/2025
Fannie Mae	3,040,200	2	07/02/2024-06/17/2025
United States Treasury Notes	8,354,670	2	1/31/22-11/30/26
Money Market Mutual Funds	81,202	N/A	n/a
STAR Ohio	4,669,080	N/A	n/a
Total Investments	<u>\$ 20,350,542</u>		
Carrying Amount of Deposits	22,136,933		
Petty Cash	2,645		
Total Cash and Investments	<u>\$ 42,490,120</u>		

* Credit Ratings were obtained from Standard & Poor's, respectively, for all investments.

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, 2021
(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, 2021:

<u>Investment Type</u>	<u>Measurement Value</u>	<u>Investment</u>
Federal Home Loan Bank	\$ 2,721,095	13.37%
Federal Farm Credit Bank	500,085	2.46%
Freddie Mac	984,210	4.84%
Fannie Mae	3,040,200	14.94%
United States Treasury Notes	8,354,670	41.04%
Money Market Mutual Funds	81,202	0.40%
STAR Ohio	4,669,080	22.94%
Total Investments	<u>\$ 20,350,542</u>	<u>99.99%</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	25.00%
STAR Ohio	90.00%
Repurchase Agreement	40.00%
Commercial Paper or Bankers Acceptances	25.00%

NOTE 7: **RECEIVABLES**

Receivables at December 31, 2021, 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.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 7: **RECEIVABLES** (Continued)

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 2020. 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, 2021 was \$8.02 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2021 property tax receipts were based are as follows:

Real Property -	
Residential/Agriculture	\$ 850,012,420
Other Real Estate	113,672,680
Tangible Personal Property	
Public Utilities	74,951,190
Total Valuation	\$ 1,038,636,290

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.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 7: **RECEIVABLES** (Continued)

B. Income Taxes (Continued)

By City ordinance, 64 percent of the income tax proceeds were credited to the General Fund, 19 percent of the municipal income tax proceeds were credited to the Capital Improvement Fund (a capital projects fund) 13 percent of the income tax proceeds were credited to the General Bond Retirement (Unvoted) Fund (a debt service fund) and 4 percent of the income tax proceeds were credited to the Recreation Fund (a special revenue fund).

C. Intergovernmental Revenues

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Homestead and Rollback	\$ 410,935
Gasoline Tax	727,605
Permissive Tax	11,400
Local Government	248,359
Auto Registration	58,995
Courts	37,135
Avon Lake City School District	36,640
Troy School	5,000
Total Governmental Activities	1,536,069
Business-Type Activities	
Water	596,056
Sewer	1,192,614
Total Business-Type Activities	1,788,670
Total Intergovernmental Receivable	\$ 3,324,739

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. On September 15, 2011, the first amendment to the agreement was authorized and approved with a project certification date of November 18, 2011. On November 17, 2015 the second amendment to the agreement was authorized and approved. Therefore, the repayment of the tap fees will be \$100,000 on each of the tenth, eleventh, twelfth, thirteenth, fourteenth, fifteenth, and sixteenth anniversaries of the certification date and \$75,000 on the seventeenth anniversary. LORCO shall pay to ALMU an amount equal to \$31,754 on each of the tenth, eleventh, and twelfth anniversaries of the certification date, in respect of the accumulated interest for deferring the tap fee by three years. Also, LORCO shall pay to ALMU an amount equal to \$40,294 on each of the tenth, eleventh, twelfth, thirteenth, fourteenth, fifteenth, sixteenth and seventieth anniversaries of the certification date. The first payment due in 2021 was deferred until 2022. The City has recorded the intergovernmental receivable in the Sewer Fund.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 8: CAPITAL ASSETS

	Balances 12/31/2020	Additions	Disposals	Balances 12/31/2021
Governmental Activities				
Nondepreciable Assets:				
Land	\$ 5,713,977	\$ -	\$ -	\$ 5,713,977
Construction in progress	2,906,948	462,987	(2,906,948)	462,987
Total Nondepreciable Assets	<u>8,620,925</u>	<u>462,987</u>	<u>(2,906,948)</u>	<u>6,176,964</u>
Depreciable Assets:				
Buildings and Improvements	21,694,307	-	-	21,694,307
Machinery and Equipment	4,768,177	512,992	(69,748)	5,211,421
Vehicles	6,136,540	970,787	(195,009)	6,912,318
Infrastructure	101,502,192	7,841,027	-	109,343,219
Total Depreciable Assets	<u>134,101,216</u>	<u>9,324,806</u>	<u>(264,757)</u>	<u>143,161,265</u>
Less Accumulated Depreciation				
Buildings and Improvements	(9,215,957)	(517,684)	-	(9,733,641)
Machinery and Equipment	(2,999,044)	(260,289)	69,748	(3,189,585)
Vehicles	(4,200,566)	(342,747)	195,009	(4,348,304)
Infrastructure	(52,291,417)	(2,570,246)	-	(54,861,663)
Total Accumulated Depreciation	<u>(68,706,984)</u>	<u>(3,690,966)</u> *	<u>264,757</u>	<u>(72,133,193)</u>
Total Depreciable Assets, Net	<u>65,394,232</u>	<u>5,633,840</u>	<u>-</u>	<u>71,028,072</u>
Governmental Activities Capital Assets, Net	<u>\$ 74,015,157</u>	<u>\$ 6,096,827</u>	<u>\$ (2,906,948)</u>	<u>\$ 77,205,036</u>

* Depreciation expense was charged to governmental functions as follows:

Security of Persons and Property	\$ 308,072
Leisure Time Activities	302,084
Transportation	2,558,628
Community Environment	3,313
General Government	518,869
Total Depreciation Expense	<u>\$ 3,690,966</u>

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

	Balances 12/31/2020	Additions	Disposals	Balances 12/31/2021
Business-Type Activities				
Nondepreciable Assets:				
Land	\$ 1,922,412	\$ -	\$ -	\$ 1,922,412
Construction in progress	3,592,171	897,611	(3,597,311)	892,471
Total Nondepreciable Assets	<u>5,514,583</u>	<u>897,611</u>	<u>(3,597,311)</u>	<u>2,814,883</u>
Depreciable Assets:				
Buildings and Improvements	43,114,619	45,750	-	43,160,369
Machinery and Equipment	4,804,046	132,643	-	4,936,689
Vehicles	1,095,297	-	-	1,095,297
Infrastructure	193,315,555	3,020,067	-	196,335,622
Total Depreciable Assets	<u>242,329,517</u>	<u>3,198,460</u>	<u>-</u>	<u>245,527,977</u>
Less Accumulated Depreciation				
Buildings and Improvements	(23,884,790)	(561,797)	-	(24,446,587)
Machinery and Equipment	(2,588,039)	(230,355)	-	(2,818,394)
Vehicles	(662,617)	(62,962)	-	(725,579)
Infrastructure	(35,442,092)	(4,670,251)	-	(40,112,343)
Total Accumulated Depreciation	<u>(62,577,538)</u>	<u>(5,525,365)</u>	<u>-</u>	<u>(68,102,903)</u>
Total Depreciable Assets, Net	<u>179,751,979</u>	<u>(2,326,905)</u>	<u>-</u>	<u>177,425,074</u>
Business-Type Activities Capital Assets, Net	<u>\$ 185,266,562</u>	<u>\$ (1,429,294)</u>	<u>\$ (3,597,311)</u>	<u>\$ 180,239,957</u>

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City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(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	2012	2028	1.0% - 2.75%	\$ 765,000
Refunding	2015	2028	2.0% - 3.0%	2,964,998
Various Purpose Bond	2019	2039	2.0% - 3.0%	9,360,000
Ohio Public Works Commission Loan - Direct Borrowings				
Walker Road/Bike Lane	2009	2024	0.00%	100,000
Walker Road/Lear Road Intersection	2014	2034	0.00%	125,000
Lear Road/Krebs Intersection	2017	2040	0.00%	125,000
Central Avon Lake Drainage Project (*)	2017	2027	0.00%	375,000
Ohio Water Development Authority Loan - Direct Borrowings				
Jaycox Sewer Separation	2010	2041	3.27%	253,409
Belmar Sewer Separation	2013	2044	2.94%	1,082,498
Mull/Norman Sanitary Sewer Force Main	2016	2036	2.21%	578,870
Stop 45 Area CSO	2017	2050	1.61%	7,952,352
Fairfield-Brookfield Combined	2017	2049	0.76%	8,481,666
Curtis Sanitary Sewer Rehab	2018	2039	2.15%	2,001,153
Business-Type Activities				
General Obligation Bonds				
Refunding	2012	2028	1.0% - 2.75%	3,430,000
Utilities Improvement Bond	2019	2049	3.0% - 5.0%	6,635,000
Mortgage Revenue Bonds				
Water System Refunding	2015	2026	2.0% - 2.25%	4,820,000
Ohio Water Development Authority Loan - Direct Borrowings				
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%	19,167,873
Sewer Separation	2010	2041	3.27%	3,018,029
Water Plant Expansion	2013	2044	2.84%	4,925,787
Belmar Sewer Separation	2013	2044	2.94%	3,741,941
Additional Storage and Interconnection HAB (*)	2015	2038	0.18%	25,557,530
Additional Storage and Interconnection HAB (*)	2016	2038	0.00%	8,202,468
Lear/Nagel Sanitary Sewer Force Main	2016	2026	2.21%	284,831
Mull/Norman Sanitary Sewer Force Main	2016	2036	2.21%	2,428,402
Water Pollution ControlCenter Rehab	2016	2050	0.45%	37,602,786
Stop 45 Area CSO	2017	2050	1.61%	10,912,152
Lateral Loan Program (*)	2017	2036	0.00%	5,000,000
Fairfield-Brookfield Combined	2017	2049	0.76%	6,372,711
Elyria Interconnect HAB	2018	2039	2.15%	2,001,153
Curtis Sanitary Sewer Rehab	2018	2039	2.15%	2,009,525
Water Main Bundle (*)	2019	2041	2.25%	2,717,821
Plant Effluent Flow Diversion (*)	2021	2041	1.28%	674,815

* - Final amortization schedules have not been completed as of December 31, 2021.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 9: LONG-TERM OBLIGATIONS (Continued)

Changes in the City's long-term obligations during 2021 were as follows:

	Outstanding 12/31/2020	Additions	Reductions	Outstanding 12/31/2021	Amount Due in One Year
Governmental activities					
General obligation bonds					
Refunding bonds (2012)					
various through 2028	\$ 425,000	\$ -	\$ 50,000	\$ 375,000	\$ 50,000
Unamortized premium	5,559	-	654	4,905	-
Refunding bonds (2015)					
Recreational Facilities through 2028	2,345,000	-	260,000	2,085,000	270,000
Unamortized premium	208,988	-	24,587	184,401	-
Various Purpose Bonds (2019) through 2039	8,890,000	-	475,000	8,415,000	490,000
Unamortized premium	148,020	-	8,037	139,983	-
Total general obligation bonds	<u>12,022,567</u>	<u>-</u>	<u>818,278</u>	<u>11,204,289</u>	<u>810,000</u>
Loans - Direct Borrowings					
OPWC loan- Walker Rd/Bike Lane					
0.0% through 2024	26,665	-	10,000	16,665	6,667
OPWC loan- Walker Rd/Lear Rd Intersection					
Upgrade, 0.0% through 2034	90,625	-	6,250	84,375	6,250
OPWC loan- Lear Road/Krebs Intersection					
Upgrade, 0.0% through 2040	19,533	-	850	18,683	850
OPWC loan- Central Avon Lake Drainage Project					
Phase II, 0.0% through 2027	12,549	-	-	12,549	-
OWDA loan - Jaycox Sewer					
Separation, 3.27% through 2041	197,109	-	7,020	190,089	7,251
OWDA loan - Belmar Sewer Separation (2013)					
2.94% through 2044	973,636	-	29,260	944,376	30,126
OWDA loan - Mull/Norman Sanitary Sewer					
Force Main, 2.21% through 2036	469,482	-	30,261	439,221	30,260
OWDA loan - Stop 45 Area CSO (2017)					
1.610% through 2050	8,093,812	-	177,835	7,915,977	218,618
OWDA loan - Fairfield-Brookfield Combined					
Sewer Separation (2017) 0.760% through 2049	8,062,488	-	199,688	7,862,800	247,425
OWDA loan - Curtis Sanitary Sewer Rehab (2018)					
2.15% through 2035	548,268	-	15,369	532,899	27,736
Total Loans - Direct Borrowings	<u>18,494,167</u>	<u>-</u>	<u>476,533</u>	<u>18,017,634</u>	<u>575,183</u>
Net Pension Liability					
OPERS	6,695,082	-	1,641,051	5,054,031	-
OP&F	15,382,990	119,854	-	15,502,844	-
Total Net Pension Liability	<u>22,078,072</u>	<u>119,854</u>	<u>1,641,051</u>	<u>20,556,875</u>	<u>-</u>
Net OPEB Liability					
OPERS	4,624,482	-	4,624,482	-	-
OP&F	2,255,596	153,866	-	2,409,462	-
Total Net OPEB Liability	<u>6,880,078</u>	<u>153,866</u>	<u>4,624,482</u>	<u>2,409,462</u>	<u>-</u>
Landfill postclosure costs	145,743	2,988	72,872	75,859	75,859
Police pension liability	68,585	-	3,521	65,064	3,673
Capital leases	144,680	105,989	68,207	182,462	69,415
Compensated absences	2,081,827	643,527	695,583	2,029,771	667,219
Total Governmental activities	<u>\$ 61,915,719</u>	<u>\$ 1,026,224</u>	<u>\$ 8,400,527</u>	<u>\$ 54,541,416</u>	<u>\$ 2,201,349</u>

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 9: LONG-TERM OBLIGATIONS (Continued)

	Outstanding 12/31/2020	Additions	Reductions	Outstanding 12/31/2021	Amount Due in One Year
Business-type activities					
General obligation bonds					
Refunding bonds (2012)					
various % through 2028	\$ 1,900,000	\$ -	\$ 225,000	\$ 1,675,000	\$ 225,000
Unamortized premium	25,372	-	2,985	22,387	-
Utilities Improvement bonds (2019)					
various % through 2049	6,355,000	-	285,000	6,070,000	290,000
Unamortized premium	223,320	-	19,565	203,755	-
Total general obligation bonds	<u>8,503,692</u>	<u>-</u>	<u>532,550</u>	<u>7,971,142</u>	<u>515,000</u>
Mortgage revenue bonds					
Water system refunding (2015)					
various % through 2026	2,485,000	-	615,000	1,870,000	630,000
Unamortized premium	22,320	-	6,378	15,942	-
Total Mortgage revenue bonds	<u>2,507,320</u>	<u>-</u>	<u>621,378</u>	<u>1,885,942</u>	<u>630,000</u>
OWDA Loans - Direct Borrowings					
Water system improvements (2003)					
4.51% through 2025	1,468,081	-	301,265	1,166,816	308,059
Fay/Vineyard sanitary sewer (2008)					
4.15% through 2029	774,019	-	83,427	690,592	86,032
Center Road pump station (2008)					
4.28% through 2029	682,222	-	73,185	609,037	76,351
LORCO force main (2009)					
3.68% through 2041	7,966,643	-	257,130	7,709,513	266,679
LORCO collection system (2009)					
4.08% through 2041	15,606,198	-	481,679	15,124,519	501,532
Sewer separation (2010)					
3.27% through 2041	2,118,431	-	76,585	2,041,846	79,109
Water Plant Expansion (2013)					
2.84% through 2044	4,117,767	-	129,015	3,988,752	132,705
Belmar Sewer Separation (2013)					
2.94% through 2044	3,131,071	-	94,094	3,036,977	96,881
Additional Storage and Interconnection HAB (2015)					
0.18% through 2038	21,782,282	-	1,260,681	20,521,601	1,260,681
Additional Storage and Interconnection HAB (2016)					
0.00% through 2038	5,176,197	-	410,124	4,766,073	410,124
Lear/Nagel Sanitary Sewer Force main (2016)					
2.21% through 2036	156,656	-	28,483	128,173	28,483
Mull/Norman Sanitary Sewer Force Main (2016)					
2.21% through 2036	1,967,218	-	126,946	1,840,272	126,946
Water Pollution ControlCenter Rehab (2016)					
0.45% through 2050	36,427,715	-	1,176,768	35,250,947	1,184,046
Stop 45 Area CSO (2017)					
1.610% through 2050	8,138,596	-	225,698	7,912,898	223,035
Lateral Loan Program (2017)					
0.000% through 2036	1,417,957	-	-	1,417,957	-
Fairfield-Brookfield Combined					
Sewer Separation (2017) 0.760% through 2049	5,756,166	-	214,648	5,541,518	192,598
Elyria Interconnect HAB	1,735,228	-	75,538	1,659,690	94,840
Curtis Sanitary Sewer Rehab (2018)					
2.15% through 2035	1,189,767	-	53,361	1,136,406	52,262
Water Main Bundle (2019)					
2.25% through 2041	2,622,722	17,343	109,980	2,530,085	109,980
Plant Effluent Flow Diversion (2021)					
1.28% through 2041	-	674,815	15,942	658,873	32,088
Total OWDA Loans - Direct Borrowings	<u>122,234,936</u>	<u>692,158</u>	<u>5,194,549</u>	<u>117,732,545</u>	<u>5,262,431</u>
Net Pension Liability - OPERS					
	4,728,689		1,692,170	3,036,519	-
Net OPEB Liability - OPERS					
	3,266,241		3,266,241	-	-
Compensated absences					
	489,702	130,446	188,897	431,251	192,082
Total business-type activities	<u>\$ 141,730,580</u>	<u>\$ 822,604</u>	<u>\$ 11,495,785</u>	<u>\$ 131,057,399</u>	<u>\$ 6,599,513</u>

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

General obligation bonds, other than the enterprise general obligation and mortgage revenue bonds, along with the Ohio Public Works Commission Loans and Ohio Water Development Authority loans (governmental activities) will be paid from the General Bond Retirement Debt Service Fund from income taxes. Ohio Water Development Authority loans (business type activities) 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. 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. The City pays obligations related to employee compensation from the fund benefitting from their service. There is no repayment schedule for the net pension and net OPEB liability. However, employer pension contributions are made from the following funds; Street Construction, Maintenance, and Repair fund, Paramedic fund, Dial-A-Bus fund, Cable TV fund, COPS fund, Police and Fire Pension funds, and Recreation Trust fund. See notes 12 and 13 for further information regarding net pension liability and net OPEB liability.

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.

On June 11, 2015, the City issued \$2,964,998 in Recreation Facilities Improvement Refunding Bonds, Series 2015, which include serial and capital appreciation bonds to partially refund bonds previously issued in 2009 for Recreation Facility Improvements. The serial bonds were issued with interest rates ranging from 2.00 percent to 3.00 percent, and 2.00 percent to 2.25 percent for the capital appreciation bonds. The bonds were issued for a thirteen-year period with final maturity during fiscal year 2028. These bonds will be retired through the City's Debt Service Fund. The bond proceeds consisted of bond principal, \$344,216 in premium and less (\$17,000) in underwriter's discount.

The net proceeds of \$3,234,044 (after payment of issuance costs) was deposited in an irrevocable trust with an escrow agent to provide for future debt service payments. The advance refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the City's government-wide financial statements and has matured.

As a result of the advance refunding, the City reduced its total debt service requirements which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$454,044.

On May 21, 2019, the City issued \$9,360,000 in various purpose bonds. These bonds will mature on December 1, 2049 and have an interest rate of 2.00 – 3.00 percent. The proceeds of the bonds were used to pay off the 2018 notes and for street projects.

On July 2, 2019, the City issued \$6,635,000 in utilities improvements bonds. These bonds will mature on December 1, 2039 and have an interest rate of 3.00 – 5.00 percent. The proceeds of the bonds were used to pay off the 2018 notes and for utility projects.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

On March 24, 2015, the City issued \$4,820,000 water system mortgage revenue refunding bonds, series 2015. The bonds were issued to refund certain Water System Mortgage – Revenue Refunding Serial bonds, Series 2005. The bonds were issued with interest rates ranging from 2.00 percent to 2.25 percent. The bonds were issued for a fourteen-year period with the final maturity during fiscal year 2029. The City has pledged future revenues to repay the revenue bonds in the Water Fund. The debt is payable solely from net revenues and is payable through 2026. Annual principal and interest payments on the loans are expected to require less than 95 of net revenues and less than 20 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$1,949,650. Principal and interest paid for the current year were \$667,050, total net revenues were \$3,448,360 and total revenues were \$15,191,783.

Proceeds were deposited in an irrevocable trust with an escrow agent to provide for future debt payments on the refunded 2005 water system mortgage revenue bonds. As a result, \$5,815,000 of these bonds was considered defeased and the liability of the refunding bonds has been removed from the City's financial statements. The amount still outstanding at December 31, 2020 is \$3,030,000.

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.

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, 2041.

During 2009, the City entered into a loan agreement in the amount of \$19,167,873 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.

During 2010, the City entered into a loan agreement in the amount of \$3,018,029 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.

During 2013, the City entered into a loan agreement in the amount of \$4,925,787 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.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

During 2013, the City entered into a loan agreement in the amount of \$4,824,439 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.

During 2015, the City entered into a loan agreement with OWDA for the Additional Storage and Interconnection HAB project. The loan has a fixed rate of 0.18 percent interest over a twenty-year period beginning July 1, 2018 through January 1, 2038. An amortization schedule has not been prepared by OWDA.

During 2016, the City entered into a loan agreement with OWDA for the Additional Storage and Interconnection HAB project. The loan has a fixed rate of 0.00 percent interest over a twenty-year period beginning July 1, 2018 through January 1, 2038. An amortization schedule has not been prepared by OWDA since the project is still ongoing.

During 2016, the City entered into a loan agreement in the amount of \$284,831 with OWDA for the Lear/Nagel Sanitary Sewer Force Main project. The loan has a fixed rate of 2.21 percent interest over a ten-year period beginning January 1, 2017 through July 1, 2026.

During 2016, the City entered into a loan agreement in the amount of \$3,144,130 with OWDA for the Mull/Norman Sanitary Sewer project. The loan has a fixed rate of 2.21 percent interest over a twenty-year period beginning July 1, 2017 through January 1, 2036.

During 2016, the City entered into a loan agreement with OWDA for the Water Pollution Control Center Rehab project. The loan has a fixed rate of 0.45 percent interest over a thirty-year period beginning July 1, 2020 through January 1, 2050.

During 2017, the City entered into a loan agreement with OWDA for the Stop 45 Area project. The loan has a fixed rate of 1.61 percent interest over a thirty-year period beginning January 1, 2021 through July 1, 2050.

During 2017, the City entered into a loan agreement with OWDA for the Lateral loan program. The loan has a fixed rate of 0.00 percent interest over a ten-year period beginning January 1, 2025 through July 1, 2036. As of December 2020, the loan balance for the portion of the project completed was \$1,417,957. An amortization schedule has not been prepared by OWDA since the project is still ongoing.

During 2017, the City entered into a loan agreement with OWDA for the Fairfield-Brookfield Combined Sewer Separation project. The loan has a fixed rate of 0.76 percent interest over a thirty-year period beginning January 1, 2020 through July 1, 2049.

During 2018, the City entered into a loan agreement with OWDA for the Elyria Interconnect HAB project. The loan has a fixed rate of 0.00 percent interest over a twenty-year period beginning January 1, 2020 through July 1, 2039.

During 2018, the City entered into a loan agreement with OWDA for the Curtis Sanitary Sewer project. The loan has a fixed rate of 2.15 percent interest over a fifteen-year period beginning January 1, 2020 through July 1, 2039.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

During 2019, the City entered into a loan agreement with OWDA for the Water Main Bundle project. The loan has a fixed rate of 2.15 percent interest over a fifteen-year period beginning July 1, 2021 through July 1, 2041. As of December 2020, the loan balance for the portion of the project completed was \$2,622,722. An amortization schedule has not been prepared by OWDA.

During 2021, the City entered into a loan agreement with OWDA for the Plan Effluent Flow Diversion project. The loan has a fixed rate of 1.28 percent interest over a twenty-year period beginning 2021 through 2041. An amortization schedule has not been prepared by OWDA.

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.

