



Comprehensive Annual Financial Report

For the fiscal year ended December 31, 2018

INTRODUCTORY SECTION

City of Avon, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2018

Prepared by:

Office of the Director of Finance

William D. Logan
Director of Finance

City of Avon, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2018
Table of Contents

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

City of Avon, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2018
Table of Contents (continued)

	<u>Page</u>
Notes to the Basic Financial Statements	35
 Required Supplementary Information:	
Schedule of the City's Proportionate Share of the Net Pension Liability – Ohio Public Employees Retirement System – Traditional Plan – Last Five Years	94
Schedule of the City's Proportionate Share of the Net Pension Asset – Ohio Public Employees Retirement System – Combined Plan – 2018	95
Schedule of the City's Proportionate Share of the Net Pension Liability – Ohio Police and Fire Pension Fund – Last Five Years	96
Schedule of the City's Proportionate Share of the Net OPEB Liability – Ohio Public Employees Retirement System – Last Two Years.....	97
Schedule of the City's Proportionate Share of the Net OPEB Liability – Ohio Police and Fire Pension Fund – Last Two Years.....	98
Schedule of the City's Contributions – Ohio Public Employees Retirement System – Last Six Years.....	99
Schedule of the City's Contributions – Ohio Police and Fire Pension Fund – Last Ten Years.....	100
Notes to the Required Supplementary Information	102
 Combining Statements and Individual Fund Schedules:	
Combining Statements – Nonmajor Governmental Funds:	
Fund Descriptions	104
Combining Balance Sheet – Nonmajor Governmental Funds	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	107
Combining Balance Sheet – Nonmajor Special Revenue Funds	108
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	110
Combining Balance Sheet – Nonmajor Capital Projects Funds	112
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	114
Combining Statements – Agency Funds:	
Fund Descriptions	116
Combining Statement of Changes in Assets and Liabilities – Agency Funds	117

City of Avon, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2018
Table of Contents (continued)

	<u>Page</u>
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balances/Fund Equity – Budget (Non-GAAP Basis) and Actual:	
Major Funds:	
General Fund	120
Fire Department Fund	124
Street Construction, Maintenance and Repair Fund	125
Police Fund	126
General Obligation Bond Retirement Fund	127
Special Assessment Bond Retirement Fund	128
Municipal Swimming Pool Fund	129
Road and Bridges Fund	130
Water Fund	131
Sewer Fund	132
Nonmajor Funds:	
Recycling Fund	133
State Highway Fund	134
Permissive Tax Fund	135
Mayor’s Court Computer Fund	136
Recreation Fund	137
Park Operating Fund	139
Park Development and Improvement Fund.....	140
Donations Fund	141
Economic Development and Tourism Fund	142
Tax Increment Financing Fund	143
Equipment Fund	144
Storm Water Detention Fund	145
Land Purchases Fund	146
Sidewalk Programs Fund	147
Storm Sewers Fund	148
Municipal Buildings Fund.....	149
Recreation Complex Fund.....	150
Stadium Marquee Fund	151
Capital Improvements Fund	152
Every Child’s Playground Fund	153
Avon Veterans Memorial Construction Fund	154
Storm Water Fund	155

City of Avon, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2018
Table of Contents (continued)

	<u>Page</u>
 III. Statistical Section	
Net Position by Component – Last Ten Years	S2
Changes in Net Position – Last Ten Years	S4
Fund Balances, Governmental Funds – Last Ten Years	S10
Changes in Fund Balances, Governmental Funds – Last Ten Years	S12
Assessed Valuation and Estimated Actual Values of Taxable Property – Last Ten Years	S14
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years	S16
Property Tax Levies and Collections – Last Ten Years	S20
Principal Real Property Taxpayers – Current and Nine Years Ago	S22
Income Tax Revenue Base and Collections – Last Ten Years	S23
Income Tax Statistics – Last Ten Years	S24
Ratios of Outstanding Debt by Type – Last Ten Years	S26
Legal Debt Margin – Last Ten Years	S28
Computation of Direct and Overlapping Governmental Activities Debt	S30
Pledged Revenue Coverage – Sewer Fund – Last Ten Years.....	S31
Principal Employers – Current and Nine Years Ago.....	S33
Demographic and Economic Statistics – Last Ten Years.....	S34
Full-Time Equivalent City Government Employees by Function/Program – Last Ten Years	S36
Operating Indicators by Function/Program – Last Ten Years	S38
Capital Assets Statistics by Function/Program – Last Ten Years.....	S42



CITY OF AVON

36080 CHESTER ROAD • AVON, OHIO 44011-1099 • (440) 937-7800 • FAX (440) 937-7824 • www.cityofavon.com

June 28, 2019

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2018.

This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38, which requires the cities reporting on a GAAP basis to file unaudited basic financial statements with the Auditor of State within 150 days of the fiscal year end. This report is submitted to satisfy that requirement for the year ended December 31, 2018.

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

Under Ohio law, regular audits are required to be performed on all financial related operations of the City. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting firm. For the year 2018, the City of Avon was audited by the Ohio Auditor of State's office.

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

PROFILE OF THE GOVERNMENT

The City of Avon was founded in 1814, incorporated as a village in 1917, and achieved City status in 1961. The City of Avon is located in Lorain County in northeast Ohio, 22 miles west of downtown Cleveland. The City is bounded on the north by the City of Avon Lake, on the east by the City of Westlake, on the west by the Village of Sheffield, and on the south by the City of North Ridgeville. The City covers 20.5 square miles, or a total of 13,120 acres. Avon is between 625 and 700 feet above sea level. The French Creek waterway runs throughout the City's relatively flat topography. The 2010 U.S. Census Bureau reports the City's population at 21,193, up 87 percent from 11,353 in 2000; however, the current estimated, non-Census population of the City is 23,054.

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

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

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

CITY DEPARTMENTS & SERVICES

The Avon Fire Department is full-time with 36 firefighter paramedics that offer much more than fire protection and emergency services. The fire department is very service oriented. We offer many specialties such as CPR and First Aid training, a senior lock box program, the File of Life program, child safety seat inspections and installations, fire safety inspections for home and businesses, and fire extinguisher training with a propane powered simulator. This training is offered to businesses as well as Avon residents.

The Avon Fire Department responded to 3,412 calls in 2018. Of those calls, 2,699 were emergency medical calls and 713 were fire related calls, which included service and specialty rescue calls. Specialty rescue includes water and ice rescue, confined space rescue, rope rescue, and structural collapse rescue. Of the specialty rescue teams, all members assigned to those teams are also a part of the Lorain County Specialty Rescue Teams as well as Regional Federal Response Teams.

The Avon Police Department handled 19,159 calls for service in 2018 which resulted in 1,279 traffic crashes handled and 607 criminal arrests along with 1,127 traffic charges filed. The police department also conducted approximately 8,000 physical checks of homes for residents who were away on vacation and an additional 3,000 physical premise checks were completed on residential and commercial properties.

In 2018 the police department participated in the Annual Safety Fair, held an open house, Coffee with a Cop events at a few different locations and conducted our second Citizens' Police Academy. Members of our first Citizens' Police Academy started an Alumni Association. Members of this association donated several hundreds of hours last year doing volunteer work within the police department and helping the City with updating records and various other tasks.

The City of Avon Parks & Recreation Department has eight parks totaling over 315 acres. The Recreation Department offers various adult and youth programs, in addition to working with organizations such as Avon Little League, Avon Soccer League Association, Avon Youth Lacrosse, Avon Youth Football and the Avon Local School District.

Veterans Memorial Park is home to many local baseball/softball teams including Avon Little League. The Avon Youth Lacrosse Association and Avon Youth Football call this park home as well as it boasts 7 multi-purpose athletic fields. For the past 2 years, the park has hosted the largest Middle School cross country meet in Lorain County. In 2013, the City purchased 19-acres adjacent to Veterans Memorial Park and a second entrance is being considered due to the increase in traffic this has brought.

Northgate Park is tucked away in Avon's first developed neighborhood. This park's playground equipment has been replaced and upgraded over the last 3 years. In early June, the park sees its largest number of visitors for the annual Avon Lions Club Fishing Derby. Over 100 school-age children participate in this free event. Our department makes sure the pond is stocked and debris is cleared from the banks to make for a better fishing experience. There is a Community Center that was recently renovated in the spring of 2018. Some of the upgrades include new flooring, upgraded electrical, installation of a serving station in the kitchen, upgraded appliances and decorative wood planking on the walls. This space is used for various Parks & Recreation programs and local civic groups meetings. It has also become a popular space for birthday parties and showers. The room seats 60 and can be rented for a nominal fee by residents and non-residents.

Schwartz Road Park boasts 14 soccer fields, public basketball courts and a baseball field with a 90' baseline. The Avon Soccer League Association and Avon High School Freshman Boys Baseball call this park home. Over the last 3 years the playground has been completely updated with structures for kids ranging in age from 2 to 12 years old. The basketball courts were resurfaced in 2017. A designated exit was added to the Park in 2017/18.

In 2018, the City opened a new playground facility, called Every Child's Playground. It is located just outside of the Aquatic Facility in the center of town. The playground is accessible to all kids, regardless of ability, and has created meaningful play opportunities for all children. This playground includes a play structure for ages 2-12 and a Harmony Circle (outdoor musical instruments). The park also includes a Fitness Court from the National Fitness Campaign-a best-in-class outdoor bodyweight circuit training system. This park is home to many community events for resident families such as Movie Night in the Park, Not So Spooky Halloween and much more! Surrounding this playground is a storybook walk and history walk.

The City is continually looking for new park land that may be used for various recreational activities.

The Avon Senior Center provides programs and activities for anyone 55 and over. We provide numerous services for the approximately 7,500 senior adults in Avon. In addition, the Senior Center has social events, movies, cards, seminars, bus trips, lunches, durable medical equipment, exercise classes, tax preparation assistance, and transportation services just to name a few. We offer many social events and educational programs on health issues, finances, screenings, legal issues, Medicare counseling and other ways to maintain independence in the community. The Center has a computer lab where seniors can check email and surf the net. We provide transportation to allow seniors and persons with disabilities to maintain their independence by providing rides to medical appointments, shopping and other necessary transports. Additionally, we offer day trips that go to many interesting locations such as casinos, Amish Country, wineries, national parks, and Playhouse Square. The Senior Center is open Monday through Friday 8:30 AM – 4:30 PM with occasional events on Saturdays.

The Avon Service Department is responsible for performing maintenance, repair and improvements to the City-owned infrastructure in order to provide for the safe, efficient, and expeditious movement of motor vehicles and pedestrians throughout the City. The Department maintains all the City vehicles and equipment.

The Avon Utilities Department is responsible to maintain all the water and sanitary sewer lines throughout the City. The Department sends monthly invoices to all the residents and businesses for their water consumption and sewer discharge. In 2018, the City established a storm water fund that is used towards the maintenance and management of storm water throughout the City.

The Avon Building Department watches over all construction activities within the City, ensuring that contractors are performing up to both the City and State building code. In addition, they are here to assist residents and businesses with all re-modeling and new construction projects.

The Avon Planning Department's main function is being the channel through which all development applications are processed and all development codes are enforced. The Planning Department ensures that development proposals adhere to City regulations and meet sound planning principles.

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

The Avon Information Technology Department is responsible for the operation and maintenance of the City's hardware and software.

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

GENERAL INFORMATION ABOUT AVON

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

Shopping centers in the City of Avon include Avon Commons, Avon Crossings, Chester Road Square, French Creek Square, 2100 Center, City Centre and Market Place at Avon. In recent years several prominent retailers have opened in Avon, including Levin Furniture, Cabela's, Ashley Home Furnishings and Duluth Trading Company. Several large shopping centers are located within close proximity of the City including the Promenade and Crocker Park in Westlake, Great Northern Mall in North Olmsted, and South Park Mall in Strongsville. The City of Avon is home to many fine restaurants, with more in the construction and planning phases. Banks with branches in the City include Fifth Third Bank, The First Federal Savings and Loan of Lorain, First National Bank, PNC Bank, Dollar Bank, Lorain National Bank, Key Bank, Third Federal Savings and Loan, Huntington National Bank and First Federal of Lakewood.

The Board of Education of the Avon Local School District is a separate political subdivision of the State, although its territorial boundaries are coterminous with those of the City. The Board of Education provides public education for kindergarten through 12th grade. Avon Local School enrollment is approximately 4,391. Within commuting distance are several public and private two-year and four-year colleges and universities providing a wide range of educational facilities and opportunities. These include Baldwin-Wallace University, Case Western Reserve University, Cleveland State University, Cuyahoga Community College, John Carroll University, Lakeland Community College, Lorain County Community College, Kent State University, Notre Dame College, Oberlin College, Southeastern Business College, Ursuline College, the Cleveland Institute of Music and the Cleveland Institute of Art.

CITY PROFILE – ECONOMIC CONDITIONS

Residential Information

The City of Avon is appealing to new residents because of their excellent schools and City services. The current estimated median household income in Avon, \$92,883, is 177 percent of the State average and 161 percent of the national average. The median age for Avon residents is 38. Over 52 percent of Avon residents have attained an Associate's Degree or higher. The average length of time a home in Avon is for re-sale is 90 days. The number of new single-family home permits issued for the year 2018 was 97 with an approximate valuation of \$43,816,882 compared to 93 single-family home permits issued the previous year with a valuation of \$39,835,260.

There are now over 30 residential developments in the City of Avon. In addition, many residents still choose to live on the primary thoroughfares that traverse the City.

Commercial & Industrial Development

Commercial permits for new construction issued in 2018 had an approximate valuation of \$59,016,127, compared to \$17,534,315 in 2017. In addition, new permits for multi-housing units totaled \$11,010,084 in 2018. New commercial facilities that opened in 2018 include: Ashley Home Furnishings, Culvers, Main Event, Planet Fitness and Swensons Drive-In. Currently under construction are Longhorn Steakhouse, Meijer and Menard's. Planned commercial development includes Ganzhorn Suites, Brew Kettle and Slyman's Tavern.

Assessed Valuations

The assessed valuation for tax year 2018 for the City of Avon is \$951,308,260 per the Lorain County Auditor's Office. Property taxes will be collected on this valuation in 2019. This is \$100,423,070 (12 percent) more than the tax year 2017 valuation. The City's assessed value equates to approximately \$2.7 billion at full market value. The Lorain County Auditors' Office performed a full six-year appraisal of all properties throughout the County in 2018. This re-appraisal resulted in about a 9 percent increase in valuation among both residential and commercial properties.

Because the City has thirteen Tax Increment Financing (TIF) agreements in place for much of the commercial property north of I-90, these values are considered exempt and therefore not included in the County Auditor's total taxable assessed valuations. The City and the Avon Local School District both collect Tax Increment Financing revenues as if they were property taxes. Presently, the City is collecting TIF revenues on an estimated commercial assessed valuation of over \$123,000,000.

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

REVELANT FINANCIAL POLICIES

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

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

LONG-TERM FINANCIAL PLANNING

The City's Finance Department continuously reviews all monetary transactions. In addition, the Finance Department works diligently to manage and analyze revenues of the City so that all funds maintain optimal balances. The City's financial operations remain strong due to its historically steady rate of income tax growth, expected future expansion of commercial and industrial employers, a healthy Aa2 credit rating (Moody's) and a demonstrated track record of sound budgeting and financial management. The City maintains an efficient balance between debt funded and cash funded municipal projects.

The City of Avon has established thirteen Tax Increment Financing (TIF) Districts throughout the commercial and industrial zoned areas, primarily north of Interstate 90. The historical and future revenues received from these TIF districts contribute to various infrastructure improvements such as the Nagel Road Interchange and to debt service on existing bonds that were used to finance qualified infrastructure related projects. It is expected that the City will collect on over 350 parcels in 2019. Each Tax Increment Financing Agreement in place are "30 year agreements", and each one keeps the Avon Local School District whole.

On January 22, 2019 the City rolled over \$3,900,000 in General Obligation Bond Anticipatory Notes for the purposes of making improvements and the widening of Chester Road, and the acquisition of parkland. The City retired \$500,000 of the notes that had been outstanding. These notes have a maturity date of January 22, 2020, and have an interest rate of 3.0 percent.

On January 30, 2019, the City rolled over \$4,250,000 in Water Revenue Notes for the purpose of constructing a 3,000,000-gallon elevated water storage tank and 16" water transmission line, and for the purpose of the installation of new water meters and related meter reading software. The City retired \$3,000,000 of the notes that had been outstanding. These notes have a maturity date of January 30, 2020, and have an interest rate of 3.0 percent.

AWARDS & ACKNOWLEDGEMENTS

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

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

For 2009, the City received the Auditor of State's "Making Your Tax Dollars Count" Award, and for years 2010, 2011, 2013 and 2017 the City was presented with the "Auditor of State Award with Distinction."

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

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

Respectfully submitted,



Bryan K. Jensen
Mayor



William D. Logan
Director of Finance

City of Avon, Ohio
Principal Officials
December 31, 2018

Elected Officials:

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

Directors:

Director of Law.....	John A. Gasior
Director of Finance	William D. Logan
Director of Public Service	Mike Farmer

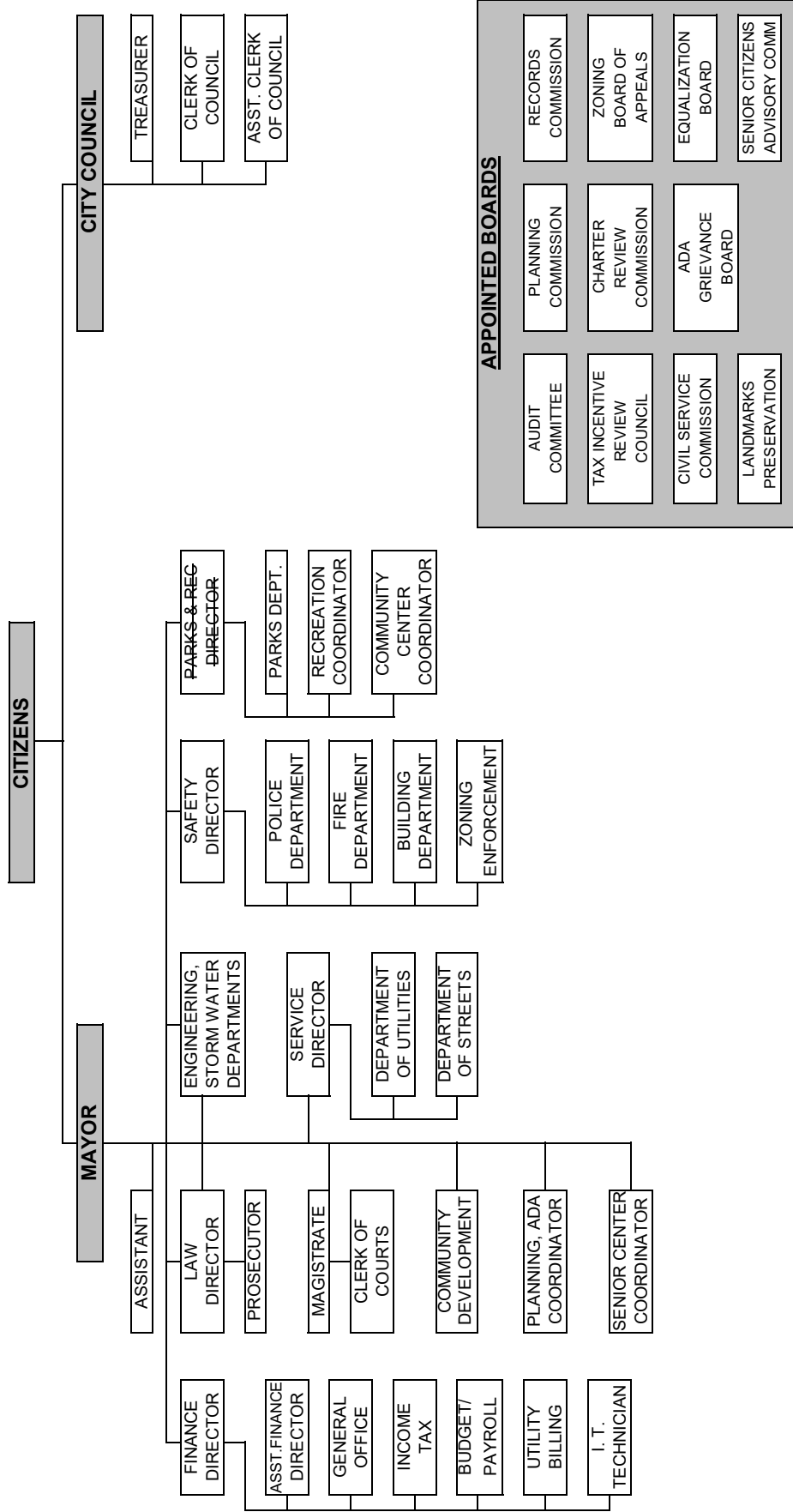
Chairmen, Boards and Commissions:

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

Other Staff Members:

Treasurer.....	Megan Zeck
City Consulting Engineer	Ryan Cummins, Chagrin Valley Engineering
Superintendent of Utilities	Ed McCallie
Secretary to the Mayor.....	Rose Seighman
Clerk of Council	Barbara J. Brooks
Clerk of Court	Monica Argenti
Assistant Director of Finance	Beth A. Raicevich
Planning Coordinator.....	Pam Fechter
Clerk Secretary of Planning Commission and Zoning Board of Appeals	Jill K. Clements
Zoning Enforcement Officer.....	Richard A. Schneider
Prosecutor	Richard Kray
City Magistrate	Thomas C. Stringer
Chief of Police	Richard A. Bosley
Police Captain.....	Lawrence M. Fischbach III
Chief of Fire.....	Frank Root, III
Assistant Chief of Fire	Michael J. Emling
Chief Building Inspector.....	Robert A. Schumacher

CITY OF AVON ORGANIZATIONAL CHART





Government Finance Officers Association

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

Presented to

**City of Avon
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

OHIO AUDITOR OF STATE KEITH FABER



Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113-1801
(216) 787-3665 or (800) 626-2297
NortheastRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

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

To the Members of Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Avon, Lorain County, Ohio (the City), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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, Lorain County, Ohio, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Fire Department Fund, Street Construction, Maintenance and Repair Fund, and Police Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2018, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Additionally, Note 3 discusses that the City restated capital assets at December 31, 2017.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis* and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will also issue our report dated June 28, 2019, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State

Columbus, Ohio

June 28, 2019

(This Page is Intentionally Left Blank.)

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

The discussion and analysis of the City of Avon's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2018. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2018 are:

- The City re-issued \$7,500,000 in general obligation notes for the construction of an aquatic facility and supporting infrastructure, including the construction of entrances for the Schwartz Road Park and Veterans Memorial Park.
- The City re-issued \$1,400,000 in general obligation notes for the purchase of 56 acres of parkland. This property was subsequently sold in 2016 to the Lorain County Metropolitan Park District. The City will receive \$850,000 for this property from the Lorain County Metropolitan Park District over a ten-year period. The principal amount of these notes was paid down by \$300,000.
- The City re-issued \$3,000,000 in general obligation notes for the City's portion of widening and other improvements to Chester Road between State Route 83 and Jaycox Road. The principal amount of these notes was paid down by \$375,000.
- The City re-issued \$2,000,000 in water revenue notes for a water meter change-out project. This project installed new meter reading software and new water meters in every household and business throughout the City. The principal amount of these notes was paid down by \$1,000,000. It is expected that these notes will be retired in 2019.
- The City re-issued \$5,250,000 in water revenue notes for the construction of a 3,000,000-gallon elevated water storage tank and a 16-inch water transmission line. The principal amount of these notes was paid down by \$1,000,000 and it is expected that these notes will be retired with the next five years.
- Income tax collections increased on a cash basis by 6.1 percent over 2017. This is a result of increased employment and new commercial/industrial development in the City. Income tax growth has averaged 7.6 percent, annually, over the last five years.
- Tax Increment Financing revenues increased on a cash basis by 30 percent over 2017. This is a result of commercial and industrial development in the City. TIF revenue growth has averaged 18.7 percent, annually, over the last five years.

Using This Comprehensive Annual Financial Report (CAFR)

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

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

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

Reporting the City of Avon as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City do financially during 2018?" The statement of net position and the statement of activities answer this question. These statements include all assets and deferred outflows and liabilities and deferred inflows using the accrual basis of accounting similar to the accounting method used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

Reporting the City of Avon's Most Significant Funds

Fund Financial Statements

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

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Governmental Funds

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

Proprietary Funds

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

The City of Avon as a Whole

The statement of net position looks at the City as a whole. Table 1 provides a summary of the City's net position at December 31, 2018 compared to December 31, 2017.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	Restated 2017	2018	Restated 2017	2018	Restated 2017
Assets						
Current and Other Assets	\$43,361,239	\$39,787,102	\$10,171,779	\$9,975,319	\$53,533,018	\$49,762,421
Net Pension Asset	1,074	0	206	0	1,280	0
Capital Assets, Net	121,614,857	120,408,047	41,294,508	42,046,553	162,909,365	162,454,600
<i>Total Assets</i>	<i>164,977,170</i>	<i>160,195,149</i>	<i>51,466,493</i>	<i>52,021,872</i>	<i>216,443,663</i>	<i>212,217,021</i>
Deferred Outflows of Resources						
Deferred Charge on Refunding	2,501,630	2,661,399	0	0	2,501,630	2,661,399
Pension	3,871,409	6,206,650	241,564	670,259	4,093,058	6,876,909
OPEB	1,796,180	75,449	47,906	10,030	1,844,086	85,479
<i>Total Deferred Outflows of Resources</i>	<i>8,169,219</i>	<i>8,943,498</i>	<i>289,470</i>	<i>680,289</i>	<i>8,438,774</i>	<i>9,623,787</i>
Liabilities						
Current and Other Liabilities	9,544,878	9,718,743	3,824,184	3,087,530	13,369,062	12,806,273
Long-Term Liabilities:						
Due Within One Year	3,185,670	2,932,559	252,503	222,560	3,438,173	3,155,119
Due In More Than One Year:						
Net Pension Liability	21,870,469	25,041,139	964,779	1,601,358	22,835,248	26,642,497
Net OPEB Liability	18,866,342	16,422,572	638,523	685,590	19,504,865	17,108,162
Other Amounts	75,882,140	79,571,135	9,317,629	12,552,146	85,199,769	92,123,281
<i>Total Liabilities</i>	<i>\$129,349,499</i>	<i>\$133,686,148</i>	<i>\$14,997,618</i>	<i>\$18,149,184</i>	<i>\$144,347,117</i>	<i>\$151,835,332</i>

(continued)

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Table 1
Net Position (continued)

	Governmental Activities		Business-Type Activities		Total	
	2018	Restated 2017	2018	Restated 2017	2018	Restated 2017
Deferred Inflows of Resources						
Property Taxes	\$5,060,749	\$4,607,052	\$0	\$0	\$5,060,749	\$4,607,052
Payment in Lieu of Taxes	2,645,838	1,877,595	0	0	2,645,838	1,877,595
Pension	2,108,895	99,230	320,772	9,531	2,409,752	108,761
OPEB	716,025	0	109,599	0	825,624	0
<i>Total Deferred Inflows of Resources</i>	<u>10,531,507</u>	<u>6,583,877</u>	<u>430,371</u>	<u>9,531</u>	<u>10,941,963</u>	<u>6,593,408</u>
Net Position						
Net Investment in Capital Assets	40,705,398	36,346,679	29,208,283	27,540,894	69,913,681	63,887,573
Restricted:						
Capital Projects	1,414,965	673,086	0	0	1,414,965	673,086
Debt Service	12,350,278	12,259,293	0	0	12,350,278	12,259,293
Other Purposes	4,185,535	4,047,701	0	0	4,185,535	4,047,701
Unrestricted (Deficit)	<u>(25,390,793)</u>	<u>(24,458,137)</u>	<u>7,119,691</u>	<u>7,002,552</u>	<u>(18,271,102)</u>	<u>(17,455,585)</u>
<i>Total Net Position</i>	<u>\$33,265,383</u>	<u>\$28,868,622</u>	<u>\$36,327,974</u>	<u>\$34,543,446</u>	<u>\$69,593,357</u>	<u>\$63,412,068</u>

The net pension liability (NPL) is one of the largest liabilities reported by the City at December 31, 2018, and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27." For 2018, the City 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 below, 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 the net pension asset and deferred outflows related to pension and OPEB.

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 to equal the City's proportionate share of each plan's collective:

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

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

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.

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 (asset) and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation, combined with a restatement for capital assets, had the effect of restating net position at December 31, 2017, from \$82,675,080 to \$63,412,068.

Total assets increased during 2018 by \$4.2 million. The largest increases were seen in cash and cash equivalents due to increased income tax and interest revenues, payments in lieu of taxes receivable due to increased land and building increments, and property taxes receivable due to higher assessed values. Total liabilities decreased by \$7.5 million during 2018. The decrease in liabilities is due to decreased long-term liabilities due to the payment of debt obligations and a decrease in the net pension liability, although these were partially offset by an increase in the net OPEB liability. The items mentioned primarily contributed to the total increase in net position during 2018 of \$6.2 million.

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Table 2 shows the changes in net position for the year ended December 31, 2018.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	Restated 2017	2018	Restated 2017	2018	Restated 2017
Revenues						
Program Revenues:						
Charges for Services and Operating Assessments	\$5,148,641	\$10,613,058	\$9,244,412	\$8,479,499	\$14,393,053	\$19,092,557
Operating Grants and Contributions	1,675,361	1,723,521	0	0	1,675,361	1,723,521
Capital Grants and Contributions	4,616,397	1,801,386	760,388	501,031	5,376,785	2,302,417
Total Program Revenues	11,440,399	14,137,965	10,004,800	8,980,530	21,445,199	23,118,495
General Revenues:						
Property Taxes	4,921,545	4,466,737	0	0	4,921,545	4,466,737
Municipal Income Taxes	18,852,519	17,802,905	0	0	18,852,519	17,802,905
Grants and Entitlements	961,286	613,496	0	0	961,286	613,496
Unrestricted Contributions	240	1,825	0	0	240	1,825
Investment Earnings	392,997	188,035	7,198	0	400,195	188,035
Payments in Lieu of Taxes	1,954,892	1,481,646	0	0	1,954,892	1,481,646
Gain on Sale of Capital Assets	16,717	0	4,000	0	20,717	0
Miscellaneous	388,076	532,736	39,970	24,610	428,046	557,346
Total General Revenues	27,488,272	25,087,380	51,168	24,610	27,539,440	25,111,990
Total Revenues	38,928,671	39,225,345	10,055,968	9,005,140	48,984,639	48,230,485
Program Expenses						
General Government	5,068,488	4,552,425	0	0	5,068,488	4,552,425
Security of Persons and Property	14,263,912	12,455,701	0	0	14,263,912	12,455,701
Transportation	6,587,258	6,356,119	0	0	6,587,258	6,356,119
Community Environment	3,035,192	2,348,421	0	0	3,035,192	2,348,421
Basic Utility Services	904,786	840,382	0	0	904,786	840,382
Leisure Time Activities	2,071,772	2,200,268	0	0	2,071,772	2,200,268
Interest and Fiscal Charges	2,681,243	2,802,582	0	0	2,681,243	2,802,582
Water	0	0	3,635,564	4,098,831	3,635,564	4,098,831
Sewer	0	0	4,311,528	4,133,510	4,311,528	4,133,510
Storm Water	0	0	243,607	0	243,607	0
Total Expenses	34,612,651	31,555,898	8,190,699	8,232,341	42,803,350	39,788,239
Increase in Net Position Before Transfers	4,316,020	7,669,447	1,865,269	772,799	6,181,289	8,442,246
Transfers	80,741	65,424	(80,741)	(65,424)	0	0
Changes in Net Position	4,396,761	7,734,871	1,784,528	707,375	6,181,289	8,442,246
Net Position, January 1	28,868,622	N/A	34,543,446	N/A	63,412,068	N/A
Net Position, December 31	\$33,265,383	\$28,868,622	\$36,327,974	\$34,543,446	\$69,593,357	\$63,412,068

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$85,479 computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$1,500,281. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

	Governmental Activities	Business-Type Activities	Total
Total 2018 program expenses under GASB 75	\$34,612,651	\$8,190,699	\$42,803,350
OPEB expense under GASB 75	(1,474,708)	(25,573)	(1,500,281)
2018 contractually required contribution	35,644	917	36,561
Adjusted 2018 program expenses	33,173,587	8,166,043	41,339,630
Total 2017 program expenses under GASB 45	31,555,898	8,232,341	39,788,239
Increase (Decrease) in program expenses not related to OPEB	\$1,617,689	(\$66,298)	\$1,551,391

Governmental program revenues decreased primarily from decreased charges for services and operating assessments due to the large increase in special assessment revenue in the prior year, offset by an increase in capital grants and contributions. The significant change comes from decreased special assessment revenues offset by increased developer donated assets related to streets, storm sewers, and water hydrants. While program revenues provide considerable assistance in the provision of governmental services, the burden of governmental support is met by general revenues such as property taxes, municipal income taxes, and unrestricted grants and entitlements. General revenues increased from the prior year due to increased municipal income taxes, payments in lieu of taxes, property taxes, grants and entitlements, and investment earnings.

The two largest governmental activities expenses are related to security of persons and property and transportation. Security of persons and property expenses saw an increase in 2018 due to increased personal services and contractual services expenses. Transportation also increased due to increased materials and supplies expense.

Program revenues make up a significant portion of the total revenues for business-type activities. Charges for services and operating assessments increased due to more customers and the addition of the storm water fund charges for services. Capital grants and contributions increased over the prior year due to increased donated assets from developers for sewer lines.

GOVERNMENTAL ACTIVITIES

Several revenue sources fund the City's governmental activities with City income tax being the largest contribution. The general income tax rate of 1 percent was established by City Ordinance No. 371-68, passed February 28, 1968. The Income Tax Ordinance was amended on November 2, 1993 requiring proposed tax rate changes be submitted to the electors of the City for approval or rejection. On November 6, 2002 the electors approved an increase in the income tax rate to 1-1/2 percent from 1 percent and a change in the tax credit for residents having income taxable in another community. In November 2007, the electors approved an increase in the income tax rate to 1-3/4 percent and a change in the tax credit. In 2018, the revenue from municipal income taxes increased by \$1,049,614 over the prior year.

The City of Avon is very aggressive in collecting delinquent income tax. The City utilizes the Regional Income Tax Agency for income tax collections. Their collection efforts including subpoena programs and small claims court are very effective and cost justified. The City's strong and diversified commercial and industrial tax base provide the City with a predictable revenue stream. There's an estimated 20,100 people working in Avon.