In 2014, the City entered into a loan agreement with OPWC for \$125,000. These funds were used for the Walker Road/Lear Road Intersection project. The debt is a zero percent interest loan over twenty years beginning January 1, 2015 through July 1, 2034.

In 2017, the City entered into a loan agreement with OPWC for \$125,000. These funds were used for the Lear Road/Krebs Road Intersection project. The debt is a zero percent interest loan over twenty years.

In 2017, the City entered into a loan agreement with OPWC for \$125,000. These funds were used for the Central Avon Lake Drainage project. The debt is a zero percent interest loan over twenty years. As of December 2021, the loan balance for the portion of the project completed was \$12,549. An amortization schedule has not been prepared by OPWC since the project is still ongoing.

The City's direct borrowings from OWDA contain a provision that in an event of default the amount of such default shall bear interest at the default rate from the due date until the date of the payment. In addition to the interest, a late charge of one percent on the amount of each default shall also be paid to OWDA by the City from the pledged revenues for failure to make the payment.

The City's total direct borrowings from OPWC contain a provision that in an event of default the amount of such default shall bear interest thereafter at the rate of 8 percent per annum until the date of payment, and outstanding amounts become immediately due. Also, OPWC may direct the county treasurer to pay the outstanding amount from the portion of the local government fund that would otherwise be remitted to the City.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

Principal and interest requirements to retire long-term obligations, except net pension liability, landfill post-closure costs, promissory note, compensated absences, at December 31, 2021 are as follows:

Year Ended	Governmental Activities					
	General Obligation Bonds			OWDA Loan		
	Principal	Interest	Principal	Interest		
2022	\$ 810,000	\$ 297,388	\$ 561,416	\$ 237,380		
2023	830,000	278,463	568,054	229,574		
2024	850,000	258,963	575,311	221,648		
2025	870,000	238,870	582,688	213,602		
2026	895,000	218,300	590,189	205,433		
2027-2031	3,535,000	748,451	3,067,939	900,137		
2032-2036	2,350,000	290,700	3,260,730	675,935		
2037-2041	735,000	42,300	3,199,215	444,710		
2042-2046	-	-	3,155,808	229,011		
2047-2050	-	-	2,324,012	46,434		
	\$ 10,875,000	\$ 2,373,435	\$ 17,885,362	\$ 3,403,864		

Year Ended	Police Pension Liability		OPWC Loans	Total	
	Principal	Interest	Principal	Principal	Interest
2022	\$ 3,673	\$ 2,727	\$ 13,767	\$ 1,388,856	\$ 537,495
2023	3,830	2,569	13,767	1,415,651	510,606
2024	3,995	2,404	10,431	1,439,737	483,015
2025	4,167	2,233	7,100	1,463,955	454,705
2026	4,345	2,054	7,100	1,496,634	425,787
2027-2031	24,693	7,303	35,500	6,663,132	1,655,891
2032-2036	20,361	1,688	26,125	5,657,216	968,323
2037-2041	-	-	4,250	3,938,465	487,010
2042-2043	-	-	1,683	3,157,491	229,011
	\$ 65,064	\$ 20,978	\$ 119,723	\$ 26,621,137	\$ 5,751,843

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

Year Ended	Business-Type Activities			
	General Obligation Bonds		Mortgage Revenue Bond	
	Principal	Interest	Principal	Interest
2022	\$ 515,000	\$ 246,813	\$ 630,000	\$ 39,750
2023	525,000	227,700	640,000	27,150
2024	535,000	207,890	600,000	12,750
2025	555,000	187,368	-	-
2026	555,000	165,988	-	-
2027-2031	1,750,000	613,301	-	-
2032-2036	755,000	452,400	-	-
2037-2041	855,000	333,150	-	-
2042-2046	1,010,000	196,350	-	-
2047-2049	690,000	42,000	-	-
	\$ 7,745,000	2,672,960	\$ 1,870,000	\$ 79,650

Year Ended	OWDA Loans			
	Principal		Total	
	Principal	Interest	Principal	Interest
2022	\$ 3,449,558	\$ 1,597,879	\$ 4,594,558	\$ 1,884,442
2023	3,530,092	1,527,793	4,695,092	1,782,643
2024	3,605,359	1,455,374	4,740,359	1,676,014
2025	3,508,183	1,380,529	4,063,183	1,567,897
2026	3,373,239	1,306,803	3,928,239	1,472,791
2027-2031	17,153,783	5,546,302	18,903,783	6,159,603
2032-2036	18,388,657	3,859,556	19,143,657	4,311,956
2037-2041	19,289,653	1,954,637	20,144,653	2,287,787
2042-2046	10,178,098	431,604	11,188,098	627,954
2047-2050	5,361,334	76,794	6,051,334	118,794
	\$ 87,837,956	\$ 19,137,271	\$ 97,452,956	\$ 21,889,881

There are four OWDA loans and one OPWC where the final amortization schedules have not been completed as of December 31, 2021. Therefore, the previous table does not include outstanding principal and interest payments for those loans. This information will be provided once final amortization schedules are available.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 10: ASSET RETIREMENT OBLIGATION

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their treatment systems to the Ohio EPA for approval. Through this permitting process, the City would be responsible to address any public safety issues associated with their treatment plants. At this time, the City does not have an approved permit from the Ohio EPA to dispose of all or part of their treatment plans. Due to the lack of specific legal requirements for retiring the treatment plants, the City has determined that the amount of the Asset Retirement Obligation cannot be reasonably estimated.

NOTE 11: OPERATING LEASE

The City is obligated under leases accounted for as operating lease. Total lease expense for the year ended December 31, 2021, was \$4,000 for Business-type Activities. The following is a schedule of future minimum lease payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 2021.

Year Ending December 31,	Business-Type Activities
2022	\$ 4,000
2023	4,000
2024	4,000
2025	4,000
2026	4,000
thereafter	324,000
Total Minimum Lease Payments	\$ 344,000

NOTE 12: DEFINED BENEFIT PENSION PLANS

A. Net Pension Liability/Asset

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

The net pension liability represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 12: **DEFINED BENEFIT PENSION PLANS** (Continued)

A. Net Pension Liability/Asset (Continued)

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

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

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

B. Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 12: **DEFINED BENEFIT PENSION PLANS** (Continued)

B. Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The base amount of a member’s pension benefit is locked in upon receipt of the initial benefit payment for calculation of the annual cost-of-living adjustment.

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

A death benefit of \$500 - \$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Tradition pension plan and the Combined Plan.

The OPERS Board of Trustees approved a proposal at its October 2019 meeting to create a new tier of membership in the OPERS traditional pension plan. OPERS currently splits its non-retired membership into Group A, B or C depending on age and service criteria. Retirement Group D would consist of OPERS contributing members hired in 2022 and beyond. Group D will have its own eligibility standards, benefit structure and unique member features designed to meet the changing needs of Ohio public workers. It also will help OPERS address expected investment market volatility and adjust to the lack of available funding for health care. The date of implementation will be determined when finalized changes are approved.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 12: **DEFINED BENEFIT PENSION PLANS** (Continued)

B. Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the members' contributions plus or minus the investment gains or losses resulting from the members' investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the combined plan will be consolidated under the traditional pension plan (defined benefit plan) and the combined plan will no longer be available for new hires beginning in 2022.

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

	State and Local
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2021 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-Employment Health Care Benefits **	0.0
Total Employer	14.0 %
 Employee	 10.0 %

* Member contributions within combined plan are not used to fund the defined benefit retirement allowance

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with remainder going to pension.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 12: **DEFINED BENEFIT PENSION PLANS** (Continued)

B. Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer's contribution allocated to health care was 0% for 2021 for the Traditional and Combined plans. The portion of the employer's contribution allocated to health care was 4% for the Member-Directed plan for 2021. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions was \$1,226,033 for 2021. Of this amount, \$145,611 is reported as an intergovernmental payable.

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 12: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the members' base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

	Police	Firefighters
2021 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2021 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,248,826 for 2021. Of this amount, \$144,134 is reported as an intergovernmental payable.

In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2021, the specific liability of the City was \$65,064 payable in semi-annual payments through the year 2035.

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

The net pension liability/asset for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 12: **DEFINED BENEFIT PENSION PLANS** (Continued)

D. Pension Liabilities, Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Following is information related to the proportionate share and pension expense:

	<u>OPERS Traditional Pension Plan</u>	<u>OPERS Combined Pension Plan</u>	<u>OP&F Police</u>	<u>OP&F Fire</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.057796%	0.050473%	0.099563%	0.128789%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	<u>0.054637%</u>	<u>0.041713%</u>	<u>0.095069%</u>	<u>0.132343%</u>	
Change in Proportionate Share	<u>-0.003159%</u>	<u>-0.008760%</u>	<u>-0.004494%</u>	<u>0.003554%</u>	
Proportionate Share of the Net Pension Liability/(Asset)	\$ 8,090,550	\$ (120,410)	\$ 6,480,925	\$ 9,021,919	\$ 23,472,984
Pension Expense	\$ (257,087)	\$ 2,246	\$ 447,724	\$ 725,822	\$ 918,705

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS Traditional</u>	<u>OPERS Combined</u>	<u>OP&F Police</u>	<u>OP&F Fire</u>	<u>Total</u>
Deferred Outflows of Resources					
Differences between expected and actual experience	\$ -	\$ -	\$ 270,923	\$ 377,147	\$ 648,070
Changes of assumptions	-	7,519	108,687	151,300	267,506
Changes in proportion and differences between City contributions and proportionate share of contributions	43,914	12,766	86,439	328,899	472,018
City contributions subsequent to the measurement date	<u>1,197,899</u>	<u>28,134</u>	<u>518,719</u>	<u>730,107</u>	<u>2,474,859</u>
Total Deferred Outflows of Resources	<u>\$ 1,241,813</u>	<u>\$ 48,419</u>	<u>\$ 984,768</u>	<u>\$ 1,587,453</u>	<u>\$ 3,862,453</u>
Deferred Inflows of Resources					
Net difference between projected and actual earnings on pension plan investments	\$ 3,153,460	\$ 17,905	\$ 314,369	\$ 437,621	\$ 3,923,355
Differences between expected and actual experience	338,434	22,715	252,476	351,469	965,094
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>655,215</u>	<u>13,721</u>	<u>391,177</u>	<u>195,050</u>	<u>1,255,163</u>
Total Deferred Inflows of Resources	<u>\$ 4,147,109</u>	<u>\$ 54,341</u>	<u>\$ 958,022</u>	<u>\$ 984,140</u>	<u>\$ 6,143,612</u>

\$2,474,859 reported as deferred outflows of resources related to pension resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 12: **DEFINED BENEFIT PENSION PLANS** (Continued)

D. Pension Liabilities, Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F Police</u>	<u>OP&F Fire</u>	<u>Total</u>
2022	\$ (1,809,754)	\$ (87,097)	\$ (14,883)	\$ (1,911,734)
2023	(593,180)	74,227	234,388	(284,565)
2024	(1,295,657)	(363,439)	(375,332)	(2,034,428)
2025	(435,098)	(99,151)	5,453	(528,796)
2026	(1,831)	(16,513)	23,580	5,236
Thereafter	(1,731)	-	-	(1,731)
Total	<u>\$ (4,137,251)</u>	<u>\$ (491,973)</u>	<u>\$ (126,794)</u>	<u>\$ (4,756,018)</u>

E. Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 to 10.75 percent including wage inflation Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 0.50 percent, simple through 2021, then 2.15 percent simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 12: **DEFINED BENEFIT PENSION PLANS** (Continued)

E. Actuarial Assumptions – OPERS (Continued)

The total pension asset in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 to 8.25 percent including wage inflation Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 0.50 percent, simple through 2021, then 2.15 percent simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

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

The most recent experience study was completed for the five year period ended December 31, 2015.

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 11.7 percent for 2020.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 12: **DEFINED BENEFIT PENSION PLANS** (Continued)

E. Actuarial Assumptions – OPERS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	<u>9.00</u>	4.75
Total	<u>100.00 %</u>	5.43 %

Discount Rate The discount rate used to measure the total pension liability was 7.2 percent, post-experience study results. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.2 percent, as well as what the City’s proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

<u>City's proportionate share of the net pension liability/(asset)</u>	<u>1% Decrease (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
Traditional Pension Plan	\$15,432,767	\$8,090,550	\$1,985,509
Combined Plan	(\$83,843)	(\$120,410)	(\$147,664)

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 12: **DEFINED BENEFIT PENSION PLANS** (Continued)

Changes Between Measurement Date and Report Date

Cost-of living adjustments for OPERS members in 2022 will be 3 percent for all those eligible to receive the annual benefit increase.

F. Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2020 is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2020, are presented below:

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple, 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

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

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

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 12: **DEFINED BENEFIT PENSION PLANS** (Continued)

F. Actuarial Assumptions – OP&F (Continued)

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

The most recent experience study was completed December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F’s target asset allocation as of December 31, 2020 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return **
Domestic Equity	21.00 %	5.40 %
International Equity	14.00	5.80
Core Fixed Income *	23.00	2.70
U.S. Inflation Linked Bonds *	17.00	2.50
High Yield Fixed Income	7.00	4.70
Private Real Estate	12.00	6.40
Private Markets	8.00	8.00
Midstream Energy Infrastructure	5.00	6.60
Private Credit	5.00	5.50
Real Assets	8.00	7.40
Gold	5.00	1.90
Total	125.00 %	

Note: Assumptions are geometric

* levered 2x

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 12: **DEFINED BENEFIT PENSION PLANS** (Continued)

F. Actuarial Assumptions – OP&F (Continued)

Discount Rate The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City’s proportionate share of the net pension liability	\$ 21,581,946	\$ 15,502,844	\$ 10,415,251

NOTE 13: **DEFINED BENEFIT OPEB PLANS**

A. Net OPEB Liability/Asset

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

The net OPEB liability/asset represents the City’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

A. Net OPEB Liability/Asset (Continued)

GASB 75 assumes that any liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

B. Plan Description – Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

B. Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care was no longer being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$12,475 for 2021.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) a cost-sharing, multiple-employer defined post-employment healthcare plan that provides various levels of health care to retired, disabled and beneficiaries, as well as their dependents. On January 1, 2019, OP&F changed the way it supports retiree health care. A stipend-based health care model has replaced the self-insured group health care plan that had been in place. A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses. As a result of this change, it is expected that the solvency of the Health Care Stabilization fund (HCSF) will be extended allowing OP&F to provide stipends to eligible participants.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 13: DEFINED BENEFIT OPEB PLANS (Continued)

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

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75. The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

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. For 2021, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The City's contractually required contribution to OP&F was \$29,184 for 2021. Of this amount, \$724 is reported as an intergovernmental payable.

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

The net OPEB asset and total OPEB asset for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability/asset was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

D. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net OPEB Liability			
Prior Measurement Date	0.057127%	0.228352%	
Proportion of the Net OPEB Liability/Asset			
Current Measurement Date	<u>0.053934%</u>	<u>0.227411%</u>	
Change in Proportionate Share	<u>-0.003193%</u>	<u>-0.000940%</u>	
Proportionate Share of the Net OPEB			
Liability/Asset	\$ (960,877)	\$ 2,409,462	\$ 1,448,585
OPEB Expense	\$ (6,014,340)	\$ 274,092	\$ (5,740,248)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes of assumptions	\$ 472,376	\$ 1,331,095	\$ 1,803,471
Changes in proportion and differences between City contributions and proportionate share of contributions	21,050	236,226	257,276
City contributions subsequent to the measurement date	<u>12,475</u>	<u>29,184</u>	<u>41,659</u>
Total Deferred Outflows of Resources	<u>\$ 505,901</u>	<u>\$ 1,596,505</u>	<u>\$ 2,102,406</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 867,187	\$ 397,431	\$ 1,264,618
Changes of assumptions	1,556,909	384,114	1,941,023
Net difference between projected and actual earnings on OPEB plan investments	511,776	89,541	601,317
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>398,865</u>	<u>34,966</u>	<u>433,831</u>
Total Deferred Inflows of Resources	<u>\$ 3,334,737</u>	<u>\$ 906,052</u>	<u>\$ 4,240,789</u>

\$41,659 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2022.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

D. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2022	\$ (1,558,981)	\$ 146,991	\$ (1,411,990)
2023	(999,629)	168,197	(831,432)
2024	(222,398)	134,767	(87,631)
2025	(60,303)	142,532	82,229
2026	-	35,344	35,344
Thereafter	-	33,438	33,438
Total	<u>\$ (2,841,311)</u>	<u>\$ 661,269</u>	<u>\$ (2,180,042)</u>

E. Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the actuarial assumptions on the next page applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.00 percent
Prior Measurement date	2.75 percent
Health Care Cost Trend Rate:	
Current measurement date	8.5 percent, initial 3.50 percent, ultimate in 2035
Prior Measurement date	10.5 percent, initial 3.50 percent, ultimate in 2030
Actuarial Cost Method	Individual Entry Age

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

E. Actuarial Assumptions – OPERS (Continued)

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

The most recent experience study was completed for the five year period ended December 31, 2015.

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

During 2020, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 10.50 percent for 2020.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

E. Actuarial Assumptions – OPERS (Continued)

The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	<u>100.00 %</u>	4.43 %

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB asset on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 2.00 percent and a municipal bond rate of 2.75 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, and the municipal bond rate was applied to all health care costs after that date.

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

	<u>1% Decrease (5.00%)</u>	<u>Current Discount Rate (6.00%)</u>	<u>1% Increase (7.00%)</u>
City's proportionate share of the net OPEB asset	\$ (238,928)	\$ (960,877)	\$ (1,554,378)

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

E. Actuarial Assumptions – OPERS (Continued)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB asset	\$ (984,296)	\$ (960,877)	\$ (934,676)

F. Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

F. **Actuarial Assumptions – OP&F** (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

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

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	2.96 percent
Prior measurement date	3.56 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

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

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

F. **Actuarial Assumptions – OP&F** (Continued)

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return **</u>
Domestic Equity	21.00 %	5.40 %
Non-US Equity	14.00	5.80
Core Fixed Income *	23.00	2.70
U.S. Inflation Linked Bonds *	17.00	2.50
High Yield Fixed Income	7.00	4.70
Private Real Estate	12.00	6.40
Private Markets	8.00	8.00
Midstream Energy Infrastructure	5.00	6.60
Private Credit	5.00	5.50
Real Assets	8.00	7.40
Gold	5.00	1.90
 Total	 <u>125.00 %</u>	

Note: Assumptions are geometric

* levered 2x

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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

F. **Actuarial Assumptions – OP&F** (Continued)

OP&F’s Board of Trustees has incorporated the risk parity concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes in core fixed income and U.S. inflation linked bonds and the implementation approach for gold.

Discount Rate The total OPEB liability was calculated using the discount rate of 2.96 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 2.96 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.96 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

	1% Decrease (1.96%)	Current Discount Rate (2.96%)	1% Increase (3.96%)
City’s proportionate share of the net OPEB liability	\$ 3,004,461	\$ 2,409,462	\$ 1,918,657

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Net OPEB liability is sensitive to changes in the health care cost trend rate because it is based on a medical benefit that is a flat dollar amount.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 14: 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 2021, the City contracted with Zurich American Insurance Company for the following types of insurance:

<u>Company</u>	<u>Type</u>	<u>Coverage</u>
Zurich American Insurance Company	Blanket Building and Content Replacement	\$97,530,378
	Miscellaneous Equipment	1,824,523
	Earthquake Coverage	1,000,000
	Flood Coverage	1,000,000
	Hazardous Substance	100,000
	Public Employee Dishonesty	100,000
	Faithful Performance of Duty	100,000
	Money and Securities In/Out Coverage	100,000
	Forgery and Alteration	100,000
	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	10,000,000
Terrorism Insurance	Included	
Cyber Liability	1,000,000	

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.

NOTE 15: 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 cities, four villages, and nine townships members along with over 30 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.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 15: **JOINTLY GOVERNED ORGANIZATIONS AND JOINT VENTURE** (Continued)

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 over 240 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 2021, 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.

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, 2021, the City's equity interest in the Consortium was \$1,863,063. Financial information can be obtained from the City of Avon Lake Finance Director, 150 Avon Belden Road, Avon Lake, Ohio 44012.

NOTE 16: **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.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 16: **CONTINGENT LIABILITIES** (Continued)

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.

Currently, the City and LORCO are in legal discussion regarding, infrastructure, equipment, loan payments and the receivable balance due to the City.

When LORCO was created a cooperative agreement was signed between the City and LORCO for the City to be the agent for LORCO Phase I. The City took out OWDA loans in the name of the City in order to create the assets LORCO Phase I needed to operate. Under the agreement, LORCO Phase I is to make the debt payments to the City and the City is to pay OWDA. In the event of default, the City is responsible for the debt payments and the City will retain the capital assets. Also, per the agreement, the City charges a fee for its services as the agent and is to be reimbursed for the City's employees' time, equipment, and advances. At this time, the City has not been paid for any fees for services since LORCO's creation and the balance has not been agreed upon.

NOTE 17: **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. Interfund transfers for the year ended December 31, 2021, consisted of the following:

Transfer To	Transfer From			Total
	Governmental Activities		Business-Type Activities	
	General Fund	Other Governmental Funds	Sewer Fund	
<i>Governmental Activities:</i>				
Non-Major Governmental Funds	335,000	100,000	-	435,000
Total Governmental Activities	<u>\$ 335,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 435,000</u>
<i>Business-Type Activities:</i>				
Water	\$ -	\$ -	\$ 450,000	\$ 450,000
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>450,000</u>	<u>450,000</u>
Total	<u>\$ 335,000</u>	<u>\$ 100,000</u>	<u>\$ 450,000</u>	<u>\$ 885,000</u>

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 17: **INTERFUND TRANSFERS AND BALANCES** (Continued)

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, (4) to transfer funds approved by council to continue improvements of the roads.

Interfund balances for the year ended December 31, 2021 consisted of the following:

	Interfund Receivable	Interfund Payable
<i>Governmental Activities:</i>		
General Fund	\$ 114,897	\$ -
Non-Major Governmental Funds	117,484	232,381
Total Governmental Activities	232,381	232,381
<i>Business-Type Activities:</i>		
Water	\$ 3,600,000	\$ -
Sewer	-	3,600,000
Total Business-Type Activities	3,600,000	3,600,000
	\$ 3,832,381	\$ 3,832,381

Interfund balances at December 31, 2021 consisted of \$20,000 due from the Troy School Driveway non-major governmental fund, \$580 due from the Pool Renovation non-major governmental fund, \$21,523 due from the Curtis Road Sewer Improvement nonmajor governmental fund, \$69,423 due from the General Obligation Bond Retirement nonmajor governmental fund, \$117,484 due from the Cove Avenue Improvement Fund, \$1,653 due from the COPS Grant nonmajor governmental fund, and \$1,718 due from the Recreation non-major governmental Fund. The General Fund advanced monies to the Troy School Driveway 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 General Fund advanced \$580, \$21,523, \$69,423, \$1,653, and \$1,718 to the Pool Renovation, Curtis Road Sewer Improvement, General Obligation Bond Retirement, COPS Grant, and Recreation non-major funds, respectively, to cover deficit cash balances at year end. The Debt Service Fund issued manuscript debt for Cove Avenue Improvements in anticipation of the collection of special assessments and the Income Tax Transfer Fund issued manuscript debt for Capital Improvements Fund in anticipation of the collection of income taxes with a balance of \$117,484 at year end. The Water Fund advanced monies to the Sewer Fund to provide temporary funding for a common project.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 18: 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>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>Nonspendable</i>				
Prepaid Items	\$ 83,613	\$ -	\$ 14,806	\$ 98,419
Materials and Supplies Inventory	-	-	142,233	142,233
Unclaimed Funds	10,062	-	-	10,062
Long-term Interfund Balances	114,897	-	-	114,897
<i>Total Nonspendable</i>	<u>208,572</u>	<u>-</u>	<u>157,039</u>	<u>365,611</u>
<i>Restricted for</i>				
Paramedic Services	-	-	1,681,840	1,681,840
Other Law Enforcement	-	-	266,370	266,370
Streets and Highways	-	-	2,573,290	2,573,290
Courts	-	-	408,275	408,275
Debt Service - Unvoted and Voted	-	-	315,848	315,848
Debt Service - Special Assessments	-	-	798,992	798,992
Capital Projects	-	-	2,264,356	2,264,356
Recreation	-	-	73,249	73,249
Other Purposes	-	-	56,193	56,193
<i>Total Restricted</i>	<u>-</u>	<u>-</u>	<u>8,438,413</u>	<u>8,438,413</u>
<i>Committed to</i>				
Dial-A-Bus Program	66,120	-	-	66,120
Cable TV	20,187	-	-	20,187
Income Tax Allocation	-	-	5,632,102	5,632,102
Street Trees	-	-	179,401	179,401
Recreation	-	-	329,156	329,156
Capital Improvements	-	3,382,007	1,112,137	4,494,144
<i>Total Committed</i>	<u>86,307</u>	<u>3,382,007</u>	<u>7,252,796</u>	<u>10,721,110</u>
<i>Assigned to</i>				
Subsequent Year 2022 Appropriations	556,229	-	-	556,229
Police/Court Facility	-	-	79,494	79,494
Other Capital Projects	-	-	248,610	248,610
Purchases on Order:				
Security of Persons and Property	15,839	-	-	15,839
Transportation	91,714	-	-	91,714
Community Environment	1,761	-	-	1,761
General Government	18,551	-	-	18,551
<i>Total Assigned</i>	<u>684,094</u>	<u>-</u>	<u>328,104</u>	<u>1,012,198</u>
<i>Unassigned (Deficit)</i>	<u>1,565,161</u>	<u>-</u>	<u>(123,545)</u>	<u>1,441,616</u>
Total Fund Balances	<u><u>\$ 2,544,134</u></u>	<u><u>\$ 3,382,007</u></u>	<u><u>\$ 16,052,807</u></u>	<u><u>\$ 21,978,948</u></u>

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 19: 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 20: OTHER COMMITMENTS

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are components of fund balance for subsequent year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. As of December 31, 2021, the City's commitments for encumbrances in the governmental and proprietary funds were as follows:

	Outstanding Encumbrances
<i>Governmental Funds</i>	
General	\$ 96,589
All Other Governmental Funds	820,921
<i>Total Governmental Funds</i>	917,510
<i>Proprietary Funds</i>	
Water	137,645
Sewer	135,343
<i>Total Proprietary Funds</i>	272,988
<i>Total All Funds</i>	\$ 1,190,498

NOTE 21: CAPITAL LEASE

In 2021, the City entered into a capital lease for the purchase of computer upgrades and in previous years the City entered into a capital lease for the purchase of two trucks, which all is held as collateral. The assets are recorded in the Governmental Activities as show on the Statement of Net Position with a book value of \$188,277 at December 31, 2021. The following is a schedule of future minimum lease payments as of December 31, 2021.

	2022	\$ 71,924
	2023	71,924
	2024	21,198
	2025	21,198
		186,244
Total minimum lease payments		186,244
Less: amount representing interest		(3,782)
Total		\$ 182,462

In the event of a default the lender may require the City, at the City's cost, to promptly deliver possession of the collateral to the lender, and may recover all expenses and collection costs which the lender has incurred.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

NOTE 22: **TAX ABATEMENTS**

A. Real Estate Tax Abatement

In 1994, pursuant to Ohio Revised Code Sections 3735.60 to 3735.70 on Community Reinvestment Area (CRA), the City of Avon Lake (“City”) established “Community Reinvestment Area No. 2” (“Reinvestment Area”) with Resolution 132-94. In 2019, the City renewed the original legislation with Resolution 113-2019. The boundaries of the Reinvestment Area were the boundaries of the entire incorporated area of the City of Avon Lake. With that legislation, the City authorized tax abatement which equals an agreed upon percentage of the additional property tax resulting from the increase in an increased in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient’s property tax bill. The establishment of the Reinvestment Area gave the City the ability to maintain and expand businesses located in the City and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate.

B. City Council’s Incentive Criteria for Decision Making

The City of Avon Lake has offered CRA tax abatements to various businesses based upon substantial project investment into the City. The City considers the size of the investment of the projects, along with the quantity of jobs retained and created when determining the amount of incentive to award.

C. Other

The following are the tax abatements or other economic incentives provided in 2021, by the City, identified by dollar amount and type.

\$91,715,894	Total abated assessed value on the active CRA tax abated properties
\$ 2,155,281	Total CRA real property taxes exempted for the active CRA agreements
\$ 538,820	Estimated amounts paid directly to the Avon Lake City Schools by the owner of tax abated property pursuant to the terms of each CRA Agreement

NOTE 23: **COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The investments of the pension and other employee benefit plan in which the City participates fluctuate with market conditions, and due to market volatility, the amounts of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City’s costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

City of Avon Lake, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability/Asset
Ohio Public Employees Retirement System
Last Eight Years (1)

Traditional Plan	2021	2020	2019	2018
City's Proportion of the Net Pension Liability	0.054637%	0.057796%	0.061830%	0.057781%
City's Proportionate Share of the Net Pension Liability	\$ 8,090,550	\$ 11,423,771	\$ 16,933,983	\$ 9,064,719
City's Covered Payroll	\$ 7,870,107	\$ 8,155,543	\$ 8,292,214	\$ 7,727,454
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	102.80%	140.07%	204.22%	117.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%	84.66%
Combined Plan	2021	2020	2019	2018
City's Proportion of the Net Pension (Asset)	0.041713%	0.050473%	0.039280%	0.038779%
City's Proportionate Share of the Net Pension (Asset)	\$ (120,410)	\$ (105,248)	\$ (43,924)	\$ (52,791)
City's Covered Payroll	\$ 183,829	\$ 224,686	\$ 168,000	\$ 159,938
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	65.50%	46.84%	26.15%	33.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	157.67%	145.28%	126.64%	137.28%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

2017	2016	2015	2014
0.058649%	0.057354%	0.057386%	0.057386%
\$ 13,318,191	\$ 9,934,436	\$ 6,921,393	\$ 6,765,062
\$ 7,581,592	\$ 7,127,450	\$ 7,058,833	\$ 6,653,592
175.66%	139.38%	98.05%	101.68%
77.25%	81.08%	86.45%	86.36%
2017	2016	2015	2014
0.041606%	0.028590%	0.025707%	0.025707%
\$ (23,157)	\$ (13,912)	\$ (9,897)	\$ (2,697)
\$ 161,958	\$ 103,517	\$ 94,675	\$ 81,677
14.30%	13.44%	10.45%	3.30%
116.55%	116.90%	114.83%	104.33%

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

Police	2021	2020	2019	2018
City's Proportion of the Net Pension Liability	0.0950688%	0.0995629%	0.1021860%	0.1015002%
City's Proportionate Share of the Net Pension Liability	\$ 6,480,925	\$ 6,707,089	\$ 8,341,078	\$ 6,229,525
City's Covered Payroll	\$ 2,633,753	\$ 2,590,937	\$ 2,612,216	\$ 2,463,016
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	246.07%	258.87%	319.31%	252.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.65%	69.89%	63.07%	70.91%
Fire	2021	2020	2019	2018
City's Proportion of the Net Pension Liability	0.1323427%	0.1287888%	0.1317870%	0.1282644%
City's Proportionate Share of the Net Pension Liability	\$ 9,021,919	\$ 8,675,901	\$ 10,757,301	\$ 7,872,164
City's Covered Payroll	\$ 2,946,600	\$ 2,721,111	\$ 2,641,885	\$ 2,547,562
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	306.18%	318.84%	407.18%	309.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.65%	69.89%	63.07%	70.91%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.0983150%	0.1010208%	0.1002948%	0.1002948%
\$ 6,227,173	\$ 6,498,740	\$ 5,195,688	\$ 4,884,671
\$ 2,371,779	\$ 2,275,053	\$ 2,214,042	\$ 2,314,971
262.55%	285.65%	234.67%	211.00%
68.36%	66.77%	71.71%	73.00%
<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.1266430%	0.1333956%	0.1329545%	0.1329545%
\$ 8,021,441	\$ 8,581,432	\$ 6,887,597	\$ 6,475,301
\$ 2,485,438	\$ 2,446,902	\$ 2,382,868	\$ 2,348,596
322.74%	350.71%	289.05%	275.71%
68.36%	66.77%	71.71%	73.00%

City of Avon Lake, Ohio
Required Supplementary Information
Schedule of City Contributions - Pension
Ohio Public Employees Retirement System
Last Nine Years (1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Contractually Required Contributions</u>				
Traditional Plan	\$ 1,197,899	\$ 1,101,815	\$ 1,141,776	\$ 1,160,910
Combined Plan	28,134	25,736	31,456	23,520
Total Required Contributions	\$ 1,226,033	\$ 1,127,551	\$ 1,173,232	\$ 1,184,430
Contributions in Relation to the Contractually Required Contribution	<u>(1,226,033)</u>	<u>(1,127,551)</u>	<u>(1,173,232)</u>	<u>(1,184,430)</u>
Contribution Deficiency / (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll				
Traditional Plan	\$ 8,556,421	\$ 7,870,107	\$ 8,155,543	\$ 8,292,214
Combined Plan	\$ 200,957	\$ 183,829	\$ 224,686	\$ 168,000
<u>Pension Contributions as a Percentage of Covered Payroll</u>				
Traditional Plan	14.00%	14.00%	14.00%	14.00%
Combined Plan	14.00%	14.00%	14.00%	14.00%

(1) Information prior to 2013 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

See accompanying notes to the required supplementary information

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 1,004,569	\$ 909,791	\$ 855,294	\$ 847,060	\$ 864,967
<u>20,792</u>	<u>19,435</u>	<u>12,422</u>	<u>11,361</u>	<u>10,618</u>
\$ 1,025,361	\$ 929,226	\$ 867,716	\$ 858,421	\$ 875,585
<u>(1,025,361)</u>	<u>(929,226)</u>	<u>(867,716)</u>	<u>(858,421)</u>	<u>(875,585)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,727,454	\$ 7,581,592	\$ 7,127,450	\$ 7,058,833	\$ 6,653,592
\$ 159,938	\$ 161,958	\$ 103,517	\$ 94,675	\$ 81,677
13.00%	12.00%	12.00%	12.00%	13.00%
13.00%	12.00%	12.00%	12.00%	13.00%

City of Avon Lake, Ohio
Required Supplementary Information
Schedule of City Contributions - Pension
Ohio Police and Fire Pension Fund
Last Ten Years (1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Contractually Required Contributions</u>				
Police	\$ 518,719	\$ 500,413	\$ 492,278	\$ 496,321
Fire	<u>730,107</u>	<u>692,451</u>	<u>639,461</u>	<u>620,843</u>
Total Required Contributions	\$ 1,248,826	\$ 1,192,864	\$ 1,131,739	\$ 1,117,164
Contributions in Relation to the Contractually Required Contribution	<u>(1,248,826)</u>	<u>(1,192,864)</u>	<u>(1,131,739)</u>	<u>(1,117,164)</u>
Contribution Deficiency / (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>City's Covered Payroll</u>				
Police	\$ 2,730,100	\$ 2,633,753	\$ 2,590,937	\$ 2,612,216
Fire	\$ 3,106,838	\$ 2,946,600	\$ 2,721,111	\$ 2,641,885
<u>Pension Contributions as a Percentage of Covered Payroll</u>				
Police	19.00%	19.00%	19.00%	19.00%
Fire	23.50%	23.50%	23.50%	23.50%

[1] – 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.

See accompanying notes to the required supplementary information

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 467,973	\$ 450,638	\$ 432,260	\$ 420,668	\$ 364,145	\$ 304,719
<u>598,677</u>	<u>584,078</u>	<u>575,022</u>	<u>559,974</u>	<u>475,121</u>	<u>419,600</u>
\$ 1,066,650	\$ 1,034,716	\$ 1,007,282	\$ 980,642	\$ 839,266	\$ 724,319
<u>(1,066,650)</u>	<u>(1,034,716)</u>	<u>(1,007,282)</u>	<u>(980,642)</u>	<u>(839,266)</u>	<u>(724,319)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,463,016	\$ 2,371,779	\$ 2,275,053	\$ 2,214,042	\$ 2,314,971	\$ 2,389,953
\$ 2,547,562	\$ 2,485,438	\$ 2,446,902	\$ 2,382,868	\$ 2,348,596	\$ 2,432,464
19.00%	19.00%	19.00%	19.00%	[1]	12.75%
23.50%	23.50%	23.50%	23.50%	[1]	17.25%

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

	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability/Asset	0.053934%	0.057127%	0.060709%	0.057010%	0.058250%
City's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (960,877)	\$ 7,890,723	\$ 7,915,021	\$ 6,190,866	\$ 5,883,448
City's Covered Payroll	\$ 8,332,372	\$ 8,576,000	\$ 8,740,452	\$ 8,075,130	\$ 8,049,392
City's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-11.53%	92.01%	90.56%	76.67%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	115.57%	47.80%	46.33%	54.14%	54.04%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

City of Avon Lake, Ohio
Required Supplementary Information
Schedule of the City's Proportionate of the Net OPEB Liability
Ohio Police and Fire Pension Fund
Last Five Years

	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.2274115%	0.2283517%	0.2339729%	0.2297646%	0.2249600%
City's Proportionate Share of the Net OPEB Liability	\$ 2,409,462	\$ 2,255,596	\$ 2,130,682	\$ 13,018,138	\$ 10,678,345
City's Covered Payroll	\$ 5,580,353	\$ 5,312,048	\$ 5,254,101	\$ 5,010,578	\$ 4,857,217
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	43.18%	42.46%	40.55%	259.81%	219.84%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	45.42%	47.08%	46.57%	14.13%	15.96%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

City of Avon Lake, Ohio
Required Supplementary Information
Schedule of the City's Contributions- OPEB
Ohio Public Employees Retirement System
Last Seven Years (1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 12,475	\$ 11,137	\$ 10,963	\$ 11,210
Contributions in Relation to the Contractually Required Contribution	<u>(12,475)</u>	<u>(11,137)</u>	<u>(10,963)</u>	<u>(11,210)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 9,069,263	\$ 8,332,372	\$ 8,576,000	\$ 8,740,452
Contributions as a Percentage of Covered Payroll	0.14%	0.13%	0.13%	0.13%

(1) Information prior to 2015 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

See accompanying notes to the required supplementary information

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 88,882	\$ 167,105	\$ 144,847
<u>(88,882)</u>	<u>(167,105)</u>	<u>(144,847)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,075,130	\$ 8,049,392	\$ 7,499,001
1.10%	2.08%	1.93%

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

	2021	2020	2019	2018
Contractually Required Contribution	\$ 29,184	\$ 27,902	\$ 26,561	\$ 26,270
Contributions in Relation to the Contractually Required Contribution	(29,184)	(27,902)	(26,561)	(26,270)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
City Covered Payroll	\$ 5,836,938	\$ 5,580,353	\$ 5,312,048	\$ 5,254,101
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%

See accompanying notes to the required supplementary information

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 25,053	\$ 24,043	\$ 23,516	\$ 22,883	\$ 162,354	\$ 317,590
<u>(25,053)</u>	<u>(24,043)</u>	<u>(23,516)</u>	<u>(22,883)</u>	<u>(162,354)</u>	<u>(317,590)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,010,578	\$ 4,857,217	\$ 4,721,955	\$ 4,596,910	\$ 4,663,567	\$ 4,822,417
0.50%	0.50%	0.50%	0.50%	3.62%	6.75%

City of Avon Lake, Ohio
Notes to the Required Supplementary Information

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2021.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%. For 2020, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 3.00% simple through 2018 to 1.40% simple through 2020, then 2.15% simple. For 2021, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 1.40% simple through 2020 to 0.50% simple through 2021, then 2.15% simple.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2021.

Changes in assumptions: For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2019, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time (c) the single discount rate changed from 3.85% to 3.96%. For 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16%. For 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00% (b) the municipal bond rate changed from 2.75% to 2.00% (c) the health care cost trend rate changed from 10.50% initial and 3.50% ultimate in 2030 to 8.50% initial and 3.50% ultimate in 2035.

City of Avon Lake, Ohio
Notes to the Required Supplementary Information

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2021.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the investment rate of return was reduced from 8.25 percent to 8.00 percent (b) the projected salary increases was reduced from 4.25% to 3.75% (c) the payroll increases was reduced from 3.75% to 3.25% (d) the inflation assumptions was reduced from 3.25% to 2.75% (e) the cost of living adjustments was reduced from 2.60% to 2.20% (f) rates of withdrawal, disability and service retirement were updated to reflect recent experience (g) mortality rates were updated to the RP-2014 Total Employee and Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2016 (h) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2016. For 2019-2021, there have been no OP&F pension plan amendments adopted or changes in assumptions between the measurement date and the report date that would have impacted the actuarial valuation of the pension plan as of the measurement date.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018 and 2020-2021. For 2019, see below regarding changes to stipend-based model.

Changes in assumptions: For 2018, the single discount rate changed from 3.79 percent to 3.24 percent. For 2019, the changes of assumptions were: (a) beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend-based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years (b) beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5% (c) the single discount rate changed from 3.24 percent to 4.66 percent. For 2020, the single discount rate changed from 4.66 to 3.56. For 2021, the single discount rate changed from 3.56 to 2.96.

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. This fund did not have any budgetary activity in 2021. Therefore, budgetary information is not provided.

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.

Continued 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.

Recreation Fund - This fund accounts for the revenues and expenses of all recreational related program and activities.

Local Coronavirus Relief Fund - This fund accounts for grant proceeds provided to the local governments who have been financially impacted by the outbreak of COVID-19. The Coronavirus Aid, Relief and Economic Security Act (CARES Act) funding may only be used to cover costs that are necessary expenditures incurred in response to the COVID-19 outbreak.

American Rescue Plan Fund - This fund is used to account for the economic stimulus package for the recovery from the economic and health effects of the COVID-19 pandemic.

AL Public Arts Fund- This fund is used to account for donations the City receives to promote Public Art Projects throughout the City.

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Special Revenue Funds (Continued)

Deposit Trust Fund – This fund is used to account for the receipt of refundable deposits required of contractors, builders, residents or others to ensure compliance with various City ordinances. Due to the implementation of GASB Statement No. 84, 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 in 2021.

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. Due to the implementation of GASB Statement No. 84, 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 in 2021.

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) - 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:

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 any budgetary activity in 2021. Therefore, budgetary information is not 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 any budgetary activity in 2021. Therefore, budgetary information is not provided.

Miller Rd. Park 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 any budgetary activity in 2021. Therefore, budgetary information is not provided.

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

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Capital Project Funds (Continued)

45's Sewer Separation Fund – This fund accounts for the proceeds received from debt issuance for the purpose of the 45's sewer separation project of the City.

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.

Bicycle 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 any budgetary activity in 2021. Therefore, budgetary information is not provided.

North Point Erosion Control 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.

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.

Curtis Road Sewer Improvement Fund – This fund accounts for the City's portion of the sewers(storm) and roadway improvements being made in the Curtis Road Area.

ALPS Playground Fund – This fund accounts for the renovation of the Avon Lake play space located in Blesser Park.

Lear/Kerbs Intersection Fund – This fund accounts for the grant revenues construction and improvements to the Lear/Kerbs intersection. This fund did not have any budgetary activity in 2021. Therefore, budgetary information is not provided.

Fairfield/Brookfield Improvement Fund – This fund accounts for debt proceeds received from the debt issuance for the purpose of the sewer separation/water line installation improvements to the Fairfield/Brookfield area. This fund did not have any budgetary activity in 2021. Therefore, budgetary information is not provided.

City of Avon Lake, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 12,158,542	\$ 755,519	\$ 3,740,639	\$ 16,654,700
Materials and Supplies Inventory	142,233	-	-	142,233
Accounts Receivable	5,279	-	-	5,279
Interfund Receivable	-	117,484	-	117,484
Intergovernmental Receivable	963,649	19,028	5,000	987,677
Prepaid Items	20,829	-	-	20,829
Municipal Income Taxes Receivable	139,473	453,287	-	592,760
Property and Other Taxes Receivable	2,197,257	302,683	-	2,499,940
Special Assessments Receivable	-	175,480	121,876	297,356
Total Assets	\$ 15,627,262	\$ 1,823,481	\$ 3,867,515	\$ 21,318,258
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 120,001	\$ -	\$ -	\$ 120,001
Accrued Wages and Benefits	84,083	-	-	84,083
Intergovernmental Payable	59,321	-	-	59,321
Matured Compensated Absences Payable	39,791	-	-	39,791
Interfund Payable	3,371	69,423	159,587	232,381
Unearned Revenue	1,069,413	-	-	1,069,413
<i>Total Liabilities</i>	<i>1,375,980</i>	<i>69,423</i>	<i>159,587</i>	<i>1,604,990</i>
Deferred Inflows of Resources:				
Property Taxes	2,136,909	294,308	-	2,431,217
Unavailable Revenue - Delinquent Property Taxes	60,348	8,375	-	68,723
Unavailable Revenue - Municipal Income Taxes	43,701	142,027	-	185,728
Unavailable Revenue - Other	653,409	194,508	126,876	974,793
<i>Total Deferred Inflows of Resources</i>	<i>2,894,367</i>	<i>639,218</i>	<i>126,876</i>	<i>3,660,461</i>
Fund Balances:				
Nonspendable	157,039	-	-	157,039
Restricted	5,059,217	1,114,840	2,264,356	8,438,413
Committed	6,140,659	-	1,112,137	7,252,796
Assigned	-	-	328,104	328,104
Unassigned (Deficits)	-	-	(123,545)	(123,545)
<i>Total Fund Balances</i>	<i>11,356,915</i>	<i>1,114,840</i>	<i>3,581,052</i>	<i>16,052,807</i>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 15,627,262	\$ 1,823,481	\$ 3,867,515	\$ 21,318,258

City of Avon Lake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Property and Other Taxes	\$ 2,138,955	\$ 296,355	\$ -	\$ 2,435,310
Municipal Income Taxes	2,312,994	1,550,679	-	3,863,673
Intergovernmental	2,449,342	36,788	-	2,486,130
Interest	79	7,891	-	7,970
Fees, Licenses, and Permits	4,403	-	-	4,403
Fines and Forfeitures	98,579	-	-	98,579
Rentals	114,214	-	-	114,214
Charges for Services	668,045	-	-	668,045
Contributions and Donations	82,931	-	14,109	97,040
Special Assessments	-	182,986	36,329	219,315
All Other Revenues	161,135	-	-	161,135
Total Revenues	8,030,677	2,074,699	50,438	10,155,814
EXPENDITURES				
Current:				
Security of Persons and Property	3,292,170	-	-	3,292,170
Leisure Time Activities	1,363,313	-	19,270	1,382,583
Community Environment	150,609	-	-	150,609
Transportation	1,890,598	-	-	1,890,598
General Government	-	16,268	6,327	22,595
Capital Outlay	63,997	-	-	63,997
Debt Service:				
Principal Retirement	3,521	1,261,533	-	1,265,054
Interest and Fiscal Charges	2,878	554,208	2,958	560,044
Total Expenditures	6,767,086	1,832,009	28,555	8,627,650
Excess of Revenues Over (Under) Expenditures	1,263,591	242,690	21,883	1,528,164
OTHER FINANCING SOURCES (USES)				
Transfers In	435,000	-	-	435,000
Transfers Out	(100,000)	-	-	(100,000)
Total Other Financing Sources (Uses)	335,000	-	-	335,000
Net Change in Fund Balances	1,598,591	242,690	21,883	1,863,164
Fund Balances - Beginning of Year	9,758,324	872,150	3,559,169	14,189,643
Fund Balances - End of Year	\$ 11,356,915	\$ 1,114,840	\$ 3,581,052	\$ 16,052,807