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

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

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

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

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

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

Table 3
Total Cost and Net Cost of Services

	Total Cost of Services		Net Cost of Services	
	2018	2017	2018	2017
General Government	\$5,068,488	\$4,552,425	(\$2,630,322)	\$3,700,865
Security of Persons and Property	14,263,912	12,455,701	(13,431,123)	(11,692,139)
Transportation	6,587,258	6,356,119	(3,691,333)	(4,479,133)
Community Environment	3,035,192	2,348,421	(1,024,132)	(525,014)
Basic Utility Services	904,786	840,382	1,832,060	86,630
Leisure Time Activities	2,071,772	2,200,268	(1,546,159)	(1,706,560)
Interest and Fiscal Charges	2,681,243	2,802,582	(2,681,243)	(2,802,582)
Total Cost of Services	<u>\$34,612,651</u>	<u>\$31,555,898</u>	<u>(\$23,172,252)</u>	<u>(\$17,417,933)</u>

BUSINESS-TYPE ACTIVITIES

The increase in expenses in the sewer and storm water funds were due to an increase in materials and supplies expenses and being the first year of activity, respectively. Water fund expenses decreased primarily due to fewer contractual services.

The City's Funds

Information about the City's governmental funds begins on page 20. These funds are accounted for by using the modified accrual basis of accounting. All governmental funds had total revenues of \$34,755,345 and expenditures of \$36,370,229. The most significant fund is the general fund with a year-end fund balance of \$9,581,953, which included an unassigned fund balance of \$8,851,170, compared to annual expenditures of \$6,419,899. While revenues far exceeded expenditures, \$7,369,742 was transferred to other funds, leaving the general fund with a net change of \$1,304,734 with other financing sources included. The transferred funds enabled the City to fund police and fire operations, street improvement and other capital improvements projects, as well as to service long-term and short-term debt obligations.

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Even with an increase in municipal income tax revenues, expenditures in the fire department fund exceeded revenues; however, the fire department fund ended with a positive balance due to transfers in from the general fund. The street construction, maintenance and repair and police funds were also similar in that their revenues increased over the prior year, as did their expenditures, and they both receipted large transfers in from the general fund. The general obligation bond retirement fund's debt service requirements continue to decrease while it receives sizeable transfers in from general fund. The special assessment bond retirement fund continues to be self-sufficient, although delinquencies have increased. The municipal swimming pool fund ended with a large fund deficit due to the fund having a \$4,600,000 liability related to the notes that were rolled during the year. The road and bridges fund paid down a portion of the notes that were rolled, but ended the year with a positive fund balance due to transfers from the general fund.

General Fund Budgeting Highlights

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

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

The most significant budgeted fund is the general fund. During the course of 2018, the City amended its general fund budget for a total increase in certified revenues. All revenues were expected to increase with the primary increases expected for municipal income and property taxes. Actual revenues received by the City were just slightly above the final budgeted amount.

Original appropriations were increased during the year to establish final appropriated expenditures of \$7,977,239 for the year. The increases were primarily due to conservative budgeting at the beginning of the year. The actual expenditures came in well under the final budgeted amount as final expenditures are traditionally less than budgeted.

The City continued to maintain a respectable level of liquidity in the general fund by maintaining a fund balance at year-end of 44.24 percent of total actual revenues received during the year.

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Capital Assets and Debt Administration

Capital Assets

Total capital assets (net of depreciation) for the governmental activities are \$121,614,857, which is an increase from the prior year. Total governmental capital asset additions were \$7,323,704, with \$5,680,942 of this amount being infrastructure additions. Total capital assets (net of depreciation) for the business-type activities are \$41,294,508, which is a decrease from the prior year. Total business-type activities' capital asset additions were \$1,045,941, which was mostly infrastructure, as well.

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

Debt Administration

On December 31, 2018, the City of Avon had a total of \$86,656,666 in outstanding long-term debt obligations, with \$3,315,718 due within one year.

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

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

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

During 2009, the City of Avon entered into contractual agreements with the City of Avon Lake for the construction and future maintenance of a water trunk line that services the City of Avon. The project was financed mainly by general obligation bonds which were issued by the City of Avon Lake. All proceeds were received by the City of Avon Lake and the City of Avon Lake is responsible for the debt retirement and maintenance. The line will be a capital asset of the City of Avon Lake. The total amount owed to the City of Avon Lake as of December 31, 2018, is \$281,488. This amount has been recorded on Avon's financial statements as a long-term liability in the water enterprise fund.

During 2018, the City issued \$7,500,000 in general obligation notes for the purpose of financing the municipal swimming pool, park, and municipal buildings projects.

During 2018, the City issued \$4,400,000 in general obligation notes for the purpose of road projects and land purchases.

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

During 2018, the City issued \$7,250,000 in general obligation notes to help finance water and sewer system improvements.

See Notes 14, 15, and 19 of the Notes to the Basic Financial Statements for additional information on the City's outstanding debt obligations.

Current Financial Related Activities

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

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

The City is ideally situated on Interstate 90, approximately twenty minutes from Cleveland, Ohio and Cleveland Hopkins International Airport. Interstate 90 divides the City providing an ideal separation for commercial and industrial development north of Interstate 90 and commercial and residential development south of Interstate 90. With development of the industrial sites on the north side, the City's financial condition has been significantly strengthened. Moody's Investor Services has assigned an Aa2 bond rating to the City of Avon, and the City Administration works hard to maintain or improve this rating.

The City takes advantage of grants wherever possible. Recent examples of grant funded capital projects include:

- Chester Road at State Route 611 improvements – Federal Highway/Ohio Department of Transportation, total grant awarded \$3,500,000.
- State Route 83 Re-surfacing Project, in collaboration with the City of Avon Lake – Ohio Department of Transportation, total grant awarded \$671,000.
- Chester Road widening project – Lorain County Transportation Improvement District, total grant awarded \$250,000.
- Chester Road widening project – Ohio Department of Transportation Jobs & Commerce, total grant awarded \$150,000.
- State Route 83 Round-a-bout Project, in collaboration with the City of North Ridgeville – Ohio Public Works Commission, total grant awarded \$693,000.
- Various Capital Budget grants, including \$50,000 for improvements at All-Pro Freight Stadium and \$82,000 for improvements at the Avon Isle, and \$200,000 that will be used towards a Military Veterans Memorial near the Aquatic Facility.

In addition to these capital improvement grants, the City receives various grant funding for issues such as Drug Use Prevention, Re-cycling, Safety/Workers' Compensation, NOPEC Energized Community Grant and other items.

City of Avon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

From a commercial/industrial standpoint, the City of Avon has seen steady growth. Many businesses in Avon are expanding. Hospitals and other health care related organizations have opened in Avon. Companies, hotels, stores and restaurants are finding Avon a very attractive destination, particularly along the I-90 corridor. At the same time, the City's population continues to grow with new home construction averaging about 100 houses annually.

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

The City of Avon has committed itself to financial excellence. The City has received the Government Finance Officers Award Certificate of Achievement for Excellence every year since 1991, the year of our first Comprehensive Annual Financial Report. The City of Avon was one of the first in Ohio to report using the Government Accounting Standards Board (GASB) 34 requirements and early implemented GASB Statement 54 in the 2010 CAFR. The City of Avon received the Auditor of State "*Making Your Tax Dollars Count*" award for the 2009 audit and the "*Auditor of State Award with Distinction*" for the 2010, 2011, 2013 and 2017 audits. Our commitment to the residents of Avon has been one of full disclosure of the financial position of the City and will continue to be.

Contacting the City's Finance Department

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

City of Avon, Ohio
Statement of Net Position
December 31, 2018

	Governmental Activities	Business-Type Activities *	Total *
Assets			
Equity in Pooled Cash and Cash Equivalents	\$14,772,038	\$7,906,482	\$22,678,520
Accrued Interest Receivable	57,115	78,978	136,093
Materials and Supplies Inventory	354,543	474,523	829,066
Accounts Receivable	0	696,188	696,188
Internal Balances	126,000	(126,000)	0
Intergovernmental Receivable	1,119,835	0	1,119,835
Prepaid Items	108,036	9,000	117,036
Municipal Income Taxes Receivable	5,322,056	0	5,322,056
Property Taxes Receivable	5,117,574	0	5,117,574
Payments in Lieu of Taxes Receivable	2,665,474	0	2,665,474
Special Assessments Receivable	13,318,568	1,132,608	14,451,176
Loan Receivable	400,000	0	400,000
Net Pension Asset (See Note 21)	1,074	206	1,280
Capital Assets, Non-Depreciable	5,951,955	7,580	5,959,535
Capital Assets, Depreciable, Net	115,662,902	41,286,928	156,949,830
Total Assets	164,977,170	51,466,493	216,443,663
Deferred Outflows of Resources			
Deferred Charge on Refunding	2,501,630	0	2,501,630
Pension	3,871,409	241,564	4,093,058
OPEB	1,796,180	47,906	1,844,086
Total Deferred Outflows of Resources	8,169,219	289,470	8,438,774
Liabilities			
Accounts Payable	403,228	126,115	529,343
Accrued Wages and Benefits	463,011	37,101	500,112
Intergovernmental Payable	312,890	413,229	726,119
Accrued Interest Payable	365,749	247,739	613,488
Notes Payable	8,000,000	3,000,000	11,000,000
Long-Term Liabilities:			
Due Within One Year	3,185,670	252,503	3,438,173
Due In More Than One Year:			
Net Pension Liability (See Note 21)	21,870,469	964,779	22,835,248
Net OPEB Liability (See Note 22)	18,866,342	638,523	19,504,865
Other Amounts Due in More Than One Year	75,882,140	9,317,629	85,199,769
Total Liabilities	129,349,499	14,997,618	144,347,117
Deferred Inflows of Resources			
Property Taxes	5,060,749	0	5,060,749
Payments in Lieu of Taxes	2,645,838	0	2,645,838
Pension	2,108,895	320,772	2,409,752
OPEB	716,025	109,599	825,624
Total Deferred Inflows of Resources	10,531,507	430,371	10,941,963
Net Position			
Net Investment in Capital Assets	40,705,398	29,208,283	69,913,681
Restricted for:			
Capital Projects	1,414,965	0	1,414,965
Debt Service	12,350,278	0	12,350,278
Fire Department	516,991	0	516,991
Street Construction, Maintenance and Repair	1,305,160	0	1,305,160
Police	602,985	0	602,985
Park Operating	1,320,495	0	1,320,495
Other Purposes	439,904	0	439,904
Unrestricted (Deficit)	(25,390,793)	7,119,691	(18,271,102)
Total Net Position	\$33,265,383	\$36,327,974	\$69,593,357

See accompanying notes to the basic financial statements

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

City of Avon, Ohio
Statement of Activities
For the Year Ended December 31, 2018

	Expenses	Program Revenues		
		Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$5,068,488	\$2,401,683	\$0	\$36,483
Security of Persons and Property	14,263,912	724,024	108,765	0
Transportation	6,587,258	447	1,289,739	1,605,739
Community Environment	3,035,192	1,426,275	218,047	366,738
Basic Utility Services	904,786	146,909	0	2,589,937
Leisure Time Activities	2,071,772	449,303	58,810	17,500
Interest and Fiscal Charges	2,681,243	0	0	0
<i>Total Governmental Activities</i>	<u>34,612,651</u>	<u>5,148,641</u>	<u>1,675,361</u>	<u>4,616,397</u>
Business-Type Activities				
Water	3,635,564	4,557,586	0	0
Sewer	4,311,528	4,293,225	0	760,388
Storm Water	243,607	393,601	0	0
<i>Total Business-Type Activities</i>	<u>8,190,699</u>	<u>9,244,412</u>	<u>0</u>	<u>760,388</u>
<i>Total</i>	<u>\$42,803,350</u>	<u>\$14,393,053</u>	<u>\$1,675,361</u>	<u>\$5,376,785</u>

General Revenues

Property Taxes Levied for:

General Purposes

Streets

Police

Park Operating

Equipment

Municipal Income Taxes Levied for:

General Purposes

Fire Department

Police

Park Operating

Recreation Complex

Grants and Entitlements not Restricted to Specific Programs

Unrestricted Contributions

Investment Earnings

Payments in Lieu of Taxes

Gain on Sale of Capital Assets

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

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

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$2,630,322)	\$0	(\$2,630,322)
(13,431,123)	0	(13,431,123)
(3,691,333)	0	(3,691,333)
(1,024,132)	0	(1,024,132)
1,832,060	0	1,832,060
(1,546,159)	0	(1,546,159)
(2,681,243)	0	(2,681,243)
(23,172,252)	0	(23,172,252)
0	922,022	922,022
0	742,085	742,085
0	149,994	149,994
0	1,814,101	1,814,101
(23,172,252)	1,814,101	(21,358,151)
1,805,289	0	1,805,289
1,309,030	0	1,309,030
706,811	0	706,811
310,032	0	310,032
790,383	0	790,383
9,687,503	0	9,687,503
3,357,920	0	3,357,920
3,357,920	0	3,357,920
1,224,588	0	1,224,588
1,224,588	0	1,224,588
961,286	0	961,286
240	0	240
392,997	7,198	400,195
1,954,892	0	1,954,892
16,717	4,000	20,717
388,076	39,970	428,046
27,488,272	51,168	27,539,440
80,741	(80,741)	0
27,569,013	(29,573)	27,539,440
4,396,761	1,784,528	6,181,289
28,868,622	34,543,446	63,412,068
\$33,265,383	\$36,327,974	\$69,593,357

City of Avon, Ohio
Balance Sheet
Governmental Funds
December 31, 2018

	General	Fire Department	Street Construction, Maintenance and Repair	Police
Assets				
Equity in Pooled Cash and Cash Equivalents	\$6,901,902	\$443,393	\$690,162	\$690,598
Materials and Supplies Inventory	0	8,310	320,367	19,201
Interfund Receivable	946,000	0	0	0
Intergovernmental Receivable	201,876	0	535,912	38,769
Accrued Interest Receivable	55,385	0	1,445	0
Prepaid Items	45,286	24,500	7,500	24,500
Municipal Income Taxes Receivable	2,792,032	909,426	0	909,426
Property Taxes Receivable	1,984,042	0	1,316,285	711,219
Payments in Lieu of Taxes Receivable	0	0	0	0
Special Assessments Receivable	0	0	0	0
Loan Receivable	400,000	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	15,129	0	0	0
Total Assets	\$13,341,652	\$1,385,629	\$2,871,671	\$2,393,713
Liabilities				
Accounts Payable	\$245,121	\$8,229	\$33,350	\$32,695
Accrued Wages and Benefits	93,753	140,460	39,471	168,721
Interfund Payable	0	0	0	0
Intergovernmental Payable	57,790	117,710	18,751	108,907
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
Total Liabilities	396,664	266,399	91,572	310,323
Deferred Inflows of Resources				
Property Taxes	1,961,615	0	1,301,688	703,157
Payments in Lieu of Taxes	0	0	0	0
Unavailable Revenue	1,401,420	421,980	398,303	468,811
Total Deferred Inflows of Resources	3,363,035	421,980	1,699,991	1,171,968
Fund Balances				
Nonspendable	526,415	32,810	327,867	43,701
Restricted	0	664,440	720,415	867,721
Committed	0	0	0	0
Assigned	204,368	0	31,826	0
Unassigned (Deficit)	8,851,170	0	0	0
Total Fund Balances (Deficit)	9,581,953	697,250	1,080,108	911,422
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$13,341,652	\$1,385,629	\$2,871,671	\$2,393,713

See accompanying notes to the basic financial statements

General Obligation Bond Retirement	Special Assessment Bond Retirement	Municipal Swimming Pool	Road and Bridges	Other Governmental Funds	Total Governmental Funds
\$289,310	\$498,084	\$2,949	\$681,069	\$4,559,442	\$14,756,909
0	0	0	0	6,665	354,543
0	0	0	0	0	946,000
0	0	0	0	343,278	1,119,835
0	0	0	0	285	57,115
0	0	0	0	6,250	108,036
0	0	0	0	711,172	5,322,056
0	0	0	0	1,106,028	5,117,574
0	0	0	0	2,665,474	2,665,474
0	13,318,568	0	0	0	13,318,568
0	0	0	0	0	400,000
0	0	0	0	0	15,129
<u>\$289,310</u>	<u>\$13,816,652</u>	<u>\$2,949</u>	<u>\$681,069</u>	<u>\$9,398,594</u>	<u>\$44,181,239</u>
\$0	\$0	\$0	\$31,156	\$52,677	\$403,228
0	0	0	0	20,606	463,011
0	0	0	110,000	710,000	820,000
0	0	0	0	9,732	312,890
0	0	44,850	3,948	35,608	84,406
0	0	4,600,000	175,000	3,225,000	8,000,000
0	0	4,644,850	320,104	4,053,623	10,083,535
0	0	0	0	1,094,289	5,060,749
0	0	0	0	2,645,838	2,645,838
0	13,318,568	0	0	656,582	16,665,664
0	13,318,568	0	0	4,396,709	24,372,251
0	0	0	0	12,915	943,708
289,310	498,084	0	0	3,140,511	6,180,481
0	0	0	0	360,372	360,372
0	0	0	360,965	668,335	1,265,494
0	0	(4,641,901)	0	(3,233,871)	975,398
<u>289,310</u>	<u>498,084</u>	<u>(4,641,901)</u>	<u>360,965</u>	<u>948,262</u>	<u>9,725,453</u>
<u>\$289,310</u>	<u>\$13,816,652</u>	<u>\$2,949</u>	<u>\$681,069</u>	<u>\$9,398,594</u>	<u>\$44,181,239</u>

City of Avon, Ohio
*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2018*

Total Governmental Fund Balances		\$9,725,453
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		121,614,857
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable in the funds:		
Delinquent Property Taxes	56,825	
Delinquent Payments in Lieu of Taxes	19,636	
Municipal Income Taxes	2,369,094	
Intergovernmental	901,541	
Special Assessments	13,318,568	
Total		16,665,664
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(281,343)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Deferred Charge on Refunding	2,501,630	
General Obligation Bonds	(58,731,077)	
Special Assessment Bonds	(14,169,142)	
General Obligation Notes	(3,947,951)	
OPWC Loans	(331,167)	
Capital Lease	(48,761)	
Compensated Absences	(1,839,712)	
Total		(76,566,180)
The net pension asset, net pension liability and net OPEB liability are not due and payable in the current period; therefore, the asset, liabilities and related deferred inflows/outflows are not reported in governmental funds:		
Net Pension Asset	1,074	
Deferred Outflows - Pension	3,871,409	
Deferred Outflows - OPEB	1,796,180	
Net Pension Liability	(21,870,469)	
Net OPEB Liability	(18,866,342)	
Deferred Inflows - Pension	(2,108,895)	
Deferred Inflows - OPEB	(716,025)	
Total		(37,893,068)
<i>Net Position of Governmental Activities</i>		<u><u>\$33,265,383</u></u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

	General	Fire Department	Street Construction, Maintenance and Repair	Police	General Obligation Bond Retirement
Revenues					
Property Taxes	\$1,811,843	\$0	\$1,314,310	\$709,974	\$0
Payments in Lieu of Taxes	0	0	0	0	0
Municipal Income Taxes	9,749,681	3,237,000	0	3,237,000	0
Charges for Services	391,507	721,347	0	0	511,330
Licenses and Permits	1,298,834	1,025	447	228	0
Fines and Forfeitures	205,254	0	0	1,424	0
Intergovernmental	959,383	0	1,089,538	107,412	0
Special Assessments	0	0	0	0	0
Interest	378,522	0	12,586	0	0
Contributions and Donations	240	0	0	525	0
Rentals	37,085	0	0	0	0
Miscellaneous	262,026	5,500	18,224	56,482	0
<i>Total Revenues</i>	<u>15,094,375</u>	<u>3,964,872</u>	<u>2,435,105</u>	<u>4,113,045</u>	<u>511,330</u>
Expenditures					
Current:					
General Government	4,138,883	0	0	0	0
Security of Persons and Property	0	5,177,291	0	6,211,631	0
Transportation	0	0	2,645,448	0	0
Community Environment	2,136,688	0	0	0	0
Leisure Time Activities	118,750	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	23,233	0	147,600	0	632,933
Interest and Fiscal Charges	2,345	0	33,095	0	633,107
<i>Total Expenditures</i>	<u>6,419,899</u>	<u>5,177,291</u>	<u>2,826,143</u>	<u>6,211,631</u>	<u>1,266,040</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>8,674,476</u>	<u>(1,212,419)</u>	<u>(391,038)</u>	<u>(2,098,586)</u>	<u>(754,710)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	0	5,432	13,204	0	0
General Obligation Notes Issued	0	0	0	0	0
Premium on General Obligation Notes Issued	0	0	0	0	47,951
Transfers In	0	1,375,000	750,000	1,650,000	800,216
Transfers Out	(7,369,742)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(7,369,742)</u>	<u>1,380,432</u>	<u>763,204</u>	<u>1,650,000</u>	<u>848,167</u>
<i>Net Change in Fund Balances</i>	<u>1,304,734</u>	<u>168,013</u>	<u>372,166</u>	<u>(448,586)</u>	<u>93,457</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>8,277,219</u>	<u>529,237</u>	<u>707,942</u>	<u>1,360,008</u>	<u>195,853</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$9,581,953</u>	<u>\$697,250</u>	<u>\$1,080,108</u>	<u>\$911,422</u>	<u>\$289,310</u>

(continued)

City of Avon, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds (continued)
For the Year Ended December 31, 2018

	Special Assessment Bond Retirement	Municipal Swimming Pool	Road and Bridges	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$0	\$0	\$0	\$1,104,899	\$4,941,026
Payments in Lieu of Taxes	0	0	0	1,946,184	1,946,184
Municipal Income Taxes	0	0	0	2,437,788	18,661,469
Charges for Services	0	0	0	618,823	2,243,007
Licenses and Permits	0	0	0	241,616	1,542,150
Fines and Forfeitures	0	0	0	6,326	213,004
Intergovernmental	0	0	93,226	538,030	2,787,589
Special Assessments	1,066,893	0	0	0	1,066,893
Interest	0	0	0	1,889	392,997
Contributions and Donations	0	0	0	72,612	73,377
Rentals	0	0	0	462,488	499,573
Miscellaneous	0	0	0	45,844	388,076
Total Revenues	1,066,893	0	93,226	7,476,499	34,755,345
Expenditures					
Current:					
General Government	33,730	0	0	0	4,172,613
Security of Persons and Property	0	0	0	14,713	11,403,635
Transportation	0	0	0	265,072	2,910,520
Community Environment	0	0	0	669,967	2,806,655
Leisure Time Activities	0	0	0	1,517,832	1,636,582
Capital Outlay	0	15,000	1,601,458	1,744,231	3,360,689
Debt Service:					
Principal Retirement	432,406	0	2,925,000	3,081,003	7,242,175
Interest and Fiscal Charges	597,058	15,206	66,206	1,490,343	2,837,360
Total Expenditures	1,063,194	30,206	4,592,664	8,783,161	36,370,229
Excess of Revenues Over (Under) Expenditures	3,699	(30,206)	(4,499,438)	(1,306,662)	(1,614,884)
Other Financing Sources (Uses)					
Sale of Capital Assets	0	0	0	2,081	20,717
General Obligation Notes Issued	0	0	2,825,000	1,075,000	3,900,000
Premium on General Obligation Notes Issued	0	0	0	0	47,951
Transfers In	5,187	279,180	2,355,600	1,561,772	8,776,955
Transfers Out	0	0	(439,930)	(846,180)	(8,655,852)
Total Other Financing Sources (Uses)	5,187	279,180	4,740,670	1,792,673	4,089,771
Net Change in Fund Balances	8,886	248,974	241,232	486,011	2,474,887
Fund Balances (Deficit) Beginning of Year	489,198	(4,890,875)	119,733	462,251	7,250,566
Fund Balances (Deficit) End of Year	\$498,084	(\$4,641,901)	\$360,965	\$948,262	\$9,725,453

See accompanying notes to the basic financial statements

City of Avon, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2018*

Net Change in Fund Balances - Total Governmental Funds	\$2,474,887
---	--------------------

Amounts reported for governmental activities in the statements of activities are different because:

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

Capital Asset Additions:		
Capital Outlays	3,128,028	
Capital Contributions	4,195,676	
Current Year Depreciation	(6,072,532)	
Total		1,251,172

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(44,362)
--	----------

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

Delinquent Property Taxes	(19,481)	
Delinquent Payments in Lieu of Taxes	8,708	
Municipal Income Taxes	191,050	
Intergovernmental	196,642	
Special Assessments	(415,986)	
Total		(39,067)

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

General Obligation Notes Issued	(3,900,000)	
Premium on General Obligation Notes Issued	(47,951)	
Total		(3,947,951)

Repayment of bond, note, loan, and capital lease principal are expenditures in the governmental funds, but the repayments reduce the long-term liabilities in the statement of net position.	7,242,175
--	-----------

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

Accrued Interest	90,242	
Amortization of Loss on Refunding	(159,769)	
Amortization of Bond and Note Premiums	225,644	
Total		156,117

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds, such as compensated absences.	(83,984)
---	----------

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

Pension	1,918,255	
OPEB	35,644	
Total		1,953,899

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

Pension	(3,091,417)	
OPEB	(1,474,708)	
Total		(4,566,125)

Change in Net Position of Governmental Activities	<u>\$4,396,761</u>
--	---------------------------

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property Taxes	\$1,690,829	\$1,811,843	\$1,811,843	\$0
Municipal Income Taxes	9,216,798	9,876,451	9,877,697	1,246
Charges for Services	362,802	388,768	391,507	2,739
Licenses and Permits	1,187,614	1,272,612	1,298,834	26,222
Fines and Forfeitures	182,477	195,537	205,254	9,717
Intergovernmental	892,706	956,598	959,645	3,047
Interest	325,528	348,826	348,826	0
Contributions and Donations	178	240	240	0
Rentals	30,888	35,905	37,085	1,180
Miscellaneous	293,281	311,857	312,025	168
Total Revenues	14,183,101	15,198,637	15,242,956	44,319
Expenditures				
Current:				
General Government	5,164,175	5,142,790	4,196,960	945,830
Community Environment	2,614,983	2,674,032	2,201,194	472,838
Leisure Time Activities	36,839	134,839	122,519	12,320
Debt Service:				
Principal Retirement	23,233	23,233	23,233	0
Interest and Fiscal Charges	2,345	2,345	2,345	0
Total Expenditures	7,841,575	7,977,239	6,546,251	1,430,988
Excess of Revenues Over Expenditures	6,341,526	7,221,398	8,696,705	1,475,307
Other Financing Sources (Uses)				
Advances In	209,972	225,000	225,000	0
Advances Out	(87,500)	(87,500)	(87,500)	0
Transfers In	9,226,984	9,995,000	9,995,000	0
Transfers Out	(16,670,000)	(17,445,000)	(16,785,000)	660,000
Total Other Financing Sources (Uses)	(7,320,544)	(7,312,500)	(6,652,500)	660,000
Net Change in Fund Balance	(979,018)	(91,102)	2,044,205	2,135,307
Fund Balance Beginning of Year	4,444,608	4,444,608	4,444,608	0
Prior Year Encumbrances Appropriated	254,069	254,069	254,069	0
Fund Balance End of Year	\$3,719,659	\$4,607,575	\$6,742,882	\$2,135,307

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Department Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Municipal Income Taxes	\$3,158,045	\$3,246,355	\$3,246,355	\$0
Charges for Services	696,663	716,144	716,144	0
Licenses and Permits	997	1,025	1,025	0
Miscellaneous	5,100	5,395	5,500	105
<i>Total Revenues</i>	3,860,805	3,968,919	3,969,024	105
Expenditures				
Current:				
Security of Persons and Property	5,376,532	5,376,532	5,155,409	221,123
<i>Excess of Revenues Under Expenditures</i>	(1,515,727)	(1,407,613)	(1,186,385)	221,228
Other Financing Sources				
Sale of Capital Assets	5,432	5,432	5,432	0
Transfers In	1,459,196	1,500,000	1,375,000	(125,000)
<i>Total Other Financing Sources</i>	1,464,628	1,505,432	1,380,432	(125,000)
<i>Net Change in Fund Balance</i>	(51,099)	97,819	194,047	96,228
<i>Fund Balance Beginning of Year</i>	153,978	153,978	153,978	0
Prior Year Encumbrances Appropriated	15,073	15,073	15,073	0
<i>Fund Balance End of Year</i>	<u>\$117,952</u>	<u>\$266,870</u>	<u>\$363,098</u>	<u>\$96,228</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2018*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property Taxes	\$1,288,880	\$1,314,310	\$1,314,310	\$0
Licenses and Permits	235	240	447	207
Intergovernmental	1,066,682	1,087,728	1,087,532	(196)
Interest	10,957	11,173	11,173	0
Miscellaneous	16,970	17,565	18,224	659
<i>Total Revenues</i>	<u>2,383,724</u>	<u>2,431,016</u>	<u>2,431,686</u>	<u>670</u>
Expenditures				
Current:				
Transportation	3,309,396	3,436,353	3,069,266	367,087
Debt Service:				
Principal Retirement	147,600	147,600	147,600	0
Interest and Fiscal Charges	33,095	33,095	33,095	0
<i>Total Expenditures</i>	<u>3,490,091</u>	<u>3,617,048</u>	<u>3,249,961</u>	<u>367,087</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,106,367)</u>	<u>(1,186,032)</u>	<u>(818,275)</u>	<u>367,757</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	13,204	13,204	13,204	0
Transfers In	760,005	775,000	775,000	0
Transfers Out	(25,000)	(25,000)	(25,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>748,209</u>	<u>763,204</u>	<u>763,204</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(358,158)</u>	<u>(422,828)</u>	<u>(55,071)</u>	<u>367,757</u>
<i>Fund Balance Beginning of Year</i>	<u>130,565</u>	<u>130,565</u>	<u>130,565</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>331,252</u>	<u>331,252</u>	<u>331,252</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$103,659</u>	<u>\$38,989</u>	<u>\$406,746</u>	<u>\$367,757</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property Taxes	\$756,750	\$709,974	\$709,974	\$0
Municipal Income Taxes	3,460,237	3,246,355	3,246,355	0
Licenses and Permits	239	224	228	4
Fines and Forfeitures	1,333	1,251	1,424	173
Intergovernmental	114,489	107,412	107,412	0
Contributions and Donations	560	525	525	0
Miscellaneous	53,605	50,292	56,482	6,190
<i>Total Revenues</i>	4,387,213	4,116,033	4,122,400	6,367
Expenditures				
Current:				
Security of Persons and Property	6,642,986	6,643,425	6,185,005	458,420
<i>Excess of Revenues Under Expenditures</i>	(2,255,773)	(2,527,392)	(2,062,605)	464,787
Other Financing Sources				
Transfers In	1,758,708	1,650,000	1,650,000	0
<i>Net Change in Fund Balance</i>	(497,065)	(877,392)	(412,605)	464,787
<i>Fund Balance Beginning of Year</i>	954,574	954,574	954,574	0
Prior Year Encumbrances Appropriated	22,524	22,524	22,524	0
<i>Fund Balance End of Year</i>	<u>\$480,033</u>	<u>\$99,706</u>	<u>\$564,493</u>	<u>\$464,787</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2018

	Business-Type Activities			
	Water	Sewer	Nonmajor Storm Water	Total
Assets				
<i>Current Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$3,872,122	\$3,830,476	\$203,884	\$7,906,482
Accrued Interest Receivable	1,195	77,783	0	78,978
Materials and Supplies Inventory	441,533	32,990	0	474,523
Accounts Receivable	282,792	376,050	37,346	696,188
Prepaid Items	4,500	4,500	0	9,000
Special Assessments Receivable	287,999	844,609	0	1,132,608
<i>Total Current Assets</i>	<u>4,890,141</u>	<u>5,166,408</u>	<u>241,230</u>	<u>10,297,779</u>
<i>Noncurrent Assets</i>				
Net Pension Asset	90	90	26	206
Capital Assets, Non-Depreciable	0	7,580	0	7,580
Capital Assets, Depreciable, Net	19,573,764	21,713,164	0	41,286,928
<i>Total Noncurrent Assets</i>	<u>19,573,854</u>	<u>21,720,834</u>	<u>26</u>	<u>41,294,714</u>
<i>Total Assets</i>	<u>24,463,995</u>	<u>26,887,242</u>	<u>241,256</u>	<u>51,592,493</u>
Deferred Outflows of Resources				
Pension	121,105	108,267	109,611	338,983
OPEB	20,959	20,959	56,213	98,131
<i>Total Deferred Outflows of Resources</i>	<u>142,064</u>	<u>129,226</u>	<u>165,824</u>	<u>437,114</u>
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	64,749	61,366	0	126,115
Accrued Wages and Benefits	16,845	15,945	4,311	37,101
Intergovernmental Payable	103,114	308,446	1,669	413,229
Interfund Payable	126,000	0	0	126,000
Compensated Absences Payable	7,170	7,170	1,626	15,966
Accrued Interest Payable	141,710	106,029	0	247,739
Avon Lake Intergovernmental Payable	29,570	0	0	29,570
Notes Payable	2,000,000	1,000,000	0	3,000,000
Capital Lease Payable	0	133,465	0	133,465
Bonds Payable	21,837	51,665	0	73,502
<i>Total Current Liabilities</i>	<u>2,510,995</u>	<u>1,684,086</u>	<u>7,606</u>	<u>4,202,687</u>
<i>Long-Term Liabilities (net of current portion)</i>				
Compensated Absences Payable	55,383	55,383	14,832	125,598
Avon Lake Intergovernmental Payable	251,918	0	0	251,918
Notes Payable	4,250,000	0	0	4,250,000
Capital Lease Payable	0	155,950	0	155,950
Bonds Payable	1,510,623	3,023,540	0	4,534,163
Net Pension Liability	422,091	422,091	120,597	964,779
Net OPEB Liability	279,354	279,354	79,815	638,523
<i>Total Long-Term Liabilities</i>	<u>6,769,369</u>	<u>3,936,318</u>	<u>215,244</u>	<u>10,920,931</u>
<i>Total Liabilities</i>	<u>9,280,364</u>	<u>5,620,404</u>	<u>222,850</u>	<u>15,123,618</u>
Deferred Inflows of Resources				
Pension	186,490	203,411	28,290	418,191
OPEB	76,939	76,939	5,946	159,824
<i>Total Deferred Inflows of Resources</i>	<u>263,429</u>	<u>280,350</u>	<u>34,236</u>	<u>578,015</u>
Net Position				
Net Investment in Capital Assets	11,852,159	17,356,124	0	29,208,283
Unrestricted	3,210,107	3,759,590	149,994	7,119,691
<i>Total Net Position</i>	<u>\$15,062,266</u>	<u>\$21,115,714</u>	<u>\$149,994</u>	<u>\$36,327,974</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
*Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2018*