City of Avon Lake, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021

	Street Construction Maintenance and Repair	State Highway	Income Tax Transfer	Paramedic	Law Enforcement Trust
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 2,239,567	\$ 173,709	\$ 5,632,102	\$ 1,769,086	\$ 67,157
Materials and Supplies Inventory	142,233	-	-	-	-
Accounts Receivable	-	-	-	-	-
Intergovernmental Receivable	739,005	58,995	-	97,583	-
Prepaid Items	7,320	-	-	7,486	-
Income Taxes Receivable	-	-	-	-	-
Property Taxes Receivable	-	-	-	1,566,355	-
Total Assets	\$ 3,128,125	\$ 232,704	\$ 5,632,102	\$ 3,440,510	\$ 67,157
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 44,882	\$ -	\$ -	\$ 5,810	\$ -
Accrued Wages and Benefits	18,283	-	-	45,711	-
Intergovernmental Payable	10,630	-	-	35,725	-
Matured Compensated Absences Payable	39,791	-	-	-	-
Interfund Payable	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
<i>Total Liabilities</i>	<u>113,586</u>	<u>-</u>	<u>-</u>	<u>87,246</u>	<u>-</u>
Deferred Inflows of Resources:					
Property Taxes	-	-	-	1,523,059	-
Unavailable Revenue - Delinquent Property Taxes	-	-	-	43,296	-
Unavailable Revenue - Income Taxes	-	-	-	-	-
Unavailable Revenue - Other	485,070	39,330	-	97,583	-
<i>Total Deferred Inflows of Resources</i>	<u>485,070</u>	<u>39,330</u>	<u>-</u>	<u>1,663,938</u>	<u>-</u>
Fund Balances:					
Nonspendable	149,553	-	-	7,486	-
Restricted	2,379,916	193,374	-	1,681,840	67,157
Committed	-	-	5,632,102	-	-
<i>Total Fund Balances</i>	<u>2,529,469</u>	<u>193,374</u>	<u>5,632,102</u>	<u>1,689,326</u>	<u>67,157</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,128,125	\$ 232,704	\$ 5,632,102	\$ 3,440,510	\$ 67,157

Law Enforcement Education	Indigent Drivers Alcohol Treatment	Municipal Court Computer	COPS	Avon Lake Bay Park	Board of Building Standards	Street Tree
\$ 16,326	\$ 80,667	\$ 211,147	\$ -	\$ 432	\$ 21,701	\$ 179,401
-	-	-	-	-	-	-
150	533	2,001	-	-	-	-
-	-	-	36,640	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 16,476</u>	<u>\$ 81,200</u>	<u>\$ 213,148</u>	<u>\$ 36,640</u>	<u>\$ 432</u>	<u>\$ 21,701</u>	<u>\$ 179,401</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	5,356	-	-	-
-	-	-	4,125	-	-	-
-	-	-	-	-	-	-
-	-	-	1,653	-	-	-
-	-	-	-	-	-	-
-	-	-	11,134	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
16,476	81,200	213,148	25,506	432	21,701	-
-	-	-	-	-	-	179,401
<u>16,476</u>	<u>81,200</u>	<u>213,148</u>	<u>25,506</u>	<u>432</u>	<u>21,701</u>	<u>179,401</u>
<u>\$ 16,476</u>	<u>\$ 81,200</u>	<u>\$ 213,148</u>	<u>\$ 36,640</u>	<u>\$ 432</u>	<u>\$ 21,701</u>	<u>\$ 179,401</u>

(Continued)

City of Avon Lake, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021
(Continued)

	Continued Professional Training	Court Security	Court Interlock	Police Pension
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 33,605	\$ 52,777	\$ 141,813	\$ 37,717
Materials and Supplies Inventory	-	-	-	-
Accounts Receivable	-	1,960	635	-
Intergovernmental Receivable	-	-	-	15,713
Prepaid Items	-	-	-	-
Income Taxes Receivable	-	-	-	-
Property Taxes Receivable	-	-	-	315,451
Total Assets	\$ 33,605	\$ 54,737	\$ 142,448	\$ 368,881
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	1,510	-	-
Intergovernmental Payable	-	548	-	-
Matured Compensated Absences Payable	-	-	-	-
Interfund Payable	-	-	-	-
Unearned Revenue	-	-	-	-
<i>Total Liabilities</i>	<i>-</i>	<i>2,058</i>	<i>-</i>	<i>-</i>
Deferred Inflows of Resources:				
Property Taxes	-	-	-	306,925
Unavailable Revenue - Delinquent Property Taxes	-	-	-	8,526
Unavailable Revenue - Income Taxes	-	-	-	-
Unavailable Revenue - Other	-	-	-	15,713
<i>Total Deferred Inflows of Resources</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>331,164</i>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	33,605	52,679	142,448	37,717
Committed	-	-	-	-
<i>Total Fund Balances</i>	<i>33,605</i>	<i>52,679</i>	<i>142,448</i>	<i>37,717</i>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 33,605	\$ 54,737	\$ 142,448	\$ 368,881

<u>Fire Pension</u>	<u>Recreation Trust</u>	<u>Recreation</u>	<u>Local Coronavirus Relief</u>	<u>American Rescue Plan</u>	<u>AL Public Arts</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 38,314	\$ 329,156	\$ -	\$ -	\$ 1,133,410	\$ 455	\$ 12,158,542
-	-	-	-	-	-	142,233
-	-	-	-	-	-	5,279
15,713	-	-	-	-	-	963,649
-	-	6,023	-	-	-	20,829
-	-	139,473	-	-	-	139,473
315,451	-	-	-	-	-	2,197,257
<u>\$ 369,478</u>	<u>\$ 329,156</u>	<u>145,496</u>	<u>-</u>	<u>1,133,410</u>	<u>\$ 455</u>	<u>\$ 15,627,262</u>
\$ -	\$ -	\$ 5,312	\$ -	\$ 63,997	\$ -	\$ 120,001
-	-	13,223	-	-	-	84,083
-	-	8,293	-	-	-	59,321
-	-	-	-	-	-	39,791
-	-	1,718	-	-	-	3,371
-	-	-	-	1,069,413	-	1,069,413
-	-	28,546	-	1,133,410	-	1,375,980
306,925	-	-	-	-	-	2,136,909
8,526	-	-	-	-	-	60,348
-	-	43,701	-	-	-	43,701
15,713	-	-	-	-	-	653,409
<u>331,164</u>	<u>-</u>	<u>43,701</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,894,367</u>
-	-	-	-	-	-	157,039
38,314	-	73,249	-	-	455	5,059,217
-	329,156	-	-	-	-	6,140,659
<u>38,314</u>	<u>329,156</u>	<u>73,249</u>	<u>-</u>	<u>-</u>	<u>455</u>	<u>11,356,915</u>
<u>\$ 369,478</u>	<u>\$ 329,156</u>	<u>\$ 145,496</u>	<u>\$ -</u>	<u>\$ 1,133,410</u>	<u>\$ 455</u>	<u>\$ 15,627,262</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, 2021

	Street Construction Maintenance and Repair	State Highway	Income Tax Transfer	Paramedic	Law Enforcement Trust
REVENUES					
Property Taxes	\$ -	\$ -	\$ -	\$ 1,583,289	\$ -
Municipal Income Taxes	-	-	1,874,901	-	-
Intergovernmental	1,633,836	119,989	-	193,109	-
Interest	-	-	-	-	-
Fees, Licenses, and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	560
Rentals	-	-	-	-	-
Charges for Services	-	-	-	-	-
Contributions and Donations	-	-	-	1,000	-
All Other Revenues	-	-	-	20,025	-
Total Revenues	<u>1,633,836</u>	<u>119,989</u>	<u>1,874,901</u>	<u>1,797,423</u>	<u>560</u>
EXPENDITURES					
Current:					
Security of Persons and Property:	-	-	-	2,065,683	-
Leisure Time Activities	-	-	-	-	-
Community Environment	-	-	-	-	-
Transportation	1,871,080	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	<u>1,871,080</u>	<u>-</u>	<u>-</u>	<u>2,065,683</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>(237,244)</u>	<u>119,989</u>	<u>1,874,901</u>	<u>(268,260)</u>	<u>560</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	200,000	-	-	-	-
Transfers Out	-	-	(100,000)	-	-
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(37,244)	119,989	1,774,901	(268,260)	560
Fund Balances - Beginning of Year	2,566,713	73,385	3,857,201	1,957,586	66,597
Fund Balances - End of Year	<u>\$ 2,529,469</u>	<u>\$ 193,374</u>	<u>\$ 5,632,102</u>	<u>\$ 1,689,326</u>	<u>\$ 67,157</u>

Law Enforcement Education	Indigent Drivers Alcohol Treatment	Municipal Court Computer	COPS	Avon Lake Bay Park	Board of Building Standards	Street Tree
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	75,287	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	4,403	-
763	12,630	42,582	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	39,714
-	-	-	141,110	-	-	-
<u>763</u>	<u>12,630</u>	<u>117,869</u>	<u>141,110</u>	<u>-</u>	<u>4,403</u>	<u>39,714</u>
395	-	77,133	279,516	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	609	-
-	-	-	-	-	-	19,518
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>395</u>	<u>-</u>	<u>77,133</u>	<u>279,516</u>	<u>-</u>	<u>609</u>	<u>19,518</u>
<u>368</u>	<u>12,630</u>	<u>40,736</u>	<u>(138,406)</u>	<u>-</u>	<u>3,794</u>	<u>20,196</u>
-	-	-	135,000	-	-	-
-	-	-	-	-	-	-
-	-	-	135,000	-	-	-
<u>368</u>	<u>12,630</u>	<u>40,736</u>	<u>(3,406)</u>	<u>-</u>	<u>3,794</u>	<u>20,196</u>
16,108	68,570	172,412	28,912	432	17,907	159,205
<u>\$ 16,476</u>	<u>\$ 81,200</u>	<u>\$ 213,148</u>	<u>\$ 25,506</u>	<u>\$ 432</u>	<u>\$ 21,701</u>	<u>\$ 179,401</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, 2021
(Continued)

	Continued Professional Training	Court Security	Court Interlock
REVENUES			
Property Taxes	\$ -	\$ -	\$ -
Municipal Income Taxes	-	-	-
Intergovernmental	-	-	-
Interest	-	-	-
Fees, Licenses, and Permits	-	-	-
Fines and Forfeitures	-	28,873	13,171
Rentals	-	-	-
Charges for Services	-	-	-
Contributions and Donations	-	-	-
All Other Revenues	-	-	-
Total Revenues	<u>-</u>	<u>28,873</u>	<u>13,171</u>
EXPENDITURES			
Current:			
Security of Persons and Property:	-	41,301	263
Leisure Time Activities	-	-	-
Community Environment	-	-	-
Transportation	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	<u>-</u>	<u>41,301</u>	<u>263</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>(12,428)</u>	<u>12,908</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	(12,428)	12,908
Fund Balances - Beginning of Year	33,605	65,107	129,540
Fund Balances - End of Year	<u>\$ 33,605</u>	<u>\$ 52,679</u>	<u>\$ 142,448</u>

Police Pension	Fire Pension	Recreation Trust	Recreation Fund	Local Coronavirus Relief	American Rescue Plan	AL Public Arts	Total Nonmajor Special Revenue Funds
\$ 277,833	\$ 277,833	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,138,955
-	-	-	438,093	-	-	-	2,312,994
34,489	34,489	-	-	144,146	213,997	-	2,449,342
-	-	79	-	-	-	-	79
-	-	-	-	-	-	-	4,403
-	-	-	-	-	-	-	98,579
-	-	-	114,214	-	-	-	114,214
-	-	25,680	642,365	-	-	-	668,045
-	-	-	41,762	-	-	455	82,931
-	-	-	-	-	-	-	161,135
<u>312,322</u>	<u>312,322</u>	<u>25,759</u>	<u>1,236,434</u>	<u>144,146</u>	<u>213,997</u>	<u>455</u>	<u>8,030,677</u>
354,367	329,366	-	-	144,146	-	-	3,292,170
-	-	-	1,363,313	-	-	-	1,363,313
-	-	-	-	-	150,000	-	150,609
-	-	-	-	-	-	-	1,890,598
-	-	-	-	-	63,997	-	63,997
3,521	-	-	-	-	-	-	3,521
2,878	-	-	-	-	-	-	2,878
<u>360,766</u>	<u>329,366</u>	<u>-</u>	<u>1,363,313</u>	<u>144,146</u>	<u>213,997</u>	<u>-</u>	<u>6,767,086</u>
<u>(48,444)</u>	<u>(17,044)</u>	<u>25,759</u>	<u>(126,879)</u>	<u>-</u>	<u>-</u>	<u>455</u>	<u>1,263,591</u>
-	-	-	100,000	-	-	-	435,000
-	-	-	-	-	-	-	(100,000)
-	-	-	100,000	-	-	-	335,000
<u>(48,444)</u>	<u>(17,044)</u>	<u>25,759</u>	<u>(26,879)</u>	<u>-</u>	<u>-</u>	<u>455</u>	<u>1,598,591</u>
86,161	55,358	303,397	100,128	-	-	-	9,758,324
<u>\$ 37,717</u>	<u>\$ 38,314</u>	<u>\$ 329,156</u>	<u>\$ 73,249</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 455</u>	<u>\$ 11,356,915</u>

City of Avon Lake, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2021

	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	\$ -	\$ 74,011	\$ 681,508	\$ 755,519
Interfund Receivable	-	-	117,484	117,484
Intergovernmental Receivable	-	19,028	-	19,028
Income Taxes Receivable	453,287	-	-	453,287
Property Taxes Receivable	-	302,683	-	302,683
Special Assessments Receivable	-	-	175,480	175,480
Total Assets	\$ 453,287	\$ 395,722	\$ 974,472	\$ 1,823,481
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Interfund Payable	69,423	-	-	69,423
<i>Total Liabilities</i>	<u>69,423</u>	<u>-</u>	<u>-</u>	<u>69,423</u>
Deferred Inflows of Resources:				
Property Taxes and Payments in Lieu of Taxes	-	294,308	-	294,308
Unavailable Revenue - Delinquent Property Taxes	-	8,375	-	8,375
Unavailable Revenue - Income Taxes	142,027	-	-	142,027
Unavailable Revenue - Other	-	19,028	175,480	194,508
<i>Total Deferred Inflows of Resources</i>	<u>142,027</u>	<u>321,711</u>	<u>175,480</u>	<u>639,218</u>
Fund Balances:				
Restricted	241,837	74,011	798,992	1,114,840
<i>Total Fund Balances</i>	<u>241,837</u>	<u>74,011</u>	<u>798,992</u>	<u>1,114,840</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 453,287	\$ 395,722	\$ 974,472	\$ 1,823,481

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, 2021

	GO Bond Retirement (Unvoted)	GO Bond Retirement (Voted)	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
REVENUES				
Property Taxes	\$ -	\$ 296,355	\$ -	\$ 296,355
Income Taxes	1,550,679	-	-	1,550,679
Intergovernmental	-	36,788	-	36,788
Interest	(2,605)	-	10,496	7,891
Special Assessments	-	-	182,986	182,986
Total Revenues	<u>1,548,074</u>	<u>333,143</u>	<u>193,482</u>	<u>2,074,699</u>
EXPENDITURES				
Current:				
General Government	3,900	4,657	7,711	16,268
Debt Service:				
Principal Retirement	987,457	260,000	14,076	1,261,533
Interest and Fiscal Charges	478,070	70,350	5,788	554,208
Total Expenditures	<u>1,469,427</u>	<u>335,007</u>	<u>27,575</u>	<u>1,832,009</u>
Net Change in Fund Balances	78,647	(1,864)	165,907	242,690
Fund Balances - Beginning of Year	163,190	75,875	633,085	872,150
Fund Balances - End of Year	<u>\$ 241,837</u>	<u>\$ 74,011</u>	<u>\$ 798,992</u>	<u>\$ 1,114,840</u>

City of Avon Lake, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2021

	Walker/ Moore Rd. Intersection	Sewer Separation Projects	Curtis Sewer	Miller Rd Park Breakwall
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 994,989	\$ -	\$ -
Intergovernmental Receivable	-	-	-	-
Special Assessments Receivable	-	-	-	-
Total Assets	\$ -	\$ 994,989	\$ -	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Interfund Payable	\$ -	\$ -	\$ -	\$ -
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable Revenue - Other	-	-	-	-
<i>Total Deferred Inflows of Resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	-	994,989	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (Deficits)	-	-	-	-
<i>Total Fund Balances (Deficits)</i>	<u>-</u>	<u>994,989</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 994,989	\$ -	\$ -

Police Court Facility	45's Sewer Separation	Troy School Driveway	Bicycle Trails	Walker Rd. Widening
\$ 79,494	\$ 408,646	\$ 15,000	\$ 200	\$ 23,716
-	-	5,000	-	-
-	-	-	-	-
<u>\$ 79,494</u>	<u>408,646</u>	<u>\$ 20,000</u>	<u>\$ 200</u>	<u>\$ 23,716</u>
\$ -	\$ -	\$ 20,000	\$ -	\$ -
-	-	20,000	-	-
-	-	-	-	-
-	-	5,000	-	-
-	-	5,000	-	-
-	408,646	-	-	23,716
-	-	-	200	-
79,494	-	-	-	-
-	-	(5,000)	-	-
<u>79,494</u>	<u>408,646</u>	<u>(5,000)</u>	<u>200</u>	<u>23,716</u>
<u>\$ 79,494</u>	<u>\$ 408,646</u>	<u>\$ 20,000</u>	<u>\$ 200</u>	<u>\$ 23,716</u>

(Continued)

City of Avon Lake, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2021
(Continued)

	City Wide Signalization	North Point Erosion Control	Pool Renovation	Walker Rd Sewer/Lear Rd East	Titus- Pitts-Hill Ditch
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 3,771	\$ -	\$ 554,012	\$ 1,111,937
Intergovernmental Receivable	-	-	-	-	-
Special Assessments Receivable	-	-	-	42,327	-
Total Assets	<u>\$ -</u>	<u>\$ 3,771</u>	<u>\$ -</u>	<u>\$ 596,339</u>	<u>\$ 1,111,937</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Interfund Payable	\$ -	\$ -	\$ 580	\$ -	\$ -
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>580</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:					
Unavailable Revenue - Other	-	-	-	42,327	-
<i>Total Deferred Inflows of Resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,327</u>	<u>-</u>
Fund Balances:					
Restricted	-	-	-	554,012	-
Committed	-	-	-	-	1,111,937
Assigned	-	3,771	-	-	-
Unassigned (Deficits)	-	-	(580)	-	-
<i>Total Fund Balances (Deficits)</i>	<u>-</u>	<u>3,771</u>	<u>(580)</u>	<u>554,012</u>	<u>1,111,937</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ -</u>	<u>\$ 3,771</u>	<u>\$ -</u>	<u>\$ 596,339</u>	<u>\$ 1,111,937</u>

Sidewalk/ Street Lighting	Cove Ave Improvement	Curtis Road Sewer Improvement	ALPS Playground	Lear/ Krebs Intersection	Fairfield/ Brookfield Improvement	Total Nonmajor Capital Projects Funds
\$ 282,993	\$ 21,042	\$ -	\$ 244,839	\$ -	\$ -	\$ 3,740,639
-	-	-	-	-	-	5,000
-	79,549	-	-	-	-	121,876
<u>\$ 282,993</u>	<u>\$ 100,591</u>	<u>-</u>	<u>244,839</u>	<u>-</u>	<u>-</u>	<u>3,867,515</u>
\$ -	\$ 117,484	\$ 21,523	\$ -	\$ -	\$ -	\$ 159,587
-	117,484	21,523	-	-	-	159,587
-	79,549	-	-	-	-	126,876
-	79,549	-	-	-	-	126,876
282,993	-	-	-	-	-	2,264,356
-	-	-	-	-	-	1,112,137
-	-	-	244,839	-	-	328,104
-	(96,442)	(21,523)	-	-	-	(123,545)
<u>282,993</u>	<u>(96,442)</u>	<u>(21,523)</u>	<u>244,839</u>	<u>-</u>	<u>-</u>	<u>3,581,052</u>
<u>\$ 282,993</u>	<u>\$ 100,591</u>	<u>\$ -</u>	<u>\$ 244,839</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,867,515</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, 2021

	Walker/ Moore Rd. Intersection	Sewer Separation Projects	Curtis Sewer	Miller Rd Park Breakwall
REVENUES				
Contributions and Donations	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
Leisure Time Activities	-	-	-	-
General Government	-	-	-	-
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balances (Deficits)- Beginning of Year	-	994,989	-	-
Fund Balances (Deficits) - End of Year	\$ -	\$ 994,989	\$ -	\$ -

Police Court Facility	45's Sewer Separation	Troy School Driveway	Bicycle Trails	Walker Rd. Widening
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
79,494	408,646	(5,000)	200	23,716
<u>\$ 79,494</u>	<u>\$ 408,646</u>	<u>\$ (5,000)</u>	<u>\$ 200</u>	<u>\$ 23,716</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, 2021
(Continued)

	City Wide Signalization	North Point Erosion Control	Pool Renovation	Walker Rd Sewer/Lear Rd East
REVENUES				
Contributions and Donations	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	22,011
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,011</u>
EXPENDITURES				
Current:				
Leisure Time Activities	-	-	-	-
General Government	-	-	-	313
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>313</u>
Net Change in Fund Balances	-	-	-	21,698
Fund Balances (Deficits)- Beginning of Year	-	3,771	(580)	532,314
Fund Balances (Deficits) - End of Year	<u>\$ -</u>	<u>\$ 3,771</u>	<u>\$ (580)</u>	<u>\$ 554,012</u>

<u>Titus- Pitts-Hill Ditch</u>	<u>Sidewalk/ Street Lighting</u>	<u>Cove Ave Improvement</u>	<u>Curtis Road Sewer Improvement</u>	<u>ALPS Playground</u>	<u>Lear/ Krebs Intersection</u>	<u>Fairfield/ Brookfield Improvement</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 14,109	\$ -	\$ -	\$ 14,109
-	-	14,318	-	-	-	-	36,329
-	-	14,318	-	14,109	-	-	50,438
-	-	-	-	19,270	-	-	19,270
-	5,412	602	-	-	-	-	6,327
-	-	2,958	-	-	-	-	2,958
-	5,412	3,560	-	19,270	-	-	28,555
-	(5,412)	10,758	-	(5,161)	-	-	21,883
1,111,937	288,405	(107,200)	(21,523)	250,000	-	-	3,559,169
<u>\$ 1,111,937</u>	<u>\$ 282,993</u>	<u>\$ (96,442)</u>	<u>\$ (21,523)</u>	<u>\$ 244,839</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,581,052</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 (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

Custodial Funds

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.

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

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 Fiduciary Net Position
Custodial Funds
December 31, 2021

	ELT 2 MOR Fund	Transfer Fund	Municipal Court	Total
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 1,586	\$ 48,724	\$ 50,310
Cash and Cash Equivalents with Fiscal Agent	2,272,300	-	-	2,272,300
Total Assets	2,272,300	1,586	48,724	2,322,610
LIABILITIES				
Due to External Parties	386,741	708	48,724	436,173
Total Liabilities	386,741	708	48,724	436,173
NET POSITION				
Restricted For:				
Individuals, Organizations, and Other Governments	1,885,559	878	-	1,886,437
Total Net Position	\$ 1,885,559	\$ 878	\$ -	\$ 1,886,437

City of Avon Lake, Ohio
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2021

	<u>ELT 2 MOR Fund</u>	<u>Transfer Fund</u>	<u>Municipal Court</u>	<u>Total</u>
ADDITIONS				
Amounts Received as Fiscal Agent	\$ 5,404,166	\$ -	\$ -	\$ 5,404,166
Fines and Forfeitures for Other Governments	-	7,263	966,569	973,832
Total Additions	<u>5,404,166</u>	<u>7,263</u>	<u>966,569</u>	<u>6,377,998</u>
DEDUCTIONS				
Fines and Forefeitures Distributions to Other Governments	-	7,197	966,569	973,766
Distributions as Fiscal Agent	4,823,531	-	-	4,823,531
Total Deductions	<u>4,823,531</u>	<u>7,197</u>	<u>966,569</u>	<u>5,797,297</u>
Net Increase (Decrease) in Fiduciary Net Position	580,635	66	-	580,701
Net Position - Beginning of Year	1,304,924	812	-	1,305,736
Net Position - End of Year	<u>\$ 1,885,559</u>	<u>\$ 878</u>	<u>\$ -</u>	<u>\$ 1,886,437</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Property Taxes	\$ 3,673,339	\$ 4,880,773	\$ 4,294,664	\$ (586,109)
Other Taxes	336,604	447,247	393,539	(53,708)
Intergovernmental	807,457	1,072,870	944,034	(128,836)
Interest	3,585	4,763	4,191	(572)
Fees, Licenses, and Permits	295,342	392,422	345,298	(47,124)
Fines and Forfeitures	205,254	272,722	239,972	(32,750)
Charges for Services	507,037	673,702	592,800	(80,902)
Rentals	65,196	86,625	76,223	(10,402)
Contributions and Donations	1,946	2,585	2,275	(310)
All Other Revenues	137,069	182,123	160,253	(21,870)
Total Revenues	6,032,829	8,015,832	7,053,249	(962,583)
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Personal Services	4,050,445	4,275,445	4,307,558	(32,113)
Other	362,501	342,501	339,925	2,576
Total Police	4,412,946	4,617,946	4,647,483	(29,537)
Fire				
Personal Services	2,672,061	2,884,061	2,878,570	5,491
Other	232,309	222,309	212,398	9,911
Total Fire	2,904,370	3,106,370	3,090,968	15,402
Total Security of Persons and Property	7,317,316	7,724,316	7,738,451	(14,135)
Community Development				
Building Inspection				
Personal Services	462,700	490,950	486,843	4,107
Other	30,863	32,863	30,467	2,396
Total Building Inspection	493,563	523,813	517,310	6,503
Planning Commission				
Personal Services	219,545	136,545	141,019	(4,474)
Other	22,470	22,470	15,171	7,299
Total Planning Commission	242,015	159,015	156,190	2,825
EEAB				
Other	2,625	2,625	265	2,360
Total EEAB	2,625	2,625	265	2,360
Total Community Development	738,203	685,453	673,765	11,688

(continued)

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, 2021
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Transportation				
Service				
Personal Services	2,281,990	2,683,990	2,695,168	(11,178)
Other	1,123,514	1,218,514	1,125,030	93,484
Total Transportation	<u>3,405,504</u>	<u>3,902,504</u>	<u>3,820,198</u>	<u>82,306</u>
General Government				
Legislative - Council				
Personal Services	193,505	198,005	202,842	(4,837)
Other	71,195	51,195	43,758	7,437
Total Legislative - Council	<u>264,700</u>	<u>249,200</u>	<u>246,600</u>	<u>2,600</u>
Judicial - Court				
Personal Services	465,960	561,710	550,876	10,834
Other	91,488	81,488	67,784	13,704
Total Judicial - Court	<u>557,448</u>	<u>643,198</u>	<u>618,660</u>	<u>24,538</u>
Legal Counsel				
Personal Services	172,765	208,165	202,015	6,150
Other	47,530	52,530	50,246	2,284
Total Legal Counsel	<u>220,295</u>	<u>260,695</u>	<u>252,261</u>	<u>8,434</u>
Civil Service				
Personal Services	9,210	9,210	8,026	1,184
Other	11,591	22,591	22,276	315
Total Civil Service	<u>20,801</u>	<u>31,801</u>	<u>30,302</u>	<u>1,499</u>
Mayor				
Personal Services	401,147	459,797	447,362	12,435
Other	208,884	130,384	110,790	19,594
Total Mayor	<u>610,031</u>	<u>590,181</u>	<u>558,152</u>	<u>32,029</u>
Finance				
Personal Services	485,740	521,540	519,882	1,658
Other	331,535	338,035	336,501	1,534
Total Finance	<u>817,275</u>	<u>859,575</u>	<u>856,383</u>	<u>3,192</u>
Other General Government				
Other	792,900	812,900	811,953	947
Total General Government	<u>3,283,450</u>	<u>3,447,550</u>	<u>3,374,311</u>	<u>73,239</u>
Total Expenditures	<u>14,744,473</u>	<u>15,759,823</u>	<u>15,606,725</u>	<u>153,098</u>

(continued)

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, 2021
 (Continued)*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Excess of Revenues Over (Under) Expenditures	(8,711,644)	(7,743,991)	(8,553,476)	(809,485)
Other Financing Sources (Uses)				
Sale of Capital Assets	286	380	334	(46)
Transfers In	8,000,000	8,000,000	8,000,000	-
Transfers Out	(590,000)	(612,750)	(612,643)	107
Total Other Financing Sources (Uses)	<u>7,410,286</u>	<u>7,387,630</u>	<u>7,387,691</u>	<u>61</u>
Net Change in Fund Balance	(1,301,358)	(356,361)	(1,165,785)	(809,424)
Fund Balance - Beginning of Year	1,686,060	1,686,060	1,686,060	-
Prior Year Encumbrances Appropriated	272,478	272,478	272,478	-
Fund Balance - End of Year	<u>\$ 657,180</u>	<u>\$ 1,602,177</u>	<u>\$ 792,753</u>	<u>\$ (809,424)</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, 2021*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Municipal Income Taxes	\$ 1,500,000	\$ 1,500,000	\$ -
Intergovernmental	676,819	393,318	(283,501)
Interest	150,000	149,008	(992)
Contributions and Donations	87,760	51,000	(36,760)
All Other Revenues	96,666	57,918	(38,748)
Total Revenues	<u>2,511,245</u>	<u>2,151,244</u>	<u>(360,001)</u>
Expenditures:			
Current:			
General Government			
Other	65,100	124,931	(59,831)
Total General Government	<u>65,100</u>	<u>124,931</u>	<u>(59,831)</u>
Capital Outlay:			
Capital Outlay	4,964,524	3,805,408	1,159,116
Total Expenditures	<u>5,029,624</u>	<u>3,931,655</u>	<u>1,097,969</u>
Excess of Revenues Over (Under) Expenditures	(2,518,379)	(1,780,411)	737,968
Other Financing Sources			
Transfers In	1,081,190	-	(1,081,190)
Total Other Financing Sources	<u>1,081,190</u>	<u>-</u>	<u>(1,081,190)</u>
Net Change in Fund Balance	(1,437,189)	(1,780,411)	(343,222)
Fund Balance - Beginning of Year	2,420,039	2,420,039	-
Prior Year Encumbrances Appropriated	934,496	934,496	-
Fund Balance - End of Year	<u>\$ 1,917,346</u>	<u>\$ 1,574,124</u>	<u>\$ (343,222)</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, 2021*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 810,000	\$ 1,614,631	\$ 804,631
Total Revenues	<u>810,000</u>	<u>1,614,631</u>	<u>804,631</u>
Expenditures:			
Current:			
Transportation			
Street Construction, Maintenance and Repair			
Personal Services	1,013,685	999,002	14,683
Other	609,742	553,128	56,614
Total Expenditures	<u>1,623,427</u>	<u>1,552,130</u>	<u>71,297</u>
Excess of Revenues Over (Under) Expenditures	(813,427)	62,501	875,928
Other Financing Sources			
Transfers In	200,000	200,000	-
Total Other Financing Sources	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net Change in Fund Balance	(613,427)	262,501	875,928
Fund Balance - Beginning of Year	1,877,934	1,877,934	-
Prior Year Encumbrances Appropriated	53,742	53,742	-
Fund Balance - End of Year	<u>\$ 1,318,249</u>	<u>\$ 2,194,177</u>	<u>\$ 875,928</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, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Intergovernmental	\$ 118,500	\$ 118,485	\$ (15)
Total Revenues	<u>118,500</u>	<u>118,485</u>	<u>(15)</u>
Expenditures:			
Current:			
Transportation			
Street Construction, Maintenance and Repair			
Other	95,000	-	95,000
Total Expenditures	<u>95,000</u>	<u>-</u>	<u>95,000</u>
Net Change in Fund Balance	23,500	118,485	94,985
Fund Balance - Beginning of Year	55,224	55,224	-
Fund Balance - End of Year	<u>\$ 78,724</u>	<u>\$ 173,709</u>	<u>\$ 94,985</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, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Municipal Income Taxes	\$ 10,589,938	\$ 13,297,401	\$ 2,707,463
Total Revenues	<u>10,589,938</u>	<u>13,297,401</u>	<u>2,707,463</u>
Expenditures:			
Current:			
Security of Persons and Property:			
Police and Others:			
Other	400,000	-	400,000
Total Expenditures	<u>400,000</u>	<u>-</u>	<u>400,000</u>
Excess of Revenues Over (Under) Expenditures	10,189,938	13,297,401	3,107,463
Other Financing (Uses)			
Transfers Out	(11,522,500)	(11,522,500)	-
Total Other Financing (Uses)	<u>(11,522,500)</u>	<u>(11,522,500)</u>	<u>-</u>
Net Change in Fund Balance	(1,332,562)	1,774,901	3,107,463
Fund Balance - Beginning of Year	3,857,201	3,857,201	-
Fund Balance - End of Year	<u>\$ 2,524,639</u>	<u>\$ 5,632,102</u>	<u>\$ 3,107,463</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, 2021*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 1,466,084	\$ 1,583,289	\$ 117,205
Intergovernmental	171,940	193,109	21,169
Contributions and Donations	926	1,000	74
All Other Revenues	18,543	20,025	1,482
Total Revenues	<u>1,657,493</u>	<u>1,797,423</u>	<u>139,930</u>
Expenditures:			
Current:			
Security of Persons and Property			
Fire			
Personal Services	1,604,090	1,601,618	2,472
Other	522,869	479,259	43,610
Total Expenditures	<u>2,126,959</u>	<u>2,080,877</u>	<u>46,082</u>
Net Change in Fund Balance	(469,466)	(283,454)	186,012
Fund Balance - Beginning of Year	1,541,623	1,541,623	-
Prior Year Encumbrances Appropriated	312,869	312,869	-
Fund Balance - End of Year	<u>\$ 1,385,026</u>	<u>\$ 1,571,038</u>	<u>\$ 186,012</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, 2021*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues	\$ -	\$ -	\$ -
Expenditures:			
Current:			
Public Health Services			
Other	75,250	75,233	17
Total Expenditures	<u>75,250</u>	<u>75,233</u>	<u>17</u>
Excess of Revenues Over (Under) Expenditures	(75,250)	(75,233)	17
Other Financing Sources			
Transfers In	60,000	60,000	-
Total Other Financing Sources	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Net Change in Fund Balance	(15,250)	(15,233)	17
Fund Balance - Beginning of Year	13,023	13,023	-
Fund Balance - End of Year	<u>\$ (2,227)</u>	<u>\$ (2,210)</u>	<u>\$ 17</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, 2021*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:	\$ -	\$ -	\$ -
Expenditures:			
Current:			
Transportation			
Service			
Personal Services	30,025	29,767	258
Other	3,100	193	2,907
Total Expenditures	33,125	29,960	3,165
Excess of Revenues Over (Under) Expenditures	(33,125)	(29,960)	3,165
Other Financing Sources			
Transfers In	25,000	20,000	(5,000)
Total Other Financing Sources	25,000	20,000	(5,000)
Net Change in Fund Balance	(8,125)	(9,960)	(1,835)
Fund Balance - Beginning of Year	77,425	77,425	-
Fund Balance - End of Year	\$ 69,300	\$ 67,465	\$ (1,835)

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, 2021*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
All Other Revenues	\$ 500	\$ 239	\$ (261)
Total Revenues	<u>500</u>	<u>239</u>	<u>(261)</u>
Expenditures:			
Current:			
Leisure Time Activities			
Cable TV			
Personal Services	149,415	149,415	-
Other	60,980	47,267	13,713
Total Expenditures	<u>210,395</u>	<u>196,682</u>	<u>13,713</u>
Excess of Revenues Over (Under) Expenditures	(209,895)	(196,443)	13,452
Other Financing Sources			
Transfers In	175,000	175,000	-
Total Other Financing Sources	<u>175,000</u>	<u>175,000</u>	<u>-</u>
Net Change in Fund Balance	(34,895)	(21,443)	13,452
Fund Balance - Beginning of Year	20,344	20,344	-
Prior Year Encumbrances Appropriated	11,555	11,555	-
Fund Balance - End of Year	<u>\$ (2,996)</u>	<u>\$ 10,456</u>	<u>\$ 13,452</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, 2021*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Fines and Forfeitures	\$ 1,000	\$ 560	\$ (440)
Total Revenues	<u>1,000</u>	<u>560</u>	<u>(440)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Other	2,000	-	2,000
Total Expenditures	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Net Change in Fund Balance	(1,000)	560	1,560
Fund Balance - Beginning of Year	66,597	66,597	-
Fund Balance - End of Year	<u>\$ 65,597</u>	<u>\$ 67,157</u>	<u>\$ 1,560</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, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Fines and Forfeitures	\$ -	\$ 698	\$ 698
Total Revenues	<u>-</u>	<u>698</u>	<u>698</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police			
Other	7,500	395	7,105
Total Expenditures	<u>7,500</u>	<u>395</u>	<u>7,105</u>
Net Change in Fund Balance	(7,500)	303	7,803
Fund Balance - Beginning of Year	16,023	16,023	-
Fund Balance - End of Year	<u>\$ 8,523</u>	<u>\$ 16,326</u>	<u>\$ 7,803</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, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Fines and Forfeitures	\$ 12,500	\$ 12,876	\$ 376
Total Revenues	<u>12,500</u>	<u>12,876</u>	<u>376</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police			
Other	17,851	-	17,851
Total Expenditures	<u>17,851</u>	<u>-</u>	<u>17,851</u>
Net Change in Fund Balance	(5,351)	12,876	18,227
Fund Balance - Beginning of Year	67,440	67,440	-
Prior Year Encumbrances Appropriated	351	351	-
Fund Balance - End of Year	<u>\$ 62,440</u>	<u>\$ 80,667</u>	<u>\$ 18,227</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, 2021*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	15,892	75,287	59,395
Fines and Forfeitures	\$ 9,108	\$ 43,151	\$ 34,043
Total Revenues	<u>25,000</u>	<u>118,438</u>	<u>93,438</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police			
Other	80,349	77,871	2,478
Total Expenditures	<u>80,349</u>	<u>77,871</u>	<u>2,478</u>
Net Change in Fund Balance	(55,349)	40,567	95,916
Fund Balance - Beginning of Year	169,381	169,381	-
Prior Year Encumbrances Appropriated	1,199	1,199	-
Fund Balance - End of Year	<u>\$ 115,231</u>	<u>\$ 211,147</u>	<u>\$ 95,916</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, 2021*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
All Other Revenues	130,000	135,262	5,262
Total Revenues	<u>130,000</u>	<u>135,262</u>	<u>5,262</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police			
Personal Services	281,055	282,854	(1,799)
Total Expenditures	<u>281,055</u>	<u>282,854</u>	<u>(1,799)</u>
Excess of Revenues Over (Under) Expenditures	(151,055)	(147,592)	3,463
Other Financing Sources			
Transfers In	135,000	135,000	-
Total Other Financing Sources	<u>135,000</u>	<u>135,000</u>	<u>-</u>
Net Change in Fund Balance	(16,055)	(12,592)	3,463
Fund Balance - Beginning of Year	10,939	10,939	-
Fund Balance - End of Year	<u>\$ (5,116)</u>	<u>\$ (1,653)</u>	<u>\$ 3,463</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, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget
	<u>Final</u>	<u>Actual</u>	Positive (Negative)
Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	432	432	-
Fund Balance - End of Year	<u><u>\$ 432</u></u>	<u><u>\$ 432</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
Board of Building Standards Fund
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget
	<u>Final</u>	<u>Actual</u>	Positive (Negative)
Revenues:			
Fees, Licenses, and Permits	\$ 4,500	\$ 4,403	\$ (97)
Total Revenues	<u>4,500</u>	<u>4,403</u>	<u>(97)</u>
Expenditures:			
Current:			
Community Environment			
Building Inspection			
Other	6,549	2,500	4,049
Total Expenditures	<u>6,549</u>	<u>2,500</u>	<u>4,049</u>
Net Change in Fund Balance	(2,049)	1,903	3,952
Fund Balance - Beginning of Year	16,655	16,655	-
Prior Year Encumbrances Appropriated	2,049	2,049	-
Fund Balance - End of Year	<u>\$ 16,655</u>	<u>\$ 20,607</u>	<u>\$ 3,952</u>

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, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Contributions and Donations	\$ 39,500	\$ 39,714	\$ 214
Total Revenues	<u>39,500</u>	<u>39,714</u>	<u>214</u>
Expenditures:			
Current:			
Leisure Time Activities			
Parks and Recreation			
Other	19,520	19,518	2
Total Expenditures	<u>19,520</u>	<u>19,518</u>	<u>2</u>
Net Change in Fund Balance	19,980	20,196	216
Fund Balance - Beginning of Year	142,356	142,356	-
Fund Balance - End of Year	<u>\$ 162,336</u>	<u>\$ 162,552</u>	<u>\$ 216</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, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police			
Other	10,000	-	10,000
Total Expenditures	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net Change in Fund Balance	(10,000)	-	10,000
Fund Balance - Beginning of Year	33,605	33,605	-
Fund Balance - End of Year	<u><u>\$ 23,605</u></u>	<u><u>\$ 33,605</u></u>	<u><u>\$ 10,000</u></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, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Fines and Forfeitures	\$ 29,500	\$ 29,480	\$ (20)
Total Revenues	<u>29,500</u>	<u>29,480</u>	<u>(20)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police			
Personal Services	42,785	40,553	2,232
Other	4,000	-	4,000
Total Expenditures	<u>46,785</u>	<u>40,553</u>	<u>6,232</u>
Net Change in Fund Balance	(17,285)	(11,073)	6,212
Fund Balance - Beginning of Year	63,850	63,850	-
Fund Balance - End of Year	<u>\$ 46,565</u>	<u>\$ 52,777</u>	<u>\$ 6,212</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, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Fines and Forfeitures	\$ 15,000	\$ 13,111	\$ (1,889)
Total Revenues	<u>15,000</u>	<u>13,111</u>	<u>(1,889)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police			
Other	15,000	263	14,737
Total Expenditures	<u>15,000</u>	<u>263</u>	<u>14,737</u>
Net Change in Fund Balance	-	12,848	12,848
Fund Balance - Beginning of Year	128,965	128,965	-
Fund Balance - End of Year	<u>\$ 128,965</u>	<u>\$ 141,813</u>	<u>\$ 12,848</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, 2021*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 277,849	\$ 277,833	\$ (16)
Intergovernmental	34,491	34,488	(3)
Total Revenues	<u>312,340</u>	<u>312,321</u>	<u>(19)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police			
Personal Services	276,654	276,654	-
Other	84,117	84,111	6
Total Expenditures	<u>360,771</u>	<u>360,765</u>	<u>6</u>
Net Change in Fund Balance	(48,431)	(48,444)	(13)
Fund Balance - Beginning of Year	86,161	86,161	-
Fund Balance - End of Year	<u>\$ 37,730</u>	<u>\$ 37,717</u>	<u>\$ (13)</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, 2021*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 277,848	\$ 277,833	\$ (15)
Intergovernmental	34,492	34,489	(3)
Total Revenues	<u>312,340</u>	<u>312,322</u>	<u>(18)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Fire			
Personal Services	276,669	276,669	-
Other	54,705	52,697	2,008
Total Expenditures	<u>331,374</u>	<u>329,366</u>	<u>2,008</u>
Net Change in Fund Balance	(19,034)	(17,044)	1,990
Fund Balance - Beginning of Year	55,358	55,358	-
Fund Balance - End of Year	<u>\$ 36,324</u>	<u>\$ 38,314</u>	<u>\$ 1,990</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, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Interest	\$ 78	\$ 79	\$ 1
Charges for Services	<u>25,422</u>	<u>25,680</u>	<u>258</u>
Total Revenues	<u>25,500</u>	<u>25,759</u>	<u>259</u>
Expenditures:			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	25,500	25,759	259
Fund Balance - Beginning of Year	<u>303,397</u>	<u>303,397</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 328,897</u></u>	<u><u>\$ 329,156</u></u>	<u><u>\$ 259</u></u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Recreation Fund
 For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Rentals	\$ 114,215	\$ 114,214	\$ (1)
Charges for Services	642,372	642,365	(7)
Contributions and Donations	41,763	41,762	(1)
Total Revenues	<u>798,350</u>	<u>798,341</u>	<u>(9)</u>
Expenditures:			
Current:			
Leisure Time Activities			
Personal Services	862,920	870,451	(7,531)
Other	508,965	501,679	7,286
Total Leisure Time Activities	<u>1,371,885</u>	<u>1,372,130</u>	<u>(245)</u>
Total Expenditures	<u>1,371,885</u>	<u>1,372,130</u>	<u>(245)</u>
Excess of Revenues Over (Under) Expenditures	(573,535)	(573,789)	(254)
Other Financing Sources			
Transfers In	522,500	522,500	-
Total Other Financing Sources	<u>522,500</u>	<u>522,500</u>	<u>-</u>
Net Change in Fund Balance	(51,035)	(51,289)	(254)
Fund Balance - Beginning of Year	44,139	44,139	-
Prior Year Encumbrances Appropriated	2,915	2,915	-
Fund Balance - End of Year	<u>\$ (3,981)</u>	<u>\$ (4,235)</u>	<u>\$ (254)</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Local Coronavirus Relief Fund
 For the Year Ended December 31, 2021*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:	\$ -	\$ -	\$ -
Expenditures:			
Current:			
Security of Persons and Property			
Police			
Personal Services	261,386	144,146	117,240
Total Expenditures	261,386	144,146	117,240
Net Change in Fund Balance	(261,386)	(144,146)	117,240
Fund Balance - Beginning of Year	26,906	26,906	-
Prior Year Encumbrances Appropriated	117,240	117,240	-
Fund Balance - End of Year	\$ (117,240)	\$ -	\$ 117,240

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 American Rescue Plan Fund
 For the Year Ended December 31, 2021*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ -	\$ 1,283,410	\$ 1,283,410
Total Revenues	<u>-</u>	<u>1,283,410</u>	<u>1,283,410</u>
Expenditures:			
Current:			
Community Environment			
Personal Services	150,000	150,000	-
Other	70,000	-	70,000
Total Expenditures	<u>220,000</u>	<u>150,000</u>	<u>70,000</u>
Net Change in Fund Balance	(220,000)	1,133,410	1,353,410
Fund Balance - Beginning of Year	-	-	-
Fund Balance - End of Year	<u>\$ (220,000)</u>	<u>\$ 1,133,410</u>	<u>\$ 1,353,410</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 AL Public Arts Fund
 For the Year Ended December 31, 2021*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Contributions and Donations	\$ -	\$ 455	\$ 455
Total Revenues	<u>-</u>	<u>455</u>	<u>455</u>
Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	455	455
Fund Balance - Beginning of Year	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 455</u>	<u>\$ 455</u>

City of Avon Lake, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Deposits Trust Fund
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Licenses and Permits	\$ 70,537	\$ 17,500	\$ (53,037)
Total Revenues	<u>70,537</u>	<u>17,500</u>	<u>(53,037)</u>
Expenditures:			
Current:			
Community Environment			
Other	66,765	66,764	1
Total Expenditures	<u>66,765</u>	<u>66,764</u>	<u>1</u>
Net Change in Fund Balance	3,772	(49,264)	(53,036)
Fund Balance - Beginning of Year	110,994	110,994	-
Fund Balance - End of Year	<u>\$ 114,766</u>	<u>\$ 61,730</u>	<u>\$ (53,036)</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Unclaimed Monies Fund
 For the Year Ended December 31, 2021*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
All Other Revenues	\$ 8,858	\$ 1,204	\$ (7,654)
Total Revenues	<u>8,858</u>	<u>1,204</u>	<u>(7,654)</u>
Expenditures:			
Current:			
General Government			
Other	1,000	-	1,000
Total Expenditures	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net Change in Fund Balance	7,858	1,204	(6,654)
Fund Balance - Beginning of Year	8,858	8,858	-
Fund Balance - End of Year	<u>\$ 16,716</u>	<u>\$ 10,062</u>	<u>\$ (6,654)</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, 2021*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Interest	\$ 8,484	\$ 2,157	\$ (6,327)
Total Revenues	8,484	2,157	(6,327)
Expenditures:			
General Government			
Mayor			
Other	5,000	3,900	1,100
Total General Government	5,000	3,900	1,100
Debt Service:			
Principal	1,207,635	1,192,824	14,811
Interest & Fiscal Charges	366,280	366,280	-
Total Expenditures	1,578,915	1,563,004	15,911
Excess of Revenues Over (Under) Expenditures	(1,570,431)	(1,560,847)	9,584
Other Financing Sources			
OPWC Loans Issued	290,444	-	(290,444)
Transfers In	5,900,130	1,500,000	(4,400,130)
Total Other Financing Sources	6,190,574	1,500,000	(4,690,574)
Net Change in Fund Balance	4,620,143	(60,847)	(4,680,990)
Fund Balance - Beginning of Year	249,754	249,754	-
Fund Balance - End of Year	\$ 4,869,897	\$ 188,907	\$ (4,680,990)