	Business-Type Activities			Total
	Water	Sewer	Nonmajor Storm Water	
Operating Revenues				
Charges for Services	\$4,557,586	\$4,293,225	\$393,601	\$9,244,412
Other	39,657	313	0	39,970
<i>Total Operating Revenues</i>	<u>4,597,243</u>	<u>4,293,538</u>	<u>393,601</u>	<u>9,284,382</u>
Operating Expenses				
Personal Services	644,048	619,540	141,721	1,405,309
Materials and Supplies	1,764,409	2,318,393	82,263	4,165,065
Contractual Services	199,272	260,713	19,619	479,604
Other	6,281	4,265	4	10,550
Depreciation and Amortization	805,701	999,647	0	1,805,348
<i>Total Operating Expenses</i>	<u>3,419,711</u>	<u>4,202,558</u>	<u>243,607</u>	<u>7,865,876</u>
<i>Operating Income</i>	<u>1,177,532</u>	<u>90,980</u>	<u>149,994</u>	<u>1,418,506</u>
Non-Operating Revenues (Expenses)				
Interest	7,198	0	0	7,198
Gain on Sale of Capital Assets	0	4,000	0	4,000
Interest and Fiscal Charges	(215,853)	(108,970)	0	(324,823)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(208,655)</u>	<u>(104,970)</u>	<u>0</u>	<u>(313,625)</u>
<i>Income Before Contributions and Transfers</i>	<u>968,877</u>	<u>(13,990)</u>	<u>149,994</u>	<u>1,104,881</u>
Capital Contributions	0	800,750	0	800,750
Transfers In	0	11,861	0	11,861
Transfers Out	(17,264)	(115,700)	0	(132,964)
<i>Change in Net Position</i>	<u>951,613</u>	<u>682,921</u>	<u>149,994</u>	<u>1,784,528</u>
<i>Net Position Beginning of Year - Restated (See Note 3)</i>	<u>14,110,653</u>	<u>20,432,793</u>	<u>0</u>	<u>34,543,446</u>
<i>Net Position End of Year</i>	<u>\$15,062,266</u>	<u>\$21,115,714</u>	<u>\$149,994</u>	<u>\$36,327,974</u>

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Business-Type Activities			Totals
	Water	Sewer	Nonmajor Storm Water	
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$4,563,383	\$4,301,324	\$356,255	\$9,220,962
Other Operating Revenues	39,657	313	0	39,970
Cash Payments for Employee Services and Benefits	(617,439)	(596,417)	(50,485)	(1,264,341)
Cash Payments to Suppliers for Materials and Supplies	(1,810,043)	(2,329,386)	(82,263)	(4,221,692)
Cash Payments for Contractual Services	(500,255)	(204,922)	(19,619)	(724,796)
Other Operating Expenses	(6,281)	(4,265)	(4)	(10,550)
<i>Net Cash Provided by Operating Activities</i>	<u>1,669,022</u>	<u>1,166,647</u>	<u>203,884</u>	<u>3,039,553</u>
Cash Flows from Noncapital Financing Activities				
Transfers In	0	282,761	0	282,761
Transfers Out	(17,264)	(386,600)	0	(403,864)
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>(17,264)</u>	<u>(103,839)</u>	<u>0</u>	<u>(121,103)</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(162,971)	(122,582)	0	(285,553)
Disposal of Capital Assets	0	37,000	0	37,000
General Obligation Notes Issued	6,250,000	1,000,000	0	7,250,000
Principal Paid on General Obligation Bonds	(13,584)	(40,463)	0	(54,047)
Principal Paid on Special Assessment Bonds	(2,715)	(7,989)	0	(10,704)
Principal Paid on Intangible Asset	(27,983)	0	0	(27,983)
Principal Paid on Notes	(7,750,000)	(1,500,000)	0	(9,250,000)
Principal Paid on Capital Lease	0	(122,488)	0	(122,488)
Interest Paid on General Obligation Bonds	(41,355)	(70,065)	0	(111,420)
Interest Paid on Special Assessment Bonds	(9,660)	(5,500)	0	(15,160)
Interest Paid on Intangible Asset	(17,605)	0	0	(17,605)
Interest Paid on Notes	(155,000)	(30,000)	0	(185,000)
Interest Paid on Capital Lease	0	(11,163)	0	(11,163)
Payment on Manuscript Bonds	(9,000)	0	0	(9,000)
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(1,939,873)</u>	<u>(873,250)</u>	<u>0</u>	<u>(2,813,123)</u>
Cash Flows from Investing Activities				
Interest on Investments	<u>6,639</u>	<u>0</u>	<u>0</u>	<u>6,639</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(281,476)</u>	<u>189,558</u>	<u>203,884</u>	<u>111,966</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>4,153,598</u>	<u>3,640,918</u>	<u>0</u>	<u>7,794,516</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$3,872,122</u></u>	<u><u>\$3,830,476</u></u>	<u><u>\$203,884</u></u>	<u><u>\$7,906,482</u></u>

See accompanying notes to the basic financial statements

(continued)

City of Avon, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2018

	Business-Type Activities			Totals
	Water	Sewer	Nonmajor Storm Water	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income	\$1,177,532	\$90,980	\$149,994	\$1,418,506
<i>Adjustments:</i>				
Depreciation and Amortization	805,701	999,647	0	1,805,348
(Increase) Decrease in Assets:				
Materials and Supplies Inventory	(43,563)	(8,922)	0	(52,485)
Accounts Receivable	5,797	8,099	(37,346)	(23,450)
Prepaid Items	500	500	0	1,000
Net Pension Asset	(17)	(17)	(4)	(38)
Increase in Deferred Outflows - Pension	116,223	128,681	50,092	294,996
Increase in Deferred Outflows - OPEB	14,443	14,443	26,706	55,592
Increase (Decrease) in Liabilities:				
Accounts Payable	40,536	54,321	0	94,857
Retainage Payable	(281,301)	0	0	(281,301)
Accrued Wages and Benefits	(1,754)	(1,950)	4,311	607
Intergovernmental Payable	(62,590)	(1,063)	1,669	(61,984)
Compensated Absences Payable	(2,905)	(2,905)	16,458	10,648
Net Pension Liability	9,180	9,180	2,623	20,983
Net OPEB Liability	15,149	15,149	4,328	34,626
Decrease in Deferred Inflows - Pension	(91,871)	(107,458)	(13,461)	(212,790)
Decrease in Deferred Inflows - OPEB	(32,038)	(32,038)	(1,486)	(65,562)
<i>Total Adjustments</i>	<u>491,490</u>	<u>1,075,667</u>	<u>53,890</u>	<u>1,621,047</u>
<i>Net Cash Provided by Operating Activities</i>	<u>\$1,669,022</u>	<u>\$1,166,647</u>	<u>\$203,884</u>	<u>\$3,039,553</u>

Noncash Capital Financing Activities

During 2018, governmental activities transferred \$40,362 to the sewer enterprise fund for capital assets.

During 2018, the sewer enterprise fund received sewer lines from developers valued at \$760,388.

See accompanying notes to the basic financial statements

City of Avon, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2018

Assets

Equity in Pooled Cash and Cash Equivalents	\$2,886,194
Cash and Cash Equivalents in Segregated Accounts	<u>3,207</u>

<i>Total Assets</i>	<u><u>\$2,889,401</u></u>
---------------------	---------------------------

Liabilities

Deposits Held and Due to Others	<u><u>\$2,889,401</u></u>
---------------------------------	---------------------------

See accompanying notes to the basic financial statements

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Note 1 – Description of City and Reporting Entity

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

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

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

Reporting Entity

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

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

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

The City is associated with the Lorain County General Health District and the Northeast Ohio Public Energy Council (NOPEC), both jointly governed organizations, as presented in Note 16.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

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

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

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

Fund Accounting

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

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

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

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

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

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

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

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

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

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

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

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

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

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

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Measurement Focus

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

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

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

Basis of Accounting

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

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

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

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 21 and 22.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, OPEB and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes delinquent property taxes, delinquent payments in lieu of taxes, municipal income taxes, intergovernmental grants and special assessments. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental activities found on page 22. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (See Notes 21 and 22).

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

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

Budgetary Process

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

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

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Cash and Cash Equivalents

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

During 2018, investments were made in federal national mortgage association bonds, federal home loan bank bonds, federal farm credit bank bonds, federal home loan mortgage corporation bonds, municipal securities, and negotiable certificates of deposit. Investments are reported at fair value, which is based on quoted market prices.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2018 amounted to \$378,522, which includes \$270,255 assigned from other City funds.

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

Inventory

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2018 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

Restricted Assets

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

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

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

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

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

Interfund Balances

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

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

Pensions/Other Postemployment Benefits (OPEB)

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

Compensated Absences

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

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans. It also includes the long-term amount of loans receivable, unless the use of the proceeds from the collection of those receivables 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 or enabling legislation (City ordinances).

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

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

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

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

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

Net Position

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

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

Contributions of Capital

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

Internal Activity

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

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

Operating Revenues and Expenses

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Deferred Charge on Refunding

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

Bond Premiums

On the government-wide financial statements, bond premiums are deferred and amortized for the term of the bonds using the straight-line method. Bond premiums are presented as an increase of the face amount of the bonds payable. On governmental fund statements, bond premiums are receipted in the year the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Estimates

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

Note 3 – Changes in Accounting Principle and Restatement of Net Position

For 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and related guidance from (GASB) Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*.

For 2018, the City also implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2017-1*. These changes were incorporated in the City's 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in the City's 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 89 establishes accounting requirements for interest cost incurred before the end of a construction period. These changes were incorporated in the City's 2018 financial statements; however, there was no effect on beginning net position.

GASB 75 established standards for measuring and recognizing Postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure.

Additionally, it was determined that the City's capital assets were overstated at December 31, 2017.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

The implementation of the GASB 75 pronouncement and the capital asset restatement had the following effect on net position as reported December 31, 2017:

	Governmental Activities	Business - Type Activities
Net Position December 31, 2017	\$47,014,235	\$35,660,845
Adjustments:		
Net OPEB Liability	(16,422,572)	(685,590)
Deferred Outflow - Payments Subsequent to Measurement Date	75,449	10,030
Capital Assets	(1,798,490)	(441,839)
Restated Net Position December 31, 2017	<u>\$28,868,622</u>	<u>\$34,543,446</u>

	Water	Sewer	Total Enterprise
Net Position December 31, 2017	\$14,724,064	\$20,936,781	\$35,660,845
Adjustments:			
Net OPEB Liability	(342,795)	(342,795)	(685,590)
Deferred Outflow - Payments Subsequent to Measurement Date	5,015	5,015	10,030
Capital Assets	(275,631)	(166,208)	(441,839)
Restated Net Position December 31, 2017	<u>\$14,110,653</u>	<u>\$20,432,793</u>	<u>\$34,543,446</u>

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

Note 4 – Accountability and Compliance

Accountability

At December 31, 2018, the municipal swimming pool, park development and improvement, economic development and tourism, land purchases, and municipal buildings funds had deficits of \$4,641,901, \$718,610, \$12,428, \$278,572, and \$2,224,011, respectively. The municipal swimming pool, park development and improvement, land purchases and municipal buildings fund deficits are due to the issuance of short-term general obligation notes, which are used to finance the projects until bonds are issued. Once the notes are retired or bonds are issued, the deficit will be eliminated. The deficit in the economic development fund is due to an interfund payable. The general fund is liable for any deficits in other funds and provides transfers when cash is required, rather than when accruals occur.

Compliance

Contrary to Ohio Revised Code Section 5705.39, the municipal swimming pool fund had final appropriations in excess of certified available resources in the amount of \$5,438.

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Note 5 – Budgetary Basis of Accounting

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

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

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

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

Net Change in Fund Balance

	General	Fire Department	Street Construction, Maintenance and Repair	Police
GAAP Basis	\$1,304,734	\$168,013	\$372,166	(\$448,586)
Net Adjustment for Revenue Accruals	10,386,015	9,355	22,375	9,355
Unrecorded Cash Beginning of Year	25,152	53,394	489	0
Unrecorded Cash End of Year	(48,721)	(58,597)	(1,283)	0
Beginning Fair Value Adjustment for Investments	(56,988)	0	0	0
Ending Fair Value Adjustment for Investments	63,123	0	0	0
Net Adjustment for Expenditure Accruals	(9,314,559)	43,580	(166,685)	152,731
Encumbrances	(314,551)	(21,698)	(282,133)	(126,105)
Budget Basis	<u>\$2,044,205</u>	<u>\$194,047</u>	<u>(\$55,071)</u>	<u>(\$412,605)</u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Note 6 – Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited.

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

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2018, \$755,390 of the City's total bank balance of \$16,764,016 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. One of the City's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

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

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

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Investments

Investments are reported at fair value. As of December 31, 2018, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Fair Value - Level 2 Inputs:				
Federal National Mortgage Association Bonds	\$1,984,750	Less Than Three Years	AA+	21.63 %
Federal Home Loan Bank Bonds	993,930	Less Than Three Years	AA+	10.83
Federal Farm Credit Bank Bonds	1,983,310	Less Than Three Years	AA+	21.62
Federal Home Loan Mortgage Corporation Bonds	988,770	Less Than Three Years	AA+	10.78
Municipal Securities	1,505,835	Less Than Three Years	N/A	16.41
Negotiable Certificates of Deposit	1,718,294	Less Than Four Years	N/A	18.73
Total Investments	<u>\$9,174,889</u>			<u>100.00 %</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The preceding chart identifies the City's recurring fair value measurements as of December 31, 2018. The City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

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

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

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Note 7 – Fund Balances

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

Fund Balances	General	Fire Department	Street Construction, Maintenance and Repair	Police	General Obligation Bond Retirement
<u>Nonspendable:</u>					
Inventory	\$0	\$8,310	\$320,367	\$19,201	\$0
Prepays	45,286	24,500	7,500	24,500	0
Intergovernmental Loan	350,000	0	0	0	0
Interfund Loans	116,000	0	0	0	0
Unclaimed Funds	15,129	0	0	0	0
<i>Total Nonspendable</i>	<u>526,415</u>	<u>32,810</u>	<u>327,867</u>	<u>43,701</u>	<u>0</u>
<u>Restricted for:</u>					
Fire Department	0	664,440	0	0	0
Street Maintenance	0	0	720,415	0	0
Police	0	0	0	867,721	0
Debt Retirement	0	0	0	0	289,310
Recycling	0	0	0	0	0
Mayor's Court	0	0	0	0	0
Park Operating	0	0	0	0	0
Equipment	0	0	0	0	0
Capital Improvements	0	0	0	0	0
<i>Total Restricted</i>	<u>0</u>	<u>664,440</u>	<u>720,415</u>	<u>867,721</u>	<u>289,310</u>
<u>Committed to:</u>					
Street Maintenance	0	0	0	0	0
Recreation	0	0	0	0	0
Stadium Marquee	0	0	0	0	0
K-9 and Memorial Programs	0	0	0	0	0
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Assigned to:</u>					
City Administration	156,115	0	0	0	0
Community Environment	48,253	0	0	0	0
Street Maintenance	0	0	31,826	0	0
Storm Water and Storm Sewer	0	0	0	0	0
Capital Improvements	0	0	0	0	0
French Creek Restoration	0	0	0	0	0
Sidewalk and Roads Programs	0	0	0	0	0
<i>Total Assigned</i>	<u>204,368</u>	<u>0</u>	<u>31,826</u>	<u>0</u>	<u>0</u>
Unassigned (Deficit)	<u>8,851,170</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances (Deficit)	<u><u>\$9,581,953</u></u>	<u><u>\$697,250</u></u>	<u><u>\$1,080,108</u></u>	<u><u>\$911,422</u></u>	<u><u>\$289,310</u></u>

(continued)

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Fund Balances	Special Assessment Bond Retirement	Municipal Swimming Pool	Roads and Bridges	Other Governmental Funds	Total
<u>Nonspendable:</u>					
Inventory	\$0	\$0	\$0	\$6,665	\$354,543
Prepays	0	0	0	6,250	108,036
Intergovernmental Loan	0	0	0	0	350,000
Interfund Loans	0	0	0	0	116,000
Unclaimed Funds	0	0	0	0	15,129
<i>Total Nonspendable</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,915</u>	<u>943,708</u>
<u>Restricted for:</u>					
Fire Department	0	0	0	0	664,440
Street Maintenance	0	0	0	246,758	967,173
Police	0	0	0	0	867,721
Debt Retirement	498,084	0	0	324,845	1,112,239
Recycling	0	0	0	36,781	36,781
Mayor's Court	0	0	0	89,070	89,070
Park Operating	0	0	0	1,177,337	1,177,337
Equipment	0	0	0	1,060,370	1,060,370
Capital Improvements	0	0	0	205,350	205,350
<i>Total Restricted</i>	<u>498,084</u>	<u>0</u>	<u>0</u>	<u>3,140,511</u>	<u>6,180,481</u>
<u>Committed to:</u>					
Street Maintenance	0	0	0	16	16
Recreation	0	0	0	351,423	351,423
Stadium Marquee	0	0	0	2,668	2,668
K-9 and Memorial Programs	0	0	0	6,265	6,265
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>360,372</u>	<u>360,372</u>
<u>Assigned to:</u>					
City Administration	0	0	0	0	156,115
Community Environment	0	0	0	0	48,253
Street Maintenance	0	0	360,965	0	392,791
Storm Water and Storm Sewer	0	0	0	564,999	564,999
Capital Improvements	0	0	0	58,548	58,548
French Creek Restoration	0	0	0	4,120	4,120
Sidewalk and Roads Programs	0	0	0	40,668	40,668
<i>Total Assigned</i>	<u>0</u>	<u>0</u>	<u>360,965</u>	<u>668,335</u>	<u>1,265,494</u>
Unassigned (Deficit)	0	(4,641,901)	0	(3,233,871)	975,398
Total Fund Balances (Deficit)	<u><u>\$498,084</u></u>	<u><u>(\$4,641,901)</u></u>	<u><u>\$360,965</u></u>	<u><u>\$948,262</u></u>	<u><u>\$9,725,453</u></u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Note 8 – Receivables

Receivables at December 31, 2018, consisted primarily of municipal income taxes, property taxes, payments in lieu of taxes, special assessments, intergovernmental receivables arising from entitlements and shared revenues and accounts (billings for user charged services and court fines).

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

Special assessments expected to be collected in more than one year amount to \$12,887,217 in the special assessment bond retirement fund. The amount of delinquent special assessments outstanding at year-end is \$18,583.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2018 for real and public utility property taxes represents collections of 2017 taxes.

2018 real property taxes were levied after October 1, 2018, on the assessed value as of January 1, 2018, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2018 real property taxes are collected in and intended to finance 2019.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes which became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2018, was \$9.15 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2018 property tax receipts were based are as follows:

	Assessed Values
Real Property	
Residential/Agricultural	\$664,126,710
Commercial Industrial/Public Utility	170,230,710
Public Utility Property	16,527,770
Total Valuation	<u>\$850,885,190</u>

The Lorain County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2018, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2018 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Income Tax

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

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

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

Payments in Lieu of Taxes Receivables

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

Intergovernmental Receivables

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

<u>Receivable</u>	<u>Amount</u>
Gasoline Tax	\$403,659
Homestead and Rollback	264,954
ODNR Grant	200,000
Local Government	97,322
Motor Vehicle Registration	89,981
Permissive Tax	63,919
Total	<u><u>\$1,119,835</u></u>

Loan Receivable

During 2016, the City purchased land for development, as it was later determined to be undevelopable and was sold to the Lorain County Metropolitan Park District. The City received \$335,925 in proceeds from the sale in 2016 and will receive an additional \$500,000 that will be paid off in \$50,000 increments over ten years by the Lorain County Metropolitan Park District. The amount outstanding at December 31, 2018 was \$400,000.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Note 9 – Tax Abatements

The City negotiates tax abatement agreements on an individual basis. The City may grant tax abatements only in designated Enterprise Zones or Community Re-investment Act zones. To date, all of the tax abatement agreements the City has granted have been under the Enterprise Zone Authority. The City has tax abatement agreements with four entities as of December 31, 2018:

Company	Purpose	Percentage Abated During the Year	Amount Abated During the Year
Jenne Distributors	Plant Expansion	75 %	\$87,156
Flavorseal, LLC	Plant Expansion	60	39,112
L&W Engineering	Plant Expansion	75	89,579
Custom Culinary, Incorporated	Plant Expansion	50	14,089
Total			<u><u>\$229,936</u></u>

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

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

Note 10 – Contingencies

Grants

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

Litigation

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Note 11 – Risk Management

Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2018, the City negotiated with Custis Insurance Company for commercial insurance coverage relating to general liability, police professional, public officials, employment practices liability, cyber security liability, law enforcement liability, property, fire, auto and employee bonds and public official bonds.

This coverage includes a \$1,000,000/\$3,000,000 general liability policy, a \$1,000,000/\$3,000,000 employee benefits liability coverage policy, a \$1,000,000 public officials liability coverage policy, a \$1,000,000 employment practices liability, a \$100,000 crime coverage policy, a \$500,000 EDP policy, a \$1,000,000 cyber and privacy policy, a \$83,274,187 blanket building and contents policy, inland marine coverage of \$5,046,042, a \$1,000,000 vehicle policy and a \$9,000,000 excess umbrella policy. The deductibles on these policies range from \$1,000 to \$10,000.

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

Workers' Compensation

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

Employee Insurance Benefits

The City was fully insured with Medical Mutual of Ohio for medical and prescription drugs and with Delta Dental and Anthem Vision. Employees who choose to enroll are enrolled in all three plans. Enrolled individuals pay monthly premiums of \$137.53 for single coverage and \$369.51 for family coverage.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Note 12 – Compensated Absences

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

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

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

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

(1) To be eligible for retirement, the employee shall have worked full-time for the City at least ten years and shall have attained normal retirement age under the pension system.

(2) Accumulated sick leave in excess of 90 days may be converted to vacation leave at the rate of one sick leave day for one vacation day to a maximum of five days for a calendar year.

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Note 13 – Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

	Restated Balance 12/31/17	Additions	Deletions	Transfers	Balance 12/31/18
Governmental Activities:					
<i>Capital Assets, Not Being Depreciated:</i>					
Land	\$5,951,955	\$0	\$0	\$0	\$5,951,955
<i>Capital Assets, Being Depreciated:</i>					
Land Improvements	1,408,633	0	0	0	1,408,633
Buildings and Improvements	50,758,345	113,102	0	0	50,871,447
Machinery and Equipment	4,663,411	922,897	(24,000)	(17,999)	5,544,309
Vehicles	5,883,291	606,763	(55,200)	(182,748)	6,252,106
Infrastructure:					
Park Improvements	1,158,693	0	0	0	1,158,693
Streets	77,710,878	3,049,426	0	0	80,760,304
Bridges and Culverts	3,147,391	0	0	0	3,147,391
Traffic Signals	6,221,289	41,579	0	0	6,262,868
Storm Sewer	28,537,070	1,550,623	0	0	30,087,693
Water Mains and Hydrants	6,499,532	1,039,314	0	0	7,538,846
<i>Total Capital Assets, Being Depreciated</i>	185,988,533	7,323,704	(79,200)	(200,747)	193,032,290
Less Accumulated Depreciation:					
Land Improvements	(933,548)	(69,590)	0	0	(1,003,138)
Buildings and Improvements	(9,319,888)	(1,095,691)	0	0	(10,415,579)
Machinery and Equipment	(2,319,628)	(445,566)	20,000	9,899	(2,735,295)
Vehicles	(3,553,791)	(422,310)	55,200	150,486	(3,770,415)
Infrastructure:					
Park Improvements	(575,966)	(38,623)	0	0	(614,589)
Streets	(42,028,007)	(2,684,200)	0	0	(44,712,207)
Bridges and Culverts	(877,819)	(89,925)	0	0	(967,744)
Traffic Signals	(2,319,988)	(321,841)	0	0	(2,641,829)
Storm Sewer	(8,667,372)	(729,306)	0	0	(9,396,678)
Water Lines	(936,434)	(175,480)	0	0	(1,111,914)
<i>Total Accumulated Depreciation</i>	(71,532,441)	(6,072,532) *	75,200	160,385	(77,369,388)
Total Capital Assets, Being Depreciated, Net	114,456,092	1,251,172	(4,000)	(40,362)	115,662,902
Governmental Activities Capital Assets, Net	\$120,408,047	\$1,251,172	(\$4,000)	(\$40,362)	\$121,614,857

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

* Depreciation expense was charged to governmental functions as follows:

General Government	\$802,119
Security of Persons and Property	614,454
Transportation	3,411,064
Community Environment	24,262
Basic Utility Services	904,786
Leisure Time Activities	<u>315,847</u>
Total Depreciation Expense	<u><u>\$6,072,532</u></u>

	Restated Balance 12/31/17	Additions	Deletions	Transfers	Balance 12/31/18
Business-Type Activities:					
Capital Assets, Not Being Depreciated:					
Land	<u>\$7,580</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,580</u>
Capital Assets, Being Depreciated:					
Land Improvements	123,497	0	0	0	123,497
Buildings and Improvements	1,728,816	25,975	0	0	1,754,791
Machinery and Equipment	4,017,550	144,306	0	17,999	4,179,855
Vehicles	1,146,145	85,901	(110,000)	182,748	1,304,794
Waterline Rights	2,024,462	0	0	0	2,024,462
Infrastructure:					
Water Lines	27,066,421	29,371	0	0	27,095,792
Sewer Lines	28,698,173	760,388	0	0	29,458,561
Total Capital Assets, Being Depreciated	<u>64,805,064</u>	<u>1,045,941</u>	<u>(110,000)</u>	<u>200,747</u>	<u>65,941,752</u>
Less Accumulated Depreciation:					
Land Improvements	(103,801)	(3,030)	0	0	(106,831)
Buildings and Improvements	(914,291)	(38,693)	0	0	(952,984)
Machinery and Equipment	(329,019)	(225,634)	0	(9,899)	(564,552)
Vehicles	(353,844)	(110,559)	77,000	(150,486)	(537,889)
Waterline Rights	(855,908)	(41,016)	0	0	(896,924)
Infrastructure:					
Water Lines	(9,387,205)	(604,496)	0	0	(9,991,701)
Sewer Lines	(10,822,023)	(781,920)	0	0	(11,603,943)
Total Accumulated Depreciation	<u>(22,766,091)</u>	<u>(1,805,348)</u>	<u>77,000</u>	<u>(160,385)</u>	<u>(24,654,824)</u>
Total Capital Assets, Being Depreciated, Net	<u>42,038,973</u>	<u>(759,407)</u>	<u>(33,000)</u>	<u>40,362</u>	<u>41,286,928</u>
Business-Type Activities Capital Assets, Net	<u><u>\$42,046,553</u></u>	<u><u>(\$759,407)</u></u>	<u><u>(\$33,000)</u></u>	<u><u>\$40,362</u></u>	<u><u>\$41,294,508</u></u>

During 2018, the City received street improvements valued at \$1,564,160, traffic signals valued at \$41,579, storm sewer improvements valued at \$1,550,623, and water hydrants valued at \$1,039,314 from developers in governmental activities. The sewer enterprise fund received sewer lines from developers valued at \$760,388.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

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

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

Note 14 – Note Debt

A summary of note transactions for the year ended December 31, 2018 follows:

	Balance 12/31/17	Additions	Deletions	Balance 12/31/18
Governmental Activities:				
Municipal Swimming Pool Fund	\$4,600,000	\$4,600,000	\$4,600,000	\$4,600,000
Park Development and Improvement Fund	500,000	500,000	500,000	500,000
Municipal Buildings Fund	2,400,000	2,400,000	2,400,000	2,400,000
Total	7,500,000	7,500,000	7,500,000	7,500,000
Road and Bridges Fund	450,000	175,000	450,000	175,000
Land Purchases Fund	225,000	325,000	225,000	325,000
Total	675,000	500,000	675,000	500,000
<i>Total Governmental Activities</i>	<u>\$8,175,000</u>	<u>\$8,000,000</u>	<u>\$8,175,000</u>	<u>\$8,000,000</u>
Business-Type Activities:				
Water Fund	\$1,500,000	\$2,000,000	\$1,500,000	\$2,000,000
Sewer Fund	500,000	1,000,000	500,000	1,000,000
<i>Total Business-Type Activities</i>	<u>\$2,000,000</u>	<u>\$3,000,000</u>	<u>\$2,000,000</u>	<u>\$3,000,000</u>

During 2018, the City renewed \$7,500,000 in general obligation notes issued for the purpose of financing the municipal swimming pool, park, and municipal buildings projects. The notes mature on September 5, 2019 and carry an interest rate of 3 percent.

At December 31, 2018, the City had \$4,400,000 in outstanding notes related to road and bridges and land purchases. These notes were refinanced on January 22, 2019. \$500,000 of these notes was paid down and is reflected as a fund liability. The remaining \$3,900,000 was reissued and is reflected as a long-term liability. The \$175,000 outstanding notes payable in the road and bridges fund represents its share of the \$500,000 various purpose notes issued for road widening. The remaining \$325,000 outstanding notes payable are in the land purchases fund. These notes mature on January 23, 2019 and carry an interest rate of 2.375 percent.

At December 31, 2018, the City had \$7,250,000 in outstanding notes related to enterprise fund projects, \$6,250,000 for water projects and \$1,000,000 in sewer projects. These notes were refinanced on January 22, 2019. \$3,000,000 of these notes were retired, \$2,000,000 for water projects and \$1,000,000 for sewer projects. These amounts are reflected as current liabilities. The remaining \$4,250,000 in water project notes were refinanced and are reflected as a long-term liability. These notes mature on January 31, 2019, and carry an interest rate of 2.375 percent.