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, 2021*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 296,279	\$ 296,355	\$ 76
Intergovernmental	56,721	56,735	14
Total Revenues	<u>353,000</u>	<u>353,090</u>	<u>90</u>
Expenditures:			
Current:			
General Government			
Other General Government			
Other	4,660	4,657	3
Debt Service:			
Principal	260,000	260,000	-
Interest & Fiscal Charges	70,350	70,350	-
Total Debt Service	<u>330,350</u>	<u>330,350</u>	<u>-</u>
Total Expenditures	<u>335,010</u>	<u>335,007</u>	<u>3</u>
Net Change in Fund Balance	17,990	18,083	93
Fund Balance- Beginning of Year	75,875	75,875	-
Fund Balance- End of Year	<u>\$ 93,865</u>	<u>\$ 93,958</u>	<u>93</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, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Interest	\$ 9,285	\$ 9,280	\$ (5)
Special Assessments	182,999	182,986	(13)
Total Revenues	<u>192,284</u>	<u>192,266</u>	<u>(18)</u>
Expenditures:			
Current:			
General Government			
Other General Government			
Other	8,010	7,711	299
Debt Service:			
Principal	267,446	32,852	234,594
Interest & Fiscal Charges	12,000	7,679	4,321
Total Debt Service	<u>279,446</u>	<u>40,531</u>	<u>238,915</u>
Total Expenditures	<u>287,456</u>	<u>48,242</u>	<u>239,214</u>
Excess of Revenues Over (Under) Expenditures	(95,172)	144,024	239,196
Other Financing Sources			
Transfers In	19,865	19,865	-
Total Other Financing Sources	<u>19,865</u>	<u>19,865</u>	<u>-</u>
Net Change in Fund Balance	(75,307)	163,889	239,196
Fund Balance - Beginning of Year	528,197	528,197	-
Fund Balance - End of Year	<u>\$ 452,890</u>	<u>\$ 692,086</u>	<u>\$ 239,196</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, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget
	<u>Final</u>	<u>Actual</u>	Positive (Negative)
Revenues:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	994,989	994,989	-
Fund Balance - End of Year	<u><u>\$ 994,989</u></u>	<u><u>\$ 994,989</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
Police/Court Facility Fund
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u></u>
Revenues:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	79,494	79,494	-
Fund Balance - End of Year	<u><u>\$ 79,494</u></u>	<u><u>\$ 79,494</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
45's Sewer Separation Fund
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		Variance with
	<u>Final</u>	<u>Actual</u>	Final Budget
			Positive
			<u>(Negative)</u>
Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	408,646	408,646	-
Fund Balance - End of Year	<u><u>\$ 408,646</u></u>	<u><u>\$ 408,646</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
Troy School Driveway Fund
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	15,000	15,000	-
Fund Balance - End of Year	<u><u>\$ 15,000</u></u>	<u><u>\$ 15,000</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
Bicycle Trails Fund
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	200	200	-
Fund Balance - End of Year	<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 Road Widening Fund
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget
	<u>Final</u>	<u>Actual</u>	Positive (Negative)
Revenues:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	23,716	23,716	-
Fund Balance - End of Year	<u><u>\$ 23,716</u></u>	<u><u>\$ 23,716</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
North Point Control Erosion Fund
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		Variance with
	<u>Final</u>	<u>Actual</u>	Final Budget
			Positive
			(Negative)
Revenues:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	3,771	3,771	-
Fund Balance - End of Year	<u><u>\$ 3,771</u></u>	<u><u>\$ 3,771</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
Pool Renovation Fund
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	<u>(580)</u>	<u>(580)</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ (580)</u></u>	<u><u>\$ (580)</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. Sewer/Lear Rd. East Fund
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Special Assessments	\$ -	\$ 22,011	\$ 22,011
Total Revenues	<u>-</u>	<u>22,011</u>	<u>22,011</u>
Expenditures:			
Current:			
General Government			
Other	315	313	2
Total Expenditures	<u>315</u>	<u>313</u>	<u>2</u>
Net Change in Fund Balance	(315)	21,698	22,013
Fund Balance - Beginning of Year	532,314	532,314	-
Fund Balance - End of Year	<u>\$ 531,999</u>	<u>\$ 554,012</u>	<u>\$ 22,013</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, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	1,111,937	1,111,937	-
Fund Balance - End of Year	<u><u>\$ 1,111,937</u></u>	<u><u>\$ 1,111,937</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
 Sidewalk/Street Lighting Fund
 For the Year Ended December 31, 2021*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	(Negative)
Revenues:	\$ -	\$ -	\$ -
Expenditures:			
Current:			
Public Works			
Other	300,000	5,412	294,588
Total Expenditures	300,000	5,412	294,588
Net Change in Fund Balance	(300,000)	(5,412)	294,588
Fund Balance - Beginning of Year	288,405	288,405	-
Fund Balance - End of Year	\$ (11,595)	\$ 282,993	\$ 294,588

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, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Special Assessments	\$ -	\$ 14,318	\$ 14,318
Total Revenues	<u>-</u>	<u>14,318</u>	<u>14,318</u>
Expenditures:			
Current:			
Public Works			
Other	605	602	3
Total Expenditures	<u>605</u>	<u>602</u>	<u>3</u>
Excess of Revenues Over (Under) Expenditures	(605)	13,716	14,321
Other Financing Uses			
Transfers Out	-	(17,034)	(17,034)
Total Other Financing Uses	<u>-</u>	<u>(17,034)</u>	<u>(17,034)</u>
Net Change in Fund Balance	(605)	(3,318)	(2,713)
Fund Balance - Beginning of Year	24,360	24,360	-
Fund Balance - End of Year	<u>\$ 23,755</u>	<u>\$ 21,042</u>	<u>\$ (2,713)</u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Curtis Road Sewer. Improvements Fund
 For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	(21,523)	(21,523)	-
Fund Balance - End of Year	<u><u>\$ (21,523)</u></u>	<u><u>\$ (21,523)</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
 ALPS Playground Fund
 For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Contributions and Donations	\$ -	\$ 14,109	\$ 14,109
Total Revenues	<u>\$ -</u>	<u>\$ 14,109</u>	<u>\$ 14,109</u>
Expenditures:			
Capital Outlay:			
Other	19,270	19,270	-
Total Capital Outlay	<u>19,270</u>	<u>19,270</u>	<u>-</u>
Total Expenditures	<u>19,270</u>	<u>19,270</u>	<u>-</u>
Net Change in Fund Balance	(19,270)	(5,161)	14,109
Fund Balance - Beginning of Year	250,000	250,000	-
Fund Balance - End of Year	<u>\$ 230,730</u>	<u>\$ 244,839</u>	<u>\$ 14,109</u>

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STATISTICAL SECTION



City of Avon Lake, Ohio

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2-S15
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.	S16-S22
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.	S24-S29
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.	S30-S33
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.	S34-S38

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

	2021	2020	2019
<u>Governmental Activities</u>			
Net Investment in Capital Assets	\$ 47,954,460	\$ 43,649,736	\$ 41,911,671
Restricted	10,044,828	10,208,592	9,450,107
Unrestricted	(11,745,946)	(16,017,463)	(13,851,128)
Total Governmental Activities Net Position	<u>\$ 46,253,342</u>	<u>\$ 37,840,865</u>	<u>\$ 37,510,650</u>
<u>Business Type - Activities</u>			
Net Investment in Capital Assets	\$ 52,741,345	\$ 52,123,767	\$ 49,468,981
Restricted	0	0	0
Unrestricted	20,169,879	12,826,136	9,312,111
Total Business-Type Activities Net Position	<u>\$ 72,911,224</u>	<u>\$ 64,949,903</u>	<u>\$ 58,781,092</u>
<u>Primary Government</u>			
Net Investment in Capital Assets	\$ 100,695,805	\$ 95,773,503	\$ 91,380,652
Restricted	10,044,828	10,208,592	9,450,107
Unrestricted	8,423,933	(3,191,327)	(4,539,017)
Total Primary Government Net Position	<u>\$ 119,164,566</u>	<u>\$ 102,790,768</u>	<u>\$ 96,291,742</u>

- (1) - In 2015 the City implemented GASB Statement No. 68, which restated the 2014 Net Position.
(2) - In 2018 the City implemented GASB Statement No. 75, which restated the 2017 Net Position.

2018	2017 (2)	2016	2015	2014 (1)	2013	2012
\$ 42,910,011	\$ 40,084,385	\$ 44,792,875	\$ 47,819,200	\$ 47,692,149	\$ 44,445,366	\$ 44,703,908
12,190,510	11,788,817	8,808,675	8,126,696	7,513,366	9,152,098	7,833,010
(26,178,517)	(22,086,580)	(8,228,818)	(10,251,230)	(8,629,554)	6,929,989	7,930,749
<u>\$ 28,922,004</u>	<u>\$ 29,786,622</u>	<u>\$ 45,372,732</u>	<u>\$ 45,694,666</u>	<u>\$ 46,575,961</u>	<u>\$ 60,527,453</u>	<u>\$ 60,467,667</u>
\$ 47,469,992	\$ 47,110,023	\$ 44,246,451	\$ 50,834,571	\$ 43,880,621	\$ 38,036,092	\$ 35,920,203
0	0	0	0	1,343,581	1,353,870	1,383,230
7,967,187	5,212,866	7,049,592	117,369	7,891,672	15,355,883	15,180,871
<u>\$ 55,437,179</u>	<u>\$ 52,322,889</u>	<u>\$ 51,296,043</u>	<u>\$ 50,951,940</u>	<u>\$ 53,115,874</u>	<u>\$ 54,745,845</u>	<u>\$ 52,484,304</u>
\$ 90,380,003	\$ 87,194,408	\$ 89,039,326	\$ 98,653,771	\$ 91,572,770	\$ 82,481,458	\$ 80,624,111
12,190,510	11,788,817	8,808,675	8,126,696	8,856,947	10,505,968	9,216,240
(18,211,330)	(16,873,714)	(1,179,226)	(10,133,861)	(737,882)	22,285,872	23,111,620
<u>\$ 84,359,183</u>	<u>\$ 82,109,511</u>	<u>\$ 96,668,775</u>	<u>\$ 96,646,606</u>	<u>\$ 99,691,835</u>	<u>\$ 115,273,298</u>	<u>\$ 112,951,971</u>

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

	2021	2020	2019
<u>Program Revenues</u>			
Governmental Activities:			
Charges for Services:			
Security of Persons and Property	\$ 661,737	\$ 453,571	\$ 677,959
Leisure Time Activities	825,105	305,974	762,797
Community Environment	389,415	4,832	3,781
Basic Utility Services	27	0	0
Transportation	0	0	188,098
General Government	301,738	739,149	477,718
Subtotal - Charges for Services	<u>2,178,022</u>	<u>1,503,526</u>	<u>2,110,353</u>
Operating Grants and Contributions:			
Security of Persons and Property	259,229	1,484,882	135,633
Leisure Time Activities	42,217	9,885	39,673
Community Environment	150,000	109,001	0
Basic Utility Services	7,364	0	0
Transportation	1,774,194	1,664,554	1,603,905
General Government	2,275	600	320,410
Subtotal - Operating Grants and Contributions	<u>2,235,279</u>	<u>3,268,922</u>	<u>2,099,621</u>
Capital Grants and Contributions:			
Leisure Time Activities	65,109	0	0
Transportation	3,675,881	0	536,270
General Government	0	41,000	0
Subtotal - Capital Grants and Contributions	<u>3,740,990</u>	<u>41,000</u>	<u>536,270</u>
Total Governmental Activities Program Revenues	<u>8,154,291</u>	<u>4,813,448</u>	<u>4,746,244</u>
<u>Business-Type Activities</u>			
Charges for Services:			
Water	15,100,270	16,448,066	14,455,666
Sewer	9,631,326	8,744,282	7,835,749
Operating Grants and Contributions:			
Water	35,574	127,073	217,249
Sewer	0	0	0
Capital Grants and Contributions			
Water	0	0	308,250
Sewer	0	49,089	84,400
Total Business-Type Activities Program Revenues	<u>24,767,170</u>	<u>25,368,510</u>	<u>22,901,314</u>
Total Primary Government Program Revenues	<u>\$ 32,921,461</u>	<u>\$ 30,181,958</u>	<u>\$ 27,647,558</u>

2018	2017	2016	2015	2014	2013	2012
\$ 553,486	\$ 610,426	\$ 545,414	\$ 460,031	\$ 618,555	\$ 476,704	\$ 395,176
772,868	781,478	646,179	495,657	493,336	470,814	499,203
2,840	3,152	8,325	11,515	3,812	0	0
0	0	0	0	0	7,490	144,040
221,287	199,964	246,147	206,922	300,721	156,440	158,564
426,452	459,499	1,086,256	743,508	575,566	866,938	636,803
<u>1,976,933</u>	<u>2,054,519</u>	<u>2,532,321</u>	<u>1,917,633</u>	<u>1,991,990</u>	<u>1,978,386</u>	<u>1,833,786</u>
92,944	64,582	4,260	54,107	1,327	31,444	0
54,268	24,500	1,890	21,618	8,646	9,092	7,782
0	0	0	11,768	0	0	0
0	0	0	0	0	0	0
1,207,049	1,509,818	1,106,175	974,559	875,929	934,353	909,418
44,706	20,316	56,396	7,282	13,214	24,340	30,421
<u>1,398,967</u>	<u>1,619,216</u>	<u>1,168,721</u>	<u>1,069,334</u>	<u>899,116</u>	<u>999,229</u>	<u>947,621</u>
0	0	0	0	0	0	225,000
2,017,170	762,187	55,400	0	1,179,656	397,058	90,084
0	0	0	0	0	697	0
<u>2,017,170</u>	<u>762,187</u>	<u>55,400</u>	<u>0</u>	<u>1,179,656</u>	<u>397,755</u>	<u>315,084</u>
<u>5,393,070</u>	<u>4,435,922</u>	<u>3,756,442</u>	<u>2,986,967</u>	<u>4,070,762</u>	<u>3,375,370</u>	<u>3,096,491</u>
13,690,745	13,322,903	12,343,359	11,300,714	10,225,815	10,965,314	11,344,168
7,017,943	6,441,710	5,666,281	5,515,053	5,070,984	4,963,589	5,408,552
261,737	282,043	305,784	230,280	314,822	324,886	222,175
0	0	0	322,352	0	5,056	0
1,036,250	156,400	66,360	0	224,212	73,200	32,000
607,600	175,977	66,650	0	291,625	72,150	123,422
<u>22,614,275</u>	<u>20,379,033</u>	<u>18,448,434</u>	<u>17,368,399</u>	<u>16,127,458</u>	<u>16,404,195</u>	<u>17,130,317</u>
<u>\$ 28,007,345</u>	<u>\$ 24,814,955</u>	<u>\$ 22,204,876</u>	<u>\$ 20,355,366</u>	<u>\$ 20,198,220</u>	<u>\$ 19,779,565</u>	<u>\$ 20,226,808</u>

(Continued)

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

	2021	2020	2019
<u>Expenses</u>			
Governmental Activities:			
Security of Persons and Property	\$ 10,943,878	\$ 11,196,697	\$ 1,151,587
Public Health	0	0	0
Leisure Time Activities	1,443,906	1,450,787	2,071,149
Community Environment	434,731	710,895	687,950
Basic Utility Services (1)	0	0	0
Transportation	6,073,064	8,377,882	8,366,486
General Government	3,060,873	4,364,779	4,656,345
Interest & Fiscal Charges	564,005	612,256	953,438
Total Governmental Activities Expenses	22,520,457	26,713,296	17,886,955
<u>Business-Type Activities</u>			
Water	9,607,546	11,705,141	12,588,737
Sewer	7,108,238	8,349,728	7,406,292
Total Business-Type Activities Expenses	16,715,784	20,054,869	19,995,029
Total Primary Government Program Expenses	39,236,241	46,768,165	37,881,984
<u>Net (Expense)/Revenue</u>			
Governmental Activities	(14,366,166)	(21,899,848)	(13,140,711)
Business-Type Activities	8,051,386	5,313,641	2,906,285
Total Primary Government Net Expense	(6,314,780)	(16,586,207)	(10,234,426)

2018	2017	2016	2015	2014	2013	2012
\$ 11,330,517	\$ 10,372,536	\$ 10,039,529	\$ 9,003,214	\$ 8,933,432	\$ 8,465,633	\$ 8,534,837
0	0	5,546	29,823	88,023	188,239	140,705
1,979,149	1,776,435	1,302,035	1,153,093	1,312,553	1,158,288	1,239,644
580,475	553,662	524,453	459,925	461,484	487,654	473,952
0	0	0	0	0	0	388,614
7,461,591	9,078,916	7,536,427	6,739,622	7,473,350	6,236,676	6,157,639
4,272,344	3,777,011	3,414,524	3,515,818	3,325,069	3,391,591	3,136,087
375,664	470,588	424,664	488,696	431,533	470,790	473,463
<u>25,999,740</u>	<u>26,029,148</u>	<u>23,247,178</u>	<u>21,390,191</u>	<u>22,025,444</u>	<u>20,398,871</u>	<u>20,544,941</u>
11,778,764	10,024,654	10,400,178	12,176,431	9,325,575	9,109,859	9,214,574
8,156,152	7,194,231	7,742,785	7,079,585	6,058,831	5,796,151	5,259,464
<u>19,934,916</u>	<u>17,218,885</u>	<u>18,142,963</u>	<u>19,256,016</u>	<u>15,384,406</u>	<u>14,906,010</u>	<u>14,474,038</u>
<u>45,934,656</u>	<u>43,248,033</u>	<u>41,390,141</u>	<u>40,646,207</u>	<u>37,409,850</u>	<u>35,304,881</u>	<u>35,018,979</u>
(20,606,670)	(21,593,226)	(19,490,736)	(18,403,224)	(17,954,682)	(17,023,501)	(17,448,450)
2,679,359	3,160,148	305,471	(1,887,617)	743,052	1,498,185	2,656,279
<u>(17,927,311)</u>	<u>(18,433,078)</u>	<u>(19,185,265)</u>	<u>(20,290,841)</u>	<u>(17,211,630)</u>	<u>(15,525,316)</u>	<u>(14,792,171)</u>

(Continued)

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

	2021	2020	2019
<u>General Revenues and Other Changes in Net Position</u>			
Governmental Activities			
Property and Other Taxes Levied For:			
General Purposes	\$ 4,656,564	\$ 4,526,103	\$ 4,524,175
Debt Service Purpose	296,829	293,675	301,864
Other Purposes	2,144,102	2,055,303	2,049,383
Municipal Income Taxes Levied For:			
General Purposes	13,346,755	12,809,267	12,851,527
Grants and Entitlements not Restricted to			
Specific Programs	1,432,719	1,270,864	1,277,192
Investment Income	(120,051)	427,663	508,868
Gain on Sale of Capital Assets	334	18,929	25,444
All Other Revenues	475,270	828,259	190,904
Transfers	546,121	0	0
Total Governmental	<u>22,778,643</u>	<u>22,230,063</u>	<u>21,729,357</u>
Business-Type Activities			
Municipal Income Taxes Levied For:			
Sewer	0	0	0
Investment Income	43,887	212,436	206,463
All Other Revenues	412,169	642,734	231,165
Transfers	(546,121)	0	0
Total Business-Type Activities	<u>(90,065)</u>	<u>855,170</u>	<u>437,628</u>
Total Primary Government General Revenues and Other Changes in Net Position	<u>22,688,578</u>	<u>23,085,233</u>	<u>22,166,985</u>
<u>Change in Net Position</u>			
Governmental Activities	8,412,477	330,215	8,588,646
Business-Type Activities	7,961,321	6,168,811	3,343,913
Total Primary Government Change in Net Position	<u>\$ 16,373,798</u>	<u>\$ 6,499,026</u>	<u>\$ 11,932,559</u>

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

2018	2017	2016	2015	2014	2013	2012
\$ 3,595,471	\$ 4,109,532	\$ 3,988,090	\$ 3,393,633	\$ 3,272,816	\$ 3,716,672	3,876,214
288,506	292,413	321,191	292,499	285,751	300,607	285,046
1,883,814	1,911,587	1,994,500	1,805,298	1,774,044	1,813,852	1,352,126
11,890,667	11,305,374	11,667,821	10,232,789	9,929,219	9,746,498	9,763,450
1,152,476	1,116,923	895,131	1,505,059	1,556,651	1,195,278	2,056,510
292,217	197,265	189,676	133,216	143,406	58,145	123,385
2,617	1,591	23,080	27,905	2,731	1,469	0
636,284	461,349	89,313	131,530	278,953	263,925	370,066
0	0	0	0	0	(13,159)	25,703
<u>19,742,052</u>	<u>19,396,034</u>	<u>19,168,802</u>	<u>17,521,929</u>	<u>17,243,571</u>	<u>17,083,287</u>	<u>17,852,500</u>
0	0	0	0	214,650	512,524	473,049
93,443	3,240	(775)	9,911	18,659	7,034	72,661
341,488	251,821	39,407	158,471	436,561	230,639	337,426
0	0	0	0	0	13,159	(25,703)
<u>434,931</u>	<u>255,061</u>	<u>38,632</u>	<u>168,382</u>	<u>669,870</u>	<u>763,356</u>	<u>857,433</u>
<u>20,176,983</u>	<u>19,651,095</u>	<u>19,207,434</u>	<u>17,690,311</u>	<u>17,913,441</u>	<u>17,846,643</u>	<u>18,709,933</u>
(864,618)	(2,197,192)	(321,934)	(881,295)	(711,111)	59,786	404,050
3,114,290	3,415,209	344,103	(1,719,235)	1,412,922	2,261,541	3,513,712
<u>\$ 2,249,672</u>	<u>\$ 1,218,017</u>	<u>\$ 22,169</u>	<u>\$ (2,600,530)</u>	<u>\$ 701,811</u>	<u>\$ 2,321,327</u>	<u>\$ 3,917,762</u>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>General Fund</u>				
Nonspendable	\$ 208,572	\$ 235,364	\$ 155,322	\$ 141,347
Committed	86,307	96,482	330,097	351,169
Assigned	684,094	300,416	177,192	60,618
Unassigned	<u>1,565,161</u>	<u>2,383,988</u>	<u>2,125,878</u>	<u>1,313,191</u>
Total General Fund	<u>2,544,134</u>	<u>3,016,250</u>	<u>2,788,489</u>	<u>1,866,325</u>
<u>All Other Governmental Funds</u>				
Nonspendable	157,039	470,449	531,618	380,096
Restricted	8,438,413	8,088,292	7,558,647	6,393,727
Committed	10,634,803	9,435,261	10,104,856	8,414,997
Assigned	328,104	333,265	87,418	87,418
Unassigned (Deficit)	<u>(123,545)</u>	<u>(134,303)</u>	<u>(173,131)</u>	<u>(6,639,437)</u>
Total All Other Governmental Funds	<u>19,434,814</u>	<u>18,192,964</u>	<u>18,109,408</u>	<u>8,636,801</u>
 Total Governmental Funds	 <u>\$ 21,978,948</u>	 <u>\$ 21,209,214</u>	 <u>\$ 20,897,897</u>	 <u>\$ 10,503,126</u>

2017	2016	2015	2014	2013	2012
\$ 118,833	\$ 70,880	\$ 67,966	\$ 112,319	\$ 149,282	\$ 154,115
429,429	442,006	261,380	278,633	384,401	365,421
288,322	920,391	1,216,648	1,710,552	2,203,130	1,971,632
1,110,473	1,040,308	1,220,231	760,805	331,507	636,982
<u>1,947,057</u>	<u>2,473,585</u>	<u>2,766,225</u>	<u>2,862,309</u>	<u>3,068,320</u>	<u>3,128,150</u>
102,405	151,595	296,051	234,170	70,355	80,426
5,689,588	6,114,011	5,408,042	3,302,014	5,303,791	2,603,420
10,370,333	8,536,885	5,702,131	6,698,389	6,365,290	6,635,452
87,418	87,418	87,418	87,921	143,428	145,545
(6,966,288)	(6,807,634)	(4,276,494)	(2,120,540)	(230,119)	(240,094)
<u>9,283,456</u>	<u>8,082,275</u>	<u>7,217,148</u>	<u>8,201,954</u>	<u>11,652,745</u>	<u>9,224,749</u>
<u>\$ 11,230,513</u>	<u>\$ 10,555,860</u>	<u>\$ 9,983,373</u>	<u>\$ 11,064,263</u>	<u>\$ 14,721,065</u>	<u>\$ 12,352,899</u>

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

	2021	2020	2019
<u>Revenues</u>			
Property and Other Taxes	\$ 7,140,967	\$ 6,859,658	\$ 6,874,935
Municipal Income Taxes	13,687,237	12,383,810	12,763,965
Intergovernmental	3,978,660	4,338,585	3,155,191
Interest	(120,048)	427,663	508,868
Fees, Licenses and Permits	349,701	264,135	251,006
Fines and Forfeitures	334,797	295,808	366,913
Charges for Services	1,290,451	872,812	1,288,428
Contributions and Donations	150,315	52,846	46,046
Special Assessments	219,315	220,722	224,594
All Other Revenues	635,154	1,095,748	327,462
Total Revenues	27,666,549	26,811,787	25,807,408
<u>Expenditures</u>			
Current:			
Security of Persons and Property	10,879,853	9,907,382	9,549,104
Public Health Services	0	0	0
Leisure Time Activities	1,622,355	1,031,640	1,427,973
Community Environment	661,852	651,403	531,816
Basic Utility Services (1)	0	0	0
Transportation	5,651,522	4,858,916	4,080,465
General Government	3,581,102	3,617,155	3,646,641
Capital Outlay	2,706,601	4,293,788	6,878,916
Debt Service:			
Principal Retirement	1,333,261	1,825,001	1,120,543
Interest and Fiscal Charges	566,592	622,192	757,016
Bond Issuance Costs	0	0	240,549
Total Expenditures	27,003,138	26,807,477	28,233,023
Excess of Revenues Over (Under) Expenditures	663,411	4,310	(2,425,615)

2018	2017	2016	2015	2014	2013	2012
\$ 6,154,376	\$ 6,329,612	\$ 6,280,195	\$ 5,542,344	\$ 5,393,371	\$ 5,823,203	\$ 5,452,174
11,775,124	11,191,207	12,343,455	10,537,547	10,424,202	9,528,994	9,407,646
2,412,554	2,614,311	2,144,101	2,677,043	2,975,550	2,768,724	2,860,391
292,217	197,265	189,676	133,216	143,406	58,145	123,385
320,828	316,657	421,148	292,465	283,496	314,258	264,386
328,608	376,244	357,291	391,869	379,546	363,806	343,231
1,229,239	1,729,626	1,732,212	1,095,404	1,088,715	1,094,002	1,102,449
83,536	45,617	4,550	10,209	10,005	13,619	12,335
228,025	236,923	339,961	330,281	398,003	376,113	465,612
359,581	443,768	89,313	131,530	279,397	513,815	117,416
<u>23,184,088</u>	<u>23,481,230</u>	<u>23,901,902</u>	<u>21,141,908</u>	<u>21,375,691</u>	<u>20,854,679</u>	<u>20,149,025</u>
9,394,471	9,182,784	8,526,874	8,580,683	8,284,112	8,043,110	8,375,212
13,317	0	77,920	81,250	80,000	176,361	150,834
1,528,769	1,295,348	943,592	834,646	898,760	899,472	917,967
510,854	485,603	481,223	474,261	452,526	472,910	482,536
0	0	0	0	0	0	388,614
4,152,369	4,391,691	4,504,531	4,079,694	3,980,188	3,896,164	4,456,045
3,601,142	3,091,800	2,873,869	3,083,760	2,860,068	2,921,343	2,553,332
8,950,165	11,049,269	4,453,527	3,673,188	5,255,871	2,130,676	508,078
1,049,566	1,176,908	1,807,539	1,104,432	2,958,998	1,260,302	1,136,937
401,123	402,100	237,478	330,506	379,746	414,542	462,746
11,500	63,899	25,468	83,453	9,955	10,650	20,069
<u>29,613,276</u>	<u>31,139,402</u>	<u>23,932,021</u>	<u>22,325,873</u>	<u>25,160,224</u>	<u>20,225,530</u>	<u>19,452,370</u>
<u>(6,429,188)</u>	<u>(7,658,172)</u>	<u>(30,119)</u>	<u>(1,183,965)</u>	<u>(3,784,533)</u>	<u>629,149</u>	<u>696,655</u>

(Continued)

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

	2021	2020	2019
<u>Other Financing Sources (Uses)</u>			
Refunding Bonds Issued	0	0	0
Premium on Bond Issuance	0	0	160,745
Payment to Refunded Bond Escrow Account	0	0	0
Transfers In	435,000	3,215,539	1,939,121
Transfers Out	(435,000)	(3,215,539)	(1,939,121)
Sale of Capital Assets	334	50,744	25,444
Bond Anticipation Notes Issued	0	0	0
Premium on Notes Issued	0	0	0
Inception of Capital Lease	105,989	0	0
Bond Proceeds	0	0	9,360,000
Loan Proceeds	0	256,263	3,274,197
Total Other Financing Sources (Uses)	106,323	307,007	12,820,386
 Net Change in Fund Balances	 \$ 769,734	 \$ 311,317	 \$ 10,394,771
 Debt Service as a Percentage of Noncapital Expenditures	 7.93%	 10.55%	 8.33%

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

2018	2017	2016	2015	2014	2013	2012
0	0	0	0	0	0	765,000
0	0	0	0	0	0	11,122
0	0	0	(3,234,044)	0	0	(756,053)
2,893,838	10,426,368	3,294,701	5,307,197	1,810,984	3,677,999	1,747,894
(2,893,838)	(10,426,368)	(3,294,701)	(5,307,197)	(1,810,984)	(3,714,762)	(1,722,191)
12,376	1,591	23,736	27,905	2,731	21,138	0
0	0	0	0	0	1,743,000	0
0	0	0	344,216	0	11,642	0
0	329,484	0	0	0	0	0
0	0	0	2,964,998	0	0	0
5,689,425	8,001,750	578,870	0	125,000	0	115,000
<u>5,701,801</u>	<u>8,332,825</u>	<u>602,606</u>	<u>103,075</u>	<u>127,731</u>	<u>1,739,017</u>	<u>160,772</u>
<u>\$ (727,387)</u>	<u>\$ 674,653</u>	<u>\$ 572,487</u>	<u>\$ (1,080,890)</u>	<u>\$ (3,656,802)</u>	<u>\$ 2,368,166</u>	<u>\$ 857,427</u>
6.80%	7.13%	10.13%	7.45%	15.36%	9.08%	8.82%

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
2021	\$ 850,012,420	\$ 113,672,680	\$2,753,386,000	\$ 74,951,190	\$85,171,807
2020	834,341,780	115,506,280	2,713,851,600	64,726,250	73,552,557
2019	822,000,240	115,185,740	2,677,674,229	65,134,520	74,016,500
2018	735,234,640	92,341,760	2,364,504,000	54,808,360	62,282,227
2017	721,156,790	94,388,670	2,330,129,886	51,256,120	58,245,591
2016	714,330,370	91,450,730	2,302,231,714	43,768,750	49,737,216
2015	656,953,220	91,620,740	2,138,782,743	39,187,470	44,531,216
2014	647,831,640	91,423,030	2,112,156,200	38,214,330	43,425,375
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

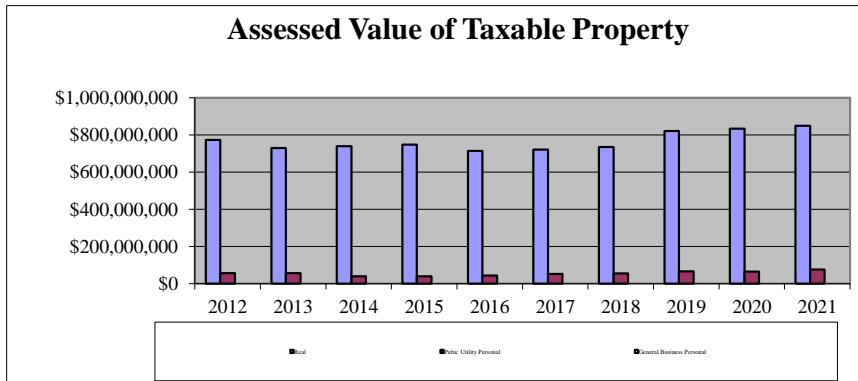
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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. 23 percent for inventories.

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 percent, 2 1/2 percent and homestead exemptions before being billed.

Source: Lorain County Auditor

Total			
Assessed Value	Estimated Actual Value	Ratio	Direct Tax Rate
\$ 1,038,636,290	\$2,838,557,807	36.59%	\$ 8.02
1,014,574,310	2,787,404,157	36.40%	8.03
1,002,320,500	2,751,690,729	36.43%	8.04
882,384,760	2,426,786,227	36.36%	8.08
866,801,580	2,388,375,477	36.29%	8.08
849,549,850	2,351,968,930	36.12%	8.10
787,761,430	2,183,313,959	36.08%	8.12
777,469,000	2,155,581,575	36.07%	8.13
785,299,050	2,147,197,005	36.57%	8.13
829,553,680	2,274,786,686	36.47%	7.34



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

	Collection Year 2021	Collection Year 2020	Collection Year 2019	Collection Year 2018
<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
2008 Bond	0.32	0.33	0.34	0.38
2009 Ambulance & EMS	-	-	-	-
2012 Ambulance & EMS	2.00	2.00	2.00	2.00
Total Voted Millage	3.82	3.83	3.84	3.88
Total Millage	\$ 8.02	\$ 8.03	\$ 8.04	\$ 8.08
<u>Overlapping Rates by Taxing District</u>				
City of Avon Lake				
Residential/Agricultural Effective Rate	\$ 7.1513	\$ 7.1642	\$ 7.1781	\$ 7.4858
Commercial/Industrial and Public Utility Effective Rate	7.5074	7.5281	8.0800	8.0800
General Business and Public Utility Personal Property	8.0200	8.0300	8.0400	8.0800
Avon Lake School District				
Residential/Agricultural Effective Rate	38.8743	39.0469	39.2148	43.0180
Commercial/Industrial and Public Utility Effective Rate	49.5525	49.8200	49.7422	57.4012
General Business and Public Utility Personal Property	69.0710	69.2430	69.4100	72.2800
Lorain County				
Residential/Agricultural Effective Rate	13.6306	13.1644	13.1882	14.1817
Commercial/Industrial and Public Utility Effective Rate	13.7821	13.2344	13.0638	14.4874
General Business and Public Utility Personal Property	15.5820	15.0820	15.0820	15.0820
Special Taxing Districts (1)				
Residential/Agricultural Effective Rate	4.3801	4.3887	4.3969	4.8128
Commercial/Industrial and Public Utility Effective Rate	4.4272	4.4252	4.3767	4.8943
General Business and Public Utility Personal Property	5.2500	5.2500	5.2500	5.2500

Source: Lorain County Auditor

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

Collection Year 2017	Collection Year 2016	Collection Year 2015	Collection Year 2014	Collection Year 2013	Collection Year 2012
\$ 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
0.38	0.40	0.42	0.43	0.43	0.39
-	-	-	-	-	1.25
2.00	2.00	2.00	2.00	2.00	-
<u>3.88</u>	<u>3.90</u>	<u>3.92</u>	<u>3.93</u>	<u>3.93</u>	<u>3.14</u>
<u>\$ 8.08</u>	<u>\$ 8.10</u>	<u>\$ 8.12</u>	<u>\$ 8.13</u>	<u>\$ 8.13</u>	<u>\$ 7.34</u>
\$ 7.4944	\$ 7.5170	\$ 7.7490	\$ 7.7610	\$ 7.7630	\$ 6.8917
7.9870	7.9640	7.9884	8.0016	8.0090	7.2862
8.0800	8.1000	8.1200	8.1300	8.1300	7.3400
43.1994	43.4947	46.6387	47.1799	39.3201	36.3220
54.9694	54.8818	56.7991	57.3566	49.5474	48.4658
72.6900	72.6900	74.5700	75.1000	67.2300	65.5700
14.2006	14.3715	14.0857	14.0927	12.8534	12.2226
14.4165	13.7749	13.7749	13.7186	12.5193	12.4841
15.0820	15.0820	14.4820	14.4820	13.6550	13.6900
4.8266	4.8283	5.1100	5.1134	5.1161	4.9184
4.8377	4.7883	4.7956	4.7728	4.7762	4.8177
5.2500	5.2500	5.2500	5.2500	5.2500	5.2500

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
2021	\$ 7,552,109	\$ 6,580,636	87.14%	\$ 149,337	\$ 6,729,973	89.11%	\$ 189,822	2.51%
2020	7,267,858	6,383,085	87.83%	73,579	6,456,664	88.84%	173,847	2.39%
2019	7,289,264	7,175,918	98.45%	93,870	7,269,788	99.73%	158,296	2.17%
2018	6,692,792	6,438,197	96.20%	102,487	6,540,684	97.73%	158,810	2.37%
2017	6,572,706	6,478,101	98.56%	131,722	6,609,823	100.56%	172,188	2.62%
2016	6,452,483	6,345,423	98.34%	117,559	6,462,982	100.16%	188,269	2.92%
2015	6,141,076	6,056,711	98.63%	152,679	6,209,390	101.11%	164,684	2.68%
2014	6,070,204	5,959,788	98.18%	130,919	6,090,707	100.34%	215,597	3.55%
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%

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
 2021 and 2012

<i>2021</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
American Transmission Systems Inc	\$ 39,314,330	3.92 %
NRG Power Midwest LP	19,769,450	1.97 %
Cleveland Electric Illuminating Co	12,941,960	1.29 %
Great Lakes Senior Living Communities LLC	10,956,440	1.09 %
Orion Power Midwest LP	7,575,690	0.76 %
Ford Motor Company	6,658,650	0.66 %
182 Somerset Realty LLC	5,804,930	0.58 %
Learwood Square Company LLC	4,454,400	0.44 %
Towne Care Center LLC	4,341,500	0.43 %
Lumin Avon Lake LLC	3,985,570	0.40 %
Total	\$ 115,802,920	11.54 %
Total Assessed Valuation		
	\$ 1,002,320,500	
<i>2012</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Genon Power Midwest LP	\$ 36,538,600	4.47 %
Orion Power Midwest LP	19,357,510	2.37 %
Cleveland Electric	10,230,310	1.25 %
American Transmission Systems Inc	6,888,270	0.84 %
Ford Motor Company	4,917,190	0.60 %
Polyone Corporation	4,141,730	0.51 %
Legacy Pointe LTD	3,612,470	0.44 %
181 Somerset Realty LLC	3,405,920	0.42 %
Health Care Reit Inc	2,937,060	0.36 %
Kopf Properties II LTD	2,156,460	0.26 %
Total	\$ 94,185,520	11.52 %
Total Assessed Valuation		
	\$ 817,590,679	

Source: Lorain County Auditor

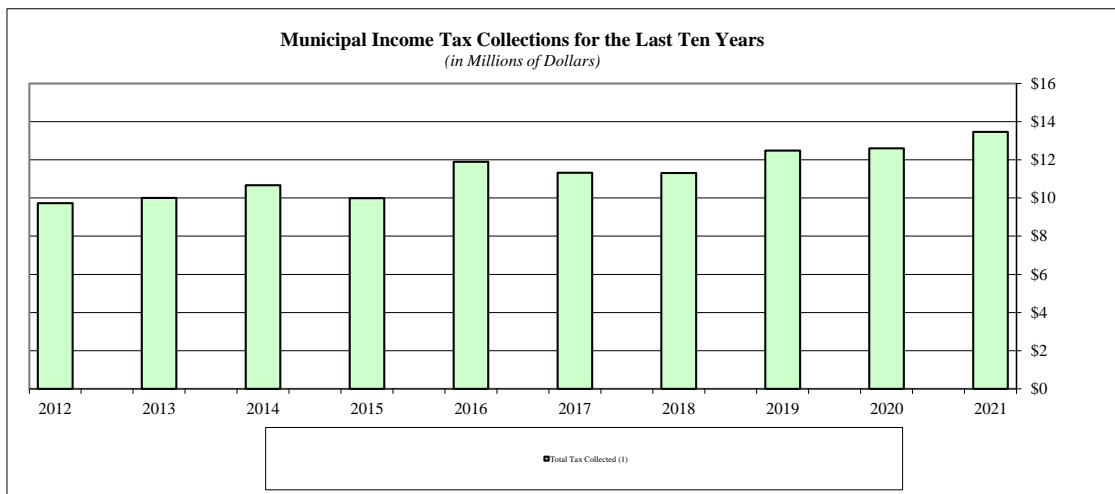
(1) The amounts presented represent the assessed values upon which 2021 and 2012 collections were based.

City of Avon Lake, Ohio
Municipal Income Tax Revenue Base and Collections
Cash Basis
Last Ten Years

Tax Year	Tax Rate	Total Tax Collected (1)
2021	1.50%	\$ 13,458,292
2020	1.50%	12,604,122
2019	1.50%	12,488,574
2018	1.50%	11,314,759
2017	1.50%	11,320,836
2016	1.50%	11,895,371
2015	1.50%	9,992,454
2014	1.50%	10,668,132
2013	1.50%	9,999,500
2012	1.50%	9,724,368

(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
2021	\$11,204,289	\$0	\$17,885,362	\$132,272	\$0	\$182,462	\$0
2020	12,022,567	0	18,344,795	149,372	0	144,680	0
2019	13,198,553	225,417	18,492,868	155,830	0	190,511	0
2018	4,327,799	445,834	15,398,377	168,747	0	235,194	0
2017	5,121,540	659,522	8,709,698	181,664	0	278,757	0
2016	5,925,733	867,458	782,318	162,499	0	0	23,000
2015	6,745,040	1,147,817	226,302	175,416	626,204	0	46,000
2014	7,009,404	1,415,685	232,081	188,333	626,784	0	69,000
2013	7,807,179	1,675,983	237,675	70,000	2,510,728	0	92,000
2012	8,595,954	1,928,697	0	76,666	938,972	0	135,000

(1) Amounts include associated premiums

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
\$7,971,142	\$0	\$117,732,545	\$0	\$1,885,942	\$156,994,014	13.74%	\$6,228
8,503,692	0	122,234,936	0	2,507,320	163,907,362	17.77%	7,259
9,021,242	0	124,272,340	0	3,113,698	168,670,459	18.28%	7,470
2,361,342	0	121,442,001	0	3,720,076	148,099,370	16.05%	6,559
2,579,327	0	108,833,549	0	3,876,454	130,240,511	14.12%	5,768
2,792,312	0	75,706,390	0	3,982,832	90,242,542	9.78%	3,996
3,005,297	0	49,041,258	0	4,727,210	65,740,544	7.13%	2,911
3,218,282	0	46,068,004	0	6,210,000	65,037,573	7.05%	2,880
4,225,645	8,870	40,682,410	0	6,595,000	63,905,490	6.93%	2,830
5,177,681	36,017	39,988,768	0	7,545,000	64,422,755	6.98%	2,853

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
2021	25,206	(a)	\$2,838,557,807	\$19,491,279	0.69 %	\$773
2020	22,581	(b)	2,787,404,157	20,765,324	0.74 %	920
2019	22,581	(b)	2,751,690,729	21,570,111	0.78 %	955
2018	22,581	(b)	2,426,786,227	6,689,141	0.28 %	296
2017	22,581	(b)	2,388,375,477	7,700,867	0.32 %	341
2016	22,581	(b)	2,351,968,930	8,718,045	0.37 %	386
2015	22,581	(b)	2,183,313,959	9,750,337	0.45 %	432
2014	22,581	(b)	2,155,581,575	10,227,686	0.47 %	453
2013	22,581	(b)	2,147,197,005	22,380,176	1.04 %	991
2012	22,581	(b)	2,274,786,686	13,635,388	0.60 %	604

Sources:

(1) Source: U. S. Census, (a) 2020 and (b) 2010

(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, 2021*

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City</u>
Direct - City of Avon Lake			
General Obligation Bonds, net	\$11,204,289	100.00%	\$ 11,204,289
OPWC Loan	132,272	100.00%	132,272
OWDA Loan	17,885,362	100.00%	17,885,362
Capital Leases	<u>182,462</u>	100.00%	<u>182,462</u>
Total Direct Debt	<u>29,404,385</u>		<u>29,404,385</u>
Overlapping			
Avon Lake City School District (2)	27,482,224	100.00%	27,482,224
Lorain County (3)	<u>48,410,000</u>	13.66%	<u>6,612,806</u>
Total Overlapping Debt	<u>75,892,224</u>		<u>34,095,030</u>
Total	<u><u>\$ 105,296,609</u></u>		<u><u>\$ 63,499,415</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.
- (2) Debt outstanding as of June 30, 2020
- (3) Debt outstanding as of December 31, 2019 (latest information available)

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

	2021	2020	2019	2018
Total Assessed Property Value	<u>\$ 1,038,636,290</u>	<u>\$ 1,014,574,310</u>	<u>\$ 1,002,320,500</u>	<u>\$ 882,384,760</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>109,056,810</u>	<u>106,530,303</u>	<u>105,243,653</u>	<u>92,650,400</u>
Debt Outstanding:				
General Obligation Bonds	\$11,204,289	\$ 12,022,567	\$ 13,198,553	\$ 4,327,799
General Obligation Bonds - Enterprise	7,971,142	8,503,692	9,021,242	2,361,342
Special Assessment Bonds	0	0	225,417	445,834
Notes Payable	0	0	0	7,793,616
OPWC Loans	132,272	149,372	155,830	168,747
OWDA Loans	17,885,362	18,344,795	18,492,868	15,398,377
OWDA Loans - Enterprise	117,732,545	122,234,936	124,272,340	121,442,001
Mortgage Revenue Bonds	1,885,942	2,507,320	3,113,698	3,720,076
Total Gross Indebtedness	<u>156,811,552</u>	<u>163,762,682</u>	<u>168,479,948</u>	<u>155,657,792</u>
Less:				
General Obligation Bonds - Enterprise	(7,971,142)	(8,503,692)	(9,021,242)	(2,361,342)
Special Assessment Bonds	0	0	(225,417)	(445,834)
OPWC Loans	(132,272)	(149,372)	(155,830)	(168,747)
OWDA Loans	(17,885,362)	(18,344,795)	(18,492,868)	(15,398,377)
OWDA Loans - Enterprise	(117,732,545)	(122,234,936)	(124,272,340)	(121,442,001)
Mortgage Revenue Bonds	(1,885,942)	(2,507,320)	(3,113,698)	(3,720,076)
General Obligation Bond Retirement Fund Balance	315,848	239,065	(649,684)	0
Total Net Debt Applicable to Debt Limit	<u>11,520,137</u>	<u>12,261,632</u>	<u>12,548,869</u>	<u>12,121,415</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$ 97,536,673</u>	<u>\$ 94,268,671</u>	<u>\$ 92,694,784</u>	<u>\$ 80,528,985</u>
Legal Debt Margin as a Percentage of the Debt Limit	89.44%	88.49%	88.08%	86.92%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$ 57,124,996</u>	<u>\$ 55,801,587</u>	<u>\$ 55,127,628</u>	<u>\$ 48,531,162</u>
Total Gross Indebtedness	\$ 156,811,552	\$ 163,762,682	\$ 168,479,948	\$ 155,657,792
Less:				
General Obligation Bonds - Enterprise	(7,971,142)	(8,503,692)	(9,021,242)	(2,361,342)
Special Assessment Bonds	0	0	(225,417)	(445,834)
OPWC Loans	(132,272)	(149,372)	(155,830)	(168,747)
OWDA Loans	(17,885,362)	(18,344,795)	(18,492,868)	(15,398,377)
OWDA Loans - Enterprise	(117,732,545)	(122,234,936)	(124,272,340)	(121,442,001)
Mortgage Revenue Bonds	(1,885,942)	(2,507,320)	(3,113,698)	(3,720,076)
General Obligation Bond Retirement Fund Balance	315,848	239,065	(649,684)	0
Net Debt Within 5 ½ % Limitations	<u>11,520,137</u>	<u>12,261,632</u>	<u>12,548,869</u>	<u>12,121,415</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$ 45,604,859</u>	<u>\$ 43,539,955</u>	<u>\$ 42,578,759</u>	<u>\$ 36,409,747</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	79.83%	78.03%	77.24%	75.02%