All notes are backed by the full faith and credit of the City and mature within one year. The note liability is reflected in the fund which received the proceeds and will repay the debt. The notes are generally issued in anticipation of long-term bond financing and refinanced until such bonds are issued. At December 31, 2018, the City had unspent proceeds of \$82,593 and \$342,343 for governmental and the water enterprise fund, respectively, related to the notes.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Note 15 – Long-Term Obligations

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

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
Governmental Activities:			
<i>General Obligation Bonds:</i>			
2006 Schneider Court Improvements Bonds	3.45-4.25 %	\$111,132	December 1, 2026
2008 Various Purpose Bonds	3.00-5.25	6,910,000	December 1, 2018
2009A Various Purpose Bonds	4.573-5.784	4,190,000	December 1, 2018
2009B Various Purpose Bonds	2.00-5.00	28,700,000	December 1, 2018
2011 YMCA Bonds	2.00-4.50	5,760,000	December 1, 2031
2011 Refunding Bonds	1.50-4.00	604,477	December 1, 2021
2012A Various Purpose Bonds	1.00-3.625	2,448,725	December 1, 2037
2012B Various Purpose Bonds	1.00-3.50	6,591,667	December 1, 2037
2012C Refunding Bonds	2.00-4.00	2,535,000	December 1, 2024
2013 Various Purpose Bonds	3.00-5.25	8,735,028	December 1, 2038
2014 Nagel Road Interchange Bonds	1.00-4.00	5,235,000	December 1, 2039
2016 Refunding Bonds	2.00-4.00	26,834,600	December 1, 2038
2017 Refunding Bonds	1.25-2.32	1,975,000	December 1, 2023
<i>Special Assessment Bonds:</i>			
2006 Schneider Court Improvements Bonds	3.45-4.25	903,868	December 1, 2026
2011 Refunding Bonds	1.50-4.00	2,015,523	December 1, 2021
2012A Various Purpose Bonds	1.00-3.625	1,606,275	December 1, 2037
2012B Various Purpose Bonds	1.00-3.50	2,128,333	December 1, 2037
2013 Various Purpose Bonds	3.00-5.25	3,084,972	December 1, 2038
2017 Street Improvement Bonds	2.00-4.00	6,330,000	December 1, 2037
<i>Long-Term Notes:</i>			
2018 Various Purpose Notes	2.375	4,400,000	January 23, 2019
<i>Ohio Public Works Commission Loans:</i>			
Jaycox Road/Center Improvements	0.00	145,194	January 1, 2029
Detroit Road Improvement - Phase I	0.00	97,167	July 1, 2037
Detroit Road Improvement - Phase II	0.00	32,423	January 1, 2038
Reigelsberger-Jaycox Bridge	0.00	125,000	January 1, 2036
Chester Road Relocation	0.00	46,428	Not Finalized
Business-Type Activities:			
<i>General Obligation Bonds:</i>			
2008 Various Purpose Bonds - Sewer	3.00-5.25	330,000	December 1, 2018
2012A Various Purpose Bonds - Water	1.00-3.625	863,981	December 1, 2037
2012A Various Purpose Bonds - Sewer	1.00-3.625	2,141,257	December 1, 2037
2012B Various Purpose Bonds - Water	1.00-3.50	425,000	December 1, 2037
2016 Refunding Bonds - Water	2.00-4.00	20,400	December 1, 2028
2016 Refunding Bonds - Sewer	2.00-4.00	190,000	December 1, 2027
<i>Special Assessment Bonds:</i>			
2012A Various Purpose Bonds - Water	1.00-3.625	297,864	December 1, 2037
2012A Various Purpose Bonds - Sewer	1.00-3.625	876,898	December 1, 2037
<i>Long-Term Notes:</i>			
2018 Water and Sewer Improvement Notes - Water	2.375	4,250,000	January 31, 2019

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Changes in bonds and other long-term obligations of the City during 2018 were as follows:

	Restated Principal Outstanding 12/31/17	Additions	Deletions	Principal Outstanding 12/31/18	Due Within One Year
Governmental Activities:					
<i>General Obligation Bonds:</i>					
2006 Schneider Court Improvements Bonds	\$60,766	\$0	\$5,474	\$55,292	\$6,022
Unamortized Premium	219	0	25	194	0
2008 Various Purpose Bonds	334,047	0	334,047	0	0
2009A Various Purpose Bonds	305,000	0	305,000	0	0
2009B Various Purpose Bonds	940,000	0	940,000	0	0
Unamortized Premium	12,556	0	12,556	0	0
2011 YMCA Bonds Series - Serial	2,005,000	0	240,000	1,765,000	250,000
2011 YMCA Bonds Series - Term	2,420,000	0	0	2,420,000	0
Unamortized Premium	50,012	0	3,572	46,440	0
2011 Refunding Bonds	82,207	0	42,701	39,506	21,927
Unamortized Premium	4,737	0	1,421	3,316	0
2012A Various Purpose Bonds	2,374,597	0	22,304	2,352,293	29,738
Unamortized Premium	166,686	0	8,335	158,351	0
2012B Various Purpose Bonds - Serial	5,773,566	0	86,495	5,687,071	93,703
2012B Various Purpose Bonds - Term	439,685	0	0	439,685	0
Unamortized Premium	122,898	0	6,145	116,753	0
2012C Refunding Bonds	1,695,000	0	240,000	1,455,000	245,000
Unamortized Premium	102,015	0	14,573	87,442	0
2013 Various Purpose Bonds - Serial	1,337,590	0	36,950	1,300,640	55,425
2013 Various Purpose Bonds - Term	7,367,878	0	0	7,367,878	0
Unamortized Premium	345,162	0	16,436	328,726	0
2014 Nagel Road Interchange Bonds - Serial	555,000	0	25,000	530,000	175,000
2014 Nagel Road Interchange Bonds - Term	4,605,000	0	0	4,605,000	0
Unamortized Premium	186,372	0	8,472	177,900	0
2016 Refunding Bonds	26,564,856	0	39,872	26,524,984	1,363,332
Unamortized Premium	1,438,086	0	68,480	1,369,606	0
2017 Refunding Bonds	1,950,000	0	50,000	1,900,000	365,000
Total General Obligation Bonds	61,238,935	0	2,507,858	58,731,077	2,605,147
<i>Special Assessment Bonds:</i>					
2006 Schneider Court Improvements Bonds	494,234	0	44,526	449,708	48,978
2011 Refunding Bonds	272,793	0	142,299	130,494	73,073
Unamortized Premium	15,793	0	4,738	11,055	0
2012A Various Purpose Bonds	1,554,684	0	14,603	1,540,081	19,470
2012B Various Purpose Bonds - Serial	1,864,183	0	27,928	1,836,255	30,255
2012B Various Purpose Bonds - Term	141,966	0	0	141,966	0
2013 Various Purpose Bonds - Serial	472,410	0	13,050	459,360	19,575
2013 Various Purpose Bonds - Term	2,602,122	0	0	2,602,122	0
Unamortized Premium	121,904	0	5,805	116,099	0
2017 Street Improvement Bonds	6,330,000	0	190,000	6,140,000	240,000
Unamortized Premium	781,055	0	39,053	742,002	0
Total Special Assessment Bonds	14,651,144	0	482,002	14,169,142	431,351
<i>Long-Term Notes Payable:</i>					
2017 Various Purpose Notes	4,400,000	0	4,400,000	0	0
Unamortized Premium	36,033	0	36,033	0	0
2018 Various Purpose Notes	0	3,900,000	0	3,900,000	0
Unamortized Premium	0	47,951	0	47,951	0
Total Long-Term Notes Payable	\$4,436,033	\$3,947,951	\$4,436,033	\$3,947,951	\$0

(continued)

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

	Restated Principal Outstanding 12/31/17	Additions	Deletions	Principal Outstanding 12/31/18	Due Within One Year
Governmental Activities (continued):					
<i>OPWC Loans:</i>					
Jaycox Road/Chester Improvements	\$83,487	\$0	\$7,260	\$76,227	\$7,260
Detroit Road Improvement - Phase I	77,733	0	3,886	73,847	3,886
Detroit Road Improvement - Phase II	26,587	0	1,297	25,290	1,297
Reigelsberger-Jaycox Bridge	115,625	0	6,250	109,375	6,250
Chester Road Relocation	46,428	0	0	46,428	0
Total OPWC Loans	349,860	0	18,693	331,167	18,693
<i>Other Long-Term Obligation:</i>					
Capital Lease	71,994	0	23,233	48,761	23,990
Compensated Absences	1,755,728	174,368	90,384	1,839,712	106,489
Total Other Long-Term Obligations	1,827,722	174,368	113,617	1,888,473	130,479
<i>Net Pension Liability:</i>					
OPERS	7,295,072	0	2,229,988	5,065,084	0
OPF	17,746,067	0	940,682	16,805,385	0
Total Net Pension Liability	25,041,139	0	3,170,670	21,870,469	0
<i>Net OPEB Liability:</i>					
OPERS	3,123,247	229,009	0	3,352,256	0
OPF	13,299,325	2,214,761	0	15,514,086	0
Total Net OPEB Liability	16,422,572	2,443,770	0	18,866,342	0
Total Governmental Activities	\$123,967,405	\$6,566,089	\$10,728,873	\$119,804,621	\$3,185,670
Business-Type Activities:					
<i>General Obligation Bonds:</i>					
2008 Various Purpose Bonds - Sewer	\$15,953	\$0	\$15,953	\$0	\$0
2012A Various Purpose Bonds - Water	838,695	0	7,879	830,816	10,505
2012A Various Purpose Bonds - Sewer	2,077,196	0	19,510	2,057,686	26,014
2012B Various Purpose Bonds - Water - Serial	372,251	0	5,577	366,674	6,042
2012B Various Purpose Bonds - Water - Term	28,349	0	0	28,349	0
2016 Refunding Bonds - Water	20,144	0	128	20,016	1,668
2016 Refunding Bonds - Sewer	180,000	0	5,000	175,000	15,000
Total General Obligation Bonds	3,532,588	0	54,047	3,478,541	59,229
<i>Special Assessment Bonds:</i>					
2012A Water Various Purpose Bonds - Water	289,320	0	2,715	286,605	3,622
2012A Sewer Various Purpose Bonds - Sewer	850,508	0	7,989	842,519	10,651
Total Special Assessment Bonds	1,139,828	0	10,704	1,129,124	14,273
<i>Intergovernmental Payable:</i>					
2009 Avon Lake Waterline	309,471	0	27,983	281,488	29,570
<i>Other Long-Term Obligations:</i>					
2017 Water and Sewer Improvement Notes - Water	6,250,000	0	6,250,000	0	0
2017 Water and Sewer Improvement Notes - Sewer	1,000,000	0	1,000,000	0	0
2018 Water and Sewer Improvement Notes - Water	0	4,250,000	0	4,250,000	0
Capital Leases	411,903	0	122,488	289,415	133,465
Compensated Absences	130,916	17,986	7,338	141,564	15,966
Total Other Long-Term Obligations	7,792,819	4,267,986	7,379,826	4,680,979	149,431
<i>Net Pension Liability:</i>					
OPERS - Water	800,679	0	378,588	422,091	0
OPERS - Sewer	800,679	0	378,588	422,091	0
OPERS - Storm Water	0	120,597	0	120,597	0
Total Net Pension Liability	1,601,358	120,597	757,176	964,779	0
<i>Net OPEB Liability:</i>					
OPERS - Water	342,795	0	63,441	279,354	0
OPERS - Sewer	342,795	0	63,441	279,354	0
OPERS - Storm Water	0	79,815	0	79,815	0
Total Net OPEB Liability	685,590	79,815	126,882	638,523	0
Total Business-Type Activities	\$15,061,654	\$4,468,398	\$8,356,618	\$11,173,434	\$252,503

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

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

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

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

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

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

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

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

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

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

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

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

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

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

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

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

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

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

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

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

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

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

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

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

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

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

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

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

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

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

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

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

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

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

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

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

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

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

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

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

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

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

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

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

During 2009, the City entered into a contractual agreement with the City of Avon Lake for the construction and future maintenance of a water trunk line that runs through Avon. Avon purchased waterline rights allowing residents to tap into the line. All proceeds were received by the City of Avon Lake and the City of Avon Lake is responsible for the debt retirement and maintenance. The line will be a capital asset of the City of Avon Lake. This amount has been recorded on Avon's books as a long-term liability in the water enterprise fund. The annual interest rate of this obligation is 5.672 percent. A corresponding amount was recorded as an intangible asset in the water enterprise fund. This amount will be amortized over the life of the waterline. In 2018, \$27,983 was paid from the water enterprise fund. The total amount owed to the City of Avon Lake as of December 31, 2018, is \$281,488.

In 2018, the City issued \$3,900,000 in various purpose notes for road projects and land purchases. This \$3,900,000 reflects the long-term portion of the \$4,400,000 note issuance. See Note 14 for the \$500,000 portion reflected as a fund liability. These notes mature on January 23, 2019 and carry an interest rate of 2.375 percent.

In 2018, the City issued \$4,250,000 in general obligation notes to help finance water and sewer system improvements. This \$4,250,000 reflects the long term portion of the \$7,250,000 note issuance. See Note 14 for the \$3,000,000 current portion of this note. The notes mature on January 31, 2019, and have an interest rate 2.375 percent. At December 31, 2018, the City had unspent proceeds of \$342,343 related to the notes in the water enterprise fund.

A line of credit has been established with the Ohio Public Works Commission in the amount of \$200,000, for the Chester Road Relocation project, which has an outstanding balance of \$46,428. Since the loan repayment schedule has not yet been finalized, a repayment schedule is not included in the schedule of debt service requirements. Until a final repayment schedule is available, the City will pay based on estimates.

The City's overall legal debt margin was \$87,248,729 and an unvoted debt margin of \$44,704,469 at December 31, 2018. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2018 are as follows:

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Governmental Activities:

Years	General Obligation Bonds		Special Assessment Bonds		OPWC Loans	Total Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2019	\$2,605,147	\$1,900,194	\$431,351	\$497,482	\$18,693	\$3,055,191	\$2,397,676
2020	2,915,110	1,844,527	410,637	486,886	18,694	3,344,441	2,331,413
2021	3,012,478	1,779,817	420,058	476,798	18,693	3,451,229	2,256,615
2022	3,125,300	1,707,241	419,384	466,261	18,694	3,563,378	2,173,502
2023	3,215,992	1,628,304	440,609	455,562	18,693	3,675,294	2,083,866
2024-2028	16,591,613	6,605,178	3,451,399	1,940,785	93,468	20,136,480	8,545,963
2029-2033	12,376,277	3,655,182	3,918,333	1,220,246	60,794	16,355,404	4,875,428
2034-2038	12,250,432	1,377,712	3,808,215	411,471	37,010	16,095,657	1,789,183
2039	350,000	14,000	0	0	0	350,000	14,000
Total	<u>\$56,442,349</u>	<u>\$20,512,155</u>	<u>\$13,299,986</u>	<u>\$5,955,491</u>	<u>\$284,739</u>	<u>\$70,027,074</u>	<u>\$26,467,646</u>

Business-Type Activities:

Years	General Obligation Bonds		Special Assessment Bonds		Avon Lake		Total Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$59,229	\$114,101	\$14,273	\$37,585	\$29,570	\$16,017	\$103,072	\$167,703
2020	67,125	112,917	17,128	37,300	31,247	14,340	115,500	164,557
2021	78,196	111,449	19,269	36,915	33,020	12,567	130,485	160,931
2022	83,906	109,375	21,409	36,337	34,893	10,695	140,208	156,407
2023	89,849	107,077	23,550	35,694	36,872	8,716	150,271	151,487
2024-2028	1,062,282	451,289	329,706	152,634	115,886	23,769	1,507,874	627,692
2029-2033	1,117,160	264,753	383,230	91,774	0	0	1,500,390	356,527
2034-2038	920,794	81,990	320,559	28,405	0	0	1,241,353	110,395
Total	<u>\$3,478,541</u>	<u>\$1,352,951</u>	<u>\$1,129,124</u>	<u>\$456,644</u>	<u>\$281,488</u>	<u>\$86,104</u>	<u>\$4,889,153</u>	<u>\$1,895,699</u>

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

Note 16 – Jointly Governed Organizations

Lorain County General Health District

The City participates in the Lorain County General Health District (Health District), a jointly governed organization, which provides health services to the citizens within the Health District. The Health District is governed by the Board of Health which represents the area served by the Health District and oversees the operation of the Health District. The Health District's Board exercises total control over the operations of the organization including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Board. The Board of Health members are appointed to staggered five-year terms. One member is appointed by the City of North Ridgeville, one member is jointly appointed by the cities of Avon and Sheffield Lake and one member is appointed jointly by the cities of Amherst and Oberlin. The remaining five

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

members are appointed by the various mayors of villages, chairmen of the township trustees and the County Commissioners. The City contributed \$116,940 during 2018 for the operation of the Health District. Financial information can be obtained by contacting the Lorain County General Health District, 9880 S. Murray Ridge Road, Elyria, Ohio, 44035.

Northeast Ohio Public Energy Council

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

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City did not contribute to NOPEC during 2018. Financial information can be obtained by contacting Ron McVoy, Board Chairman, 31320 Solon Road, Suite 20 Solon, Ohio 44139 or at the website www.nopecinfo.org.

Note 17 – Interfund Balances and Transfers

Interfund Balances

On the fund financial statements interfund balances at December 31, 2018, were:

	Receivables		Payable	
	Manuscript Bonds	Advances To Other Funds	Manuscript Bonds	Advances From Other Funds
General	\$126,000	\$820,000	\$0	\$0
Road and Bridges	0	0	0	110,000
Other Governmental Funds	0	0	0	710,000
Water	0	0	126,000	0
Total	<u>\$126,000</u>	<u>\$820,000</u>	<u>\$126,000</u>	<u>\$820,000</u>

The general fund had \$820,000 interfund receivable due to the timing of the receipt of grant monies. Once the grant monies are received, the interfund balances are anticipated to be repaid within one year.

The Jaycox Road Watermain Improvement interfund balance of \$126,000 represents a manuscript bond that was issued on September 2, 2008, at 5.10 percent. This bond matures on December 1, 2028 and was used for the purpose of the cost of construction of a watermain extension on Jaycox Road. A repayment schedule for the remaining outstanding balance is as follows:

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Years	Jaycox Road Watermain Improvement		
	Principal	Interest	Total
2019	\$10,000	\$6,185	\$16,185
2020	10,000	6,185	16,185
2021	11,000	5,185	16,185
2022	12,000	4,185	16,185
2023	12,000	4,185	16,185
2024-2028	71,000	9,925	80,925
Total	<u>\$126,000</u>	<u>\$35,850</u>	<u>\$161,850</u>

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

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

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

During 2018, the City has pledged tap-in-fees in the amount of \$56,080 to repay the Jaycox Road Sewer Line Improvement manuscript bonds. The bonds are payable solely from and to the extent tap-in-fees are received by the City in connection with the improvement for which the bonds were issued and are payable through 2027. Currently; the City is unable to determine the amount of revenue to be collected from tap-in fees because a large portion of the land is undeveloped and it is not known who will purchase the land and when it will be connected to the sewer. Accordingly, because of such unknowns, an accurate debt repayment schedule has not been established.

Internal Balances – Change in Proportionate Share

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

Eliminations made in the business-type activities column related to pension include deferred outflows of resources in the water and storm water enterprise funds in the amounts of \$16,921 and \$80,498, respectively, and deferred inflows of resources in the water and sewer enterprise funds in the amounts of \$40,249 and \$57,170, respectively. Eliminations made in the business-type activities column related to OPEB include deferred outflows of resources in the storm water enterprise fund in the amount of \$50,225, and deferred inflows of resources in the water and sewer enterprise funds in the amounts of \$25,112 and \$25,113, respectively.

Eliminations made in the total column of the entity wide statement of net position related to pension include deferred outflows of resources for the governmental activities and deferred inflows of resources for the business-type activities in the amount of \$16,872 (\$8,436 and \$8,436 related to the water and sewer enterprise funds, respectively). Eliminations made in the total column of the entity wide statements of net position also include deferred outflows of resources for the business-type activities (related to the sewer enterprise fund) and deferred inflows of resources for governmental activities in the amount of \$3,043.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Interfund Transfers

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

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

Transfers made during the year ended December 31, 2018, were as follows:

Transfers To	Transfers From					Total
	General	Road and Bridges	Other Governmental Funds	Water	Sewer	
Fire Department	\$1,375,000	\$0	\$0	\$0	\$0	\$1,375,000
Street Construction, Maintenance and Repair	750,000	0	0	0	0	750,000
Police	1,650,000	0	0	0	0	1,650,000
General Obligation Bond Retirement	800,000	0	0	216	0	800,216
Special Assessment Bond Retirement	0	0	0	5,187	0	5,187
Municipal Swimming Pool	0	0	279,180	0	0	279,180
Road and Bridges	1,955,600	0	400,000	0	0	2,355,600
Other Governmental Funds	839,142	439,930	167,000	0	115,700	1,561,772
Sewer	0	0	0	11,861	0	11,861
Total	<u>\$7,369,742</u>	<u>\$439,930</u>	<u>\$846,180</u>	<u>\$17,264</u>	<u>\$115,700</u>	<u>\$8,788,816</u>

Note 18 – Significant Commitments

Contractual Commitments

At December 31, 2018, the various projects within the City had contractual commitments consisting of the following:

Project	Contract Amount	Amount Paid	Remaining on Contract
Nagel Road Improvements	\$5,900	\$0	\$5,900
Sanitary Sewer Replacement	143,753	19,482	124,271
2018 Road Program	862,195	624,516	237,679
Elizabeth, Puth, Joseph Sewer	134,900	108,897	26,003
Recreation Lane Improvements	270,000	261,153	8,847
Chester Road Relocation	26,500	19,912	6,588
SR 83 Mills Road Round-a-bout	30,000	24,344	5,656
Chester Road/American Way	97,015	64,745	32,270
Avon Veterans' Memorial	22,600	10,301	12,299
Total	<u>\$1,592,863</u>	<u>\$1,133,350</u>	<u>\$459,513</u>

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Encumbrances

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

General	\$314,551
Fire Department	21,698
Street Construction, Maintenance and Repair	282,133
Police	126,105
Road and Bridges	290,352
Other Governmental Funds	507,104
Water	53,640
Sewer	166,531
Storm Water	4,790
Total	<u><u>\$1,766,904</u></u>

Note 19 – Capital Leases

During 2014, the City entered into a capital lease with Key Government Finance, Incorporated, for a sewer camera truck, which will end in 2019. During 2016, the City entered into a capital lease with Key Government Finance, Incorporated for an aerial truck, which will end in 2020. During 2017, the City entered into a capital lease with Key Government Finance, Incorporated, for a sewer cleaning truck, which will end in 2021. These leases meet the criteria for capital leases. The assets were capitalized at the present value of the minimum lease payments at the time the leases were entered into. The leases are secured by the related property.

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-Type Activities
Asset:		
Aerial Truck	\$117,535	\$0
Camera Truck	0	300,869
Cleaning Truck	0	381,670
Less: Accumulated depreciation	<u>(29,384)</u>	<u>(192,640)</u>
Total	<u><u>\$88,151</u></u>	<u><u>\$489,899</u></u>

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

	Governmental Activities	Business-Type Activities
2019	\$25,578	\$141,275
2020	25,578	81,101
2021	<u>0</u>	<u>81,101</u>
Total Minimum Lease Payment	51,156	303,477
Less: Amount Representing Interest	<u>(2,395)</u>	<u>(14,062)</u>
Present Value of Minimum Lease Payments	<u><u>\$48,761</u></u>	<u><u>\$289,415</u></u>

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Note 20 – Operating Leases

During 2008, the City entered into an operating lease with the United States Postal Service, for the period of February 1, 2008 to January 31, 2023, for the rental of the space located at 36225 Detroit Road. The terms of the lease require payment in monthly installments in the amount of \$10,833. The cost of the building was \$1,607,697. As of December 31, 2018, the accumulated depreciation is \$297,424, leaving a carrying amount of \$1,310,273.

During 2009, the City entered into an operating lease with Avon Baseball, LLC, for the period of 15 years, to be primarily used for professional baseball events located at the baseball stadium at the corner of Interstate 90 and State Route 611. Avon Baseball, LLC is responsible for all operating costs and the City will be responsible for capital item replacements. The terms of the lease require payment in annual installments in the amount of \$250,000. The cost of the building was \$13,773,746. As of December 31, 2018, the accumulated depreciation is \$2,548,143, leaving a carrying amount of \$11,225,603.

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

	2008	2009	
	Operating Lease	Operating Lease	Total
2019	\$130,000	\$250,000	\$380,000
2020	130,000	250,000	380,000
2021	130,000	250,000	380,000
2022	130,000	250,000	380,000
2023	10,833	250,000	260,833
Total Minimum Lease Payment	<u>\$530,833</u>	<u>\$1,250,000</u>	<u>\$1,780,833</u>

Note 21 – Defined Benefit Pension Plans

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

Net Pension Liability (Asset)/Net OPEB Liability

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

The net pension/OPEB liabilities (asset) represent the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liabilities (asset) calculations are dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost-of-living adjustments (COLA) 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 these liabilities to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

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

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension/OPEB liability* or a *net pension/OPEB asset* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 22 for the required OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

Plan Description – City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System. OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan.

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

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Group A Eligible to retire prior to January 7, 2013, or 5 years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013, or eligible to retire 10 years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

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

When a traditional plan benefit recipient has received benefits for 12 months, an annual COLA is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a COLA of the defined benefit portion of their pension benefit. 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.

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.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

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

	State and Local
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2018 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	10.0 %
* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance. ** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.	

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

For 2018, the City's contractually required contribution was \$719,808 for the traditional plan, \$8,986 for the combined plan, and \$14,326 for the member-directed plan. Of these amounts, \$82,221 is reported as an intergovernmental payable for the traditional plan, \$1,026 for the combined plan, and \$1,637 for the member-directed plan.

Ohio Police & Fire Pension Fund (OP&F)

Plan Description – City full-time police and firefighters participate in Ohio Police and Fire Pension Fund, 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 (COLA), 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's 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 members' 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.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

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 5 years of service credit, and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (See OP&F's financial report referenced previously for additional information, including requirements for Deferred Retirement Option Plan (DROP) provisions and reduced and unreduced benefits).

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

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 provides statutory authority for member and employer contributions as follows:

	Police	Firefighters
2018 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2018 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
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 \$1,305,658 for 2018. Of this amount, \$183,672 is reported as an intergovernmental payable.

Pension Liabilities (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, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense of the City's defined benefit pension plans:

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.03843600%	0.00093900%	0.27381700%	
Prior Measurement Date	0.03917700%	0.00000000%	0.28017600%	
Change in Proportionate Share	-0.00074100%	0.00093900%	-0.00635900%	
Proportionate Share of the:				
Net Pension Liability	\$6,029,863	\$0	\$16,805,385	\$22,835,248
Net Pension Asset	0	1,280	0	1,280
Pension Expense	1,285,942	(352)	2,025,174	3,310,764

2018 pension expense for the member-directed defined contribution plan was \$14,326.

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	\$6,158	\$0	\$255,033	\$261,191
Changes of assumptions	720,610	111	732,299	1,453,020
Changes in proportion and differences between City contributions and proportionate share of contributions	8,874	0	335,521	344,395
City contributions subsequent to the measurement date	719,808	8,986	1,305,658	2,034,452
Total Deferred Outflows of Resources	\$1,455,450	\$9,097	\$2,628,511	\$4,093,058
Deferred Inflows of Resources				
Differences between expected and actual experience	\$118,830	\$381	\$30,402	\$149,613
Net difference between projected and actual earnings on pension plan investments	1,294,532	202	581,337	1,876,071
Changes in proportion and differences between City contributions and proportionate share of contributions	77,595	456	306,017	384,068
Total Deferred Inflows of Resources	\$1,490,957	\$1,039	\$917,756	\$2,409,752

\$2,034,452 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Year Ending December 31:	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
2019	\$508,976	(\$119)	\$451,197	\$960,054
2020	(162,306)	(125)	298,359	135,928
2021	(570,043)	(170)	(303,767)	(873,980)
2022	(531,942)	(167)	(207,552)	(739,661)
2023	0	(95)	135,834	135,739
Thereafter	0	(252)	31,026	30,774
Total	<u>(\$755,315)</u>	<u>(\$928)</u>	<u>\$405,097</u>	<u>(\$351,146)</u>

Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions applied to all 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, prepared as of December 31, 2017, are presented as follows:

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.15 percent, simple
Investment Rate of Return	7.5 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	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.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

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.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the traditional pension plan, the defined benefit component of the combined plan and the annuitized accounts of the member-directed plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82 percent for 2017.

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 that follows displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other investments	18.00	5.26
Total	100.00 %	5.66 %

Discount Rate The discount rate used to measure the total pension liability was 7.5 percent for the traditional plan and the combined plan. 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 7.5 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 (6.5 percent) or one percentage point higher (8.5 percent) than the current rate:

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability (asset):			
OPERS Traditional Plan	\$10,707,501	\$6,029,863	\$2,130,123
OPERS Combined Plan	(695)	(1,280)	(1,681)

Changes Between Measurement Date and Report Date

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the County's net pension liability is not known.

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, 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 the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2017, compared with January 1, 2016, are presented as follows:

	January 1, 2017	January 1, 2016
Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	Inflation rate of 2.75 percent plus	Inflation rate of 3.25 percent plus
Cost-of-Living Adjustments	productivity increase rate of 0.5 percent 3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	productivity increase rate of 0.5 percent 3.00 percent simple; 2.6 percent simple for increases based on the lesser of the increase in CPI and 3 percent

For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

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

For the January 1, 2016, valuation, rates of death were based on the RP-2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed for the five year period ended December 31, 2016; the prior experience study was completed December 31, 2011.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average 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, 2017, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	<u>120.00 %</u>	

Note: Assumptions are geometric.

* levered 2x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the 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, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Discount Rate For 2017, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2016 was 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 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 City's proportionate share of the net pension liability calculated using the discount rate of 8.00 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 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	\$23,296,671	\$16,805,385	\$11,511,148

Note 22 – Postemployment Benefits

See Note 21 for a description of the net OPEB liability.

Ohio Public Employees Retirement System (OPERS)

Plan Description – The Ohio Public Employees Retirement System 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.

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' financial report referenced later for additional information.

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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, 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. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 1.0 percent during calendar year 2017. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2018, decreased to 0 percent for both plans. 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 2018 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 \$5,731 for 2018. Of this amount, \$655 is reported as an intergovernmental payable.

Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund sponsored health care program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

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 OPEB as described in 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

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

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 2018, 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 OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contractually required contribution to OP&F was \$30,830 for 2018. Of this amount, \$4,318 is reported as an intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, 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, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.03675000%	0.27381700%	
Prior Measurement Date	<u>0.03771000%</u>	<u>0.28017600%</u>	
Change in Proportionate Share	<u>-0.00096000%</u>	<u>-0.00635900%</u>	
Proportionate Share of the Net OPEB Liability	\$3,990,779	\$15,514,086	\$19,504,865
OPEB Expense	\$306,872	\$1,193,409	\$1,500,281

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$3,109	\$0	\$3,109
Changes of assumptions	290,571	1,513,845	1,804,416
City contributions subsequent to the measurement date	5,731	30,830	36,561
Total Deferred Outflows of Resources	<u>\$299,411</u>	<u>\$1,544,675</u>	<u>\$1,844,086</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$78,247	\$78,247
Net difference between projected and actual earnings on OPEB plan investments	297,286	102,121	399,407
Changes in proportion and differences between City contributions and proportionate share of contributions	65,600	282,370	347,970
Total Deferred Inflows of Resources	<u>\$362,886</u>	<u>\$462,738</u>	<u>\$825,624</u>

\$36,561 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 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2019	\$34,724	\$143,070	\$177,794
2020	34,724	143,070	177,794
2021	(64,334)	143,070	78,736
2022	(74,320)	143,070	68,750
2023	0	168,600	168,600
Thereafter	0	310,227	310,227
Total	<u>(\$69,206)</u>	<u>\$1,051,107</u>	<u>\$981,901</u>

Actuarial Assumptions – OPERS

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

Projections of 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, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

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	3.85 percent
Prior measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial 3.25 percent, ultimate in 2028
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 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 2017, 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 15.2 percent for 2017.

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 benefit pension plans. Health care is a discretionary benefit. The following table displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other Investments	17.00	5.39
Total	100.00 %	4.98 %

Discount Rate A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 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 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, 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 The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 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 (2.85 percent) or one percentage point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability	\$5,301,923	\$3,990,779	\$2,930,078

Sensitivity of the City's Proportionate Share of the Net OPEB Liability 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 City's proportionate share of the net OPEB liability calculated using the assumed trend rates, and the City's proportionate share of 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 2018 is 7.50 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 3.25 percent in the most recent valuation.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$3,818,325	\$3,990,779	\$4,168,920

Changes Between Measurement Date and Report Date

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5 percent to 6.0 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City's net OPEB liability is not known.

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, 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.

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

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

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

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
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	3.24 percent
Prior Measurement Date	3.79 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 Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

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 Conduent Modified 2016 Improvement Scale.

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

The most recent experience study was completed for the five year period ended December 31, 2016; the prior experience study was completed December 31, 2011.

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan (See Note 21).

Discount Rate The total OPEB liability was calculated using the discount rate of 3.24 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 3.16 percent at December 31, 2017, and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 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 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, 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 City's proportionate share of the net OPEB liability calculated using the discount rate of 3.24 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 (2.24 percent), or one percentage point higher (4.24 percent) than the current rate:

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City's proportionate share of the net OPEB liability	\$19,392,797	\$15,514,086	\$12,529,564

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. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

City of Avon, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2018

Year	Non-Medicare	Non-AARP	AARP	Rx Drug	Medicare Part B
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

To illustrate the potential impact, the following table presents the City's proportionate share of the net OPEB liability calculated using the current health care cost trend current rates as outlined in the previous table, a one percent decrease in the trend rates, and a one percent increase in the trend rates:

	1% Decrease	Current Rates	1% Increase
City's proportionate share of the net OPEB liability	\$12,051,622	\$15,514,086	\$20,180,319

Changes Between Measurement Date and Report Date

In March 2018, the OP&F Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. 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. The impact to the City's net OPEB liability is not known.

Note 23 – Subsequent Events

On January 22, 2019, the City rolled over \$3,900,000 in general obligation bond anticipatory notes for the purposes of making improvements and the widening of Chester Road and the acquisition of parkland. The City retired \$500,000 of the notes that had been outstanding. These notes have a maturity date of January 22, 2020, and have an interest rate of 3.0 percent.

On January 30, 2019, the City rolled over \$4,250,000 in water revenue notes for the purpose of constructing a 3,000,000-gallon elevated water storage tank and 16" water transmission line and for the purpose of the installation of new water meters and related meter reading software. The City retired \$3,000,000 of the notes that had been outstanding. These notes have a maturity date of January 30, 2020, and have an interest rate of 3.0 percent.

Required Supplementary Information

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

	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.03843600%	0.03917700%	0.03908700%	0.03829000%	0.03829000%
City's Proportionate Share of the Net Pension Liability	\$6,029,863	\$8,896,430	\$6,770,361	\$4,618,201	\$4,513,892
City's Covered Payroll	\$5,079,338	\$5,075,950	\$4,853,183	\$4,694,325	\$4,442,337
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	118.71%	175.27%	139.50%	98.38%	101.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%

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

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

See accompanying notes to the required supplementary information

City of Avon, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Asset
Ohio Public Employees Retirement System - Combined Plan
*2018 (1) **

	<u>2018</u>
City's Proportion of the Net Pension Asset	0.00093900%
City's Proportionate Share of the Net Pension Asset	\$1,280
City's Covered Payroll	\$3,846
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	-33.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	137.28%

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

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

See accompanying notes to the required supplementary information

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

	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.27381700%	0.28017600%	0.27287700%	0.27012100%	0.27012100%
City's Proportionate Share of the Net Pension Liability	\$16,805,385	\$17,746,067	\$17,554,368	\$13,993,394	\$13,155,740
City's Covered Payroll	\$5,951,032	\$5,788,641	\$5,497,478	\$5,331,475	\$5,231,361
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	282.39%	306.57%	319.32%	262.47%	251.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%	71.71%	73.00%

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

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

See accompanying notes to the required supplementary information

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

	2018	2017
City's Proportion of the Net OPEB Liability	0.03675000%	0.03771000%
City's Proportionate Share of the Net OPEB Liability	\$3,990,779	\$3,808,837
City's Covered Payroll	\$5,205,484	\$5,211,700
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	76.66%	73.08%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.04%

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

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

See accompanying notes to the required supplementary information

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

	2018	2017
City's Proportion of the Net OPEB Liability	0.27381700%	0.28017600%
City's Proportionate Share of the Net OPEB Liability	\$15,514,086	\$13,299,325
City's Covered Payroll	\$5,951,032	\$5,788,641
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	260.70%	229.75%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.13%	15.96%

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

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

See accompanying notes to the required supplementary information

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

	2018	2017	2016	2015	2014	2013
Net Pension Liability - Traditional Plan						
Contractually Required Contribution	\$719,808	\$660,314	\$609,114	\$582,381	\$563,319	\$577,504
Contributions in Relation to the Contractually Required Contribution	<u>(719,808)</u>	<u>(660,314)</u>	<u>(609,114)</u>	<u>(582,381)</u>	<u>(563,319)</u>	<u>(577,504)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$5,141,493	\$5,079,338	\$5,075,950	\$4,853,183	\$4,694,325	\$4,442,337
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>
Net Pension Asset - Combined Plan (3)						
Contractually Required Contribution	\$8,986	\$500				
Contributions in Relation to the Contractually Required Contribution	<u>(8,986)</u>	<u>(500)</u>				
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>				
City Covered Payroll	\$64,186	\$3,846				
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>13.00%</u>				
Net OPEB Liability - OPEB Plan (4)						
Contractually Required Contribution	\$5,731	\$55,724	\$106,949			
Contributions in Relation to the Contractually Required Contribution	<u>(5,731)</u>	<u>(55,724)</u>	<u>(106,949)</u>			
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>			
City Covered Payroll (2)	\$5,348,954	\$5,205,484	\$5,211,700			
OPEB Contributions as a Percentage of Covered Payroll	<u>0.11%</u>	<u>1.07%</u>	<u>2.05%</u>			

(1) Although this schedule is intended to show information for ten years, information prior to 2013 is not available. An additional column will be added each year.

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

(3) Information prior to 2017 is not available.

(4) Information prior to 2016 is not available.

See accompanying notes to the required supplementary information

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

	2018	2017	2016	2015
Net Pension Liability				
Contractually Required Contribution	\$1,305,658	\$1,258,810	\$1,225,896	\$1,166,859
Contributions in Relation to the Contractually Required Contribution	<u>(1,305,658)</u>	<u>(1,258,810)</u>	<u>(1,225,896)</u>	<u>(1,166,859)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$6,166,015	\$5,951,032	\$5,788,641	\$5,497,478
Pension Contributions as a Percentage of Covered Payroll	<u>21.18%</u>	<u>21.15%</u>	<u>21.18%</u>	<u>21.23%</u>
Net OPEB Liability				
Contractually Required Contribution	\$30,830	\$29,755	\$28,943	\$27,487
Contributions in Relation to the Contractually Required Contribution	<u>(30,830)</u>	<u>(29,755)</u>	<u>(28,943)</u>	<u>(27,487)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>21.68%</u>	<u>21.65%</u>	<u>21.68%</u>	<u>21.73%</u>

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

See accompanying notes to the required supplementary information

2014	2013	2012	2011	2010	2009
\$1,130,439	\$944,826	\$721,015	\$701,720	\$725,609	\$617,383
(1,130,439)	(944,826)	(721,015)	(701,720)	(725,609)	(617,383)
\$0	\$0	\$0	\$0	\$0	\$0
\$5,331,475	\$5,231,361	\$4,824,628	\$4,705,906	\$4,893,590	\$4,167,635
21.20%	18.06%	14.94%	14.91%	14.83%	14.81%
\$26,657	\$189,201	\$325,662	\$317,648	\$330,317	\$281,315
(26,657)	(189,201)	(325,662)	(317,648)	(330,317)	(281,315)
\$0	\$0	\$0	\$0	\$0	\$0
0.50%	3.62%	6.75%	6.75%	6.75%	6.75%
21.70%	21.68%	21.69%	21.66%	21.58%	21.56%

City of Avon, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2018

Changes in Assumptions – OPERS Pension

Amounts reported beginning in 2017 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2016 and prior are presented below:

	2017	2016 and prior
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. 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.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

Changes in Assumptions – OP&F Pension

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

City of Avon, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2018

	2018	2017 and Prior
Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increased based on the lesser of the increase in CPI and 3 percent

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

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

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

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

Amounts reported for 2017 and prior use valuation, rates of death were based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

Changes in Assumptions – OPERS OPEB

For 2018, the single discount rate changed from 4.23 percent to 3.85 percent.

Changes in Assumptions – OP&F OPEB

For 2018, the single discount rate changed from 3.79 percent to 3.24 percent.

Combining Statements and Individual Fund Schedules

Fund Descriptions – Nonmajor Funds

Nonmajor Special Revenue Funds

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

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

ADA Parking Violations Fund – This fund accounts for and reports committed fines collected for unauthorized parking in handicapped spaces to be used for the maintenance of City parks. The fund did not have any budgetary activity in 2018; therefore, budgetary information is not provided.

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

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

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

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

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

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

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

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

Nonmajor Debt Service Fund

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

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

Nonmajor Capital Projects Funds

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

(continued)

Fund Descriptions – Nonmajor Funds (continued)

Nonmajor Capital Projects Funds (continued)

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

Storm Water Detention Fund – This fund accounts for and reports monies derived from fees generated from developers, when necessary, that are assigned to the maintenance of storm water detention.

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

French Creek Restoration Fund – This fund accounts for and reports assigned monies from transfers in for the costs associated with the improvements at this site. The fund did not have any budgetary activity in 2018; therefore, budgetary information is not provided.

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

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

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

I-90 Interchange Fund – This fund accounts for and reports debt proceeds and other revenues restricted for costs associated with construction of the I-90 interchange. The fund did not have any budgetary activity in 2018; therefore, budgetary information is not provided.

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

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

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

Every Child's Playground Fund – This fund accounts for and reports restricted monies for the development, maintenance, and growth of the Every Child's Playground project.

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

Nonmajor Enterprise Fund

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

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

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,933,801	\$324,845	\$2,300,796	\$4,559,442
Materials and Supplies Inventory	6,665	0	0	6,665
Intergovernmental Receivable	119,722	0	223,556	343,278
Accrued Interest Receivable	245	0	40	285
Prepaid Items	6,000	0	250	6,250
Municipal Income Taxes Receivable	355,586	0	355,586	711,172
Property Taxes Receivable	311,751	0	794,277	1,106,028
Payments in Lieu of Taxes Receivable	0	2,665,474	0	2,665,474
<i>Total Assets</i>	<u>\$2,733,770</u>	<u>\$2,990,319</u>	<u>\$3,674,505</u>	<u>\$9,398,594</u>
Liabilities				
Accounts Payable	\$44,688	\$0	\$7,989	\$52,677
Accrued Wages and Benefits	20,095	0	511	20,606
Interfund Payable	710,000	0	0	710,000
Intergovernmental Payable	9,455	0	277	9,732
Accrued Interest Payable	4,875	0	30,733	35,608
Notes Payable	500,000	0	2,725,000	3,225,000
<i>Total Liabilities</i>	<u>1,289,113</u>	<u>0</u>	<u>2,764,510</u>	<u>4,053,623</u>
Deferred Inflows of Resources				
Property Taxes	308,294	0	785,995	1,094,289
Payments in Lieu of Taxes	0	2,645,838	0	2,645,838
Unavailable Revenue	247,320	19,636	389,626	656,582
<i>Total Deferred Inflows of Resources</i>	<u>555,614</u>	<u>2,665,474</u>	<u>1,175,621</u>	<u>4,396,709</u>
Fund Balances				
Nonspendable	12,665	0	250	12,915
Restricted	1,549,946	324,845	1,265,720	3,140,511
Committed	57,470	0	302,902	360,372
Assigned	0	0	668,335	668,335
Unassigned (Deficit)	(731,038)	0	(2,502,833)	(3,233,871)
<i>Total Fund Balances (Deficit)</i>	<u>889,043</u>	<u>324,845</u>	<u>(265,626)</u>	<u>948,262</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,733,770</u>	<u>\$2,990,319</u>	<u>\$3,674,505</u>	<u>\$9,398,594</u>

City of Avon, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$311,283	\$0	\$793,616	\$1,104,899
Payments in Lieu of Taxes	0	1,946,184	0	1,946,184
Municipal Income Taxes	1,218,894	0	1,218,894	2,437,788
Charges for Services	171,155	0	447,668	618,823
Licenses and Permits	241,616	0	0	241,616
Fines and Forfeitures	6,326	0	0	6,326
Intergovernmental	468,227	0	69,803	538,030
Interest	1,676	0	213	1,889
Contributions and Donations	1,277	0	71,335	72,612
Rentals	0	0	462,488	462,488
Miscellaneous	1,641	0	44,203	45,844
<i>Total Revenues</i>	<u>2,422,095</u>	<u>1,946,184</u>	<u>3,108,220</u>	<u>7,476,499</u>
Expenditures				
Current:				
Security of Persons and Property	14,713	0	0	14,713
Transportation	265,072	0	0	265,072
Community Environment	669,967	0	0	669,967
Leisure Time Activities	1,517,832	0	0	1,517,832
Capital Outlay	0	0	1,744,231	1,744,231
Debt Service:				
Principal Retirement	92,400	721,103	2,267,500	3,081,003
Interest and Fiscal Charges	37,371	984,598	468,374	1,490,343
<i>Total Expenditures</i>	<u>2,597,355</u>	<u>1,705,701</u>	<u>4,480,105</u>	<u>8,783,161</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(175,260)</u>	<u>240,483</u>	<u>(1,371,885)</u>	<u>(1,306,662)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	2,081	2,081
General Obligation Notes Issued	0	0	1,075,000	1,075,000
Transfers In	527,000	0	1,034,772	1,561,772
Transfers Out	(167,000)	0	(679,180)	(846,180)
<i>Total Other Financing Sources (Uses)</i>	<u>360,000</u>	<u>0</u>	<u>1,432,673</u>	<u>1,792,673</u>
<i>Net Change in Fund Balances</i>	<u>184,740</u>	<u>240,483</u>	<u>60,788</u>	<u>486,011</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>704,303</u>	<u>84,362</u>	<u>(326,414)</u>	<u>462,251</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$889,043</u>	<u>\$324,845</u>	<u>(\$265,626)</u>	<u>\$948,262</u>

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018

	Recycling	ADA Parking Violations	State Highway	Permissive Tax
Assets				
Equity in Pooled Cash and Cash Equivalents	\$46,071	\$16	\$112,060	\$107,862
Materials and Supplies Inventory	0	0	0	0
Intergovernmental Receivable	0	0	37,023	63,919
Accrued Interest Receivable	0	0	245	0
Prepaid Items	0	0	0	0
Municipal Income Taxes Receivable	0	0	0	0
Property Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$46,071</u>	<u>\$16</u>	<u>\$149,328</u>	<u>\$171,781</u>
Liabilities				
Accounts Payable	\$9,290	\$0	\$0	\$7,056
Accrued Wages and Benefits	0	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
<i>Total Liabilities</i>	<u>9,290</u>	<u>0</u>	<u>0</u>	<u>7,056</u>
Deferred Inflows of Resources				
Property Taxes	0	0	0	0
Unavailable Revenue	0	0	24,682	42,613
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>24,682</u>	<u>42,613</u>
Fund Balances				
Nonspendable	0	0	0	0
Restricted	36,781	0	124,646	122,112
Committed	0	16	0	0
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>36,781</u>	<u>16</u>	<u>124,646</u>	<u>122,112</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$46,071</u>	<u>\$16</u>	<u>\$149,328</u>	<u>\$171,781</u>

Mayor's Court Computer	Recreation	Park Operating	Park Development and Improvement	Donations	Economic Development and Tourism	Total Nonmajor Special Revenue Funds
\$89,070	\$54,615	\$1,028,005	\$408,765	\$12,265	\$75,072	\$1,933,801
0	0	6,665	0	0	0	6,665
0	0	18,780	0	0	0	119,722
0	0	0	0	0	0	245
0	0	6,000	0	0	0	6,000
0	0	355,586	0	0	0	355,586
0	0	311,751	0	0	0	311,751
<u>\$89,070</u>	<u>\$54,615</u>	<u>\$1,726,787</u>	<u>\$408,765</u>	<u>\$12,265</u>	<u>\$75,072</u>	<u>\$2,733,770</u>
\$0	\$0	\$22,342	\$0	\$6,000	\$0	\$44,688
0	2,483	17,612	0	0	0	20,095
0	0	0	622,500	0	87,500	710,000
0	943	8,512	0	0	0	9,455
0	0	0	4,875	0	0	4,875
0	0	0	500,000	0	0	500,000
0	3,426	48,466	1,127,375	6,000	87,500	1,289,113
0	0	308,294	0	0	0	308,294
0	0	180,025	0	0	0	247,320
0	0	488,319	0	0	0	555,614
0	0	12,665	0	0	0	12,665
89,070	0	1,177,337	0	0	0	1,549,946
0	51,189	0	0	6,265	0	57,470
0	0	0	(718,610)	0	(12,428)	(731,038)
89,070	51,189	1,190,002	(718,610)	6,265	(12,428)	889,043
<u>\$89,070</u>	<u>\$54,615</u>	<u>\$1,726,787</u>	<u>\$408,765</u>	<u>\$12,265</u>	<u>\$75,072</u>	<u>\$2,733,770</u>

City of Avon, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018

	Recycling	ADA Parking Violations	State Highway	Permissive Tax
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	0	0	75,483	117,546
Interest	0	0	1,676	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	17
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>77,159</u>	<u>117,563</u>
Expenditures				
Current:				
Security of Persons and Property	0	0	0	0
Transportation	0	0	62,323	202,749
Community Environment	125,687	0	0	0
Leisure Time Activities	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>125,687</u>	<u>0</u>	<u>62,323</u>	<u>202,749</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(125,687)</u>	<u>0</u>	<u>14,836</u>	<u>(85,186)</u>
Other Financing Sources				
Transfers In	135,000	0	0	115,000
Transfers Out	0	0	0	0
<i>Total Other Financing Sources</i>	<u>135,000</u>	<u>0</u>	<u>0</u>	<u>115,000</u>
<i>Net Change in Fund Balances</i>	<u>9,313</u>	<u>0</u>	<u>14,836</u>	<u>29,814</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>27,468</u>	<u>16</u>	<u>109,810</u>	<u>92,298</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$36,781</u></u>	<u><u>\$16</u></u>	<u><u>\$124,646</u></u>	<u><u>\$122,112</u></u>

Mayor's Court Computer	Recreation	Park Operating	Park Development and Improvement	Donations	Economic Development and Tourism	Total Nonmajor Special Revenue Funds
\$0	\$0	\$311,283	\$0	\$0	\$0	\$311,283
0	0	1,218,894	0	0	0	1,218,894
0	171,155	0	0	0	0	171,155
0	0	23,164	218,452	0	0	241,616
6,326	0	0	0	0	0	6,326
0	0	57,151	0	0	218,047	468,227
0	0	0	0	0	0	1,676
0	250	1,027	0	0	0	1,277
0	0	1,624	0	0	0	1,641
6,326	171,405	1,613,143	218,452	0	218,047	2,422,095
0	0	0	0	14,713	0	14,713
0	0	0	0	0	0	265,072
1,500	0	0	0	0	542,780	669,967
0	238,348	1,198,868	80,616	0	0	1,517,832
0	0	0	92,400	0	0	92,400
0	0	0	37,371	0	0	37,371
1,500	238,348	1,198,868	210,387	14,713	542,780	2,597,355
4,826	(66,943)	414,275	8,065	(14,713)	(324,733)	(175,260)
0	100,000	0	167,000	10,000	0	527,000
0	0	(167,000)	0	0	0	(167,000)
0	100,000	(167,000)	167,000	10,000	0	360,000
4,826	33,057	247,275	175,065	(4,713)	(324,733)	184,740
84,244	18,132	942,727	(893,675)	10,978	312,305	704,303
\$89,070	\$51,189	\$1,190,002	(\$718,610)	\$6,265	(\$12,428)	\$889,043

City of Avon, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2018

	Equipment	Storm Water Detention	Land Purchases	French Creek Restoration	Sidewalk Programs
Assets					
Equity in Pooled Cash and Cash Equivalents	\$1,060,370	\$484,562	\$53,761	\$4,120	\$40,668
Intergovernmental Receivable	23,556	0	0	0	0
Accrued Interest Receivable	0	0	0	0	0
Prepaid Items	0	0	0	0	0
Municipal Income Taxes Receivable	0	0	0	0	0
Property Taxes Receivable	794,277	0	0	0	0
<i>Total Assets</i>	<u>\$1,878,203</u>	<u>\$484,562</u>	<u>\$53,761</u>	<u>\$4,120</u>	<u>\$40,668</u>
Liabilities					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Accrued Interest Payable	0	0	7,333	0	0
Notes Payable	0	0	325,000	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>332,333</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources					
Property Taxes	785,995	0	0	0	0
Unavailable Revenue	31,838	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>817,833</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	1,060,370	0	0	0	0
Committed	0	0	0	0	0
Assigned	0	484,562	0	4,120	40,668
Unassigned (Deficit)	0	0	(278,572)	0	0
<i>Total Fund Balances (Deficit)</i>	<u>1,060,370</u>	<u>484,562</u>	<u>(278,572)</u>	<u>4,120</u>	<u>40,668</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,878,203</u>	<u>\$484,562</u>	<u>\$53,761</u>	<u>\$4,120</u>	<u>\$40,668</u>

Storm Sewers	Municipal Buildings	Recreation Complex	Stadium Marquee	Capital Improvements	Every Child's Playground	Avon Veterans Memorial Construction	Total Nonmajor Capital Projects Funds
\$86,502	\$200,949	\$102,436	\$2,668	\$58,548	\$19,118	\$187,094	\$2,300,796
0	0	0	0	0	0	200,000	223,556
0	40	0	0	0	0	0	40
0	250	0	0	0	0	0	250
0	0	355,586	0	0	0	0	355,586
0	0	0	0	0	0	0	794,277
<u>\$86,502</u>	<u>\$201,239</u>	<u>\$458,022</u>	<u>\$2,668</u>	<u>\$58,548</u>	<u>\$19,118</u>	<u>\$387,094</u>	<u>\$3,674,505</u>
\$6,065	\$1,062	\$0	\$0	\$0	\$0	\$862	\$7,989
0	511	0	0	0	0	0	511
0	277	0	0	0	0	0	277
0	23,400	0	0	0	0	0	30,733
0	2,400,000	0	0	0	0	0	2,725,000
<u>6,065</u>	<u>2,425,250</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>862</u>	<u>2,764,510</u>
0	0	0	0	0	0	0	785,995
0	0	157,788	0	0	0	200,000	389,626
<u>0</u>	<u>0</u>	<u>157,788</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>200,000</u>	<u>1,175,621</u>
0	250	0	0	0	0	0	250
0	0	0	0	0	19,118	186,232	1,265,720
0	0	300,234	2,668	0	0	0	302,902
80,437	0	0	0	58,548	0	0	668,335
0	(2,224,261)	0	0	0	0	0	(2,502,833)
<u>80,437</u>	<u>(2,224,011)</u>	<u>300,234</u>	<u>2,668</u>	<u>58,548</u>	<u>19,118</u>	<u>186,232</u>	<u>(265,626)</u>
<u>\$86,502</u>	<u>\$201,239</u>	<u>\$458,022</u>	<u>\$2,668</u>	<u>\$58,548</u>	<u>\$19,118</u>	<u>\$387,094</u>	<u>\$3,674,505</u>

City of Avon, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2018

	Equipment	Storm Water Detention	Land Purchases	French Creek Restoration	Sidewalk Programs	Storm Sewers
Revenues						
Property Taxes	\$793,616	\$0	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0	0	0
Charges for Services	0	146,909	0	0	0	0
Intergovernmental	50,126	0	0	0	4,313	0
Interest	0	0	0	0	0	0
Contributions and Donations	0	0	0	0	0	0
Rentals	0	0	0	0	0	0
Miscellaneous	577	0	0	0	30,600	0
<i>Total Revenues</i>	<u>844,319</u>	<u>146,909</u>	<u>0</u>	<u>0</u>	<u>34,913</u>	<u>0</u>
Expenditures						
Capital Outlay	759,432	115,858	0	0	104,994	108,564
Debt Service:						
Principal Retirement	0	0	1,225,000	0	0	0
Interest and Fiscal Charges	0	0	3,478	0	0	0
<i>Total Expenditures</i>	<u>759,432</u>	<u>115,858</u>	<u>1,228,478</u>	<u>0</u>	<u>104,994</u>	<u>108,564</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>84,887</u>	<u>31,051</u>	<u>(1,228,478)</u>	<u>0</u>	<u>(70,081)</u>	<u>(108,564)</u>
Other Financing Sources (Uses)						
Sale of Capital Assets	2,081	0	0	0	0	0
General Obligation Notes Issued	0	0	1,075,000	0	0	0
Transfers In	0	0	50,000	0	100,000	115,700
Transfers Out	0	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>2,081</u>	<u>0</u>	<u>1,125,000</u>	<u>0</u>	<u>100,000</u>	<u>115,700</u>
<i>Net Change in Fund Balances</i>	<u>86,968</u>	<u>31,051</u>	<u>(103,478)</u>	<u>0</u>	<u>29,919</u>	<u>7,136</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>973,402</u>	<u>453,511</u>	<u>(175,094)</u>	<u>4,120</u>	<u>10,749</u>	<u>73,301</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,060,370</u>	<u>\$484,562</u>	<u>(\$278,572)</u>	<u>\$4,120</u>	<u>\$40,668</u>	<u>\$80,437</u>

Municipal Buildings	I-90 Interchange	Recreation Complex	Stadium Marquee	Capital Improvements	Every Child's Playground	Avon Veterans Memorial Construction	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$793,616
0	0	1,218,894	0	0	0	0	1,218,894
300,759	0	0	0	0	0	0	447,668
0	0	0	0	0	0	15,364	69,803
213	0	0	0	0	0	0	213
53,835	0	0	0	0	17,500	0	71,335
462,488	0	0	0	0	0	0	462,488
6,026	0	0	0	0	7,000	0	44,203
823,321	0	1,218,894	0	0	24,500	15,364	3,108,220
482,751	0	72,336	12,509	1	33,654	54,132	1,744,231
340,000	0	702,500	0	0	0	0	2,267,500
39,213	0	425,683	0	0	0	0	468,374
861,964	0	1,200,519	12,509	1	33,654	54,132	4,480,105
(38,643)	0	18,375	(12,509)	(1)	(9,154)	(38,768)	(1,371,885)
0	0	0	0	0	0	0	2,081
0	0	0	0	0	0	0	1,075,000
75,000	29,142	0	0	439,930	0	225,000	1,034,772
0	0	(279,180)	0	(400,000)	0	0	(679,180)
75,000	29,142	(279,180)	0	39,930	0	225,000	1,432,673
36,357	29,142	(260,805)	(12,509)	39,929	(9,154)	186,232	60,788
(2,260,368)	(29,142)	561,039	15,177	18,619	28,272	0	(326,414)
(\$2,224,011)	\$0	\$300,234	\$2,668	\$58,548	\$19,118	\$186,232	(\$265,626)

Fiduciary Funds

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

Agency Funds

Deposits Fund – This fund accounts for various deposits held by the City, such as health insurance withholdings and construction deposits to ensure compliance with various City ordinances. Health insurance withholdings are remitted to the insurance provider when due and upon satisfactory completion of the construction projects, deposits are returned.

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

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

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

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

Clearing Fund – This fund accounts for insurance reimbursements and other deposits that will be returned within a short time frame.

Flexible Spending Account Fund – This fund accounts for deposits of cash from employees to use to pay for certain out-of-pocket health care costs.

City of Avon, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2018

	Beginning Balance 12/31/17	Additions	Deductions	Ending Balance 12/31/18
Deposits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$493,878	\$1,163,845	\$894,656	\$763,067
Liabilities				
Deposits Held and Due to Others	\$493,878	\$1,163,845	\$894,656	\$763,067
Subdivisions				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,968,156	\$1,059,684	\$941,640	\$2,086,200
Liabilities				
Deposits Held and Due to Others	\$1,968,156	\$1,059,684	\$941,640	\$2,086,200
Lorain Public Library				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$486,023	\$486,023	\$0
Liabilities				
Intergovernmental Payable	\$0	\$486,023	\$486,023	\$0
Mayor's Court				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$0	\$197,053	\$193,846	\$3,207
Liabilities				
Deposits Held and Due to Others	\$0	\$197,053	\$193,846	\$3,207
Avon Lake Sanitary Sewer Trunk Fees				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$110,637	\$341,984	\$447,834	\$4,787
Liabilities				
Deposits Held and Due to Others	\$110,637	\$341,984	\$447,834	\$4,787

(continued)

City of Avon, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds (continued)
For the Year Ended December 31, 2018

	Beginning Balance 12/31/17	Additions	Deductions	Ending Balance 12/31/18
<i>Clearing Fund</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$13,852	\$34,682	\$27,152	\$21,382
Liabilities				
Deposits Held and Due to Others	\$13,852	\$34,682	\$27,152	\$21,382
<i>Flexible Spending Account Fund</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$10,459	\$54,152	\$53,853	\$10,758
Liabilities				
Deposits Held and Due to Others	\$10,459	\$54,152	\$53,853	\$10,758
<i>Total All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,596,982	\$3,140,370	\$2,851,158	\$2,886,194
Cash and Cash Equivalents in Segregated Accounts	0	197,053	193,846	3,207
Total Assets	\$2,596,982	\$3,337,423	\$3,045,004	\$2,889,401
Liabilities				
Deposits Held and Due to Others	\$2,596,982	\$2,851,400	\$2,558,981	\$2,889,401
Intergovernmental Payable	0	486,023	486,023	0
Total Liabilities	\$2,596,982	\$3,337,423	\$3,045,004	\$2,889,401

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

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property Taxes	\$1,690,829	\$1,811,843	\$1,811,843	\$0
Municipal Income Taxes	9,216,798	9,876,451	9,877,697	1,246
Charges for Services	362,802	388,768	391,507	2,739
Licenses and Permits	1,187,614	1,272,612	1,298,834	26,222
Fines and Forfeitures	182,477	195,537	205,254	9,717
Intergovernmental	892,706	956,598	959,645	3,047
Interest	325,528	348,826	348,826	0
Contributions and Donations	178	240	240	0
Rentals	30,888	35,905	37,085	1,180
Miscellaneous	293,281	311,857	312,025	168
Total Revenues	14,183,101	15,198,637	15,242,956	44,319
Expenditures				
Current:				
General Government:				
Mayor:				
Personal Services	290,396	293,897	286,331	7,566
Materials and Supplies	11,500	11,500	9,508	1,992
Contractual Services	239,055	238,475	102,628	135,847
Total Mayor	540,951	543,872	398,467	145,405
Finance:				
Personal Services	625,254	625,254	561,248	64,006
Materials and Supplies	52,386	63,536	31,775	31,761
Contractual Services	228,597	218,817	189,177	29,640
Capital Outlay	50,000	50,000	44,000	6,000
Total Finance	956,237	957,607	826,200	131,407
Treasurer:				
Personal Services	21,936	21,936	21,270	666
Materials and Supplies	850	850	619	231
Contractual Services	300	300	130	170
Total Treasurer	23,086	23,086	22,019	1,067
Law Director:				
Personal Services	186,951	186,951	175,734	11,217
Materials and Supplies	4,000	4,000	2,356	1,644
Contractual Services	357,623	357,516	332,048	25,468
Total Law Director	\$548,574	\$548,467	\$510,138	\$38,329

(continued)

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Council:				
Personal Services	\$207,372	\$211,372	\$199,290	\$12,082
Materials and Supplies	13,502	13,502	11,117	2,385
Contractual Services	38,198	38,198	14,740	23,458
Total Council	259,072	263,072	225,147	37,925
City Hall:				
Personal Services	2,000	2,000	16	1,984
Materials and Supplies	114,977	114,977	105,570	9,407
Contractual Services	397,650	397,650	259,504	138,146
Capital Outlay	364,994	464,134	444,806	19,328
Other	10,500	10,500	2,371	8,129
Total City Hall	890,121	989,261	812,267	176,994
Civil Service:				
Personal Services	6,201	4,596	4,203	393
Contractual Services	10,000	11,606	11,589	17
Other	500	500	0	500
Total Civil Service	16,701	16,702	15,792	910
Records:				
Materials and Supplies	2,000	2,000	0	2,000
Contractual Services	5,000	5,000	0	5,000
Total Records	7,000	7,000	0	7,000
Statutory Accounts:				
Personal Services	203,175	30,000	16,207	13,793
Contractual Services	308,500	308,500	299,591	8,909
Total Statutory Accounts	511,675	338,500	315,798	22,702
Legal:				
Personal Services	3,693	3,693	3,377	316
Materials and Supplies	500	500	0	500
Contractual Services	500	500	14	486
Total Legal	\$4,693	\$4,693	\$3,391	\$1,302

(continued)

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Engineer:				
Personal Services	\$68,116	\$68,116	\$59,695	\$8,421
Materials and Supplies	1,500	1,500	266	1,234
Contractual Services	871,699	876,164	619,409	256,755
Total Engineer	941,315	945,780	679,370	266,410
Human Resources:				
Personal Services	102,520	96,520	32,477	64,043
Materials and Supplies	1,675	1,675	564	1,111
Contractual Services	30,615	36,615	32,257	4,358
Total Human Resources	134,810	134,810	65,298	69,512
Grant Coordinator:				
Contractual Services	35,000	35,000	0	35,000
Income Tax Department:				
Contractual Services	294,940	334,940	323,073	11,867
Total General Government	5,164,175	5,142,790	4,196,960	945,830
Community Environment:				
Avon Seniors:				
Personal Services	236,833	271,033	263,059	7,974
Materials and Supplies	26,349	26,349	18,969	7,380
Contractual Services	58,081	58,081	50,362	7,719
Capital Outlay	56,400	66,400	64,852	1,548
Other	100	100	0	100
Total Avon Seniors	377,763	421,963	397,242	24,721
Planning Commission:				
Personal Services	219,917	225,917	215,402	10,515
Materials and Supplies	6,836	5,836	3,382	2,454
Contractual Services	91,265	91,265	31,387	59,878
Other	1,000	2,000	1,720	280
Total Planning Commission	319,018	325,018	251,891	73,127
Building Inspector:				
Personal Services	1,080,001	1,080,001	900,708	179,293
Materials and Supplies	39,340	39,341	26,067	13,274
Contractual Services	305,929	305,779	190,684	115,095
Capital Outlay	45,000	45,000	27,652	17,348
Other	12,041	12,040	5,845	6,195
Total Building Inspector	\$1,482,311	\$1,482,161	\$1,150,956	\$331,205

(continued)

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Traffic/Signalization:				
Personal Services	\$110,390	\$113,390	\$102,517	\$10,873
Materials and Supplies	145,301	92,974	68,314	24,660
Contractual Services	90,395	142,721	139,195	3,526
Total Traffic/Signalization	346,086	349,085	310,026	39,059
Safety Director/Zoning Officer:				
Personal Services	86,955	92,955	90,919	2,036
Materials and Supplies	250	250	0	250
Contractual Services	2,600	2,600	160	2,440
Total Safety Director/Zoning Officer	89,805	95,805	91,079	4,726
Total Community Environment	2,614,983	2,674,032	2,201,194	472,838
Leisure Time Activities:				
Community Center:				
Personal Services	19,017	19,517	12,755	6,762
Materials and Supplies	2,765	2,765	2,757	8
Contractual Services	14,557	17,057	14,672	2,385
Capital Outlay	0	95,000	92,185	2,815
Other	500	500	150	350
Total Leisure Time Activities	36,839	134,839	122,519	12,320
Debt Service:				
Principal Retirement	23,233	23,233	23,233	0
Interest and Fiscal Charges	2,345	2,345	2,345	0
Total Debt Service	25,578	25,578	25,578	0
Total Expenditures	7,841,575	7,977,239	6,546,251	1,430,988
Excess of Revenues Over Expenditures	6,341,526	7,221,398	8,696,705	1,475,307
Other Financing Sources (Uses)				
Advances In	209,972	225,000	225,000	0
Advances Out	(87,500)	(87,500)	(87,500)	0
Transfers In	9,226,984	9,995,000	9,995,000	0
Transfers Out	(16,670,000)	(17,445,000)	(16,785,000)	660,000
Total Other Financing Sources (Uses)	(7,320,544)	(7,312,500)	(6,652,500)	660,000
Net Change in Fund Balance	(979,018)	(91,102)	2,044,205	2,135,307
Fund Balance Beginning of Year	4,444,608	4,444,608	4,444,608	0
Prior Year Encumbrances Appropriated	254,069	254,069	254,069	0
Fund Balance End of Year	\$3,719,659	\$4,607,575	\$6,742,882	\$2,135,307

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Department Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Municipal Income Taxes	\$3,158,045	\$3,246,355	\$3,246,355	\$0
Charges for Services	696,663	716,144	716,144	0
Licenses and Permits	997	1,025	1,025	0
Miscellaneous	5,100	5,395	5,500	105
<i>Total Revenues</i>	<u>3,860,805</u>	<u>3,968,919</u>	<u>3,969,024</u>	<u>105</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire Department:				
Personal Services	4,794,215	4,794,216	4,607,136	187,080
Materials and Supplies	232,545	233,027	227,604	5,423
Contractual Services	345,772	342,289	314,603	27,686
Other	4,000	7,000	6,066	934
<i>Total Expenditures</i>	<u>5,376,532</u>	<u>5,376,532</u>	<u>5,155,409</u>	<u>221,123</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,515,727)</u>	<u>(1,407,613)</u>	<u>(1,186,385)</u>	<u>221,228</u>
Other Financing Sources				
Sale of Capital Assets	5,432	5,432	5,432	0
Transfers In	1,459,196	1,500,000	1,375,000	(125,000)
<i>Total Other Financing Sources</i>	<u>1,464,628</u>	<u>1,505,432</u>	<u>1,380,432</u>	<u>(125,000)</u>
<i>Net Change in Fund Balance</i>	<u>(51,099)</u>	<u>97,819</u>	<u>194,047</u>	<u>96,228</u>
<i>Fund Balance Beginning of Year</i>	<u>153,978</u>	<u>153,978</u>	<u>153,978</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>15,073</u>	<u>15,073</u>	<u>15,073</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$117,952</u>	<u>\$266,870</u>	<u>\$363,098</u>	<u>\$96,228</u>

City of Avon, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2018*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property Taxes	\$1,288,880	\$1,314,310	\$1,314,310	\$0
Licenses and Permits	235	240	447	207
Intergovernmental	1,066,682	1,087,728	1,087,532	(196)
Interest	10,957	11,173	11,173	0
Miscellaneous	16,970	17,565	18,224	659
<i>Total Revenues</i>	<u>2,383,724</u>	<u>2,431,016</u>	<u>2,431,686</u>	<u>670</u>
Expenditures				
Current:				
Transportation:				
Street Department:				
Personal Services	1,621,201	1,551,201	1,363,764	187,437
Materials and Supplies	887,626	883,446	756,682	126,764
Contractual Services	264,016	268,197	245,675	22,522
Capital Outlay	536,553	733,509	703,145	30,364
<i>Total Transportation</i>	<u>3,309,396</u>	<u>3,436,353</u>	<u>3,069,266</u>	<u>367,087</u>
Debt Service:				
Principal Retirement	147,600	147,600	147,600	0
Interest and Fiscal Charges	33,095	33,095	33,095	0
<i>Total Debt Service</i>	<u>180,695</u>	<u>180,695</u>	<u>180,695</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,490,091</u>	<u>3,617,048</u>	<u>3,249,961</u>	<u>367,087</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,106,367)</u>	<u>(1,186,032)</u>	<u>(818,275)</u>	<u>367,757</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	13,204	13,204	13,204	0
Transfers In	760,005	775,000	775,000	0
Transfers Out	(25,000)	(25,000)	(25,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>748,209</u>	<u>763,204</u>	<u>763,204</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(358,158)</u>	<u>(422,828)</u>	<u>(55,071)</u>	<u>367,757</u>
<i>Fund Balance Beginning of Year</i>	<u>130,565</u>	<u>130,565</u>	<u>130,565</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>331,252</u>	<u>331,252</u>	<u>331,252</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$103,659</u>	<u>\$38,989</u>	<u>\$406,746</u>	<u>\$367,757</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property Taxes	\$756,750	\$709,974	\$709,974	\$0
Municipal Income Taxes	3,460,237	3,246,355	3,246,355	0
Licenses and Permits	239	224	228	4
Fines and Forfeitures	1,333	1,251	1,424	173
Intergovernmental	114,489	107,412	107,412	0
Contributions and Donations	560	525	525	0
Miscellaneous	53,605	50,292	56,482	6,190
<i>Total Revenues</i>	<u>4,387,213</u>	<u>4,116,033</u>	<u>4,122,400</u>	<u>6,367</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Personal Services	5,697,479	5,696,829	5,283,278	413,551
Materials and Supplies	331,665	317,025	297,118	19,907
Contractual Services	613,842	629,571	604,609	24,962
<i>Total Expenditures</i>	<u>6,642,986</u>	<u>6,643,425</u>	<u>6,185,005</u>	<u>458,420</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,255,773)</u>	<u>(2,527,392)</u>	<u>(2,062,605)</u>	<u>464,787</u>
Other Financing Sources				
Transfers In	1,758,708	1,650,000	1,650,000	0
<i>Net Change in Fund Balance</i>	<u>(497,065)</u>	<u>(877,392)</u>	<u>(412,605)</u>	<u>464,787</u>
<i>Fund Balance Beginning of Year</i>	<u>954,574</u>	<u>954,574</u>	<u>954,574</u>	<u>0</u>
Prior Year Encumbrances Appropriated	22,524	22,524	22,524	0
<i>Fund Balance End of Year</i>	<u>\$480,033</u>	<u>\$99,706</u>	<u>\$564,493</u>	<u>\$464,787</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for Services	\$500,005	\$508,236	\$511,330	\$3,094
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Contractual Services	1,500	1,500	0	1,500
Debt Service:				
Principal Retirement	637,718	637,718	632,717	5,001
Interest and Fiscal Charges	640,104	640,104	633,107	6,997
Total Debt Service	1,277,822	1,277,822	1,265,824	11,998
Total Expenditures	1,279,322	1,279,322	1,265,824	13,498
Excess of Revenues Under Expenditures	(779,317)	(771,086)	(754,494)	16,592
Other Financing Sources (Uses)				
Premium on General Obligation Notes Issued	47,174	47,951	47,951	0
Transfers In	787,044	800,000	800,000	0
Transfers Out	(12,500)	(12,500)	0	12,500
Total Other Financing Sources (Uses)	821,718	835,451	847,951	12,500
Net Change in Fund Balance	42,401	64,365	93,457	29,092
Fund Balance Beginning of Year	195,853	195,853	195,853	0
Fund Balance End of Year	\$238,254	\$260,218	\$289,310	\$29,092

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Special Assessments	\$1,023,816	\$1,066,893	\$1,066,893	\$0
Expenditures				
Current:				
General Government:				
Special Assessment Bond Retirement:				
Other	22,400	33,730	33,730	0
Debt Service:				
Principal Retirement	435,445	435,445	427,219	8,226
Interest and Fiscal Charges	597,065	597,065	597,058	7
Total Debt Service	1,032,510	1,032,510	1,024,277	8,233
Total Expenditures	1,054,910	1,066,240	1,058,007	8,233
Net Change in Fund Balance	(31,094)	653	8,886	8,233
Fund Balance Beginning of Year	489,198	489,198	489,198	0
Fund Balance End of Year	\$458,104	\$489,851	\$498,084	\$8,233

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Swimming Pool Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Capital Outlay:				
Municipal Swimming Pool:				
Capital Outlay	8,387	23,387	15,000	8,387
Debt Service:				
Principal Retirement	<u>4,600,000</u>	<u>4,600,000</u>	<u>4,600,000</u>	<u>0</u>
<i>Total Expenditures</i>	<u>4,608,387</u>	<u>4,623,387</u>	<u>4,615,000</u>	<u>8,387</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(4,608,387)</u>	<u>(4,623,387)</u>	<u>(4,615,000)</u>	<u>8,387</u>
Other Financing Sources				
General Obligation Notes Issued	<u>4,600,000</u>	<u>4,600,000</u>	<u>4,600,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(8,387)</u>	<u>(23,387)</u>	<u>(15,000)</u>	<u>8,387</u>
<i>Fund Balance Beginning of Year</i>	<u>9,562</u>	<u>9,562</u>	<u>9,562</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>8,387</u>	<u>8,387</u>	<u>8,387</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$9,562</u></u>	<u><u>(\$5,438)</u></u>	<u><u>\$2,949</u></u>	<u><u>\$8,387</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Road and Bridges Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental	\$213,152	\$203,679	\$203,679	\$0
Interest	181	173	173	0
<i>Total Revenues</i>	<u>213,333</u>	<u>203,852</u>	<u>203,852</u>	<u>0</u>
Expenditures				
Capital Outlay:				
Road and Bridge Programs:				
Contractual Services	5,270	5,270	5,270	0
Capital Outlay	2,288,164	2,046,389	1,965,837	80,552
Total Capital Outlay	<u>2,293,434</u>	<u>2,051,659</u>	<u>1,971,107</u>	<u>80,552</u>
Debt Service:				
Principal Retirement	3,450,000	3,375,000	3,375,000	0
Interest and Fiscal Charges	29,900	70,900	70,900	0
Total Debt Service	<u>3,479,900</u>	<u>3,445,900</u>	<u>3,445,900</u>	<u>0</u>
<i>Total Expenditures</i>	<u>5,773,334</u>	<u>5,497,559</u>	<u>5,417,007</u>	<u>80,552</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(5,560,001)</u>	<u>(5,293,707)</u>	<u>(5,213,155)</u>	<u>80,552</u>
Other Financing Sources (Uses)				
General Obligation Notes Issued	3,139,530	3,000,000	3,000,000	0
Advances Out	(100,000)	(225,000)	(225,000)	0
Transfers In	1,888,950	1,805,000	1,805,000	0
Transfers Out	(480,930)	(439,930)	(439,930)	0
<i>Total Other Financing Sources (Uses)</i>	<u>4,447,550</u>	<u>4,140,070</u>	<u>4,140,070</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(1,112,451)</u>	<u>(1,153,637)</u>	<u>(1,073,085)</u>	<u>80,552</u>
<i>Fund Balance Beginning of Year</i>	<u>1,312,668</u>	<u>1,312,668</u>	<u>1,312,668</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>151,134</u>	<u>151,134</u>	<u>151,134</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$351,351</u></u>	<u><u>\$310,165</u></u>	<u><u>\$390,717</u></u>	<u><u>\$80,552</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for Services	\$4,905,693	\$4,600,337	\$4,563,383	(\$36,954)
Interest	6,349	5,954	5,954	0
Other Operating Revenues	42,104	39,483	39,657	174
General Obligation Notes Issued	6,664,855	6,250,000	6,250,000	0
<i>Total Revenues</i>	<u>11,619,001</u>	<u>10,895,774</u>	<u>10,858,994</u>	<u>(36,780)</u>
Expenses				
Personal Services	710,140	710,140	617,636	92,504
Materials and Supplies	2,633,741	2,633,065	1,829,477	803,588
Contractual Services	1,094,476	1,172,274	531,388	640,886
Other	25,000	25,000	6,281	18,719
Capital Outlay	472,428	460,306	165,847	294,459
Debt Service:				
Principal Retirement	7,809,178	7,811,549	7,811,546	3
Interest and Fiscal Charges	226,412	224,041	223,620	421
<i>Total Expenses</i>	<u>12,971,375</u>	<u>13,036,375</u>	<u>11,185,795</u>	<u>1,850,580</u>
<i>Net Change in Fund Equity</i>	<u>(1,352,374)</u>	<u>(2,140,601)</u>	<u>(326,801)</u>	<u>1,813,800</u>
<i>Fund Equity Beginning of Year</i>	<u>3,392,623</u>	<u>3,392,623</u>	<u>3,392,623</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>825,599</u>	<u>825,599</u>	<u>825,599</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$2,865,848</u></u>	<u><u>\$2,077,621</u></u>	<u><u>\$3,891,421</u></u>	<u><u>\$1,813,800</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for Services	\$5,186,735	\$4,324,747	\$4,301,324	(\$23,423)
Other Operating Revenues	7,749	312	313	1
Sale of Capital Assets	37,000	37,000	37,000	0
General Obligation Notes Issued	1,199,315	1,000,000	1,000,000	0
<i>Total Revenues</i>	<u>6,430,799</u>	<u>5,362,059</u>	<u>5,338,637</u>	<u>(23,422)</u>
Expenses				
Personal Services	698,238	698,238	596,614	101,624
Materials and Supplies	3,553,403	3,573,260	2,333,041	1,240,219
Contractual Services	340,648	337,023	240,448	96,575
Other	10,000	10,000	4,265	5,735
Capital Outlay	1,234,217	367,985	249,735	118,250
Debt Service:				
Principal Retirement	1,659,083	1,659,083	1,659,079	4
Interest and Fiscal Charges	116,732	116,732	116,728	4
<i>Total Expenses</i>	<u>7,612,321</u>	<u>6,762,321</u>	<u>5,199,910</u>	<u>1,562,411</u>
<i>Excess of Revenues Over (Under) Expenses Before Transfers</i>	<u>(1,181,522)</u>	<u>(1,400,262)</u>	<u>138,727</u>	<u>1,538,989</u>
Transfers In	324,894	270,900	270,900	0
Transfers Out	<u>(270,900)</u>	<u>(386,600)</u>	<u>(386,600)</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	<u>(1,127,528)</u>	<u>(1,515,962)</u>	<u>23,027</u>	<u>1,538,989</u>
<i>Fund Equity Beginning of Year</i>	<u>3,523,697</u>	<u>3,523,697</u>	<u>3,523,697</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>117,221</u>	<u>117,221</u>	<u>117,221</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$2,513,390</u></u>	<u><u>\$2,124,956</u></u>	<u><u>\$3,663,945</u></u>	<u><u>\$1,538,989</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recycling Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Current:				
Community Environment:				
Recycling:				
Material and Supplies	6,000	6,000	2,216	3,784
Contractual Services	<u>125,730</u>	<u>125,730</u>	<u>114,181</u>	<u>11,549</u>
<i>Total Expenditures</i>	<u>131,730</u>	<u>131,730</u>	<u>116,397</u>	<u>15,333</u>
<i>Excess of Revenues Under Expenditures</i>	(131,730)	(131,730)	(116,397)	15,333
Other Financing Sources				
Transfers In	<u>135,000</u>	<u>135,000</u>	<u>135,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	3,270	3,270	18,603	15,333
<i>Fund Balance Beginning of Year</i>	<u>27,468</u>	<u>27,468</u>	<u>27,468</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$30,738</u></u>	<u><u>\$30,738</u></u>	<u><u>\$46,071</u></u>	<u><u>\$15,333</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental	\$76,239	\$75,336	\$75,320	(\$16)
Interest	1,530	1,512	1,512	0
<i>Total Revenues</i>	<u>77,769</u>	<u>76,848</u>	<u>76,832</u>	<u>(16)</u>
Expenditures				
Current:				
Transportation:				
State Highway:				
Material and Supplies	38,662	38,662	37,639	1,023
Contractual Services	20,000	20,000	5,955	14,045
Capital Outlay	40,000	80,264	36,604	43,660
<i>Total Expenditures</i>	<u>98,662</u>	<u>138,926</u>	<u>80,198</u>	<u>58,728</u>
<i>Net Change in Fund Balance</i>	(20,893)	(62,078)	(3,366)	58,712
<i>Fund Balance Beginning of Year</i>	88,671	88,671	88,671	0
Prior Year Encumbrances Appropriated	8,662	8,662	8,662	0
<i>Fund Balance End of Year</i>	<u>\$76,440</u>	<u>\$35,255</u>	<u>\$93,967</u>	<u>\$58,712</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Tax Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental	\$115,952	\$116,937	\$116,937	\$0
Miscellaneous	16	16	17	1
<i>Total Revenues</i>	115,968	116,953	116,954	1
Expenditures				
Current:				
Transportation:				
Permissive Tax:				
Contractual Services	221,450	221,450	195,693	25,757
<i>Excess of Revenues Under Expenditures</i>	(105,482)	(104,497)	(78,739)	25,758
Other Financing Sources				
Transfers In	114,032	115,000	115,000	0
<i>Net Change in Fund Balance</i>	8,550	10,503	36,261	25,758
<i>Fund Balance Beginning of Year</i>	71,601	71,601	71,601	0
<i>Fund Balance End of Year</i>	<u>\$80,151</u>	<u>\$82,104</u>	<u>\$107,862</u>	<u>\$25,758</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Mayor's Court Computer Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Fines and Forfeitures	\$4,875	\$5,981	\$6,326	\$345
Expenditures				
Current:				
Community Environment:				
Mayor's Court Computer:				
Capital Outlay	1,500	3,000	1,500	1,500
<i>Net Change in Fund Balance</i>	3,375	2,981	4,826	1,845
<i>Fund Balance Beginning of Year</i>	84,244	84,244	84,244	0
<i>Fund Balance End of Year</i>	<u>\$87,619</u>	<u>\$87,225</u>	<u>\$89,070</u>	<u>\$1,845</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for Services	\$165,748	\$167,415	\$171,155	\$3,740
Contributions and Donations	248	250	250	0
<i>Total Revenues</i>	<u>165,996</u>	<u>167,665</u>	<u>171,405</u>	<u>3,740</u>
Expenditures				
Current:				
Leisure Time Activities:				
Recreation Department:				
Personal Services	63,028	70,028	66,520	3,508
Materials and Supplies	2,781	3,624	3,058	566
Contractual Services	23,000	22,359	15,589	6,770
Other	500	500	0	500
Total Recreation Department	89,309	96,511	85,167	11,344
Tennis Camp:				
Materials and Supplies	15,000	7,260	5,625	1,635
Adult Volleyball:				
Materials and Supplies	2,000	2,000	772	1,228
Youth Basketball:				
Materials and Supplies	26,000	29,500	29,173	327
Adult Softball:				
Materials and Supplies	3,500	3,500	1,462	2,038
Flag Football:				
Materials and Supplies	15,000	11,500	10,881	619
Safety Town:				
Materials and Supplies	7,726	6,524	4,724	1,800
Little Eagles:				
Materials and Supplies	15,000	15,000	12,638	2,362
Fishing:				
Materials and Supplies	\$1,500	\$1,500	\$1,200	\$300

(continued)

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund (continued)
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Theater:				
Materials and Supplies	\$14,000	\$11,000	\$10,575	\$425
Youth Wrestling:				
Materials and Supplies	6,000	4,300	3,330	970
Youth Football:				
Materials and Supplies	15,000	16,040	16,040	0
Running Club:				
Materials and Supplies	5,000	3,000	2,976	24
Fitness Camp:				
Materials and Supplies	10,000	22,445	22,436	9
Educational:				
Materials and Supplies	4,000	4,300	4,091	209
Youth Baseball:				
Materials and Supplies	10,000	6,215	6,050	165
Mini Cheer/Dance Camp:				
Materials and Supplies	14,000	20,040	20,040	0
Lacrosse Camp:				
Materials and Supplies	0	4,400	1,871	2,529
<i>Total Expenditures</i>	<u>253,035</u>	<u>265,035</u>	<u>239,051</u>	<u>25,984</u>
<i>Excess of Revenues Under Expenditures</i>	(87,039)	(97,370)	(67,646)	29,724
Other Financing Sources				
Transfers In	<u>99,004</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	11,965	2,630	32,354	29,724
<i>Fund Balance Beginning of Year</i>	19,437	19,437	19,437	0
Prior Year Encumbrances Appropriated	<u>491</u>	<u>491</u>	<u>491</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$31,893</u>	<u>\$22,558</u>	<u>\$52,282</u>	<u>\$29,724</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Park Operating Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property Taxes	\$299,818	\$311,283	\$311,283	\$0
Municipal Income Taxes	1,186,279	1,231,644	1,231,645	1
Licenses and Permits	16,315	16,939	23,164	6,225
Intergovernmental	55,046	57,151	57,151	0
Contributions and Donations	989	1,027	1,027	0
Miscellaneous	1,564	1,624	1,624	0
<i>Total Revenues</i>	<u>1,560,011</u>	<u>1,619,668</u>	<u>1,625,894</u>	<u>6,226</u>
Expenditures				
Current:				
Leisure Time Activities:				
Park Operating:				
Personal Services	701,220	700,190	550,328	149,862
Materials and Supplies	92,799	128,951	112,712	16,239
Contractual Services	322,538	317,966	306,651	11,315
Capital Outlay	243,617	273,562	273,351	211
Other	500	500	5	495
<i>Total Expenditures</i>	<u>1,360,674</u>	<u>1,421,169</u>	<u>1,243,047</u>	<u>178,122</u>
<i>Excess of Revenues Over Expenditures</i>	<u>199,337</u>	<u>198,499</u>	<u>382,847</u>	<u>184,348</u>
Other Financing Uses				
Transfers Out	<u>0</u>	<u>(167,000)</u>	<u>(167,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>199,337</u>	<u>31,499</u>	<u>215,847</u>	<u>184,348</u>
<i>Fund Balance Beginning of Year</i>	<u>704,690</u>	<u>704,690</u>	<u>704,690</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>42,932</u>	<u>42,932</u>	<u>42,932</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$946,959</u></u>	<u><u>\$779,121</u></u>	<u><u>\$963,469</u></u>	<u><u>\$184,348</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Park Development and Improvement Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Licenses and Permits	\$41,338	\$215,837	\$218,452	\$2,615
Expenditures				
Current:				
Leisure Time Activities:				
Park Development and Improvement:				
Capital Outlay	254,058	571,058	505,583	65,475
Other	6,000	6,000	1,291	4,709
Total Leisure Time Activities	260,058	577,058	506,874	70,184
Debt Service:				
Principal Retirement	592,400	592,400	592,400	0
Interest and Fiscal Charges	35,718	35,718	35,718	0
Total Debt Service	628,118	628,118	628,118	0
Total Expenditures	888,176	1,205,176	1,134,992	70,184
Excess of Revenues Under Expenditures	(846,838)	(989,339)	(916,540)	72,799
Other Financing Sources				
General Obligation Notes Issued	500,000	500,000	500,000	0
Transfers In	167,000	167,000	167,000	0
Total Other Financing Sources	667,000	667,000	667,000	0
Net Change in Fund Balance	(179,838)	(322,339)	(249,540)	72,799
Fund Balance Beginning of Year	115,549	115,549	115,549	0
Prior Year Encumbrances Appropriated	209,558	209,558	209,558	0
Fund Balance End of Year	\$145,269	\$2,768	\$75,567	\$72,799

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Donations Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Contributions and Donations	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Donations:				
Materials and Supplies	6,000	5,820	5,494	326
Contractual Services	7,151	7,331	6,331	1,000
<i>Total Expenditures</i>	13,151	13,151	11,825	1,326
<i>Excess of Revenues Under Expenditures</i>	(13,151)	(13,151)	(11,825)	1,326
Other Financing Sources				
Transfers In	10,500	10,000	10,000	0
<i>Net Change in Fund Balance</i>	(2,651)	(3,151)	(1,825)	1,326
<i>Fund Balance Beginning of Year</i>	10,827	10,827	10,827	0
Prior Year Encumbrances Appropriated	151	151	151	0
<i>Fund Balance End of Year</i>	\$8,327	\$7,827	\$9,153	\$1,326

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Economic Development and Tourism Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental	\$220,000	\$220,000	\$218,047	(\$1,953)
Expenditures				
Current:				
Community Environment:				
Personal Services	7,200	7,200	0	7,200
Material and Supplies	4,000	4,000	379	3,621
Contractual Services	111,200	111,200	87,827	23,373
Capital Outlay	459,832	459,832	459,832	0
<i>Total Expenditures</i>	<i>582,232</i>	<i>582,232</i>	<i>548,038</i>	<i>34,194</i>
<i>Excess of Revenues Under Expenditures</i>	<i>(362,232)</i>	<i>(362,232)</i>	<i>(329,991)</i>	<i>32,241</i>
Other Financing Sources				
Advances In	175,000	87,500	87,500	0
<i>Net Change in Fund Balance</i>	<i>(187,232)</i>	<i>(274,732)</i>	<i>(242,491)</i>	<i>32,241</i>
<i>Fund Balance Beginning of Year</i>	<i>312,305</i>	<i>312,305</i>	<i>312,305</i>	<i>0</i>
<i>Fund Balance End of Year</i>	<i>\$125,073</i>	<i>\$37,573</i>	<i>\$69,814</i>	<i>\$32,241</i>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Tax Increment Financing Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Payments in Lieu of Taxes	\$4,820,548	\$5,335,466	\$5,335,466	\$0
Expenditures				
Current:				
General Government:				
Contractual Services	3,205,860	3,410,514	3,389,282	21,232
Debt Service:				
Principal Retirement	718,603	721,103	721,103	0
Interest and Fiscal Charges	925,964	995,964	984,598	11,366
Total Debt Service	1,644,567	1,717,067	1,705,701	11,366
<i>Total Expenditures</i>	<i>4,850,427</i>	<i>5,127,581</i>	<i>5,094,983</i>	<i>32,598</i>
<i>Net Change in Fund Balance</i>	<i>(29,879)</i>	<i>207,885</i>	<i>240,483</i>	<i>32,598</i>
<i>Fund Balance Beginning of Year</i>	<i>84,362</i>	<i>84,362</i>	<i>84,362</i>	<i>0</i>
<i>Fund Balance End of Year</i>	<i>\$54,483</i>	<i>\$292,247</i>	<i>\$324,845</i>	<i>\$32,598</i>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Equipment Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property Taxes	\$755,565	\$793,616	\$793,616	\$0
Intergovernmental	44,852	47,111	50,126	3,015
Miscellaneous	450	577	577	0
<i>Total Revenues</i>	<u>800,867</u>	<u>841,304</u>	<u>844,319</u>	<u>3,015</u>
Expenditures				
Capital Outlay:				
Equipment:				
Materials and Supplies	15,200	15,730	14,302	1,428
Capital Outlay	<u>1,079,906</u>	<u>1,379,906</u>	<u>831,345</u>	<u>548,561</u>
<i>Total Expenditures</i>	<u>1,095,106</u>	<u>1,395,636</u>	<u>845,647</u>	<u>549,989</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(294,239)</u>	<u>(554,332)</u>	<u>(1,328)</u>	<u>553,004</u>
Other Financing Sources				
Sale of Capital Assets	<u>2,081</u>	<u>2,081</u>	<u>2,081</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(292,158)</u>	<u>(552,251)</u>	<u>753</u>	<u>553,004</u>
<i>Fund Balance Beginning of Year</i>	<u>882,115</u>	<u>882,115</u>	<u>882,115</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>171,151</u>	<u>171,151</u>	<u>171,151</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$761,108</u></u>	<u><u>\$501,015</u></u>	<u><u>\$1,054,019</u></u>	<u><u>\$553,004</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Storm Water Detention Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for Services	\$100,000	\$145,408	\$146,909	\$1,501
Expenditures				
Capital Outlay:				
Storm Water Detention:				
Contractual Services	162,008	162,008	123,424	38,584
<i>Net Change in Fund Balance</i>	(62,008)	(16,600)	23,485	40,085
<i>Fund Balance Beginning of Year</i>	391,503	391,503	391,503	0
Prior Year Encumbrances Appropriated	62,008	62,008	62,008	0
<i>Fund Balance End of Year</i>	<u>\$391,503</u>	<u>\$436,911</u>	<u>\$476,996</u>	<u>\$40,085</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Land Purchases Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Debt Service:				
Principal Retirement	<u>1,400,000</u>	<u>1,450,000</u>	<u>1,450,000</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,400,000)</u>	<u>(1,450,000)</u>	<u>(1,450,000)</u>	<u>0</u>
Other Financing Sources				
General Obligation Notes Issued	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,400,000</u>	<u>0</u>
Transfers In	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
<i>Total Other Financing Sources</i>	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,450,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance Beginning of Year</i>	<u>53,761</u>	<u>53,761</u>	<u>53,761</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$103,761</u></u>	<u><u>\$53,761</u></u>	<u><u>\$53,761</u></u>	<u><u>\$0</u></u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sidewalk Programs Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental	\$1,598	\$4,313	\$4,313	\$0
Miscellaneous	11,341	30,600	30,600	0
<i>Total Revenues</i>	12,939	34,913	34,913	0
Expenditures				
Capital Outlay:				
Sidewalk Programs:				
Capital Outlay	53,769	108,769	106,364	2,405
<i>Excess of Revenues Under Expenditures</i>	(40,830)	(73,856)	(71,451)	2,405
Other Financing Sources				
Transfers In	37,061	100,000	100,000	0
<i>Net Change in Fund Balance</i>	(3,769)	26,144	28,549	2,405
<i>Fund Balance Beginning of Year</i>	6,980	6,980	6,980	0
Prior Year Encumbrances Appropriated	3,769	3,769	3,769	0
<i>Fund Balance End of Year</i>	<u>\$6,980</u>	<u>\$36,893</u>	<u>\$39,298</u>	<u>\$2,405</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Storm Sewers Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Storm Sewers:				
Capital Outlay	3,563,283	188,983	128,502	60,481
<i>Excess of Revenues Under Expenditures</i>	(3,563,283)	(188,983)	(128,502)	60,481
Other Financing Sources				
Transfers In	3,500,000	115,700	115,700	0
<i>Net Change in Fund Balance</i>	(63,283)	(73,283)	(12,802)	60,481
<i>Fund Balance Beginning of Year</i>	10,018	10,018	10,018	0
Prior Year Encumbrances Appropriated	63,283	63,283	63,283	0
<i>Fund Balance End of Year</i>	<u>\$10,018</u>	<u>\$18</u>	<u>\$60,499</u>	<u>\$60,481</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Buildings Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for Services	\$298,568	\$297,885	\$300,759	\$2,874
Interest	164	164	164	0
Contributions and Donations	53,959	53,835	53,835	0
Rentals	449,343	448,314	462,488	14,174
Miscellaneous	6,038	6,024	6,026	2
<i>Total Revenues</i>	<u>808,072</u>	<u>806,222</u>	<u>823,272</u>	<u>17,050</u>
Expenditures				
Capital Outlay:				
Municipal Buildings:				
Personal Services	314,606	314,606	291,615	22,991
Materials and Supplies	52,014	52,869	50,389	2,480
Contractual Services	161,180	175,225	152,926	22,299
Capital Outlay	5,000	10,400	9,840	560
Other	1,500	1,600	1,092	508
<i>Total Capital Outlay</i>	<u>534,300</u>	<u>554,700</u>	<u>505,862</u>	<u>48,838</u>
Debt Service:				
Principal Retirement	2,735,000	2,740,000	2,740,000	0
Interest and Fiscal Charges	36,280	31,280	31,280	0
<i>Total Debt Service</i>	<u>2,771,280</u>	<u>2,771,280</u>	<u>2,771,280</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,305,580</u>	<u>3,325,980</u>	<u>3,277,142</u>	<u>48,838</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,497,508)</u>	<u>(2,519,758)</u>	<u>(2,453,870)</u>	<u>65,888</u>
Other Financing Sources				
General Obligation Notes Issued	2,405,506	2,400,000	2,400,000	0
Transfers In	75,172	75,000	75,000	0
<i>Total Other Financing Sources</i>	<u>2,480,678</u>	<u>2,475,000</u>	<u>2,475,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(16,830)</u>	<u>(44,758)</u>	<u>21,130</u>	<u>65,888</u>
<i>Fund Balance Beginning of Year</i>	<u>149,037</u>	<u>149,037</u>	<u>149,037</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>6,831</u>	<u>6,831</u>	<u>6,831</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$139,038</u>	<u>\$111,110</u>	<u>\$176,998</u>	<u>\$65,888</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Complex Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Municipal Income Taxes	\$1,207,508	\$1,231,645	\$1,231,645	\$0
Expenditures				
Capital Outlay:				
Recreation Complex:				
Contractual Services	90,600	94,600	75,211	19,389
Debt Service:				
Principal Retirement	700,000	702,500	702,500	0
Interest and Fiscal Charges	449,545	447,045	425,683	21,362
Total Debt Service	1,149,545	1,149,545	1,128,183	21,362
<i>Total Expenditures</i>	<u>1,240,145</u>	<u>1,244,145</u>	<u>1,203,394</u>	<u>40,751</u>
<i>Net Change in Fund Balance</i>	(32,637)	(12,500)	28,251	40,751
<i>Fund Balance Beginning of Year</i>	66,910	66,910	66,910	0
Prior Year Encumbrances Appropriated	4,400	4,400	4,400	0
<i>Fund Balance End of Year</i>	<u>\$38,673</u>	<u>\$58,810</u>	<u>\$99,561</u>	<u>\$40,751</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Stadium Marquee Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for Services	\$35,000	\$35,000	\$0	(\$35,000)
Expenditures				
Capital Outlay:				
Stadium Marquee:				
Capital Outlay	35,000	35,000	12,509	22,491
<i>Net Change in Fund Balance</i>	0	0	(12,509)	(12,509)
<i>Fund Balance Beginning of Year</i>	15,177	15,177	15,177	0
<i>Fund Balance End of Year</i>	<u>\$15,177</u>	<u>\$15,177</u>	<u>\$2,668</u>	<u>(\$12,509)</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvements Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0	0
Other Financing Sources (Uses)				
Transfers In	439,930	439,930	439,930	0
Transfers Out	(400,000)	(400,000)	(400,000)	0
<i>Total Other Financing Sources (Uses)</i>	39,930	39,930	39,930	0
<i>Net Change in Fund Balance</i>	39,930	39,930	39,930	0
<i>Fund Balance Beginning of Year</i>	18,619	18,619	18,619	0
<i>Fund Balance End of Year</i>	<u>\$58,549</u>	<u>\$58,549</u>	<u>\$58,549</u>	<u>\$0</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Every Child's Playground Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Contributions and Donations	\$17,500	\$17,500	\$17,500	\$0
Miscellaneous	7,000	7,000	7,000	0
<i>Total Revenues</i>	24,500	24,500	24,500	0
Expenditures				
Capital Outlay:				
Playground:				
Capital Outlay	35,000	35,000	33,776	1,224
<i>Net Change in Fund Balance</i>	(10,500)	(10,500)	(9,276)	1,224
<i>Fund Balance Beginning of Year</i>	28,272	28,272	28,272	0
<i>Fund Balance End of Year</i>	<u>\$17,772</u>	<u>\$17,772</u>	<u>\$18,996</u>	<u>\$1,224</u>

City of Avon, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Avon Veterans Memorial Construction Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental	\$15,364	\$15,364	\$15,364	\$0
Expenditures				
Capital Outlay:				
Avon Veterans Memorial Construction:				
Capital Outlay	225,000	225,000	65,860	159,140
<i>Excess of Revenues Under Expenditures</i>	(209,636)	(209,636)	(50,496)	159,140
Other Financing Sources				
Advances In	225,000	225,000	225,000	0
<i>Net Change in Fund Balance</i>	15,364	15,364	174,504	159,140
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$15,364</u>	<u>\$15,364</u>	<u>\$174,504</u>	<u>\$159,140</u>

City of Avon, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Storm Water Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for Services	\$350,000	\$350,000	\$356,255	\$6,255
Expenses				
Personal Services	68,626	68,626	50,485	18,141
Materials and Supplies	97,869	139,869	82,263	57,606
Contractual Services	32,507	32,507	24,409	8,098
Other	2,500	2,500	4	2,496
<i>Total Expenses</i>	<u>201,502</u>	<u>243,502</u>	<u>157,161</u>	<u>86,341</u>
<i>Net Change in Fund Equity</i>	148,498	106,498	199,094	92,596
<i>Fund Equity Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$148,498</u></u>	<u><u>\$106,498</u></u>	<u><u>\$199,094</u></u>	<u><u>\$92,596</u></u>

(This Page Intentionally Left Blank.)

STATISTICAL SECTION

Statistical Section

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

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

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

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

	2018	2017 (1)	2016	2015
Governmental Activities:				
Net Investment in Capital Assets	\$40,705,398	\$36,346,679	\$36,167,606	\$35,118,979
Restricted:				
Capital Projects	1,414,965	673,086	0	0
Debt Service	12,350,278	12,259,293	6,845,284	6,970,159
Fire Department	516,991	457,789	1,819,386	1,566,828
Street Construction, Maintenance and Repair	1,305,160	936,227	797,185	877,451
Other Purposes	2,363,384	2,653,685	1,388,994	844,041
Unrestricted (Deficit)	<u>(25,390,793)</u>	<u>(24,458,137)</u>	<u>(7,739,091)</u>	<u>(7,953,442)</u>
<i>Total Governmental Activities Net Position</i>	<u>33,265,383</u>	<u>28,868,622</u>	<u>39,279,364</u>	<u>37,424,016</u>
Business-Type Activities:				
Net Investment in Capital Assets	29,208,283	27,540,894	27,325,569	25,107,622
Unrestricted (Deficit)	<u>7,119,691</u>	<u>7,002,552</u>	<u>7,627,901</u>	<u>6,581,243</u>
<i>Total Business-Type Activities Net Position</i>	<u>36,327,974</u>	<u>34,543,446</u>	<u>34,953,470</u>	<u>31,688,865</u>
Primary Government:				
Net Investment in Capital Assets	69,913,681	63,887,573	63,493,175	60,226,601
Restricted	17,950,778	16,980,080	10,850,849	10,258,479
Unrestricted (Deficit)	<u>(18,271,102)</u>	<u>(17,455,585)</u>	<u>(111,190)</u>	<u>(1,372,199)</u>
<i>Total Primary Government Net Position</i>	<u>\$69,593,357</u>	<u>\$63,412,068</u>	<u>\$74,232,834</u>	<u>\$69,112,881</u>

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

2014 (1)	2013	2012	2011	2010	2009
\$29,363,504	\$35,478,485	\$42,052,213	\$48,907,059	\$54,276,654	\$46,612,947
0	0	2,865,172	1,890,372	0	1,129,478
7,274,056	7,431,775	5,139,122	2,015,083	1,347,716	1,445,051
1,763,116	1,487,099	1,035,146	710,228	376,263	1,297,579
758,676	1,294,404	1,471,867	1,440,649	1,760,913	1,368,224
709,230	478,438	665,960	44,024	488,915	849,084
(7,407,222)	894,802	(7,415,865)	(8,747,905)	(1,799,650)	6,779,793
32,461,360	47,065,003	45,813,615	46,259,510	56,450,811	59,482,156
24,624,861	25,528,673	25,871,513	29,636,176	26,368,440	27,616,704
5,817,722	5,358,825	5,481,758	(182,452)	3,170,654	3,559,010
30,442,583	30,887,498	31,353,271	29,453,724	29,539,094	31,175,714
53,988,365	61,007,158	67,923,726	78,543,235	80,645,094	74,229,651
10,505,078	10,691,716	11,177,267	6,100,356	3,973,807	6,089,416
(1,589,500)	6,253,627	(1,934,107)	(8,930,357)	1,371,004	10,338,803
\$62,903,943	\$77,952,501	\$77,166,886	\$75,713,234	\$85,989,905	\$90,657,870

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

	2018	2017	2016	2015
Program Revenues				
Governmental Activities:				
Charges for Services and Operating Assessments				
General Government	\$2,401,683	\$8,114,096	\$2,030,361	\$2,290,540
Security of Persons and Property	724,024	672,185	546,672	488,084
Transportation	447	5,810	0	0
Community Environment	1,426,275	1,282,241	1,332,972	1,463,186
Basic Utility Services	146,909	165,369	226,175	139,941
Leisure Time Activities	449,303	373,357	499,486	330,063
Subtotal - Charges for Services	<u>5,148,641</u>	<u>10,613,058</u>	<u>4,635,666</u>	<u>4,711,814</u>
Operating Grants and Contributions:				
General Government	0	0	0	0
Security of Persons and Property	108,765	91,377	92,698	99,565
Transportation	1,289,739	1,257,588	1,265,019	1,210,312
Community Environment	218,047	312,305	0	0
Leisure Time Activities	58,810	62,251	64,361	72,308
Subtotal - Operating Grants and Contributions	<u>1,675,361</u>	<u>1,723,521</u>	<u>1,422,078</u>	<u>1,382,185</u>
Capital Grants and Contributions:				
General Government	36,483	139,194	74,008	72,453
Transportation	1,605,739	613,588	2,273,112	3,689,916
Community Environment	366,738	228,861	261,457	40,663
Basic Utility Services	2,589,937	761,643	1,543,907	1,421,007
Leisure Time Activities	17,500	58,100	33,333	0
Subtotal - Capital Grants and Contributions	<u>4,616,397</u>	<u>1,801,386</u>	<u>4,185,817</u>	<u>5,224,039</u>
<i>Total Governmental Activities Program Revenues</i>	<u>11,440,399</u>	<u>14,137,965</u>	<u>10,243,561</u>	<u>11,318,038</u>
Business-Type Activities:				
Charges for Services:				
Water	4,557,586	4,406,393	4,721,224	3,545,630
Sewer	4,293,225	4,073,106	4,160,768	3,604,548
Storm Water	393,601	0	0	0
Subtotal - Charges for Services	<u>9,244,412</u>	<u>8,479,499</u>	<u>8,881,992</u>	<u>7,150,178</u>
Capital Grants and Contributions				
Water	0	99,375	0	0
Sewer	760,388	401,656	590,677	2,003,839
Subtotal - Capital Grants and Contributions	<u>760,388</u>	<u>501,031</u>	<u>590,677</u>	<u>2,003,839</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>10,004,800</u>	<u>8,980,530</u>	<u>9,472,669</u>	<u>9,154,017</u>
<i>Total Primary Government Program Revenues</i>	<u>\$21,445,199</u>	<u>\$23,118,495</u>	<u>\$19,716,230</u>	<u>\$20,472,055</u>

2014	2013	2012	2011	2010	2009
\$2,016,543	\$6,309,922	\$6,766,870	\$1,628,202	\$1,122,652	\$1,420,788
435,775	440,527	488,240	1,816	2,340	1,771
0	1,251,613	95,000	0	0	0
1,092,889	779,557	885,991	394,643	457,238	429,764
87,182	34,791	18,911	0	0	20,052
336,570	277,233	234,889	221,838	272,808	219,656
3,968,959	9,093,643	8,489,901	2,246,499	1,855,038	2,092,031
7,778	5,168	7,851	9,033	150,827	8,810
108,650	89,373	75,479	10,448	230,744	150,203
1,239,055	1,178,946	1,177,492	1,112,132	1,239,397	1,178,652
0	0	0	11,955	87,280	81,575
64,625	70,213	24,594	21,675	65,314	56,530
1,420,108	1,343,700	1,285,416	1,165,243	1,773,562	1,475,770
75,239	108,822	74,772	325,251	0	105,407
699,636	628,713	110,124	246,075	0	1,142,925
420,710	364,393	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,195,585	1,101,928	184,896	571,326	0	1,248,332
6,584,652	11,539,271	9,960,213	3,983,068	3,628,600	4,816,133
3,250,484	2,561,315	3,170,442	2,105,969	2,613,627	2,007,943
3,330,982	1,788,695	2,738,682	1,644,692	1,356,918	1,628,898
0	0	0	0	0	0
6,581,466	4,350,010	5,909,124	3,750,661	3,970,545	3,636,841
0	318,715	87,805	77,010	0	0
111,193	230,520	185,721	63,408	310,925	453,148
111,193	549,235	273,526	140,418	310,925	453,148
6,692,659	4,899,245	6,182,650	3,891,079	4,281,470	4,089,989
\$13,277,311	\$16,438,516	\$16,142,863	\$7,874,147	\$7,910,070	\$8,906,122

(continued)

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

	2018	2017	2016	2015
Expenses				
Governmental Activities:				
General Government	\$5,068,488	\$4,552,425	\$4,632,151	\$4,340,391
Security of Persons and Property	14,263,912	12,455,701	11,960,179	10,611,997
Transportation	6,587,258	6,356,119	6,463,824	5,453,943
Community Environment	3,035,192	2,348,421	4,068,001	2,147,727
Basic Utility Services	904,786	840,382	911,121	814,317
Leisure Time Activities	2,071,772	2,200,268	1,629,373	1,377,791
Interest and Fiscal Charges	2,681,243	2,802,582	2,565,722	3,032,601
<i>Total Governmental Activities Expenses</i>	<u>34,612,651</u>	<u>31,555,898</u>	<u>32,230,371</u>	<u>27,778,767</u>
Business-Type Activities				
Water	3,635,564	4,098,831	2,999,014	4,509,372
Sewer	4,311,528	4,133,510	3,390,641	3,466,945
Storm Water	243,607	0	0	0
<i>Total Business-Type Activities Expenses</i>	<u>8,190,699</u>	<u>8,232,341</u>	<u>6,389,655</u>	<u>7,976,317</u>
<i>Total Primary Government Program Expenses</i>	<u>42,803,350</u>	<u>39,788,239</u>	<u>38,620,026</u>	<u>35,755,084</u>
Net (Expense)/Revenue				
Governmental Activities	(23,172,252)	(17,417,933)	(21,986,810)	(16,460,729)
Business-Type Activities	<u>1,814,101</u>	<u>748,189</u>	<u>3,083,014</u>	<u>1,177,700</u>
<i>Total Primary Government Net Expense</i>	<u>(\$21,358,151)</u>	<u>(\$16,669,744)</u>	<u>(\$18,903,796)</u>	<u>(\$15,283,029)</u>

2014	2013	2012	2011	2010	2009
\$5,326,980	\$6,098,761	\$5,244,263	\$4,525,898	\$4,349,901	\$3,042,622
10,094,196	10,444,993	9,315,052	8,769,685	8,611,264	7,948,875
5,862,901	6,538,774	6,284,978	4,150,279	6,025,615	5,140,893
1,728,765	1,544,542	1,521,616	1,320,973	1,236,395	1,406,060
688,440	996,170	618,381	682,667	862,479	495,523
1,302,661	1,888,391	1,432,240	1,464,779	1,104,319	1,130,300
2,976,565	2,822,762	2,688,373	2,300,130	2,211,663	1,669,318
27,980,508	30,334,393	27,104,903	23,214,411	24,401,636	20,833,591
3,102,338	3,063,812	3,239,898	2,338,775	3,924,685	2,392,503
3,555,325	2,311,111	1,142,172	1,662,416	1,871,978	2,127,598
0	0	0	0	0	0
6,657,663	5,374,923	4,382,070	4,001,191	5,796,663	4,520,101
34,638,171	35,709,316	31,486,973	27,215,602	30,198,299	25,353,692
(21,395,856)	(18,795,122)	(17,144,690)	(19,231,343)	(20,773,036)	(16,017,458)
34,996	(475,678)	1,800,580	(110,112)	(1,515,193)	(430,112)
(\$21,360,860)	(\$19,270,800)	(\$15,344,110)	(\$19,341,455)	(\$22,288,229)	(\$16,447,570)

(continued)

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

	2018	2017	2016	2015
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$1,805,289	\$1,724,850	\$1,661,026	\$1,536,192
Streets	1,309,030	1,219,882	1,212,333	1,180,355
Police	706,811	653,997	650,063	629,286
Police Pension	0	0	0	0
Park Operating	310,032	288,920	287,132	279,556
Library Bond Retirement	0	0	0	0
Equipment	790,383	579,088	572,212	552,147
Municipal Income Taxes levied for:				
General Purposes	9,687,503	9,582,138	9,135,298	7,902,348
Fire Department	3,357,920	2,729,053	4,415,368	3,911,656
Police	3,357,920	3,095,920	1,806,394	1,378,008
Park Operating	1,224,588	1,197,897	796,208	493,731
Recreation Complex	1,224,588	1,197,897	1,670,331	1,481,191
Grants and Entitlements not Restricted to				
Specific Programs	961,286	613,496	907,160	803,671
Unrestricted Contributions	240	1,825	3,521	225
Investment Earnings	392,997	188,035	135,853	70,407
Payments in Lieu of Taxes	1,954,892	1,481,646	1,149,003	647,795
Gain on Sale of Capital Assets	16,717	0	0	0
Miscellaneous	388,076	532,736	166,277	556,817
<i>Total Governmental Activities</i>	<u>27,488,272</u>	<u>25,087,380</u>	<u>24,568,179</u>	<u>21,423,385</u>
Business-Type Activities				
Investment Earnings	7,198	0	9,974	11,791
Gain on Sale of Capital Assets	4,000	0	0	0
Miscellaneous	39,970	24,610	171,617	56,791
<i>Total Business-Type Activities</i>	<u>51,168</u>	<u>24,610</u>	<u>181,591</u>	<u>68,582</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>27,539,440</u>	<u>25,111,990</u>	<u>24,749,770</u>	<u>21,491,967</u>
Transfers				
Governmental Activities	80,741	65,424	0	0
Business-Type Activities	<u>(80,741)</u>	<u>(65,424)</u>	<u>0</u>	<u>0</u>
Special Item				
I-90 Interchange Project	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in Net Position				
Governmental Activities	4,396,761	7,734,871	2,581,369	4,962,656
Business-Type Activities	<u>1,784,528</u>	<u>707,375</u>	<u>3,264,605</u>	<u>1,246,282</u>
<i>Total Primary Government Change in Net Position</i>	<u><u>\$6,181,289</u></u>	<u><u>\$8,442,246</u></u>	<u><u>\$5,845,974</u></u>	<u><u>\$6,208,938</u></u>

2014	2013	2012	2011	2010	2009
\$1,532,142	\$1,455,757	\$1,612,249	\$1,566,237	\$1,496,579	\$1,520,272
1,188,229	1,136,911	1,268,453	1,228,341	1,223,635	1,268,806
625,571	593,648	637,761	629,793	613,253	411,556
0	0	0	0	0	198,297
281,422	269,269	300,430	293,924	289,808	297,378
61,569	50,171	69,927	74,421	78,640	72,822
560,244	540,442	580,310	568,618	559,583	559,752
7,018,713	7,177,133	6,336,213	5,478,107	4,692,358	4,726,399
4,229,098	4,406,655	3,839,955	4,164,144	3,386,770	3,343,630
983,874	660,266	564,936	143,118	0	0
617,848	0	0	0	0	0
1,225,308	1,907,862	1,613,687	1,413,615	1,179,680	1,172,927
588,601	983,110	1,537,673	1,223,337	1,837,467	979,590
150	0	0	0	0	0
124,974	(17,879)	154,534	64,712	293,374	315,399
2,580,037	2,373,141	2,150,075	1,701,068	1,319,031	668,139
0	0	0	0	0	0
562,343	258,370	302,223	453,527	607,322	1,165,347
22,180,123	21,794,856	20,968,426	19,002,962	17,577,500	16,700,314
19,561	0	1,714	3,818	8,309	7,499
0	0	0	0	0	0
88,492	34,879	123,264	2,696	34,455	16,746
108,053	34,879	124,978	6,514	42,764	24,245
22,288,176	21,829,735	21,093,404	19,009,476	17,620,264	16,724,559
(4,622)	24,974	26,011	(18,228)	164,191	(294,388)
4,622	(24,974)	(26,011)	18,228	(164,191)	294,388
0	(1,773,320)	(4,295,642)	(9,944,692)	0	0
779,645	1,251,388	(445,895)	(10,191,301)	(3,031,345)	388,468
147,671	(465,773)	1,899,547	(85,370)	(1,636,620)	(111,479)
\$927,316	\$785,615	\$1,453,652	(\$10,276,671)	(\$4,667,965)	\$276,989

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

	2018	2017	2016	2015
General Fund				
Nonspendable	\$526,415	\$583,871	\$190,961	\$189,085
Restricted	0	0	0	0
Assigned	204,368	770,604	112,088	1,199,671
Unassigned	8,851,170	6,922,744	5,970,523	3,629,253
Total General Fund	9,581,953	8,277,219	6,273,572	5,018,009
All Other Governmental Funds				
Nonspendable	417,293	394,414	345,794	284,776
Restricted	6,180,481	5,511,082	5,003,524	4,375,547
Committed	360,372	605,342	914,525	721,199
Assigned	1,061,126	711,663	630,353	362,947
Unassigned (Deficit)	(7,875,772)	(8,249,154)	(13,835,549)	(8,098,171)
Total All Other Governmental Funds (Deficit)	143,500	(1,026,653)	(6,941,353)	(2,353,702)
Total Governmental Funds (Deficit)	\$9,725,453	\$7,250,566	(\$667,781)	\$2,664,307

Note: During 2010, the City implemented GASB 54.

2014	2013	2012	2011	2010	2009
\$202,048	\$1,168,421	\$1,170,558	\$1,250,272	\$25,615	\$23,773
0	0	0	0	974,616	973,798
863,715	341,665	1,742,480	107,024	83,948	50,844
4,290,707	4,569,321	6,058,076	7,509,648	8,632,072	6,854,374
5,356,470	6,079,407	8,971,114	8,866,944	9,716,251	7,902,789
228,638	242,741	201,058	178,349	166,340	151,638
5,927,793	6,055,705	6,180,850	4,539,257	8,171,553	8,058,375
594,804	417,020	497,513	565,102	186,029	598,223
244,226	307,741	683,639	39,389	86,605	214,528
(2,575,669)	(6,832,098)	(18,792,013)	(18,668,420)	(10,782,800)	(159,044)
4,419,792	191,109	(11,228,953)	(13,346,323)	(2,172,273)	8,863,720
\$9,776,262	\$6,270,516	(\$2,257,839)	(\$4,479,379)	\$7,543,978	\$16,766,509

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

	2018	2017	2016	2015
Revenues				
Property Taxes	\$4,941,026	\$4,507,570	\$4,412,562	\$4,197,012
Payments in Lieu of Taxes	1,946,184	1,490,985	1,156,913	663,744
Municipal Income Taxes	18,661,469	17,816,561	17,848,810	15,451,834
Charges for Services	2,243,007	2,076,575	2,168,666	1,710,546
Licenses and Permits	1,542,150	1,127,049	1,434,048	1,973,368
Fines and Forfeitures	213,004	153,008	145,250	281,221
Intergovernmental	2,787,589	2,923,261	2,773,270	4,791,149
Special Assessments	1,066,893	744,363	798,590	744,494
Interest	392,997	188,035	135,853	70,407
Contributions and Donations	73,377	93,230	36,850	39,475
Rentals	499,573	464,615	448,955	424,554
Miscellaneous	388,076	532,736	166,277	556,817
<i>Total Revenues</i>	<u>34,755,345</u>	<u>32,117,988</u>	<u>31,526,044</u>	<u>30,904,621</u>
Expenditures				
Current:				
General Government	4,172,613	3,514,261	3,780,366	3,625,119
Security of Persons and Property	11,403,635	10,699,681	10,015,974	9,827,877
Transportation	2,910,520	2,586,021	2,960,063	2,546,580
Community Environment	2,806,655	2,059,964	2,155,968	2,139,948
Basic Utility Services	0	0	0	0
Leisure Time Activities	1,636,582	1,832,622	1,302,536	1,123,760
Capital Outlay	3,360,689	4,450,283	15,364,564	13,047,443
Debt Service:				
Principal Retirement	7,242,175	7,756,574	2,912,141	2,621,565
Interest and Fiscal Charges	2,837,360	2,766,714	2,553,703	3,088,258
Bond Issuance Costs	0	215,598	295,316	0
<i>Total Expenditures</i>	<u>36,370,229</u>	<u>35,881,718</u>	<u>41,340,631</u>	<u>38,020,550</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,614,884)</u>	<u>(3,763,730)</u>	<u>(9,814,587)</u>	<u>(7,115,929)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	20,717	25,022	835,925	3,974
Inception of Capital Lease	0	0	117,535	0
Refunding Bonds Issued	0	1,975,000	26,834,600	0
General Obligation Bonds Issued	0	6,330,000	0	0
Special Assessment Bonds Issued	0	0	0	0
Premium on Bonds Issued	0	781,055	1,575,047	0
Notes Issued	3,900,000	4,400,000	5,075,000	0
Premium on Notes Issued	47,951	36,033	93,692	0
Loans Issued	0	0	57,414	0
Payment to Refunded Bond Escrow Agent	0	(1,930,457)	(28,106,714)	0
Transfers In	8,776,955	7,760,326	8,237,262	8,710,298
Transfers Out	(8,655,852)	(7,694,902)	(8,237,262)	(8,710,298)
<i>Total Other Financing Sources (Uses)</i>	<u>4,089,771</u>	<u>11,682,077</u>	<u>6,482,499</u>	<u>3,974</u>
Special Item	0	0	0	0
<i>Net Change in Fund Balances</i>	<u>\$2,474,887</u>	<u>\$7,918,347</u>	<u>(\$3,332,088)</u>	<u>(\$7,111,955)</u>
Debt Service as a Percentage of Noncapital Expenditures	30.3%	33.7%	20.6%	22.7%

2014	2013	2012	2011	2010	2009
\$4,234,545	\$4,043,296	\$4,388,175	\$4,506,378	\$4,248,951	\$4,330,690
2,535,911	2,373,141	2,150,075	1,701,068	1,319,031	668,139
14,129,864	13,227,628	12,036,712	10,555,273	9,710,548	9,378,759
1,383,468	2,563,870	3,018,040	811,160	617,297	903,298
1,472,885	1,110,765	770,884	742,571	1,090,059	745,232
262,517	188,494	399,610	203,505	147,987	115,165
2,247,864	2,612,270	2,953,599	3,286,920	3,296,064	3,672,996
837,217	2,026,513	481,394	410,752	249,816	240,379
124,974	(17,879)	154,534	64,712	293,374	315,399
4,606	1,803	0	625	5,000	6,575
422,160	411,833	391,088	380,000	380,000	328,361
562,343	258,330	302,223	453,527	227,322	1,165,347
28,218,354	28,800,064	27,046,334	23,116,491	21,585,449	21,870,340
4,585,168	4,795,581	4,528,308	3,644,554	3,451,160	2,824,337
9,752,745	9,457,216	8,751,701	8,403,805	7,834,770	7,526,545
2,809,212	2,382,597	2,235,594	2,474,040	2,035,160	1,982,203
1,742,815	1,510,405	1,439,019	1,268,823	1,204,080	1,386,408
0	0	8,587	46,497	15,286	14,838
1,119,428	1,614,582	1,272,269	1,350,087	840,942	986,909
4,350,175	5,836,420	10,969,183	3,816,253	11,799,587	23,767,231
2,602,713	2,443,614	2,051,057	7,530,941	7,326,169	40,432,357
3,226,688	2,740,512	2,380,527	2,363,849	2,191,887	2,009,751
106,786	176,031	206,242	178,073	0	0
30,295,730	30,956,958	33,842,487	31,076,922	36,699,041	80,930,579
(2,077,376)	(2,156,894)	(6,796,153)	(7,960,431)	(15,113,592)	(59,060,239)
22,322	25,141	0	0	0	0
0	0	0	0	0	0
0	0	0	2,620,000	0	0
5,235,000	8,735,028	11,575,392	5,760,000	0	32,890,000
0	3,084,972	3,734,608	0	0	0
211,786	556,031	536,863	133,036	0	376,678
0	0	0	0	5,675,000	5,600,000
0	0	0	0	51,870	0
114,014	32,423	97,167	0	0	0
0	0	(2,656,706)	(2,613,042)	0	0
8,700,814	11,872,993	8,410,863	9,652,720	11,341,838	8,676,343
(8,700,814)	(11,848,019)	(8,384,852)	(9,670,948)	(11,177,647)	(8,970,731)
5,583,122	12,458,569	13,313,335	5,881,766	5,891,061	38,572,290
0	(1,773,320)	(4,295,642)	(9,944,692)	0	0
\$3,505,746	\$8,528,355	\$2,221,540	(\$12,023,357)	(\$9,222,531)	(\$20,487,949)
22.3%	18.7%	17.9%	37.1%	33.4%	73.2%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2018	\$664,126,710	\$170,230,710	\$2,383,878,343	\$16,527,770	\$18,781,557
2017	647,599,910	168,351,740	2,331,290,429	15,573,110	17,696,716
2016	633,809,990	168,060,590	2,291,058,800	14,083,250	16,003,693
2015	573,754,960	168,064,920	2,119,485,371	13,371,550	15,194,943
2014	559,668,300	170,425,410	2,085,982,029	12,652,910	14,378,307
2013	550,176,210	169,038,370	2,054,898,800	11,582,520	13,161,955
2012	591,340,020	170,542,580	2,176,807,429	10,591,870	12,036,216
2011	577,927,270	191,542,460	2,198,484,943	10,293,520	11,697,182
2010	567,702,900	176,422,410	2,126,072,314	9,888,710	11,237,170
2009	578,232,900	170,637,860	2,139,630,743	9,597,120	10,905,818

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property tax has been phased out, and during the phase out period, all general business tangible personal property was assessed at 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies, at 5 percent for 2010. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers, (except telephone companies whose last year to pay tangible personal property tax was 2010).

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

Source: Lorain County, Ohio; County Auditor

Tangible Personal Property							
General Business		Total		Ratio	Total Tax Rate (mills)	Weighted Average (mills)	
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
\$0	\$0	\$850,885,190	\$2,402,659,900	35.41 %	\$9.15	\$6.39411	
0	0	831,524,760	2,348,987,144	35.40	9.15	6.76476	
0	0	815,953,830	2,307,062,493	35.37	9.15	6.62286	
0	0	755,191,430	2,134,680,315	35.38	9.15	6.62119	
0	0	742,746,620	2,100,360,335	35.36	9.15	6.86823	
0	0	730,797,100	2,068,060,755	35.34	9.24	6.98198	
0	0	772,474,470	2,188,843,645	35.29	9.23	6.99379	
0	0	779,763,250	2,210,182,125	35.28	9.25	6.92930	
388,577	3,108,616	754,402,597	2,140,418,101	35.25	9.27	7.12247	
407,606	3,260,848	758,875,486	2,153,797,409	35.23	9.26	7.06874	

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

	2018	2017	2016	2015
Unvoted Millage				
Operating	\$2.30000	\$2.30000	\$2.30000	\$2.30000
Police Pension	0.30000	0.30000	0.30000	0.30000
<i>Total Unvoted Millage</i>	<i>2.60000</i>	<i>2.60000</i>	<i>2.60000</i>	<i>2.60000</i>
Voted Millage - by levy				
1984 Police				
General Business and Public Utility Personal	2.00000	2.00000	2.00000	2.00000
Residential/Agricultural Real	0.49651	0.55284	0.55445	0.55535
Commercial/Industrial and Public Utility Real	0.59922	0.63098	0.63243	0.63513
1994 Bond	0.00000	0.00000	0.00000	0.00000
1996 Library				
General Business and Public Utility Personal	1.20000	1.20000	1.20000	1.20000
Residential/Agricultural Real	0.50405	0.56123	0.56287	0.56378
Commercial/Industrial and Public Utility Real	0.44080	0.46416	0.46523	0.46721
2002 Fire - 5 years (2)				
General Business and Public Utility Personal	0.00000	0.00000	0.50000	0.50000
Residential/Agricultural Real	0.00000	0.00000	0.37738	0.37799
Commercial/Industrial and Public Utility Real	0.00000	0.00000	0.24401	0.24505
2017 Fire - 5 years				
General Business and Public Utility Personal	0.50000	0.50000	0.00000	0.00000
Residential/Agricultural Real	0.44775	0.49854	0.00000	0.00000
Commercial/Industrial and Public Utility Real	0.47374	0.49885	0.00000	0.00000
2007 Police - 10 years (4)				
General Business and Public Utility Personal	0.50000	0.50000	0.50000	0.50000
Residential/Agricultural Real	0.41227	0.45904	0.46038	0.46113
Commercial/Industrial and Public Utility Real	0.35029	0.36885	0.36970	0.37128
2008 Park & Recreation - 5 years (3)				
General Business and Public Utility Personal	0.45000	0.45000	0.45000	0.45000
Residential/Agricultural Real	0.37104	0.41314	0.41434	0.41502
Commercial/Industrial and Public Utility Real	0.31526	0.33196	0.33273	0.33415
2008 Street Improvement - 10 years (5)				
General Business and Public Utility Personal	1.90000	1.90000	1.90000	1.90000
Residential/Agricultural Real	1.56663	1.74436	1.74945	1.75229
Commercial/Industrial and Public Utility Real	1.33109	1.40163	1.40487	1.41086
<i>Total Voted Millage by Type of Property</i>				
General Business and Public Utility Personal	6.55000	6.55000	6.55000	6.55000
Residential/Agricultural Real	3.79825	4.22915	4.11888	4.12556
Commercial/Industrial and Public Utility Real	3.51040	3.69643	3.44898	3.46369
<i>Total Millage by Type of Property</i>				
General Business and Public Utility Personal	\$9.15000	\$9.15000	\$9.15000	\$9.15000
Residential/Agricultural Real	6.39825	6.82915	6.71888	6.72556
Commercial/Industrial and Public Utility Real	6.11040	6.29643	6.04898	6.06369
<i>Total Weighted Average Tax Rate</i>	<i>\$6.39411</i>	<i>\$6.76476</i>	<i>\$6.62286</i>	<i>\$6.62119</i>

2014	2013	2012	2011	2010	2009
\$2.30000	\$2.30000	\$2.30000	\$2.30000	\$2.30000	\$2.30000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
2.60000	2.60000	2.60000	2.60000	2.60000	2.60000
2.00000	2.00000	2.00000	2.00000	2.00000	2.00000
0.59993	0.60160	0.60220	0.55225	0.55410	0.53226
0.63809	0.65150	0.66340	0.69723	0.81900	0.82591
0.00000	0.09200	0.08000	0.10000	0.12000	0.11000
1.20000	1.20000	1.20000	1.20000	1.20000	1.20000
0.60904	0.61070	0.61130	0.56064	0.56250	0.54034
0.46939	0.47920	0.48800	0.51289	0.60250	0.60760
0.50000	0.50000	0.50000	0.50000	0.50000	0.50000
0.40833	0.40940	0.40980	0.37588	0.37710	0.36220
0.24620	0.25140	0.26000	0.26901	0.31600	0.31870
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.50000	0.50000	0.50000	0.50000	0.50000	0.50000
0.49815	0.49950	0.50000	0.49837	0.50000	0.49570
0.37301	0.38090	0.38780	0.40758	0.47880	0.48280
0.45000	0.45000	0.45000	0.45000	0.45000	0.45000
0.44833	0.44950	0.45000	0.44853	0.45000	0.44950
0.33571	0.34280	0.34900	0.36682	0.43090	0.43450
1.90000	1.90000	1.90000	1.90000	1.90000	1.90000
1.89296	1.89810	1.90000	1.89380	1.90000	1.89790
1.41743	1.44730	1.47360	1.54880	1.81930	1.83470
6.55000	6.64200	6.63000	6.65000	6.67000	6.66000
4.45673	4.56080	4.55330	4.42947	4.46370	4.38790
3.47981	3.64510	3.70180	3.90234	4.58650	4.61421
\$9.15000	\$9.24200	\$9.23000	\$9.25000	\$9.27000	\$9.26000
7.05673	7.16080	7.15330	7.02947	7.06370	6.98790
6.07981	6.24510	6.30180	6.50234	7.18650	7.21421
\$6.86823	\$6.98198	\$6.99379	\$6.92930	\$7.12247	\$7.06874

(continued)

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

	2018	2017	2016	2015
Overlapping Rates by Taxing District:				
Avon Local School District				
General Business and Public Utility Personal	\$55.35200	\$57.45000	\$57.93000	\$58.53000
Residential/Agricultural Real	37.97338	40.73049	41.25673	41.88248
Commercial/Industrial and Public Utility Real	37.70134	39.83640	40.31810	40.92124
Lorain County Voted Millage				
General Business and Public Utility Personal	15.08200	15.08200	15.08200	15.08200
Residential/Agricultural Real	13.18814	14.18175	14.20059	14.20966
Commercial/Industrial and Public Utility Real	13.06375	14.48742	14.41649	14.37154
Special Taxing Districts (1)				
General Business and Public Utility Personal	2.95000	2.95000	3.45000	3.45000
Residential/Agricultural Real	2.49885	2.71516	3.17286	3.17538
Commercial/Industrial and Public Utility Real	2.44513	2.59437	3.02708	3.01105

Source: Lorain County Auditor

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

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

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

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

- (1) Health District, Joint Vocational School
- (2) The 1997 Fire levy was renewed in 2002, and then replaced in 2017
- (3) The 1998 Parks & Recreation levy was renewed in 2003 and 2008.
- (4) The 1997 Police levy was renewed in 2007.
- (5) The 1998 Street Improvement levy was renewed in 2008

2014	2013	2012	2011	2010	2009
\$56.83000	\$57.03000	\$57.28000	\$56.57000	\$50.49000	\$50.44000
41.45910	41.70590	41.97290	39.83377	33.80550	33.13120
39.22470	39.44030	39.70420	39.03372	33.09590	33.05389
14.48200	14.48200	13.65500	13.69000	13.39000	13.39000
14.08570	14.09270	12.85340	12.22255	11.53460	10.93800
13.77480	13.71860	12.51930	12.48408	11.97180	11.84360
3.45000	3.45000	3.45000	3.45000	3.45000	3.45000
3.31090	3.31370	3.31610	3.11836	3.11540	2.99490
3.01670	2.98580	2.98470	2.97790	3.01200	2.98470

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

<u>Tax Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collection to Current Tax Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections (1)</u>
2017	\$5,286,919	\$5,210,028	98.55%	\$260,962	\$5,470,990
2016	5,050,472	4,918,505	97.39	79,460	4,997,965
2015	5,066,557	4,863,588	95.99	83,497	4,947,085
2014	4,748,618	4,547,681	95.77	36,904	4,584,585
2013	4,750,344	4,694,267	98.82	54,351	4,748,618
2012	4,674,336	4,489,505	96.05	76,128	4,565,633
2011	4,931,999	4,858,738	98.51	93,250	4,951,988
2010	5,208,709	5,509,845	105.78	35,867	5,545,712
2009	4,935,250	4,573,721	92.67	94,251	4,667,972
2008	4,936,187	4,531,143	91.79	144,098	4,675,241

Source: Lorain County, Ohio; County Auditor

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

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

Percent of Total Tax Collection to Current Tax Levy	Accumulated Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Total Tax Levy
103.48%	\$61,558	1.16%
98.96	82,782	1.64
97.64	127,240	2.51
96.55	159,993	3.37
99.96	181,775	3.83
97.67	165,855	3.55
100.41	148,792	3.02
106.47	73,805	1.42
94.58	231,539	4.69
94.71	190,617	3.86

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

2018		
Taxpayer	Real Property Assessed Valuation (1)	Percentage
First Interstate Avon, LTD	\$21,017,810	2.52 %
Avon Senior Living	10,208,140	1.23
JG Avon LLC	10,203,550	1.22
Cleveland Electric Illuminating Company	8,840,860	1.06
AERC Avon, LLC	7,943,230	0.95
ILPT Avon, LLC	7,350,000	0.88
HTA Avon Hospital, LLC	7,029,710	0.84
Orion Properties	6,878,790	0.82
Vereit Real Estate LP	6,061,440	0.73
FPG Avon Limited	5,885,780	0.71
Total	\$91,419,310	10.96 %
Total Real Property Assessed Valuation	\$834,357,420	

2009		
Taxpayer	Real Property Assessed Valuation (1)	Percentage
First Interstate Avon, LTD	\$17,776,050	2.37 %
Henkel Consumer	10,278,290	1.37
Franciscan Communities	7,195,020	0.96
AERC Avon, LLC	7,123,310	0.95
Cleveland Electric Illuminating Company	6,890,280	0.92
Timberlake Apartments	5,695,910	0.76
Comprehensive Healthcare of Ohio	4,701,630	0.63
Wal Mart Real Estate Business Trust	4,701,280	0.63
Chester Properties, LTD	4,565,100	0.61
First Interstate Avon, LTD	4,194,480	0.56
Total	\$73,121,350	9.76 %
Total Real Property Assessed Valuation	\$748,870,760	

Source: Lorain County, Ohio; County Auditor

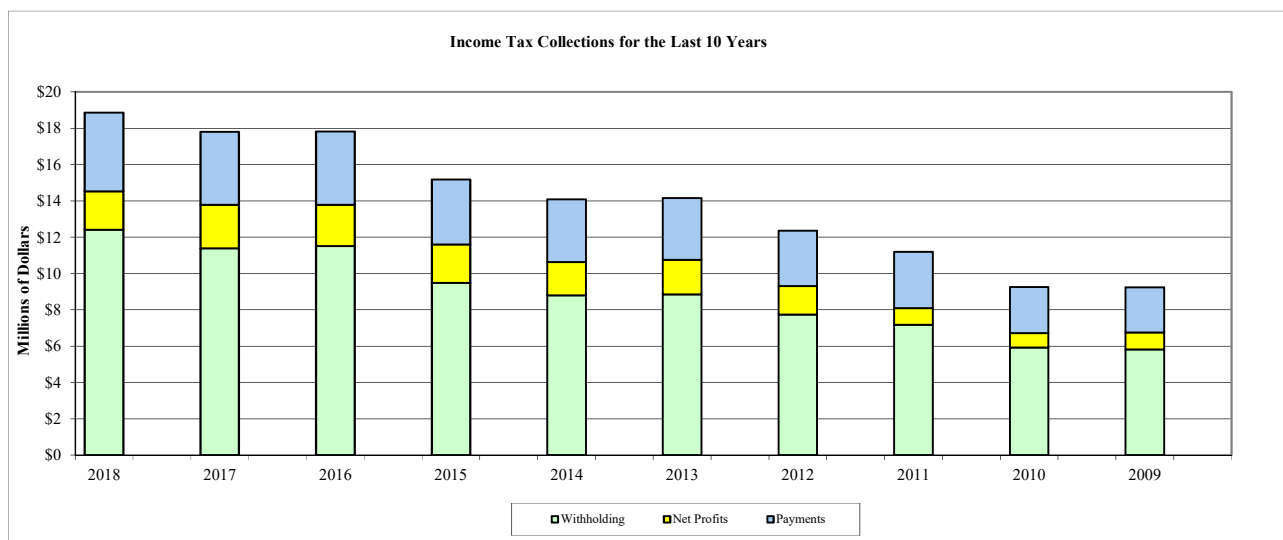
(1) The amounts presented represent the assessed values upon which 2018 and 2009 collections were based.

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

Collection Year	Tax Rate	Total Tax Collected (1)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individual Payments	Percentage of Taxes from Individual Payments
2018	1.75%	\$18,852,519	\$12,408,728	65.82%	\$2,120,908	11.25%	\$4,322,883	22.93%
2017	1.75	17,802,905	11,386,738	63.96	2,392,710	13.44	4,023,457	22.60
2016	1.75	17,823,599	11,505,133	64.55	2,276,074	12.77	4,042,392	22.68
2015	1.75	15,166,934	9,485,401	62.54	2,112,754	13.93	3,568,780	23.53
2014	1.75	14,074,841	8,803,813	62.55	1,833,952	13.03	3,437,076	24.42
2013	1.75	14,151,916	8,844,948	62.50	1,916,169	13.54	3,390,799	23.96
2012	1.75	12,354,791	7,731,628	62.58	1,581,413	12.80	3,041,750	24.62
2011	1.75	11,198,984	7,184,484	64.15	916,189	8.18	3,098,311	27.67
2010	1.75	9,258,808	5,932,674	64.08	784,221	8.47	2,541,913	27.45
2009	1.75	9,242,956	5,822,877	63.00	935,017	10.12	2,485,061	26.88

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

(1) Accrual Basis



City of Avon, Ohio

Income Tax Statistics

Last Ten Years

Tax Year	Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
2017	\$0 - 24,999	2,023	25.25 %	\$18,339,331	1.91 %
2017	25,000 - 49,999	972	12.13	35,818,580	3.74
2017	50,000 - 74,999	817	10.20	50,648,328	5.28
2017	75,000 - 99,999	713	8.90	62,269,673	6.49
2017	Over 100,000	3,487	43.52	791,755,772	82.58
	Total	8,012		\$958,831,684	
2016	\$0 - 24,999	2,041	26.08 %	\$18,922,573	2.14 %
2016	25,000 - 49,999	942	12.04	35,065,354	3.97
2016	50,000 - 74,999	773	9.88	48,113,426	5.45
2016	75,000 - 99,999	748	9.56	64,842,877	7.34
2016	Over 100,000	3,323	42.44	715,940,744	81.10
	Total	7,827		\$882,884,974	
2015	\$0 - 24,999	1,921	25.13 %	\$17,654,809	2.03 %
2015	25,000 - 49,999	952	12.46	35,379,461	4.07
2015	50,000 - 74,999	785	10.27	49,049,486	5.65
2015	75,000 - 99,999	735	9.62	64,018,859	7.37
2015	Over 100,000	3,250	42.52	702,750,502	80.88
	Total	7,643		\$868,853,117	
2014	\$0 - 24,999	1,838	24.81 %	\$17,061,544	2.14 %
2014	25,000 - 49,999	919	12.41	34,214,734	4.30
2014	50,000 - 74,999	812	10.96	50,502,423	6.34
2014	75,000 - 99,999	791	10.68	68,780,514	8.63
2014	Over 100,000	3,048	41.14	626,035,615	78.59
	Total	7,408		\$796,594,830	
2013	\$0 - 24,999	1,824	24.94 %	\$17,314,080	2.27 %
2013	25,000 - 49,999	967	13.22	36,038,652	4.73
2013	50,000 - 74,999	842	11.51	52,691,022	6.91
2013	75,000 - 99,999	776	10.61	67,801,465	8.89
2013	Over 100,000	2,906	39.73	588,594,129	77.20
	Total	7,315		\$762,439,348	

(continued)

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

Tax Year	Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
2012	\$0 - 24,999	1,759	25.02 %	\$16,842,101	2.33 %
2012	25,000 - 49,999	924	13.14	34,254,980	4.74
2012	50,000 - 74,999	844	12.01	53,186,130	7.36
2012	75,000 - 99,999	784	11.15	68,562,392	9.49
2012	Over 100,000	2,719	38.68	549,889,680	76.08
	Total	7,030		\$722,735,283	
2011	\$0 - 24,999	1,700	24.85 %	\$16,127,434	2.42 %
2011	25,000 - 49,999	917	13.41	33,904,856	5.09
2011	50,000 - 74,999	840	12.28	52,554,531	7.89
2011	75,000 - 99,999	787	11.51	68,587,179	10.30
2011	Over 100,000	2,596	37.95	494,819,519	74.30
	Total	6,840		\$665,993,519	
2010	\$0 - 24,999	1,722	25.59 %	\$16,658,792	2.69 %
2010	25,000 - 49,999	912	13.55	33,707,542	5.45
2010	50,000 - 74,999	932	13.85	58,240,162	9.41
2010	75,000 - 99,999	794	11.80	69,330,417	11.20
2010	Over 100,000	2,370	35.21	440,989,347	71.25
	Total	6,730		\$618,926,260	
2009	\$0 - 24,999	1,727	25.88 %	\$16,838,135	2.90 %
2009	25,000 - 49,999	973	14.58	36,223,361	6.23
2009	50,000 - 74,999	897	13.44	56,187,628	9.67
2009	75,000 - 99,999	826	12.38	71,685,920	12.34
2009	Over 100,000	2,251	33.72	400,195,682	68.86
	Total	6,674		\$581,130,726	
2008	\$0 - 24,999	1,739	26.11 %	\$17,229,483	3.09 %
2008	25,000 - 49,999	967	14.52	35,954,446	6.43
2008	50,000 - 74,999	976	14.65	60,897,408	10.90
2008	75,000 - 99,999	776	11.65	67,571,451	12.09
2008	Over 100,000	2,203	33.07	377,157,371	67.49
	Total	6,661		\$558,810,159	

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

As of December 31, 2018, year 2018 information has not been compiled.

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

Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2018	\$62,209,618	2.59 %	\$2,935
2017	64,771,523	2.76	3,056
2016	67,136,120	2.91	3,168
2015	66,875,295	3.13	3,156
2014	69,197,678	3.29	3,265
2013	66,059,675	3.19	3,117
2012	59,049,585	2.70	2,786
2011	47,759,093	2.16	2,254
2010	43,406,999	2.03	2,048
2009	44,931,915	2.09	2,496

Year	Business-Type Activities Debt		
	General Obligation Bonds	Special Assessment Bonds	Avon Lake Debt
2018	\$3,478,541	\$1,129,124	\$281,488
2017	3,532,588	1,139,828	309,471
2016	3,585,719	1,150,532	335,952
2015	3,601,868	1,157,669	361,012
2014	3,639,825	1,164,806	385,452
2013	3,676,764	1,171,813	539,171
2012	3,701,211	1,174,762	684,008
2011	351,623	0	821,698
2010	419,158	0	952,191
2009	490,581	0	1,074,817

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

Source:

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

Governmental Activities Debt				
General Obligation Bonds	Special Assessment Bonds	Bond Anticipation Notes	OPWC Loans	Capital Lease
\$58,731,077	\$14,169,142	\$3,947,951	\$331,167	\$48,761
61,238,935	14,651,144	4,436,033	349,860	71,994
63,550,401	7,835,346	5,168,692	377,768	94,495
63,273,427	8,205,732	0	345,137	0
65,557,853	8,603,358	0	366,796	0
62,382,911	8,989,810	0	274,441	0
55,348,374	6,125,921	0	263,028	0
47,407,470	2,720,771	0	182,336	0
42,987,841	2,959,042	5,726,870	198,811	0
44,441,334	3,208,858	5,600,000	215,286	0

Business-Type Activities Debt					
Bond Anticipation Notes	OWDA Loans	Capital Lease	Total Debt (3)	Percentage of Personal Income (2)	Per Capita (2)
\$4,250,000	\$0	\$289,415	\$86,656,666	11.84 %	\$4,089
7,250,000	0	411,903	93,391,756	12.76	4,407
9,250,000	0	156,080	91,504,985	12.50	4,318
10,950,000	0	202,848	88,097,693	12.04	4,157
9,300,000	0	248,320	89,266,410	12.20	4,212
0	0	0	77,034,910	10.52	3,635
0	38,610	0	67,335,914	9.20	3,177
0	173,081	0	51,656,979	7.06	2,437
0	301,923	0	53,545,836	7.32	2,527
0	425,464	0	55,456,340	10.87	3,081

City of Avon, Ohio
Legal Debt Margin
Last Ten Years

	2018	2017	2016	2015
Total Assessed Property Value	<u>\$850,885,190</u>	<u>\$831,524,760</u>	<u>\$815,953,830</u>	<u>\$755,191,430</u>
General Bonded Debt Outstanding:				
General Obligation Notes/Bonds	\$62,209,618	\$74,092,780	\$78,892,362	\$76,440,382
General Obligation Revenue Notes/Bonds	0	0	0	0
Special Assessment Bonds	15,298,266	14,872,220	8,837,638	9,204,618
Bond Anticipation Notes	11,929,172	8,175,000	15,180,000	8,500,000
Bond Anticipation Notes Enterprise	7,250,000	1,900,000	1,700,000	1,350,000
OPWC Loans	331,167	349,860	377,768	345,137
OWDA Loans	0	0	0	0
Contractual Debt Obligation	<u>281,488</u>	<u>309,471</u>	<u>335,952</u>	<u>361,012</u>
Total Gross Indebtedness	97,299,711	99,699,331	105,323,720	96,201,149
Less Exempt Outstanding:				
General Obligation Bonds	(59,826,092)	(66,265,760)	(68,711,211)	(65,011,270)
General Obligation Revenue Notes/Bonds	0	(7,350,000)	(9,250,000)	0
Special Assessment Bonds	(15,298,266)	(14,872,220)	(8,837,638)	(9,204,618)
Bond Anticipation Notes	(11,929,172)	(8,175,000)	(15,180,000)	(8,500,000)
Bond Anticipation Notes Enterprise	(7,250,000)	(1,900,000)	(1,700,000)	(1,350,000)
OPWC Loans	(331,167)	(349,860)	(377,768)	(345,137)
OWDA Loans	0	0	0	0
Contractual Debt Obligation	(281,488)	(309,471)	(335,952)	(361,012)
General Obligation Bond Retirement Fund Balance	<u>(289,310)</u>	<u>(195,853)</u>	<u>(182,973)</u>	<u>(153,061)</u>
Total Net Debt Applicable to Debt Limit	<u>2,094,216</u>	<u>281,167</u>	<u>748,178</u>	<u>11,276,051</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>89,342,945</u>	<u>87,310,100</u>	<u>85,675,152</u>	<u>79,295,100</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$87,248,729</u>	<u>\$87,028,933</u>	<u>\$84,926,974</u>	<u>\$68,019,049</u>
Legal Debt Margin as a Percentage of the Debt Limit	97.66%	99.68%	99.13%	85.78%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$46,798,685</u>	<u>\$45,733,862</u>	<u>\$44,877,461</u>	<u>\$41,535,529</u>
Total Gross Indebtedness	97,299,711	99,699,331	105,323,720	96,201,149
Less Exempt Outstanding:				
General Obligation Bonds	(59,826,092)	(66,265,760)	(68,711,211)	(65,011,270)
General Obligation Revenue Notes/Bonds	0	(7,350,000)	(9,250,000)	0
Special Assessment Bonds	(15,298,266)	(14,872,220)	(8,837,638)	(9,204,618)
Bond Anticipation Notes	(11,929,172)	(8,175,000)	(15,180,000)	(8,500,000)
Bond Anticipation Notes Enterprise	(7,250,000)	(1,900,000)	(1,700,000)	(1,350,000)
OPWC Loans	(331,167)	(349,860)	(377,768)	(345,137)
OWDA Loans	0	0	0	0
Contractual Debt Obligation	(281,488)	(309,471)	(335,952)	(361,012)
General Obligation Bond Retirement Fund Balance	<u>(289,310)</u>	<u>(195,853)</u>	<u>(182,973)</u>	<u>(153,061)</u>
Net Debt Within 5 ½ % Limitations	<u>2,094,216</u>	<u>281,167</u>	<u>748,178</u>	<u>11,276,051</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$44,704,469</u>	<u>\$45,452,695</u>	<u>\$44,129,283</u>	<u>\$30,259,478</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	95.53%	99.39%	98.33%	72.85%

Source: City Financial Records and Prior Year CAFRs

2014	2013	2012	2011	2010	2009
<u>\$742,746,620</u>	<u>\$730,797,100</u>	<u>\$772,474,470</u>	<u>\$779,763,250</u>	<u>\$754,402,597</u>	<u>\$758,875,486</u>
\$77,041,162	\$72,928,246	\$58,098,800	\$47,348,171	\$42,987,841	\$44,441,334
0	0	0	67,200	130,200	193,200
9,598,838	9,981,754	7,261,200	2,657,553	2,959,042	3,208,858
7,500,000	8,180,000	19,490,000	28,945,000	5,675,000	5,600,000
500,000	0	0	0	0	0
366,796	274,441	263,028	182,336	198,811	215,286
0	0	38,610	173,081	301,923	425,464
385,452	539,171	684,008	821,698	952,191	1,074,817
95,392,248	91,903,612	85,835,646	80,195,039	53,205,008	55,158,959
(50,416,381)	(54,490,082)	(40,484,768)	(30,865,000)	(31,675,000)	(32,970,000)
0	0	0	(67,200)	(130,200)	(193,200)
(9,598,838)	(9,981,754)	(7,261,200)	(2,657,553)	(2,959,042)	(3,208,858)
(7,500,000)	(8,180,000)	(19,490,000)	(28,945,000)	(5,675,000)	(5,600,000)
(500,000)	0	0	0	0	0
(366,796)	(274,441)	(263,028)	(182,336)	(198,811)	(215,286)
0	0	(38,610)	(173,081)	(301,923)	(425,464)
(385,452)	(539,171)	(684,008)	(821,698)	(952,191)	(1,074,817)
(96,577)	(63,560)	(102,117)	(44,968)	(64,469)	(52,292)
26,528,204	18,374,604	17,511,915	16,438,203	11,248,372	11,419,042
77,988,395	76,733,696	81,109,819	81,875,141	79,212,273	79,681,926
<u>\$51,460,191</u>	<u>\$58,359,092</u>	<u>\$63,597,904</u>	<u>\$65,436,938</u>	<u>\$67,963,901</u>	<u>\$68,262,884</u>
65.98%	76.05%	78.41%	79.92%	85.80%	85.67%
<u>\$40,851,064</u>	<u>\$40,193,841</u>	<u>\$42,486,096</u>	<u>\$42,886,979</u>	<u>\$41,492,143</u>	<u>\$41,738,152</u>
95,392,248	91,903,612	85,835,646	80,195,039	53,205,008	55,158,959
(50,416,381)	(54,490,082)	(40,484,768)	(30,865,000)	(31,675,000)	(32,970,000)
0	0	0	(67,200)	(130,200)	(193,200)
(9,598,838)	(9,981,754)	(7,261,200)	(2,657,553)	(2,959,042)	(3,208,858)
(7,500,000)	(8,180,000)	(19,490,000)	(28,945,000)	(5,675,000)	(5,600,000)
(500,000)	0	0	0	0	0
(366,796)	(274,441)	(263,028)	(182,336)	(198,811)	(215,286)
0	0	(38,610)	(173,081)	(301,923)	(425,464)
(385,452)	(539,171)	(684,008)	(821,698)	(952,191)	(1,074,817)
(96,577)	(63,560)	(102,117)	(44,968)	(64,469)	(52,292)
26,528,204	18,374,604	17,511,915	16,438,203	11,248,372	11,419,042
<u>\$14,322,860</u>	<u>\$21,819,237</u>	<u>\$24,974,181</u>	<u>\$26,448,776</u>	<u>\$30,243,771</u>	<u>\$30,319,110</u>
35.06%	54.29%	58.78%	61.67%	72.89%	72.64%

City of Avon, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2018

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to the City of Avon
Direct - City of Avon:			
General Obligation Bonds	\$58,731,077	100.00%	\$58,731,077
Special Assessment Bonds	14,169,142	100.00%	14,169,142
General Obligation Notes	3,947,951	100.00%	3,947,951
OPWC Loans	331,167	100.00%	331,167
Capital Lease	48,761	100.00%	48,761
<i>Total Direct Debt</i>	<u>77,228,098</u>		<u>77,228,098</u>
Overlapping:			
Avon Local School District			
General Obligation Bonds	61,988,163	100.00%	61,988,163
Capital Leases	173,134	100.00%	173,134
Lorain County			
General Obligation Bonds	<u>22,275,000</u>	11.99%	<u>2,670,773</u>
<i>Total Overlapping Debt</i>	<u>84,436,297</u>		<u>64,832,070</u>
Total	<u><u>\$161,664,395</u></u>		<u><u>\$142,060,168</u></u>

Source: Lorain County, Ohio; County Auditor

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

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

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

Year	Sewer Operating Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2018	\$0	\$0	\$0	\$0	\$0	0.00
2017	0	0	0	0	0	0.00
2016	0	0	0	0	0	0.00
2015	0	0	0	0	0	0.00
2014	0	0	0	0	0	0.00
2013	1,794,967	1,526,056	268,911	38,610	752	6.83
2012	1,865,750	956,508	909,242	134,471	13,692	6.14
2011	1,646,944	1,028,665	618,279	128,842	16,612	4.25
2010	1,360,364	1,240,708	119,656	123,541	16,612	0.85
2009	1,629,741	1,526,181	103,560	118,542	21,447	0.74

Note: During 2013, the City paid down the outstanding OWDA debt in the sewer fund; therefore, the City has no pledged revenue in 2018.

(1) Revenues include interest and operating grants.

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

Source: City Financial Records

(This Page Intentionally Left Blank.)

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

2018			
Employer	Employees	Percentage of Total City Employment	
Cleveland Clinic Foundation	801	3.99	%
Avon Local School District	742	3.69	
ShurTech Brands, LLC	455	2.26	
Technifab	331	1.65	
A.J. Rose Manufacturing Company	319	1.59	
Costco Wholesale	292	1.45	
Flavorseal, LLC	246	1.22	
City of Avon	188	0.94	
Jenne Distributors, Incorporated	161	0.80	
Parker Hannifin Corporation	117	0.58	
Total	3,652	18.17	%
Total Estimated Employment within the City	20,100		

2009			
Employer	Employees	Percentage of Total City Employment	
Henkel Consumer	545	4.50	%
Our Lady of the Wayside Nursing Home	365	3.01	
Avon Local School District	353	2.91	
Willoway Nurseries, Incorporated	275	2.27	
Walmart	247	2.04	
City of Avon	172	1.42	
A.J. Rose Manufacturing Company	168	1.39	
Good Samaritan Nursing Home	160	1.32	
Costco Wholesale	140	1.16	
Parker Hannifin Corporation	102	0.84	
Total	2,527	20.86	%
Total Estimated Employment within the City	12,116		

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

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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita	Median Household Income (1)	Median Age (1)
2018	21,193	\$731,963,834	\$34,538	\$75,951	38
2017	21,193	731,963,834	34,538	75,951	38
2016	21,193	731,963,834	34,538	75,951	38
2015	21,193	731,963,834	34,538	75,951	38
2014	21,193	731,963,834	34,538	75,951	38
2013	21,193	731,963,834	34,538	75,951	38
2012	21,193	731,963,834	34,538	75,951	38
2011	21,193	731,963,834	34,538	75,951	38
2010	21,193	731,963,834	34,538	75,951	38
2009	18,000	510,012,000	28,334	66,747	38

(1) Source: U. S. Census

(a) Year 2009 - 2000 Federal Census

(b) Years 2010 through 2018 - 2010 Federal Census

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

(3) Ohio Department of Job and Family Services

(4) Source: Lorain County Auditor

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

<u>Educational Attainment: Bachelor's Degree or Higher (1)</u>	<u>School Enrollment (2)</u>	<u>Lorain County Unemployment Rate (3)</u>	<u>Average Sales Price of Residential Property (4)</u>	<u>Total Assessed Property Value (4)</u>
32.3%	4,303	5.4%	\$260,000	\$850,885,190
32.3	4,277	4.5	260,000	831,524,760
32.3	4,277	4.5	260,000	815,953,830
32.3	4,246	4.5	260,000	755,191,430
32.3	4,102	5.7	260,000	742,746,620
32.3	4,153	9.3	260,000	730,797,100
32.3	4,076	7.0	260,000	772,474,470
32.3	4,078	7.7	260,000	779,763,250
32.3	3,976	8.8	260,000	754,402,597
32.3	3,580	9.4	245,000	758,875,486

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

Function/Program	2018	2017	2016	2015
General Government				
Council	5.50	5.50	5.50	5.50
Finance	3.50	4.50	4.00	4.00
Finance Director	1.00	1.00	1.00	1.00
Law	1.00	1.00	1.00	1.00
Mayor's Office	2.00	2.00	2.00	2.00
Human Resources	1.00	0.50	0.50	0.50
Planning	3.50	3.50	3.50	3.50
Civil Service	1.50	1.50	1.50	1.50
Court	1.50	1.50	1.50	1.50
Zoning	3.50	3.50	3.50	3.50
Information Technology	1.50	1.00	1.00	1.00
Senior Center	0.00	5.00	5.00	4.50
Engineering	0.50	0.50	0.50	0.50
Project Manager	0.00	0.00	0.00	0.00
Security of Persons and Property				
Police	37.00	37.50	36.00	35.00
Police - Dispatchers/Office/Other	10.50	9.00	8.50	8.50
Safety Director	0.00	0.00	0.00	0.00
Fire	35.00	33.00	33.00	34.00
Fire - Dispatchers/Office/Other	1.00	1.00	1.00	1.00
Leisure Time Activities				
Recreation and Parks	9.50	8.00	11.00	10.50
Landmarks Preservation	2.00	2.00	2.00	2.00
Community Development				
Building	10.00	9.00	9.50	9.50
Transportation				
Service/Street M&R	14.50	15.00	15.00	14.50
Basic Utility Services				
Water and Sewer	11.50	14.50	14.00	13.50
Totals:	157.00	160.00	160.50	158.50

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

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

Note: Some employees work in two different departments.

2014	2013	2012	2011	2010	2009
5.50	5.50	5.50	5.50	5.50	5.50
4.00	4.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00
0.50	0.50	0.00	0.00	0.00	0.00
3.50	3.50	3.50	3.50	3.50	3.50
1.50	1.50	1.50	1.50	1.50	1.50
1.50	1.50	1.50	1.50	1.50	1.50
3.50	3.50	3.50	3.50	3.50	3.50
0.00	1.00	1.00	1.00	0.00	0.00
4.00	3.50	3.50	3.50	3.00	3.00
1.00	1.00	1.00	1.00	0.00	0.00
1.00	1.00	1.00	1.00	0.00	1.00
32.50	31.00	32.00	31.00	34.00	34.00
10.50	10.50	10.50	9.00	10.50	10.50
0.00	0.00	0.00	0.00	0.00	0.50
32.50	32.00	32.00	33.00	32.00	30.00
1.00	1.00	1.00	1.00	1.00	1.00
12.00	12.50	12.50	14.00	14.50	15.50
2.00	2.00	2.00	2.00	2.00	2.00
7.00	7.00	7.00	7.50	7.50	6.50
15.50	18.00	16.00	15.00	15.50	15.00
12.00	11.00	12.00	10.50	9.50	10.50
155.00	155.50	155.00	153.00	153.00	153.00

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

Function/Program	2018	2017	2016	2015
Date of Incorporation as a Village 1917				
Date of Incorporation as a City 1961				
General Government				
<i>Council and Clerk</i>				
Number of Ordinances Passed	106	110	129	152
Number of Resolutions Passed	28	28	31	17
<i>Planning Commission/Zoning Board of Appeals</i>				
Number of Planning Commission docket items	63	78	104	91
Zoning Board of Appeals docket items	32	50	44	31
<i>Finance Department</i>				
Amount of checks written	\$65,263,801	\$69,985,588	\$75,766,185	\$68,238,526
Interest earnings for fiscal year (cash basis)	\$367,802	\$177,631	\$115,913	\$91,796
Number of Receipts issued	4,434	4,689	4,724	4,903
Number of Budget Adjustments issued	20	21	21	23
Agency Ratings - Moody's Financial Services	Aa2	Aa2	Aa1	Aa1
General Fund Receipts (cash basis in thousands)	\$15,485	\$13,642	\$12,994	\$13,000
General Fund Expenditures (cash basis in thousands)	\$13,184	\$11,793	\$12,704	\$13,494
General Fund Cash Balances including Income Tax (in thousands)	\$6,657	\$4,356	\$2,508	\$2,275
<i>Income Tax Department</i>				
Number of Annual withholding forms processed	27,988	26,872	24,849	22,758
Number of Business net profit forms processed	3,569	4,683	4,037	3,930
Number of Individual forms processed	18,777	20,034	19,389	20,378
Amount of Penalties and Interest Collected	N/A	N/A	N/A	N/A
Annual number of balance due/estimated payment forms processed	N/A	N/A	N/A	N/A
Annual number of reconciliations of withholdings processed	2,600	2,600	2,400	2,394
<i>Engineer Contracted Services</i>				
Dollar amount of Construction overseen by Engineer	\$1,353,520	\$3,406,934	\$12,287,508	\$12,707,077
<i>Mayor's Court</i>				
Number of Traffic cases	1,335	1,014	924	2,088
Number of Criminal cases	83	41	38	51
<i>Civil Service</i>				
Number of police entry tests administered	1	0	1	1
Number of fire entry tests administered	1	0	0	1
Number of police promotional tests administered	0	1	0	0
Number of fire promotional tests administered	0	0	0	3
Number of hires of Police Officers from certified lists	3	0	0	3
Number of hires of Fire/Medics from certified lists	2	0	0	1
Number of promotions from police certified lists	0	1	0	0
Number of promotions from fire certified lists	0	0	0	3
<i>Building Department Indicators</i>				
Single Family Permits issued	97	93	114	120
Commercial Permits issued	364	313	324	283
Estimated Value of Construction	\$146,173,751	\$86,499,932	\$93,180,158	\$135,229,296
Number of permits issued (all types)	1,302	1,261	1,886	1,590
Amount of Revenue generated from permits	\$3,138,639	\$2,388,517	\$3,128,862	\$2,280,180
Number of contractor registrations issued	1,155	1,146	979	865

2014	2013	2012	2011	2010	2009
142	137	134	116	113	132
23	35	33	22	39	18
111	131	78	76	60	74
23	26	14	17	17	20
\$49,976,640	\$59,114,557	\$79,149,951	\$53,594,606	\$42,389,310	\$37,724,785
\$73,481	\$71,310	\$80,715	\$95,029	\$112,699	\$231,386
4,684	4,306	3,584	3,687	4,018	3,658
22	29	22	35	32	26
Aa1	Aa1	Aa1	Aa1	Aa1	Aa2
\$12,542	\$12,554	\$11,224	\$12,821	\$13,284	\$9,254
\$12,885	\$13,269	\$10,739	\$15,015	\$11,466	\$9,029
\$2,769	\$3,113	\$3,828	\$3,343	\$5,570	\$3,752
20,184	19,814	18,616	16,323	13,275	11,009
4,077	3,466	3,279	2,893	2,075	1,882
19,000	18,887	17,504	17,619	8,883	12,204
N/A	N/A	N/A	N/A	\$125,422	\$88,437
N/A	N/A	N/A	8,874	10,195	11,165
2,184	1,957	1,917	1,862	N/A	1,251
\$5,415,017	\$2,107,283	\$4,022,623	\$9,550,735	\$1,899,519	\$2,471,597
2,260	1,233	784	1,103	982	880
59	40	41	40	62	44
0	0	2	0	0	1
0	0	1	0	0	0
0	0	2	1	0	0
0	0	1	0	0	0
1	1	4	0	1	5
0	1	2	0	1	1
0	1	3	1	0	0
0	0	0	0	5	2
128	122	96	113	146	115
270	217	131	228	137	109
\$190,769,916	\$88,664,341	\$72,114,502	\$40,702,895	\$113,771,043	\$47,821,980
1,540	1,142	1,112	1,199	1,112	1,022
\$2,451,429	\$1,199,584	\$847,201	\$972,849	\$1,464,343	\$506,654
788	862	810	769	932	609

(continued)

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

Function/Program	2018	2017	2016	2015
Security of Persons and Property				
Police				
Total Calls for Services	19,159	19,941	21,425	21,101
Number of traffic citations issued	1,127	1,786	1,368	2,399
Number of parking citations issued	126	54	42	458
Number of criminal arrests	607	707	364	529
Number of accident reports completed	646	601	669	731
Part 1 Offenses (major offenses)	330	289	350	508
DUI Arrests	84	78	39	66
Prisoners	344	414	312	306
Prisoner meal costs	\$0	\$0	\$0	\$0
Motor Vehicle Accidents	1,279	1,229	1,246	1,165
Fatalities from Motor Vehicle Accidents	0	0	1	1
Gasoline costs of fleet	\$111,217	\$84,524	\$60,373	\$73,531
Fire				
EMS Calls	2,699	2,448	2,097	1,810
Ambulance Billing Collections (net)	\$651,641	\$603,625	\$494,141	\$417,407
Fire Calls	713	686	639	673
Fires with Loss	58	53	35	31
Fires with Losses exceeding \$10K	3	3	13	8
Fire Losses	\$240,300	\$263,600	\$1,257,700	\$448,405
Fire Safety Inspections	1,491	1,222	1,215	1,215
Number of times Mutual Aid given to Fire and EMS and Auto Aid	130	90	89	113
Number of times Mutual Aid received for Fire and EMS and Auto Aid	85	94	57	58
Leisure Time Activities				
Recreation Men's and Women's Leagues receipts	\$3,325	\$4,425	\$7,966	\$3,923
Recreation Youth Activities receipts	\$168,080	\$153,937	\$104,370	\$118,652
Transportation				
Street Improvements - asphalt overlay (linear feet)	N/A	N/A	N/A	N/A
Crackseal Coating Program (Miles)	N/A	N/A	N/A	N/A
Street Repair (Curbs, aprons, berms, asphalt) (hours)	N/A	N/A	N/A	N/A
Guardrail Repair (hours)	N/A	N/A	N/A	N/A
Paint Striping (hours)	N/A	N/A	N/A	N/A
Cold Patch (hours)	N/A	N/A	N/A	N/A
Snow and Ice Removal overtime hours	N/A	N/A	N/A	N/A
Street Improvements Cost	\$261,342	\$228,642	\$144,807	\$112,196
Street Improvements Cost per mile	\$1,778	\$1,669	\$1,047	\$853
Miles of City Streets	147	137	138	132
Tons of snow melting salt purchased (November - May - winter season)	5,193	4,094	3,936	4,951
Cost of salt purchased	\$114,250	\$131,959	\$218,088	\$271,643
Water Department				
Water Rates per 1st 6,000 gallons of water used (per thousand)	\$4.74	\$4.51	\$4.26	\$3.98
Average gallons of water billed monthly (in thousands)	65,643	69,766	86,988	62,048
Total Water Collections Annually (Including P&I) (in thousands)	\$3,817	\$3,766	\$3,848	\$2,985
Wastewater Department				
Sewer Rates per 1,000 gallons of water used	\$7.03	\$6.70	\$6.38	\$6.08
Average gallons of sewer billed monthly (in thousands)	45,754	46,747	60,359	44,349
Total Sewer Collections Annually (Including P&I) (in thousands)	\$3,954	\$3,795	\$3,734	\$3,233

(1) Information for some years is not available.

Source: City of Avon Records

2014	2013	2012	2011	2010	2009
20,204	17,748	18,789	16,208	15,817	15,268
2,178	1,770	1,495	2,018	1,733	1,446
513	384	475	306	294	441
369	466	579	565	677	682
653	598	569	581	507	488
389	494	481	313	303	325
72	85	100	82	90	67
375	461	358	363	399	380
\$0	\$0	\$0	\$5	\$0	\$0
1,123	1,073	911	705	780	488
1	0	2	0	0	1
\$114,883	\$105,400	\$99,212	\$102,384	\$84,013	\$64,291
1,657	1,737	1,666	1,530	1,511	1,557
\$398,467	\$418,414	\$458,386	\$372,867	\$346,078	\$367,927
635	623	589	567	536	490
10	14	16	17	18	25
3	1	4	3	6	5
\$258,052	\$186,450	\$240,550	\$220,700	\$1,107,750	\$719,120
832	727	682	640	859	608
99	73	67	143	54	61
85	54	86	75	29	16
\$4,993	\$5,056	\$4,041	\$3,381	\$6,375	\$5,822
\$113,981	\$94,373	\$87,527	\$81,460	\$83,125	\$62,899
N/A	N/A	N/A	N/A	10,685	21,375
N/A	N/A	N/A	N/A	40	20
N/A	N/A	N/A	N/A	200	150
N/A	N/A	N/A	N/A	20	40
N/A	N/A	N/A	N/A	900	400
N/A	N/A	N/A	N/A	550	400
N/A	N/A	N/A	N/A	850	350
\$137,092	\$186,735	\$139,421	\$138,295	\$129,301	\$151,940
\$1,063	\$1,503	\$1,134	\$1,143	\$1,078	\$1,266
129	124	123	121	120	120
5,961	3,850	4,083	5,135	5,291	5,323
\$205,480	\$177,714	\$188,538	\$239,792	\$240,733	\$242,204
\$3.51	\$3.05	\$2.94	\$2.63	\$2.33	\$2.33
66,366	63,206	71,913	69,692	65,571	63,672
\$2,594	\$2,183	\$2,316	\$1,822	\$1,809	\$1,674
\$5.79	\$5.79	\$5.79	\$5.59	\$4.98	\$4.98
43,065	41,409	42,831	40,103	40,145	41,419
\$2,979	\$1,630	\$1,630	\$1,445	\$1,327	\$1,137

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

Function/Program	2018	2017	2016	2015
General Government				
Inspection Vehicles	9	9	9	9
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	39	37	38	36
Fire				
Stations	1	1	1	1
Vehicles	13	13	15	15
Leisure Time Activities				
Recreation				
Number of Parks	8	8	7	7
Number of Ice Rinks	1	1	1	1
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	12	12	12	12
Number of Tot Lots	4	4	4	4
Number of Soccer Fields	16	16	16	16
Number of Swimming Pools	1	1	1	1
Vehicles	13	12	12	10
Transportation				
Service				
Buildings	1	1	1	1
Service Vehicles	22	24	22	22
Streets (miles)	147.25	143.51	138.37	131.58
Water and Sewer				
Buildings	11	11	10	10
Water Lines (miles)	125.04	122.49	121.40	122.43
Sanitary Sewers (miles)	102.03	100.36	99.60	100.75
Vehicles	16	14	12	13

Source: City of Avon Records

2014	2013	2012	2011	2010	2009
8	8	8	8	7	8
1	1	1	1	1	1
34	34	35	33	37	34
1	1	1	1	1	1
15	15	15	15	14	15
7	7	7	7	7	7
1	1	1	1	1	1
1	1	1	1	1	1
12	12	12	12	12	12
4	4	4	4	4	4
16	16	16	14	14	14
0	0	0	0	0	0
9	8	8	8	9	10
1	1	1	1	1	1
20	20	23	22	21	17
128.91	123.00	123.00	121.00	120.00	120.00
10	10	10	9	9	9
118.70	117.80	117.30	115.80	114.10	113.58
97.10	96.70	96.30	95.20	93.30	92.97
14	9	7	7	10	9

(This Page Intentionally Left Blank.)