Source: City Financial Records

2017	2016	2015	2014	2013	2012
<u>\$ 866,801,580</u>	<u>\$ 849,549,850</u>	<u>\$ 787,761,430</u>	<u>\$ 777,469,000</u>	<u>\$ 785,299,050</u>	<u>\$ 829,553,680</u>
91,014,166	89,202,734	82,714,950	81,634,245	82,456,400	87,103,136
\$ 5,121,540	\$ 5,925,733	\$ 6,745,040	\$ 7,009,404	\$ 7,807,179	\$ 8,595,954
2,579,327	2,792,312	3,005,297	3,218,282	4,225,645	5,177,681
659,522	867,458	1,147,817	1,415,685	1,675,983	1,928,697
8,303,351	14,435,160	5,879,628	5,976,740	2,717,728	938,972
181,664	162,499	175,416	188,333	70,000	76,666
8,709,698	782,318	226,302	232,081	237,675	0
108,833,549	75,706,390	49,041,258	46,068,004	40,682,410	39,988,768
3,876,454	3,982,832	4,274,210	6,210,000	6,595,000	7,545,000
<u>138,265,105</u>	<u>104,654,702</u>	<u>70,494,968</u>	<u>70,318,529</u>	<u>64,011,620</u>	<u>64,251,738</u>
(2,579,327)	(2,792,312)	(3,005,297)	(3,218,282)	(4,225,645)	(5,177,681)
(659,522)	(867,458)	(1,147,817)	(1,415,685)	(1,675,983)	(1,928,697)
(181,664)	(162,499)	(175,416)	(188,333)	(70,000)	(76,666)
(8,709,698)	(782,318)	(226,302)	(232,081)	(237,675)	0
(108,833,549)	(75,706,390)	(49,041,258)	(46,068,004)	(40,682,410)	(39,988,768)
(3,876,454)	(3,982,832)	(4,274,210)	(6,210,000)	(6,595,000)	(7,545,000)
0	0	0	0	(177,555)	(138,247)
<u>13,424,891</u>	<u>20,360,893</u>	<u>12,624,668</u>	<u>12,986,144</u>	<u>10,347,352</u>	<u>9,396,679</u>
<u>\$ 77,589,275</u>	<u>\$ 68,841,841</u>	<u>\$ 70,090,282</u>	<u>\$ 68,648,101</u>	<u>\$ 72,109,048</u>	<u>\$ 77,706,457</u>
85.25%	77.17%	84.74%	84.09%	87.45%	89.21%
<u>\$ 47,674,087</u>	<u>\$ 46,725,242</u>	<u>\$ 43,326,879</u>	<u>\$ 42,760,795</u>	<u>\$ 43,191,448</u>	<u>\$ 45,625,452</u>
\$ 138,265,105	\$ 104,654,702	\$ 70,494,968	\$ 70,318,529	\$ 64,011,620	\$ 64,251,738
(2,579,327)	(2,792,312)	(3,005,297)	(3,218,282)	(4,225,645)	(5,177,681)
(659,522)	(867,458)	(1,147,817)	(1,415,685)	(1,675,983)	(1,928,697)
(181,664)	(162,499)	(175,416)	(188,333)	(70,000)	(76,666)
(8,709,698)	(782,318)	(226,302)	(232,081)	(237,675)	0
(108,833,549)	(75,706,390)	(49,041,258)	(46,068,004)	(40,682,410)	(39,988,768)
(3,876,454)	(3,982,832)	(4,274,210)	(6,210,000)	(6,595,000)	(7,545,000)
0	0	0	0	(177,555)	(138,247)
<u>13,424,891</u>	<u>20,360,893</u>	<u>12,624,668</u>	<u>12,986,144</u>	<u>10,347,352</u>	<u>9,396,679</u>
<u>\$ 34,249,196</u>	<u>\$ 26,364,349</u>	<u>\$ 30,702,211</u>	<u>\$ 29,774,651</u>	<u>\$ 32,844,096</u>	<u>\$ 36,228,773</u>
71.84%	56.42%	70.86%	69.63%	76.04%	79.40%

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)
2021	25,206	(a)	\$1,142,285,508	\$45,318	\$83,018	44.7
2020	22,581	(b)	922,614,498	40,858	77,060	41.9
2019	22,581	(b)	922,614,498	40,858	77,060	41.9
2018	22,581	(b)	922,614,498	40,858	77,060	41.9
2017	22,581	(b)	922,614,498	40,858	77,060	41.9
2016	22,581	(b)	922,614,498	40,858	77,060	41.9
2015	22,581	(b)	922,614,498	40,858	77,060	41.9
2014	22,581	(b)	922,614,498	40,858	77,060	41.9
2013	22,581	(b)	922,614,498	40,858	77,060	41.9
2012	22,581	(b)	922,614,498	40,858	77,060	41.9

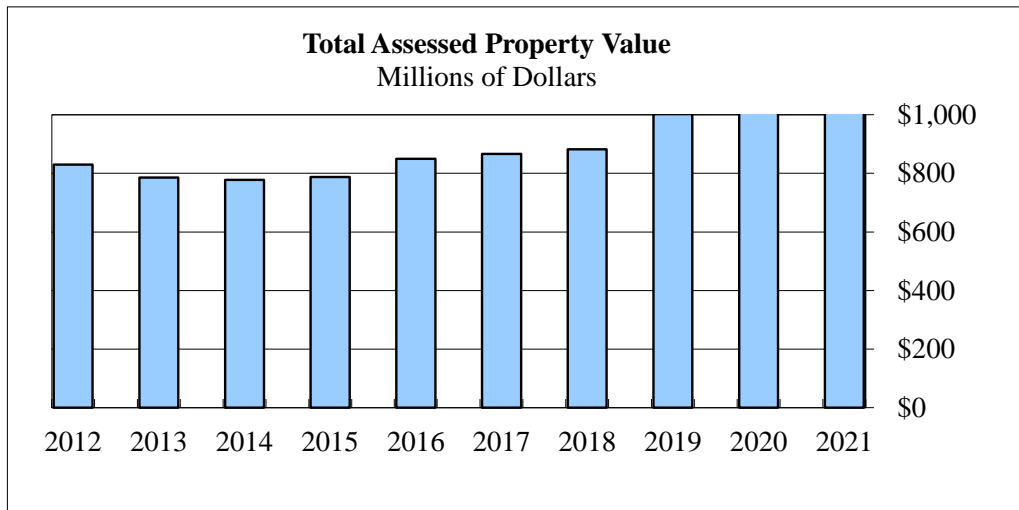
(1) Source: U. S. Census,(a) 2020 (b) 2010

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

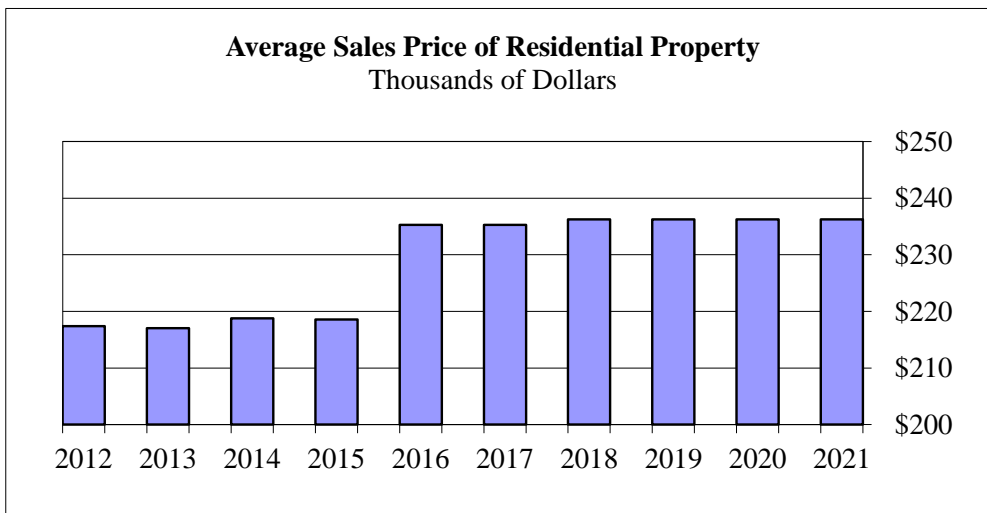
(3) Source: Ohio Labor Market Information (www.ohiolmi.com) using annual averages per year

(4) Source: Lorain County Auditor, latest information available

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Lorain County Unemployment Rate (3)	Average Value of Residential Property (4)	Total Assessed Property Value (4)
50.5%	3,590	5.6%	\$236,271	\$ 1,038,636,290
49.3%	3,772	5.2%	236,271	1,014,574,310
49.3%	3,772	5.2%	236,271	1,002,320,500
49.3%	3,772	5.2%	236,271	882,384,760
49.3%	3,742	5.1%	235,270	866,801,580
49.3%	3,700	5.8%	235,270	849,549,850
49.3%	3,640	5.6%	218,583	787,761,430
49.3%	3,543	5.7%	218,758	777,469,000
49.3%	3,575	8.1%	217,034	785,299,050
49.3%	3,718	8.1%	217,406	829,553,680



City of Avon Lake, Ohio
Principal Municipal Income Tax Withholders
Current and Nine Years Ago

2021

Employer	Number of Employees
Ford Motor Company	2,287
Avon Lake City Schools	726
Avient Corporation	647
Minute Men Select	562
City of Avon Lake	388
Riser Foods	268
Lubrizol Advances Materials	266
Thogus Products	203
Hinkley Lighting	167
Echo US Holding LLC	128
Total	5,642
Total Estimated Employment within the City	N/A

2012

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)
 N/A - Information not available

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

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government										
Council	5	5	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Finance	4.5	5.5	5.50	5.50	5.50	5.50	6.50	6.50	5.00	4.50
Law	3	3	3.00	3.00	3.00	3.00	2.50	2.50	3.00	3.50
Administration	3.5	2.5	2.50	2.50	2.50	2.50	3.00	3.00	3.00	5.00
Engineer	5.5	5.5	5.50	5.50	5.50	5.50	5.50	5.50	5.00	5.00
Court	10	10	10.00	10.00	10.00	10.00	8.50	8.50	6.50	6.50
Security of Persons and Property										
Police	30	30	29.00	30.00	32.50	29.00	31.00	34.00	33.00	32.00
Police - Dispatchers/Office/Other	16	16	16.00	16.00	8.00	16.00	15.50	15.50	13.50	15.50
Police - Animal Wardens	0	-	-	-	1.00	-	0.50	0.50	1.00	0.50
Fire	30	30	30.00	30.00	28.00	28.00	28.00	28.00	28.00	29.00
Fire - Secretary - Other	3	3	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00
Leisure Time Activities										
Recreation	12	12	30.50	30.50	30.50	30.50	13.50	24.50	27.50	24.50
Municipal Pool	44	0	42.50	42.50	42.50	42.50	46.50	46.50	51.00	45.50
Cable Television	4	4	4.00	4.00	4.00	4.00	4.50	4.50	4.00	3.50
Community Environment										
Building	4.5	4.5	4.50	4.50	4.50	4.50	5.00	5.00	7.00	4.50
Economic Development	2	1	1.00	1.00	1.50	1.50	0.50	0.50	0.50	-
Transportation										
Service	28.5	28.5	28.50	28.50	28.50	28.50	28.00	27.50	27.00	31.00
Streets	10.5	9.5	9.50	9.50	9.50	9.50	11.00	11.50	11.00	11.00
Basic Utility Services										
Water	33.5	33.5	33.50	33.50	33.50	33.50	22.00	21.00	23.00	19.00
Sewer	21.5	21.5	21.50	21.50	21.50	21.50	28.00	27.50	25.50	32.50
Totals:	<u>271.00</u>	<u>225.00</u>	<u>285.00</u>	<u>286.00</u>	<u>279.00</u>	<u>282.50</u>	<u>267.00</u>	<u>279.50</u>	<u>281.50</u>	<u>280.00</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.

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

Function/Program	2021	2020	2019
General Government			
<i>Council and Clerk</i>			
Number of Ordinances Introduced	157	107	120
Number of Resolutions Introduced	25	25	14
<i>Finance Department</i>			
Number of checks issued	0	4,944	5,677
Amount of checks issued	\$ -	\$ 29,508,823	\$ 30,737,249
Community Environment			
<i>Building Department Indicators</i>			
Construction Permits Issued	2,293	2,166	2,135
Estimated Value of Construction	\$ 59,772,107	\$ 50,781,517	\$ 59,357,352
Amount of Revenue generated from permits	\$ 314,677	\$ 319,484	\$ 300,875
Number of contract registrations issued (A)	868	723	770
Annual Apartment/Rooming House License Fees (B)	0	0	0
Revenue generated from above (A, B)	\$ 72,930	\$ 72,930	\$ 77,600
Security of Persons & Property			
<i>Police</i>			
Total Calls for Services	9,363	8,764	10,129
Number of traffic citations issued	337	185	375
Number of parking citations issued	28	56	80
Number of criminal arrests	168	152	170
Number of accident reports completed	183	212	303
Part 1 Offenses (major offenses)	104	0	99
Animal Warden service calls responded to per annual report	417	412	491
DUI Arrests	33	26	33
Prisoners	128	123	183
Prisoner meal costs	\$ -	\$ -	\$ -
Property damage accidents	121	211	281
Fatalities from Motor Vehicle Accidents	1	0	1
<i>Fire</i>			
Fire Calls	43	63	57
Overpressure, Overhear (no fire)	1	1	2
Rescue & EMS Incident	1,999	1,736	1,769
Hazardous Condition (no fire)	109	81	97
Service Call	458	490	453
Good Intent Call	178	175	188
False Alarm & False Call	247	240	262
Severe Weather & Natural Disaster	3	2	3
Special Incident Type	1	3	2
Miscellaneous Calls	0	0	0
Total Calls	<u>3,045</u>	<u>2,791</u>	<u>2,833</u>
Number of times Mutual Aid given to Fire and EMS	86	70	59
Number of times Mutual Aid received for Fire and EMS	33	43	50

2018	2017	2016	2015	2014	2013	2012
176	203	168	158	148	157	148
13	10	10	14	18	13	22
5,722	5,606	4,480	5,420	5,020	4,921	4,951
\$ 38,387,867	\$ 39,864,957	\$ 29,424,779	\$ 31,395,228	\$ 23,547,741	\$ 18,807,358	\$ 18,060,712
2,168	2,191	1,902	1,888	1,786	1,431	1,117
\$ 48,835,557	\$ 50,731,789	\$ 67,569,737	\$ 41,058,238	\$ 39,275,086	\$ 44,513,459	\$ 38,500,941
\$ 286,872	\$ 286,228	\$ 421,266	\$ 302,660	\$ 275,925	\$ 309,563	\$ 237,941
742	871	660	754	747	695	656
0	0	0	0	0	0	0
\$ 74,575	\$ 87,100	\$ 66,300	\$ 75,700	\$ 75,775	\$ 47,575	\$ 43,477
10,364	11,657	11,651	14,571	14,882	13,057	12,444
301	362	642	777	434	438	489
93	160	208	263	227	144	191
171	159	182	144	717	596	405
298	317	257	276	298	375	311
107	184	196	158	71	37	33
482	n/a	n/a	62	105	128	115
22	24	39	46	48	40	43
196	191	245	68	341	282	319
\$ 35	\$ 62	\$ 176	\$ 468	\$ 926	\$ 2,227	\$ 1,029
271	57	63	59	52	63	74
0	0	0	0	0	0	0
52	66	48	54	48	35	65
1	1	2	4	3	1	0
1,837	1,728	1,602	1,650	1,423	1,416	1,476
115	97	88	94	71	62	70
357	363	296	327	294	233	224
157	137	163	129	91	80	91
296	239	214	173	211	174	182
4	5	0	3	0	3	4
2	0	0	5	1	4	9
0	0	0	0	0	0	0
2,821	2,636	2,413	2,439	2,142	2,008	2,121
85	56	79	62	59	58	58
64	73	67	54	44	37	61

(Continued)

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

Function/Program	2021	2020	2019
Leisure Time Activities			
<i>Recreation</i>			
Pool:			
Total Attendance	0	0	36,245
Total Admission Income	\$ -	\$ -	\$ 77,202
Total Pass Sales	0	0	114,881
Total Pool Parties	0	0	12
Total Pool Party Income	\$ -	\$ -	\$ 1,800
Other Recreation Programs:			
Total Income from Sport related Programs	\$ 177,103	\$ 177,103	\$ 194,459
Total Income from Non-Sport related Programs	\$ 15,304	\$ 15,304	\$ 107,300
Total Income from Food Programs	\$ 11,994	\$ 11,994	\$ 78,761
Total Income from Youth & Family related Programs	\$ 8,733	\$ 8,733	\$ 12,806
Rental of Facilities:			
Total Income from Pavilion Rentals	\$ 6,125	\$ 6,125	\$ 8,995
Total Income from Lake House Rentals	\$ 24,457	\$ 24,457	\$ 48,227
 <i>Cable Television</i>			
Bulletin Boards	243	243	337
Program Hours	479.5	479.5	1332
Community Producers	12	12	11
Facebook Post Requests	444	444	267
Website Post Requests	152	152	238
Media Duplication	19	19	90
Series:			
Public	15	15	11
Government	7	7	7
One Time/Specials:			
Public	2	2	9
Government	13	13	38
Studio Tours	-	-	1
Public Editor Used	-	-	23
 Water			
Water rates per 1000 gallons, 1st 50,000 gallons of water used (2)	\$ 2.08	\$ 2.08	\$ 2.00
Total accounts within Avon Lake	8,853	8,853	8,805
Bulk customers outside of Avon Lake	7	7	7
Total water sales (billions of gallons)	7,962.000	7,962.000	7,536.000
Average daily production (millions of gallons)	22	22	21
Total miles of water line in Avon Lake	136	136	136
Total water revenues from within Avon Lake	\$ 2,319,038	\$ 2,319,038	\$ 2,208,608
Total water revenues from bulk customers outside of Avon Lake	\$ 10,746,078	\$ 10,746,078	\$ 9,244,025
 Sewer			
Wastewater rates per 1000 gallons	\$ 7.30	\$ 7.30	\$ 6.35
Total accounts within Avon Lake	8,719	8,719	8,572
Bulk customers outside of Avon Lake	2	2	2
Total flow of wastewater treatment plant (billions of gallons)	2,000.000	2,000.000	2,000
Average daily flow (millions of gallons per day)	5	5	5
Tons of dry sludge removed	3,241	3,241	3,178
Total miles of sanitary and combined sewer in Avon Lake	104	104	104
Total wastewater pumping stations in Avon Lake	5	5	5
Total wastewater revenues from within Avon Lake	\$ 6,878,282	\$ 6,878,282	\$ 5,895,904
Total wastewater revenues from bulk customers outside of Avon Lake	\$ 978,602	\$ 978,602	\$ 1,170,658

Source: Information provided by the City's various departments.
n/a - Information is unavailable

	2018	2017	2016	2015	2014	2013	2012
	35,808	37,155	41,528	35,761	75,761	39,784	51,810
\$	72,755	\$ 70,620	\$ 74,294	\$ 164,271	\$ 150,363	\$ 137,257	\$ 143,946
	122,012	125,234	93,205	1,143	930	641	642
	29	12	12	0	41	55	53
\$	1,450	\$ 1,600	\$ 1,800	\$ 1,950	\$ 6,158	\$ 8,160	\$ 8,348
\$	205,941	\$ 301,000	\$ 135,915	\$ 101,348	\$ 70,207	\$ 49,972	\$ 41,000
\$	111,615	\$ 70,000	\$ 110,867	\$ 20,194	\$ 3,940	\$ 4,039	\$ 4,112
\$	75,503	\$ 79,380	\$ 77,267	\$ 66,530	\$ 2,421	\$ 2,972	\$ 2,568
\$	15,734	\$ 11,000	\$ 7,341	\$ 6,141	\$ 892	\$ 2,723	\$ 3,134
\$	8,650	\$ 3,000	\$ 8,115	\$ 8,225	\$ 9,325	\$ 9,475	\$ 8,500
\$	60,479	\$ 47,700	\$ 32,170	\$ 18,708	\$ 40,972	n/a	\$ 37,135
	393	452	334	406	544	350	229
	\$457	413	397h 0m	388h 56m	386h 33m	414h 35m	387h 29m
	11	17	15	24	20	21	17
	324	n/a	n/a	n/a	n/a	n/a	n/a
	261	n/a	n/a	n/a	n/a	n/a	n/a
	115	n/a	n/a	n/a	n/a	n/a	n/a
	14	15	15	16	15	12	12
	7	9	8	8	12	11	11
	19	33	27	8	16	15	11
	26	25	33	57	39	33	22
	1	8	2	1	1	1	5
	23	34	28	25	6	11	13
\$	1.92	\$ 1.85	\$ 1.78	\$ 1.73	\$ 1.68	\$ 1.61	\$ 1.55
	8,793	8,590	8,855	8,355	8,311	8,251	8,192
	7	7	7	7	7	7	7
	7.394	7.678	7.428	7.020	6.831	7.159	8.086
	21	21.0	20	20	19	20	22
	136	136	134	134	134	133	133
\$	2,304,718	\$ 2,121,284	\$ 2,237,628	\$ 1,437,738	\$ 1,557,478	\$ 1,493,529	\$ 1,563,952
\$	8,796,372	\$ 8,583,127	\$ 8,083,827	\$ 8,712,715	\$ 7,860,528	\$ 7,320,250	\$ 7,557,323
\$	5.52	\$ 4.80	\$ 4.17	\$ 3.63	\$ 3.39	\$ 3.17	\$ 2.84
	8,538	8,355	8,269	8,186	8,140	8,054	7,990
	2	2	2	2	2	2	2
	2.000	1.800	1.700	1.678	1.699	1.942	2.042
	5	5	5	5	5	5	6
	3,134	3,313	3,266	3,311	2,492	2,536	2,781
	104	104	103	103	103	102	102
	5	5	5	5	5	5	5
\$	4,951,874	\$ 3,874,132	\$ 3,604,454	\$ 3,047,574	\$ 3,247,971	\$ 3,019,221	\$ 2,900,898
\$	908,684	\$ 699,787	\$ 587,422	\$ 502,313	\$ 444,078	\$ 411,844	\$ 385,622

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

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government										
Administrative Building	1	1	1	1	1	1	1	1	1	1
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	34	34	33	33	26	32	31	31	26	24
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	14	13	13	13	13	13	15	15	13	13
Personal Water Craft (PWC)	2	2	2	2	2	2	2	2	2	2
Recreation										
Number of Parks	14	14	14	14	14	14	14	14	14	14
Parks (in acres)	226	226	226	226	226	226	226	226	226	226
Number of Lighted Tennis Courts (1 location)	4	4	4	4	4	4	4	4	4	4
Baseball/Softball Diamonds (2 locations)	14	14	14	11	11	11	11	11	11	11
Pool	1	1	1	1	1	1	1	1	1	1
Transportation										
Streets (miles)	126	117	117	117	117	117	117	117	116	114
Water										
Water Lines (miles)	145	136	136	136	134	134	134	134	133	133
Sewer and Storm Sewer										
Sanitary Sewers (miles)	112	103	103	103	103	103	103	103	102	102
Storm Sewers (miles)	88	88	88	88	88	88	88	88	87	86

Source: City's Department records



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

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2021**

Zupka & Associates
Certified Public Accountants

**CITY OF AVON LAKE
LORAIN COUNTY, OHIO
SINGLE AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	Under Separate Cover
Annual Comprehensive Financial Report	Under Separate Cover
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Schedule of Prior Audit Findings and Recommendations	3

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

City of Avon Lake
Lorain County
150 Avon Belden Road
Avon Lake, OH 44012

To the Members of City Council:

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 31, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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



Zupka & Associates
Certified Public Accountants

August 31, 2022

**CITY OF AVON LAKE
LORAIN COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021**

The prior audit report, as of December 31, 2020, included no findings. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

OHIO AUDITOR OF STATE KEITH FABER



CITY OF AVON LAKE

LORAIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 10/18/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov