

# Annual Comprehensive Financial Report

*For the Year Ended December 31, 2023*





# **CITY OF AVON LAKE, OHIO**



## **Annual Comprehensive Financial Report**

**For the Year Ended  
December 31, 2023**

*Issued by the Finance Department*

**Director of Finance**

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# **INTRODUCTORY SECTION**



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# CITY OF AVON LAKE, OHIO

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Building Department  
930-4102

Civil Service Commission  
933-6141

Clerk of Council  
930-4121

Council President  
930-4120

Engineering Department  
930-4101

Finance Department  
930-4124

Fire Department  
933-8305

Human Resources  
933-6141

Law Director  
930-4122

Mayor's Office  
930-4100

Municipal Court  
930-4103

Municipal Utilities  
933-6226

Planning Department  
930-4101

Police Department  
933-4567

Recreation Department  
930-4130

Service Department  
930-4126

Zoning Department  
930-4143

June 18, 2025

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

We are pleased to submit the Annual Comprehensive Financial Report of the City of Avon Lake, Ohio for the year ended December 31, 2023.

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

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

The Ohio Auditor of State, has issued an unmodified ("clean") opinion on the City of Avon Lake, Ohio's financial statements for the year ended December 31, 2023. The independent auditor's report is located at the front of the financial section of this report.

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

## **Profile of the Government**

The City of Avon Lake is approximately 115 square miles and is located in Lorain County in northeastern Ohio, approximately 18 miles west of the City of Cleveland. The City split from Avon Township in 1915 and was formed as a new political division as the Township of Avon Lake shortly thereafter. Avon Lake became a city in 1951 under the laws of the State of Ohio. In 2020, the U.S. Census Bureau reported that Avon Lake has a population of 25,206.

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

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

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

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

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

The City of Avon Lake maintains its legal level of budgetary control at the department level, separated into the categories of Personal Service and Other Expenditures, for all funds. The Finance Director is authorized to allocate appropriations for function and object levels within the same department and category as explained above without prior Council approval, as long as the total appropriation for each department and category does not exceed that of the Council-approved appropriation.

### **Profile of the City**

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

Within a 30-minute drive from Avon Lake are the Rock and Roll Hall of Fame, Progressive Field, Rocket Arena, Huntington Bank Stadium, the world-Class Cleveland Orchestra, Cleveland Museum of Art, Cleveland Museum of Natural History, Western Reserve Historical Society, Cleveland Playhouse, and Karamu House.

These and other facilities in the area offer an extensive variety of cultural and educational programs to the community. The Cleveland metropolitan area is also proud to be the home of many professional sports team such as the Cleveland Guardians (baseball), Cleveland Cavaliers (basketball), Cleveland Browns (football), and Cleveland Monsters (AHL hockey), as well as the Lake Erie Crushers, an independent professional minor league baseball team.

The Avon Lake City Schools (ALCS) also play a significant role in the success of our community. The school system educates over 3,600 students with 556 contracted employees including teachers, professionals, and support staff working to offer quality educational opportunities. The district issued 736 W-2 forms in 2023 due to the number of part-time workers the district also employs. The Avon Lake City Schools are recognized by the Ohio Department of Education and Workforce as one of the top school districts in the State of Ohio. The 2024 U.S. News and World Report high school rankings list Avon Lake High School as #842 nationally out of 25,000 high schools, and #34 in Ohio out of 705 high schools. The high school is #10 in the Greater Cleveland area, and #1 in Lorain County.

The City of Avon Lake owns and manages 15 park areas that total 226.16 acres. Individual parks range in size from 0.05 acres to 79.1 acres, provide a wide variety of both active and passive recreational opportunities. The City's parks can be divided into three categories: pocket parks, neighborhood parks, and community parks.

Avon Lake's pocket parks include Wedgewood Park (1.0 acre) and Point Park (0.05 acres). Wedgewood Park hosts one of the Recreation Department's Greenbox program locations, and Point Park features both detailed gardens and a memorial plaque describing the location's connection to the Interurban Railway. The City is pleased to announce its most recent addition, a .49-acre pocket park located on Lake Erie at the intersection of Moore Rd. and Lake Rd.

Neighborhood parks include Belle Park (3.0 acres), Russ Lynch Bicentennial Park (15.2 acres), Inwood Park (5.5 acres), Overlook Park (0.9 acres), Resatar Park (8.4 acres), Sunset Park 4.9 acres) and Ilg Family Park (5.04 acres). Many neighborhood parks include a playground, picnic tables, and charcoal grills. Resatar Park includes a walking trail, and Belle Park connects to an extensive walking/biking trail system contained in the adjacent Kopf Family Reservation, a 162-acre wooded park area managed by the Lorain County Metro Parks. Ilg Family Park is currently undeveloped.

The City of Avon Lake manages five parks considered community parks. These are generally the largest parks in the city and contain a wide variety of amenities, which include athletic fields (baseball, softball, lacrosse, and soccer), picnic areas/pavilions, hiking/biking trails, a skate park, and volleyball and basketball courts. Miller Road Park and Veterans Memorial Park are situated along the Lake Erie shoreline and contain limited beach areas and water access facilities (a boat launch and fishing pier). Additionally, Veterans Memorial Park is home to the Avon Lake Boat Club, the historic Folger Home, and The Lake House, a popular event venue. Miller Road Park includes the Peter Miller House Museum (c. 1830) and an adjoining wildflower garden. Both the Peter Miller House Museum and the Folger Home are listed nationally as places of historic importance. Walker Road Park contains a large retention basin that serves as a popular fishing pond (catch and release). Bleser Park contains two lighted youth baseball fields, lighted tennis/pickleball, volleyball, and basketball courts, as well as the Ellen Trivanovich Aquatic Center. Weiss Field features a dog park, horse arena, and skate park. Many of the community parks host large programs and festivals produced by both the City and other organizations.

## **Major Initiatives**

The City of Avon Lake has several ongoing initiatives to improve roadway conditions for vehicles and bicycle riders as well as improving the water quality in Lake Erie. Roadways in Avon Lake are ranked each year in the priority of needs. In 2023, the city migrated to a standardized pavement condition index (PCI) based rating system for all roadways conducted by Pavement Management Group. Streets are rated on a scale of 100 (Excellent) – 0 (Failed) and work is programmed based on the PCI rating and work type suitable for a particular rating. This rating will be updated yearly and presented to the Mayor and City Council during budget discussions.

The City annually spends \$1 million to over \$2 million on street maintenance and upkeep. The City was able to complete a crack seal program during 2023 that was bid out and awarded to Specialized Construction. Additionally, the city contracted with Geauga Highway to resurface two multimodal trails. Supplementing the yearly street programs are projects the City pursues through either Ohio Public Works Commission (OPWC) or Ohio Department of Transportation (ODOT) for grants and loans. The City was able to complete paving of US 6 utilizing ODOT funding and completed design work for the paving of Walker Road phases III and IV which will receive partial funding from OPWC.

For stormwater improvements within Avon Lake, the City contracted with Underground Utilities Incorporated to construct phase II of an extension to the Central Avon Lake Drainage Pipe (CALPD). Additionally, the City hired TC Construction to rehabilitate catch basins at various locations throughout the city. Public Works crews also took on the task of conducting catch basin rehabilitations to help offset the back log of repairs. Lastly, KS Associates commenced design for the rehabilitation of three storm water outfalls that terminate into Lake Erie, with construction slated for 2024.

Finally, work continued on the US 6 sidewalk project to complete implementation of sidewalks along the US 6 corridor to fill in all gaps in existing sidewalk infrastructure. The City engaged Mannik and Smith Group to design the eastern section of the project, which will utilize safety funding from ODOT. Construction of this project is scheduled to commence in the summer of 2025.

## **Economic Development**

The city benefits from a solid industrial tax base with several major industries located in the southwest portion of the city. Many small and large industries are located along Moore, Walker and Miller Roads, as well as Pin Oak Parkway. The largest are Avient (formerly PolyOne Corporation), a Fortune 1000 company, Ford Motor Company's Ohio Assembly Plant, and a division of Lubrizol Corporation. Other companies include Thogus Products, Mexichem (Orbia) Specialty Resins, Inc., Hinkley Lighting, Western Enterprises, and National Fleet Services of Ohio. The Comprehensive Land Use Plan, adopted in 2019 looks to continue growth in the industrial area by attracting new companies and developing the small amount of still available land. The total number of acres in our industrial areas is over 1,400 acres, with less than 150 available for future development. In 2022 and 2023, three new commercial buildings were built on Pin Oak Parkway for All Pro Freight, Woodside Holdings, and ValenSil.

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

about 17 years ago. It can now be accessed from State Route 83 as well as Moore Road, both of which provide easy access to Interstate 90 a short distance to the south.

One of the oldest industrial residents is now being demolished. Our coal powered electric plant had been in operation since the 1920's. The plant is located on the north side of Lake Road with over 3,000 linear feet of Lake Erie shoreline. At one point, the coal powered plant was scheduled to be converted to natural gas but changed its direction as it decided to continue to use coal and to implement pollution control technology to fall within the new MATS (Mercury and Air Toxics Standards) set by the federal government. The plant began operations in June of 2016 using cleaner coal technology. But in 2022, the plant was sold and the demolition process began. The City is working with the new owner of the plant on a plan for redevelopment of the site.

There are commercial districts on Walker Road as it intersects several north/south roads. Learwood Square is located at the intersection of Lear and Walker Roads and has benefitted from the completion of the Nagel (Lear) Road interchange at Interstate 90. Towne Center sits at the northwest corner of Route 83 and Walker Road while the Landings sits on the northeast corner of Walker and Route 83. These business districts are about one and a half miles north of the Route 83 interchange of Interstate 90. They are the home to businesses and a senior living complex that provides both independent living and assisted living along with a rehabilitation facility. Beach Park Station is located on the west side of the City along Lake Road and is the home of the post office, restaurants, and other businesses. Finally, there is a shopping plaza at the corner of Walker Rd. and Moore Rd. that has about fifteen businesses, anchored by Discount Drug Mart.

#### **Community Reinvestment Area (CRA) Program**

The City has a Pre-1994 CRA program. Approved new construction and expansion projects are granted an exemption from real estate property taxes for a percentage of the incremental increase in assessed value for a period of up to 15 years based on meeting certain goals in job creation and investment. Avon Lake companies that have recently expanded with the help of the CRA Program include Randall's Lawn Care & Landscaping, Catania Medallie, and Northern Hammerworks.

#### **Community Improvement Corporation**

The city created a Community Improvement Corporation which operates as a 501(c)3 Non-Profit Organization. Their mission is to provide advisory and financial support to the citizens and businesses of Avon Lake who need assistance in locating, expanding or improving their business ventures. Funds for any financial assistance provided are generated from sources other than tax revenues.

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

#### **Jobs Growth Incentive Program**

City Council approved a five-year program that rewards businesses, both new and long standing, with a 35% rebate in the income taxes generated in the current year beyond what was paid the previous calendar year. While revenue to the city will be increasing, the city intends to reward the growth of all businesses that are with this incentive. Home-based businesses and non-profit organizations are not eligible. The program is in its

eleventh year. It was evaluated at the end of 2017 and extended another five years. The City just gave awards for the 2023 tax year.

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

Median household incomes within the City of Avon Lake are higher than for the state as a whole. In 2022, the median family income in Avon Lake was \$103,946, while the median family income for the State of Ohio was \$66,990. Housing prices in Avon Lake continue to remain strong. The median home value in the city is estimated at \$364,413. The sale of homes and home sale prices began to increase in 2016 and at the end of 2022, the average sale price was \$295,020.

### **Long-Term Financial Planning**

Moody's Investors Service has rated the City's General Obligation debt at an Aa3 as of October 2023.

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

### **Awards and Acknowledgement**

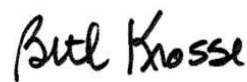
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Avon Lake for its annual comprehensive financial report for the year ended December 31, 2022. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the eighth year in a row that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of only year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The successful completion of a report of this scope depends upon the dedicated contributions of many employees. The sincere appreciation of those primarily responsible for the completion of this ACFR is extended to all contributors, but especially those employees in the Department of Finance.

Respectfully submitted,



Mark A. Spaetzel  
Mayor



Beth Krosse  
Director of Finance



Government Finance Officers Association

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

Presented to

**City of Avon Lake  
Ohio**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2022

*Christopher P. Morill*

Executive Director/CEO

# City of Avon Lake, Ohio

*Directory of Officials*

*December 31, 2023*

## COUNCIL

### At-Large:

Zach Arnold

K.C. Zuber

Geoffrey Smith

### Wards:

Rob Shahmir (Ward I)

Jennifer Fenderbosch (Ward II)

Amy Gentry (Ward III)

David Kos (Ward IV)

### Clerk of Council:

Valerie Rosmarin

## OFFICIALS

Gregory Zilka

Mayor \*

Gary A. Ebert

Director of Law

Edward Widman

Director of Finance \*\*

Thomas Carleton

Building Official

Robert Munro

Chief Utilities Executive

Mark Spaetzel

Safety Director

Vincent Molnar

Police Chief

Jeremy Betsa

Fire Chief

Ted Esborn

Director of Economic Development

Erin Fach

Recreation Director

Allison Manning

Judge of Municipal Court

\* Mark Spaetzel, effective January 2024

\*\* Beth Krosse, effective December 2024

City of Avon Lake, Ohio  
Organizational Chart – City  
December 31, 2023

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graph TD; Citizens --> Mayor; Citizens --> Council; Citizens --> Board[Board of Municipal Utilities]; Mayor --> EA[Executive Assistant]; Mayor --> FDA[Front Desk Assistant]; Council --> CC[Clerk of Council]; Council --> ACC[Assistant Clerk of Council]; Board --> SSOC[See Separate Organizational Chart]; Mayor --- D1[Public Works Director]; Mayor --- D2[Finance Director]; Mayor --- D3[Law Director]; Mayor --- D4[HR Director]; Mayor --- D5[Police Chief]; Mayor --- D6[Fire Chief]; Mayor --- D7[Community Development Director]; Mayor --- D8[Chief Building Official]; Mayor --- D9[Recreation Director]; Mayor --- D10[Communications & Technology Director]; D1 --> APWD[Assistant Public Works Director]; D1 --> SG[Service Garage]; D1 --> SS1[Support Staff]; D2 --> PA[Payroll Administrator]; D2 --> FCA[Finance Clerk A/P Clerk]; D3 --> ALD[Assistant Law Director]; D5 --> LSSD[Lieutenants Sergeants Detectives]; D5 --> P[Patrol]; D5 --> D[Dispatcher]; D5 --> SS2[Support Staff]; D6 --> AFC[Assistant Fire Chief]; D6 --> C[Captains]; D6 --> L[Lieutenants]; D6 --> FE[Fire/EMS]; D6 --> SS3[Support Staff]; D8 --> I[Inspectors]; D8 --> SS4[Support Staff]; D9 --> SS5[Support Staff]; D10 --> SS6[Support Staff];
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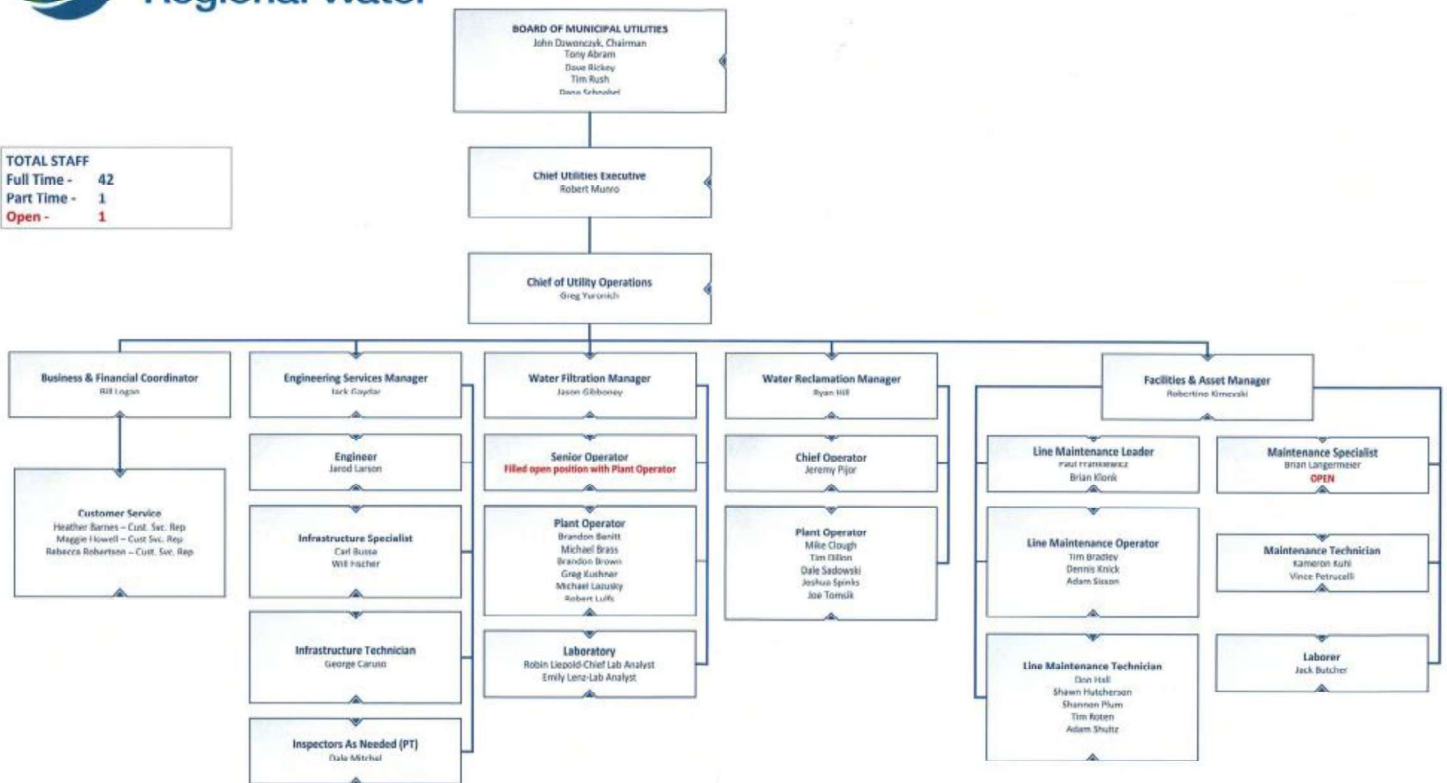
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Avon Lake  
Regional Water

# ORGANIZATION CHART

TOTAL STAFF  
Full Time - 42  
Part Time - 1  
Open - 1



# **FINANCIAL SECTION**



# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

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

To the Members of Council:

### ***Report on the Audit of the Financial Statements***

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Avon Lake, Lorain County, Ohio (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Avon Lake, Lorain County, Ohio as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

### ***Emphasis of Matter***

As discussed in Note 22 to the financial statements, the City restated the beginning Net Position in the Water Fund, Sewer Fund, and Custodial Fund to (a) report the LORCO Fund as a Custodial Fund as it was previously combined with the Sewer Fund and to (b) adjust the receivable to the City from LORCO. Also discussed in Note 22 to the financial statements, in accordance with GASB Statement No. 54, the City restated beginning fund balance to combine the Income Tax Transfer Fund with the General Fund. Our opinion is not modified with respect to these matters.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

### ***Supplementary information***

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

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

### ***Other Information***

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we will also issue our report dated June 18, 2025, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

June 18, 2025

**City of Avon Lake, Ohio**  
*Management's Discussion and Analysis*  
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The discussion and analysis of the City of Avon Lake's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2023. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the financial statement and notes to those respective statements to enhance their understanding of the City's financial performance.

### **Financial Highlights**

Key financial highlights for 2023 are as follows:

- The City's economic condition continued to improve as total revenues increased by \$1,885,431 or 3.11% over 2022.
- Total Net Position increased \$4,721,140 in 2023 from 2022.

### **Overview of the Annual Comprehensive Financial Report**

This annual financial report consists of a series of financial statements, notes to the financial statements, and other information. The Statement of Net Position and the Statement of Activities (on pages 19 and 20) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements begin on page 22. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most financially significant funds.

### **Government-wide Financial Statements**

Our analysis of the City as a whole begins on page 7. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question.

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

These two statements report the City's Net Position and changes in them. You can think of the City's Net Position as the difference between assets, what the citizens own, deferred outflows of resources and liabilities, what the citizens owe, and deferred inflows of resources as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's Net Position are one indicator of whether its financial health is improving or deteriorating.

You will need to consider other non-financial factors, however, such as changes in the City's property tax base, income tax base, and the condition of the City's capital assets (land, roads, building, water and sewer lines, etc.) to assess the overall health of the City.

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

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

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

### **Fund Financial Statements**

Our analysis of the City's major funds begins on page 14. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law. However, City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (i.e. grants received from Federal and State agencies). The City's three fund types, governmental, proprietary and fiduciary, use different accounting approaches.

#### *Governmental Funds*

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

#### *Proprietary Funds*

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

#### *Fiduciary Funds*

Fiduciary funds are used to account for resources held for the benefit of parties outside the City and are not included in the government-wide financial statements since the resources held are not available to support City programs. The City uses only custodial funds included under the fiduciary funds category. The accounting used for fiduciary funds is much like that used for proprietary funds.

### **Notes to the Basic Financial Statements**

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

### **Other Information**

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

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**The City of Avon Lake as a Whole**

**Analysis of Net Position**

The City's total Net Position changed from a year ago, increasing from \$139,623,967 to \$144,345,107.

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

Table 1- Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022 *	2023	2022 *
<b>ASSETS</b>						
Current and other assets	\$ 38,983,718	\$ 38,151,843	\$ 41,903,596	\$ 40,440,208	\$ 80,887,314	\$ 78,592,051
Net Pension Asset	65,036	108,685	36,174	64,988	101,210	173,673
Net OPEB Asset	-	1,143,689	-	683,860	-	1,827,549
Capital assets, net	79,152,067	78,214,566	179,730,806	181,206,815	258,882,873	259,421,381
<b>Total Assets</b>	<b>118,200,821</b>	<b>117,618,783</b>	<b>221,670,576</b>	<b>222,395,871</b>	<b>339,871,397</b>	<b>340,014,654</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferral on Refunding	175,672	225,711	66,745	78,881	242,417	304,592
Pension	11,901,892	6,579,353	2,665,022	1,050,270	14,566,914	7,629,623
OPEB	1,925,198	1,520,098	398,079	33,343	2,323,277	1,553,441
<b>Total Deferred Outflows Of Resources</b>	<b>14,002,762</b>	<b>8,325,162</b>	<b>3,129,846</b>	<b>1,162,494</b>	<b>17,132,608</b>	<b>9,487,656</b>
<b>LIABILITIES</b>						
Current and other liabilities	2,923,555	3,759,838	1,036,929	1,151,019	3,960,484	4,910,857
Long-term liabilities:						
Due within one year	2,701,773	2,347,119	7,099,730	6,850,005	9,801,503	9,197,124
Due in More Than One Year:						
Net Pension Liability	32,748,284	17,626,605	6,234,664	1,925,847	38,982,948	19,552,452
Net OPEB Liability	1,848,038	2,527,445	129,939	-	1,977,977	2,527,445
Other Amounts	31,160,532	29,897,116	116,126,054	122,193,892	147,286,586	152,091,008
<b>Total Liabilities</b>	<b>71,382,182</b>	<b>56,158,123</b>	<b>130,627,316</b>	<b>132,120,763</b>	<b>202,009,498</b>	<b>188,278,886</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Taxes	7,334,663	7,349,891	-	-	7,334,663	7,349,891
Pension	1,449,524	8,946,067	48,889	2,418,871	1,498,413	11,364,938
OPEB	1,772,097	2,136,286	44,227	748,342	1,816,324	2,884,628
<b>Total Deferred Inflows Of Resources</b>	<b>10,556,284</b>	<b>18,432,244</b>	<b>93,116</b>	<b>3,167,213</b>	<b>10,649,400</b>	<b>21,599,457</b>
<b>NET POSITION</b>						
Net Investment in						
Capital Assets	47,363,712	47,335,212	56,871,256	52,370,282	104,234,968	99,705,494
Restricted	8,393,528	9,039,191	57,317	-	8,450,845	9,039,191
Unrestricted	(5,492,123)	(5,020,825)	37,151,417	35,900,107	31,659,294	30,879,282
<b>Total Net Position</b>	<b>\$ 50,265,117</b>	<b>\$ 51,353,578</b>	<b>\$ 94,079,990</b>	<b>\$ 88,270,389</b>	<b>\$ 144,345,107</b>	<b>\$ 139,623,967</b>

\* - Restated

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

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

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

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

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

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

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

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

Total assets decreased by \$143,257 in 2023. Capital assets are used to provide services to the City's citizens; however, they are not available for future spending. Total capital assets (net of depreciation) decreased by \$538,508. This decrease was mainly attributed to capital asset disposals and depreciation exceeding additions.

Current and other assets increased \$2,295,263 mainly from an increase in accounts receivable and equity in pooled cash and cash equivalents in the governmental-type activities and intergovernmental receivable in the business-type activities.

Total liabilities increased by \$13,730,612 in 2023 with current liabilities decreasing \$950,373 and long-term liabilities increasing \$14,680,985. The decrease in current liabilities is due to the decrease in accounts payable and unearned revenue. The increase in long-term liabilities is due to additions of new debt and the increase in net pension liability.

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

Investments in capital assets (land, construction in progress, buildings and improvements, machinery and equipment, vehicles and infrastructure, net of depreciation) less any debt related to acquire those assets that is still outstanding represents the largest portion of net position which increased \$4,529,474 from 2022 to 2023. Restricted net position decreased \$588,346 and unrestricted net position increased \$780,012.

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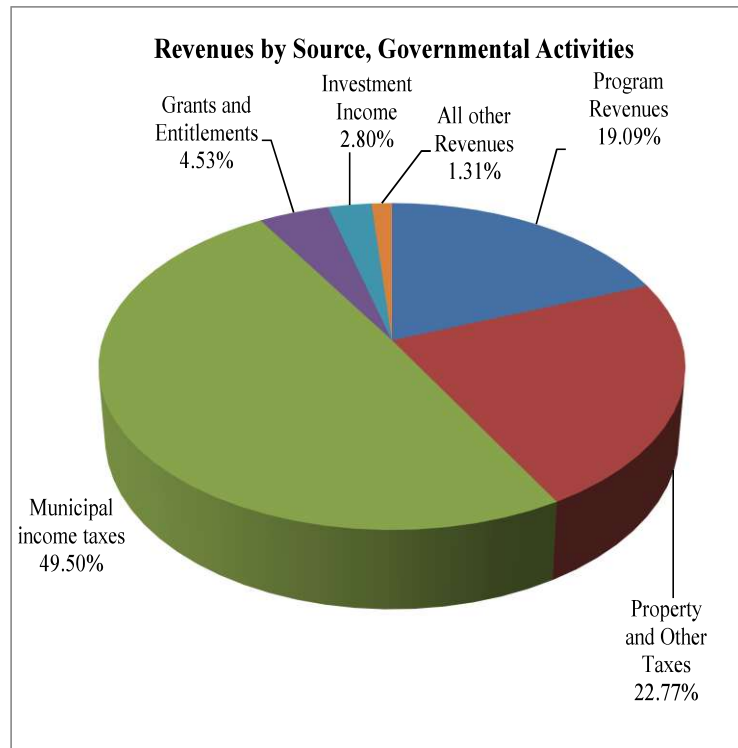
Table 2 shows the Changes in Net Position for governmental activities and business-type activities for the year ended December 31, 2023 compared to December 31, 2022.

Table 2- Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>REVENUES</b>						
Program Revenues:						
Charges for services	\$ 3,370,028	\$ 2,558,848	\$ 26,941,352	\$ 26,085,751	\$ 30,311,380	\$ 28,644,599
Operating grants and contributions	2,298,194	2,304,229	210,482	89,315	2,508,676	2,393,544
Capital grants and contributions	932,050	1,852,092	-	-	932,050	1,852,092
Total Program Revenues	6,600,272	6,715,169	27,151,834	26,175,066	33,752,106	32,890,235
General Revenues:						
Property taxes	7,498,298	6,985,646	-	-	7,498,298	6,985,646
Municipal income taxes	17,112,354	18,004,000	-	-	17,112,354	18,004,000
Other taxes	372,802	383,621	-	-	372,802	383,621
Grants and entitlements	1,565,150	1,539,418	-	-	1,565,150	1,539,418
Investment income	967,946	(623,619)	325,508	196,653	1,293,454	(426,966)
All other revenues	451,506	663,485	521,215	642,015	972,721	1,305,500
Total General Revenues	27,968,056	26,952,551	846,723	838,668	28,814,779	27,791,219
<b>Total Revenues</b>	<b>34,568,328</b>	<b>33,667,720</b>	<b>27,998,557</b>	<b>27,013,734</b>	<b>62,566,885</b>	<b>60,681,454</b>
<b>EXPENSES</b>						
Program Expenses:						
Security of persons and property	13,908,850	10,838,731	-	-	13,908,850	10,838,731
Public health services	88,011	-	-	-	88,011	-
Leisure time activities	2,424,668	1,746,202	-	-	2,424,668	1,746,202
Community environment	613,959	423,478	-	-	613,959	423,478
Transportation	12,352,849	13,020,043	-	-	12,352,849	13,020,043
General government	5,386,074	4,307,919	-	-	5,386,074	4,307,919
Interest and fiscal charges	882,378	600,015	-	-	882,378	600,015
Water	-	-	12,957,078	12,075,086	12,957,078	12,075,086
Sewer	-	-	9,231,878	8,316,218	9,231,878	8,316,218
<b>Total Expenses</b>	<b>35,656,789</b>	<b>30,936,388</b>	<b>22,188,956</b>	<b>20,391,304</b>	<b>57,845,745</b>	<b>51,327,692</b>
Changes in Net Position	(1,088,461)	2,731,332	5,809,601	6,622,430	4,721,140	9,353,762
Net Position - Beginning of Year, Restated	51,353,578	48,622,246	88,270,389	81,647,959	139,623,967	130,270,205
<b>Net Position - End of Year</b>	<b>\$ 50,265,117</b>	<b>\$ 51,353,578</b>	<b>\$ 94,079,990</b>	<b>\$ 88,270,389</b>	<b>\$ 144,345,107</b>	<b>\$ 139,623,967</b>

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Revenues by source of governmental activities for 2023 were comprised of:



*Revenues*

Total revenues increased by \$900,608 or 2.67%. The 1.50% municipal income tax is the largest general revenue source totaling \$17,112,354 or 49.50%. Municipal income tax decreased by \$891,646 or 4.95% due to the reduction of municipal net profit tax revenue received from the State of Ohio. The municipal income tax revenue is receipted into the Income Tax Transfer Fund and then allocated by Ordinance to other funds on an annual basis. For 2023 the General Fund, Capital Improvement Fund, and other governmental funds received \$8,667,405, \$5,568,982, and \$2,870,733 respectively.

The next largest general revenue source is property taxes totaling \$7,498,298 or 21.69 %. Property taxes increased by \$512,652 due to an increased number of businesses in 2023. Charges for services increased by \$811,180 or 31.70% due to the increase of building permits. Operating grants and contributions decreased slightly by \$6,035 or 0.26%. The decrease in capital grants and contributions is mainly due to contributions from developers in 2023 as compared to 2022 and a grant for the fish cleaning station received in 2022. All other revenues decreased by \$211,979. Investment income increased \$1,591,565 due to the change in interest rates and fair market value from the prior year.

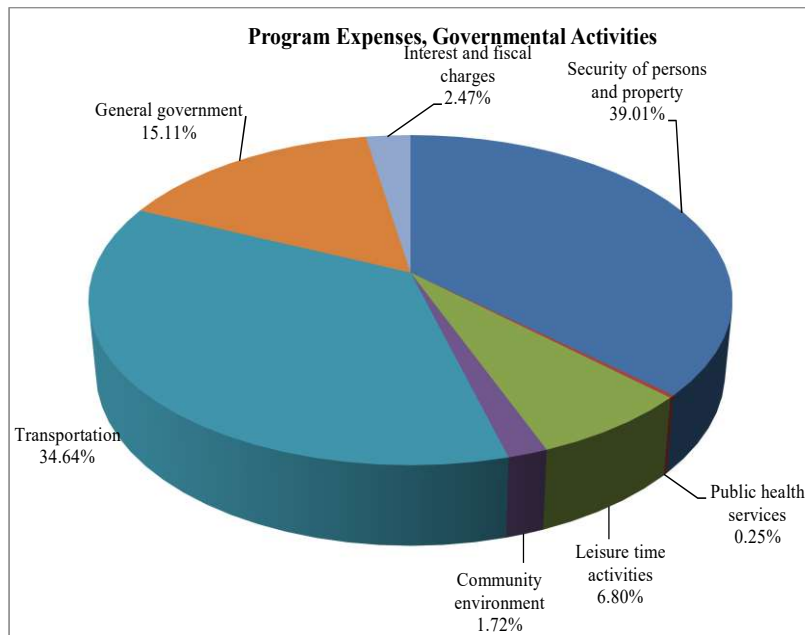
*Expenses*

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Expenses increased \$4,720,401 or 15.26% in 2023. The significant change in expense is due to the increase in staffing costs and the recording of GASB Statements No. 68 and 75. The provisions of GASB Statements 68 and 75 required the City to recognize a pension/OPEB adjustment that increased expenses by \$2,041,239 in 2023 and reduced expense by \$2,435,589 in 2022. As a result, it is difficult to ascertain the true operational cost of services and the changes in the cost of services from year to year. The table below shows the total cost of services by function with the GASB Statements 68 and 75 pension and OPEB costs removed.

	Governmental Activities	
	2023	2022
<b>EXPENSES</b>		
Program Expenses:		
Security of persons and property	\$ 12,391,690	\$ 11,249,464
Public health services	88,011	-
Leisure time activities	2,345,324	2,039,345
Community environment	581,333	553,656
Transportation	12,084,137	14,048,760
General government	5,242,677	4,880,737
Interest and fiscal charges	882,378	600,015
<b>Total Expenses</b>	<b>\$ 33,615,550</b>	<b>\$ 33,371,977</b>

Program expenses of governmental activities for 2023 were comprised of:



Using the table above, program expenses amounted to \$33,615,550 in 2023, of which only \$6,600,272 was supported by program revenues. Security of persons and property, which includes police, fire and paramedic services, represented \$12,391,690 or 36.86% of total program expenses. Transportation, which includes street maintenance, snow removal, etc., represents \$12,084,137 or 35.95% of program expenses. Transportation expense decreased by \$1,964,623.

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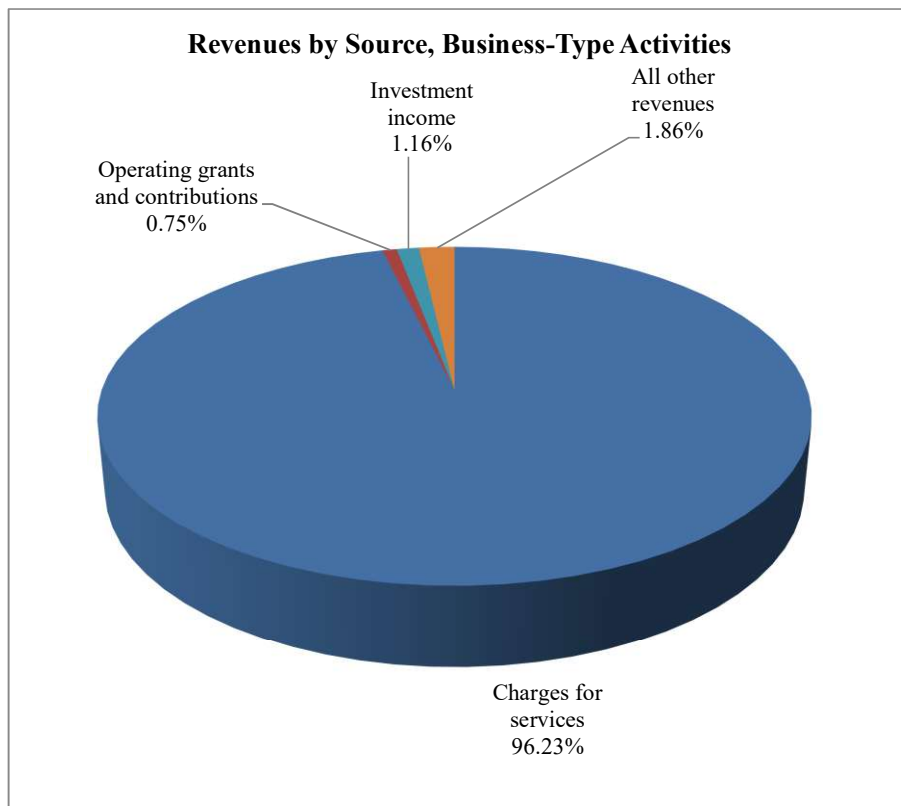
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General government, which includes legislative and administrative services of council, mayor, law, finance, engineering, building services, and utilities and maintenance of the buildings that house these functions, represents \$5,242,677. Leisure time activities represented \$2,345,324 or 6.80% of program expenses and includes recreation pool and special programs. Other program expenses consisting of public health services, community environment, and interest and fiscal charges amounted to 4.44%.

***Business-Type Activities***

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

Revenues by source for business-type activities for 2023 were comprised of:



The City's Water Fund experienced an increase of \$2,901,802 in its 2023 net position compared to 2022 due to the increase in revenues and the City's efforts to maintain expense lower than revenues.

The City's Sewer Fund, experienced an increase of \$2,907,799 in its 2023 net position compared to 2022. The main contributor to this is the City's efforts to maintain expense lower than revenues and an increase in intergovernmental receivable from LORCO.

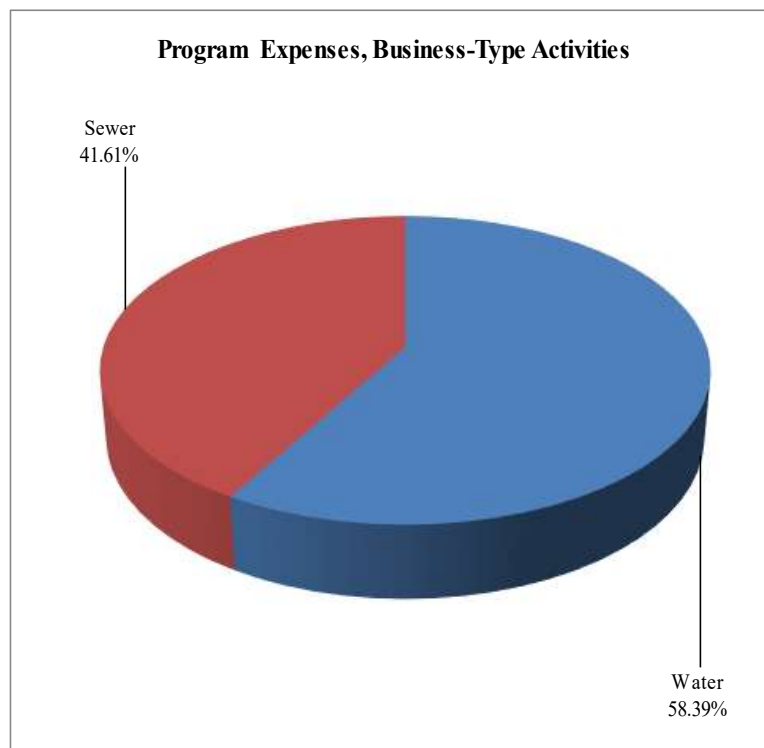
**City of Avon Lake, Ohio**  
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*For the Year Ended December 31, 2023*  
*(Unaudited)*

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*Revenues*

Program revenue consisting of charges for services, operating and capital grants and contributions represented 96.98% of total revenues for the business-type activities in 2023. Charges for services for the business-type activities amounted to \$26,940,351 with 56.53% provided by water services and 43.47% from sanitary sewer services.

Water operations generate the fees charged for the sale of water within Avon Lake and several surrounding communities. Those fees are then used to maintain lines for delivery and to treat water for further consumption. Water operating revenues decreased \$1,072,483 or 6.48% as a result of larger rainfall amounts in 2023 than in 2022. Heavier rainfall amounts result in less irrigation system and general outdoor water being used. Program Expenses for business-type activities for 2023 were comprised of:



*Expenses*

Water operation expenses amounted to \$12,957,078 or 58.39% and sanitary sewer operation expenses amounted to \$9,231,878 or 41.61% of total program expenses for business-type activities in 2023.

Total expenses for business-type activities increased in 2023 by \$1,797,652 due to the recording of GASB Statement Nos. 68 and 75.

**The City's Funds**

Information about the City's major governmental funds begins on page 22. These funds are reported using the modified accrual basis of accounting. All governmental funds had total revenues of \$34,562,222 and expenditures of \$36,157,953 (not including other financing sources and uses). All other revenues decreased due to the decrease of Ohio Workers Compensation reimbursement.

**City of Avon Lake, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2023*  
*(Unaudited)*

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**General Fund Analysis**

The General Fund is the chief operating fund of the City. At the beginning of the current year, total fund balance for the General Fund was \$8,074,580. General Fund expenditures (including transfers out) for the current year were \$19,380,293, with revenues and other financing sources of \$17,231,386 leaving a fund balance of \$5,925,673 and an unassigned balance of \$3,829,224 in the General Fund.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (including transfers out). The General Fund's unassigned fund balance represents 19.76% of total General Fund expenditures while total fund balance represents 30.58% of that same amount. The fund balance of the City's General Fund balance decreased by \$2,148,907 in 2023 when compared to 2022 due to an increase in expenditures in 2023.

**Other Major Funds Analysis**

The City's Capital Improvement fund experienced an increase in fund balance in the amount of \$4,542,856 mainly due to the increase in interest revenue and decrease in capital outlay for 2023. Interest increased due to the change in interest rates and fair market value. The decrease in capital outlay was due to a decrease in projects in 2023.

**General Fund Budgeting Highlights**

The City's budget is prepared according to the laws of the State of Ohio and is based on accounting for certain transactions on a cash basis for receipts, expenditures, and encumbrances. The most significant budgeted fund is the General Fund. The legal level of budgetary control is at the personnel and other levels within the departments for the general fund and at the personnel and other levels for all other funds. Any budgetary modifications at these levels may only be made by an ordinance of City Council. During 2023, a number of supplemental appropriation measures were authorized by the City Council. Administrative control of the budget is maintained through the establishment of detailed line-item budgets. Transfers are contained in the annual appropriation measure and are permitted once the permanent appropriation measure has been passed by City Council.

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

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

For the General Fund, original budgeted revenues including other financing sources are \$16,151,187 and final budgeted revenues including other financing sources are \$19,540,727, and actual revenue including other financing sources are \$19,022,422. Final budgeted revenues increased from original budgeted revenues. Actual revenue decreased over the final budgeted amounts. Original budgeted expenditures including other financing uses are \$18,863,194 and final budgeted expenditures including other financing uses are \$19,633,111.

**City of Avon Lake, Ohio**  
*Management's Discussion and Analysis*  
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Actual general fund expenditures including other financing uses were \$19,294,380 or \$338,731 less than the final budget. The decrease in actual expenditures represents the City's proactive management and legislative action to control costs across the City's departments when practicable.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

Capital assets, net of depreciation, at December 31, 2023 and 2022 consisted of:

Table 3- Capital Assets (Net of Depreciation)						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 5,713,977	\$ 5,713,977	\$ 3,477,473	\$ 1,922,412	\$ 9,191,450	\$ 7,636,389
Construction in progress	2,643,121	2,577,956	2,383,334	5,650,170	5,026,455	8,228,126
Buildings and improvements	11,974,762	11,452,674	18,485,605	18,153,629	30,460,367	29,606,303
Machinery and equipment	3,190,255	2,412,806	3,506,985	2,954,329	6,697,240	5,367,135
Vehicles	2,278,828	2,273,516	776,386	882,331	3,055,214	3,155,847
Infrastructure	53,351,124	53,783,637	151,101,023	151,643,944	204,452,147	205,427,581
Total Capital Assets, Net of Depreciation	<u>\$ 79,152,067</u>	<u>\$ 78,214,566</u>	<u>\$ 179,730,806</u>	<u>\$ 181,206,815</u>	<u>\$ 258,882,873</u>	<u>\$ 259,421,381</u>

Capital assets are major assets that are used in operations and have useful lives of more than one year. As of December 31, 2023, total capital assets for the City were \$258,882,873 which reflects a decrease of \$538,508 from the 2022 ending balance of \$259,421,381. Governmental activities' capital assets, net of depreciation, decreased \$937,501 from 2022. Business-type capital assets, net of depreciation, decreased \$1,476,009.

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

### Debt

The outstanding debt and other long-term obligations for the City as of December 31, 2023, was \$154,786,344 which consisted of \$32,011,208 for governmental activities and \$122,775,136 for business-type activities. The City-wide balance reflects a decrease of \$4,335,227 from 2022.

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

Table 4- Outstanding Debt						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$ 14,908,554	\$ 13,611,011	\$ 6,886,042	\$ 7,433,592	\$ 21,794,596	\$ 21,044,603
OWDA Loans	16,364,286	16,308,197	114,599,138	119,099,334	130,963,424	135,407,531
OPWC Loans	104,738	105,956	-	-	104,738	105,956
Mortgage Revenue Bonds	-	-	603,186	1,249,564	603,186	1,249,564
Police Pension Liability	57,561	61,391	-	-	57,561	61,391
Financed Purchases	576,069	440,842	686,770	811,684	1,262,839	1,252,526
Total Outstanding Debt	<u>\$ 32,011,208</u>	<u>\$ 30,527,397</u>	<u>\$ 122,775,136</u>	<u>\$ 128,594,174</u>	<u>\$ 154,786,344</u>	<u>\$ 159,121,571</u>

**City of Avon Lake, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2023*  
*(Unaudited)*

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

**CURRENT FINANCIAL RELATED ACTIVITIES**

During 2023, there was a delay in a major park project and several road projects due to staffing and other unforeseen issues. However, the City is planning to move ahead with these projects in 2024. The City has seen an increase in business and residential construction in 2023 and anticipate an increase in future tax revenues.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

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

## Basic Financial Statements

# City of Avon Lake, Ohio

## Statement of Net Position

December 31, 2023

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 23,782,723	\$ 21,475,837	\$ 45,258,560
Cash and Cash Equivalents:			
With Escrow Agents	11,092	-	11,092
Materials and Supplies Inventory	394,688	339,296	733,984
Accounts Receivable	972,698	2,431,233	3,403,931
Accrued Interest Receivable	124,944	-	124,944
Intergovernmental Receivable	1,745,889	14,995,306	16,741,195
Prepaid Items	152,616	132,439	285,055
Municipal Income Taxes Receivable	4,247,182	-	4,247,182
Property Taxes Receivable	7,451,587	-	7,451,587
Special Assessments Receivable	56,821	50,025	106,846
Lease Receivable	43,478	-	43,478
Loans Receivable	-	496,350	496,350
Investment In Joint Venture	-	1,983,110	1,983,110
Nondepreciable Capital Assets	8,357,098	5,860,807	14,217,905
Depreciable Capital Assets	70,794,969	173,869,999	244,664,968
Net Pension Asset	65,036	36,174	101,210
<b>Total Assets</b>	<b>118,200,821</b>	<b>221,670,576</b>	<b>339,871,397</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferral on Refunding	175,672	66,745	242,417
Pension	11,901,892	2,665,022	14,566,914
OPEB	1,925,198	398,079	2,323,277
<b>Total Deferred Outflows of Resources</b>	<b>14,002,762</b>	<b>3,129,846</b>	<b>17,132,608</b>
<b>LIABILITIES</b>			
Accounts Payable	267,246	505,585	772,831
Accrued Wages and Benefits	707,082	186,785	893,867
Intergovernmental Payable	154,662	323,907	478,569
Matured Compensated Absences Payable	12,182	-	12,182
Accrued Interest Payable	43,417	20,652	64,069
Retainage Payable	3,039	-	3,039
Unearned Revenue	1,735,927	-	1,735,927
Long-term Liabilities:			
Due within one year	2,701,773	7,099,730	9,801,503
Due in more than one year:			
Net Pension Liability	32,748,284	6,234,664	38,982,948
Net OPEB Liability	1,848,038	129,939	1,977,977
Other Amounts	31,160,532	116,126,054	147,286,586
<b>Total Liabilities</b>	<b>71,382,182</b>	<b>130,627,316</b>	<b>202,009,498</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes and Lease	7,334,663	-	7,334,663
Pension	1,449,524	48,889	1,498,413
OPEB	1,772,097	44,227	1,816,324
<b>Total Deferred Inflows of Resources</b>	<b>10,556,284</b>	<b>93,116</b>	<b>10,649,400</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	47,363,712	56,871,256	104,234,968
Restricted for:			
Debt Service	1,898,673	-	1,898,673
Capital Projects	1,894,456	-	1,894,456
Public Safety	2,358,643	-	2,358,643
Parks and Recreation	147,096	-	147,096
Streets and Highways	1,934,655	-	1,934,655
Pension	103,048	57,317	160,365
Other Purposes	56,957	-	56,957
Unrestricted	(5,492,123)	37,151,417	31,659,294
<b>Total Net Position</b>	<b>\$ 50,265,117</b>	<b>\$ 94,079,990</b>	<b>\$ 144,345,107</b>

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

**City of Avon Lake, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2023

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
<b>Primary Government:</b>				
<b>Governmental activities:</b>				
Security of Persons and Property	\$ 13,908,850	\$ 733,777	\$ 298,632	\$ 509,540
Public Health Services	88,011	-	-	-
Leisure Time Activities	2,424,668	1,091,603	19,530	-
Community Environment	613,959	1,238,734	67,421	150,510
Transportation	12,352,849	-	1,715,460	185,000
General Government	5,386,074	305,914	197,151	87,000
Interest and Fiscal Charges	882,378	-	-	-
<b>Total Governmental activities</b>	<b>35,656,789</b>	<b>3,370,028</b>	<b>2,298,194</b>	<b>932,050</b>
<b>Business-type activities:</b>				
Water	12,957,078	15,230,257	165,482	-
Sewer	9,231,878	11,711,095	45,000	-
<b>Total Business-type activities</b>	<b>22,188,956</b>	<b>26,941,352</b>	<b>210,482</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 57,845,745</b>	<b>\$ 30,311,380</b>	<b>\$ 2,508,676</b>	<b>\$ 932,050</b>

**General Revenues:**

Property Taxes levied for:

General Purposes

Debt Service Purpose

Other Purposes

Municipal Income Taxes levied for:

General Purposes

Franchise Taxes

Grants & Entitlements not restricted to specific programs

Interest

Gain on Sale of Capital Assets

All Other Revenues

Total General Revenues

Changes in Net Position

Net Position - Beginning of Year, Restated

**Net Position - End of Year**

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

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Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (12,366,901)	\$ -	\$ (12,366,901)
(88,011)	-	(88,011)
(1,313,535)	-	(1,313,535)
842,706	-	842,706
(10,452,389)	-	(10,452,389)
(4,796,009)	-	(4,796,009)
(882,378)	-	(882,378)
<u>(29,056,517)</u>	<u>-</u>	<u>(29,056,517)</u>
-	2,438,661	2,438,661
<u>-</u>	<u>2,524,217</u>	<u>2,524,217</u>
-	4,962,878	4,962,878
<u>(29,056,517)</u>	<u>4,962,878</u>	<u>(24,093,639)</u>
4,891,186	-	4,891,186
301,746	-	301,746
2,305,366	-	2,305,366
17,112,354	-	17,112,354
372,802	-	372,802
1,565,150	-	1,565,150
967,946	325,508	1,293,454
162,586	-	162,586
288,920	521,215	810,135
<u>27,968,056</u>	<u>846,723</u>	<u>28,814,779</u>
(1,088,461)	5,809,601	4,721,140
<u>51,353,578</u>	<u>88,270,389</u>	<u>139,623,967</u>
<u>\$ 50,265,117</u>	<u>\$ 94,079,990</u>	<u>\$ 144,345,107</u>

# City of Avon Lake, Ohio

## Balance Sheet

### Governmental Funds

December 31, 2023

	General Fund	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 3,830,500	\$ 10,287,341	\$ 9,664,882	\$ 23,782,723
Cash and Cash Equivalents:				
With Escrow Agents	-	11,092	-	11,092
Materials and Supplies Inventory	-	-	394,688	394,688
Accrued Interest Receivable	-	124,944	-	124,944
Accounts Receivable	836,477	4,968	131,253	972,698
Interfund Receivable	20,000	-	87,447	107,447
Intergovernmental Receivable	678,706	87,000	980,183	1,745,889
Prepaid Items	105,454	5,125	42,037	152,616
Municipal Income Taxes Receivable	2,926,308	675,302	645,572	4,247,182
Property Taxes Receivable	4,863,885	-	2,587,702	7,451,587
Special Assessments Receivable	-	-	56,821	56,821
Lease Receivable	-	43,478	-	43,478
<b>Total Assets</b>	<u>\$ 13,261,330</u>	<u>\$ 11,239,250</u>	<u>\$ 14,590,585</u>	<u>\$ 39,091,165</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 87,606	\$ 114,730	\$ 64,910	\$ 267,246
Accrued Wages and Benefits	601,254	-	105,828	707,082
Intergovernmental Payable	125,739	6,883	22,040	154,662
Matured Compensated Absences Payable	12,182	-	-	12,182
Retainage Payable	-	3,039	-	3,039
Interfund Payable	-	-	107,447	107,447
Unearned Revenue	70,265	-	1,665,662	1,735,927
<b>Total Liabilities</b>	<u>897,046</u>	<u>124,652</u>	<u>1,965,887</u>	<u>2,987,585</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes and Lease	4,737,212	77,119	2,520,332	7,334,663
Unavailable Revenue - Delinquent Property Taxes	126,673	-	67,370	194,043
Unavailable Revenue - Municipal Income Taxes	904,067	208,631	199,446	1,312,144
Unavailable Revenue - Other	670,659	87,000	793,715	1,551,374
<b>Total Deferred Inflows of Resources</b>	<u>6,438,611</u>	<u>372,750</u>	<u>3,580,863</u>	<u>10,392,224</u>
<b>FUND BALANCES</b>				
Nonspendable	136,904	5,125	436,725	578,754
Restricted	-	-	5,905,570	5,905,570
Committed	-	10,736,723	1,761,566	12,498,289
Assigned	1,959,545	-	1,025,848	2,985,393
Unassigned (Deficits)	3,829,224	-	(85,874)	3,743,350
<b>Total Fund Balances</b>	<u>5,925,673</u>	<u>10,741,848</u>	<u>9,043,835</u>	<u>25,711,356</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 13,261,330</u>	<u>\$ 11,239,250</u>	<u>\$ 14,590,585</u>	<u>\$ 39,091,165</u>

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

**City of Avon Lake, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
December 31, 2023*

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<b>Total Governmental Funds Balance</b>	\$ 25,711,356
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*Amounts reported for Governmental Activities in the Statement of Net Position are different because:*

Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds	79,152,067
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds:

Delinquent property taxes	\$	194,043	
Municipal income taxes		1,312,144	
Special assessments		56,821	
Intergovernmental		1,394,240	
Charges for services		16,259	
Other		84,054	
Total			3,057,561

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due.	(43,417)
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The net pension liability and net OPEB liability are not due and payable in the current period; and the net pension asset are not available for spending in the current period; therefore, the liability, asset and related deferred outflows and inflows are not reported in governmental funds:

Deferred Outflows - Pension		11,901,892	
Deferred Inflows - Pension		(1,449,524)	
Net Pension Asset		65,036	
Net Pension Liability		(32,748,284)	
Deferred Outflows - OPEB		1,925,198	
Deferred Inflows - OPEB		(1,772,097)	
Net OPEB Liability		(1,848,038)	
Total			(23,925,817)

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

General obligation bonds		(14,495,000)	
OPWC loans		(104,738)	
OWDA loan		(16,364,286)	
Deferral on refunding		175,672	
Unamortized bond premium		(413,554)	
Financed Purchases Payable		(576,069)	
Other long-term obligations		(145,572)	
Compensated absences		(1,763,086)	
Total			(33,686,633)

<b>Net Position of Governmental Activities</b>	<b>\$ 50,265,117</b>
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The notes to the basic financial statements are an integral part of this statement.

**City of Avon Lake, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2023*

	<b>General Fund</b>	<b>Capital Improvement</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Property Taxes	\$ 4,880,613	\$ -	\$ 2,601,489	\$ 7,482,102
Municipal Income Taxes	8,667,405	5,568,982	2,870,733	17,107,120
Franchise Taxes	288,748	-	-	288,748
Intergovernmental	1,487,676	1,103,873	2,239,176	4,830,725
Interest	365,563	600,327	24,789	990,679
Fees, Licenses, and Permits	1,209,488	-	29,246	1,238,734
Fines and Forfeitures	224,250	-	70,867	295,117
Rentals	81,160	-	113,013	194,173
Charges for Services	825	-	1,691,627	1,692,452
Contributions and Donations	350	85,000	87,051	172,401
Special Assessments	-	-	31,333	31,333
Lease	-	9,348	-	9,348
All Other Revenues	24,592	32,158	172,540	229,290
<b>Total Revenues</b>	<b>17,230,670</b>	<b>7,399,688</b>	<b>9,931,864</b>	<b>34,562,222</b>
<b>EXPENDITURES</b>				
Current:				
Security of Persons and Property	9,049,915	21,883	2,996,312	12,068,110
Leisure Time Activities	313,184	47,406	1,672,537	2,033,127
Community Environment	574,654	-	55	574,709
Transportation	4,589,345	16,026	2,278,589	6,883,960
General Government	4,588,365	22,153	21,656	4,632,174
Capital Outlay	-	7,043,118	289,636	7,332,754
Debt Service:				
Principal Retirement	-	216,523	1,517,308	1,733,831
Interest and Fiscal Charges	2,830	50,421	682,412	735,663
Debt Issuance Costs	-	163,625	-	163,625
<b>Total Expenditures</b>	<b>19,118,293</b>	<b>7,581,155</b>	<b>9,458,505</b>	<b>36,157,953</b>
Excess of Revenues (Under) Expenditures	<b>(1,887,623)</b>	<b>(181,467)</b>	<b>473,359</b>	<b>(1,595,731)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	716	97,867	64,003	162,586
Issuance of Financed Purchases	-	324,633	32,705	357,338
General Obligation Bonds Issued	-	2,185,000	-	2,185,000
Loans Issued	-	557,761	-	557,761
Premium on Debt Issuance	-	158,759	-	158,759
Transfers In	-	1,422,406	284,103	1,706,509
Transfers Out	(262,000)	(22,103)	(1,422,406)	(1,706,509)
<b>Total Other Financing Sources (Uses)</b>	<b>(261,284)</b>	<b>4,724,323</b>	<b>(1,041,595)</b>	<b>3,421,444</b>
Net Change in Fund Balances	<b>(2,148,907)</b>	<b>4,542,856</b>	<b>(568,236)</b>	<b>1,825,713</b>
Fund Balances - Beginning of Year, Restated	8,074,580	6,198,992	9,612,071	23,885,643
<b>Fund Balances - End of Year</b>	<b>\$ 5,925,673</b>	<b>\$ 10,741,848</b>	<b>\$ 9,043,835</b>	<b>\$ 25,711,356</b>

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

**City of Avon Lake, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
In Fund Balance of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2023*

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<b>Net Change in Fund Balances-Total Governmental Funds</b>	<b>\$</b>	<b>1,825,713</b>
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*Amounts reported for Governmental Activities in the Statement of Activities are different because:*

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

Capital outlay	\$ 4,825,770	
Depreciation	(3,888,269)	
Total		937,501

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

Delinquent property taxes	16,196	
Municipal income taxes	5,234	
Special assessments	(32,426)	
Intergovernmental	(200,504)	
Charges for services	(6,301)	
Other	84,054	
Total		(133,747)

Other financing sources in the Governmental funds increase long-term liabilities in the Statement of Net Position. These sources were attributed to the issuance of bonds, premiums, loans, and financed purchases.

(3,258,858)

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

1,733,831

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

Pension		2,327,591
OPEB		40,888

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

Pension		(2,734,477)
OPEB		(1,675,241)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental funds.

Compensated absences	(46,248)	
Landfill postclosure costs	(88,011)	
Accrued interest on bonds	(8,580)	
Amortization of bond premium	41,216	
Amortization of deferral on refunding	(50,039)	
Total		(151,662)

<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>(1,088,461)</b>
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The notes to the basic financial statements are an integral part of this statement.

**City of Avon Lake, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balance –  
Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 2,943,511	\$ 4,880,376	\$ 4,880,613	\$ 237
Other Taxes	208,081	345,000	361,876	16,876
Intergovernmental	1,145,258	1,898,851	1,505,494	(393,357)
Interest	220,143	365,000	365,563	563
Fees, Licenses, and Permits	261,458	433,500	498,949	65,449
Fines and Forfeitures	151,386	251,000	221,255	(29,745)
Charges for Services	41,918	69,500	52,091	(17,409)
Rentals	54,282	90,000	81,160	(8,840)
Contributions and Donations	3,619	6,000	350	(5,650)
All Other Revenues	121,531	201,500	54,351	(147,149)
<b>Total Revenues</b>	<u>5,151,187</u>	<u>8,540,727</u>	<u>8,021,702</u>	<u>(519,025)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	8,537,970	9,116,770	8,993,569	123,201
Community Environment	593,979	606,821	592,155	14,666
Transportation	4,771,461	4,900,836	4,795,345	105,491
General Government	4,159,784	4,428,684	4,365,311	63,373
<b>Total Expenditures</b>	<u>18,063,194</u>	<u>19,053,111</u>	<u>18,746,380</u>	<u>306,731</u>
Excess of Revenues Over (Under) Expenditures	(12,912,007)	(10,512,384)	(10,724,678)	(212,294)
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	-	-	716	716
Transfers In	11,000,000	11,000,000	11,000,004	4
Transfers Out	(800,000)	(580,000)	(548,000)	32,000
<b>Total Other Financing Sources (Uses)</b>	<u>10,200,000</u>	<u>10,420,000</u>	<u>10,452,720</u>	<u>32,720</u>
Net Change in Fund Balance	(2,712,007)	(92,384)	(271,958)	(179,574)
Fund Balance - Beginning of Year	501,945	501,945	501,945	-
Prior Year Encumbrances Appropriated	272,519	272,519	272,519	-
<b>Fund Balance - End of Year</b>	<u>\$ (1,937,543)</u>	<u>\$ 682,080</u>	<u>\$ 502,506</u>	<u>\$ (179,574)</u>

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

**City of Avon Lake, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Funds*  
*December 31, 2023*

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$13,882,152	\$7,593,685	\$21,475,837
Materials and Supplies Inventory	135,688	203,608	339,296
Accounts Receivable	1,069,883	1,361,350	2,431,233
Intergovernmental Receivable	3,590,970	11,404,336	14,995,306
Prepaid Items	85,464	46,975	132,439
Special Assessments Receivable	-	50,025	50,025
Loans Receivable	-	496,350	496,350
<b>Total Current Assets</b>	<b>18,764,157</b>	<b>21,156,329</b>	<b>39,920,486</b>
<b>Noncurrent Assets:</b>			
Investment in Joint Venture	1,983,110	-	1,983,110
Capital Assets:			
Land	2,401,391	1,076,082	3,477,473
Construction in Progress	2,055,941	327,393	2,383,334
Depreciable Assets, Net of Depreciation	79,028,783	94,841,216	173,869,999
Net Pension Asset	16,996	19,178	36,174
<b>Total Noncurrent Assets</b>	<b>85,486,221</b>	<b>96,263,869</b>	<b>181,750,090</b>
<b>Total Assets</b>	<b>104,250,378</b>	<b>117,420,198</b>	<b>221,670,576</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferral on Refunding	-	66,745	66,745
Pension	1,252,136	1,412,886	2,665,022
OPEB	187,034	211,045	398,079
<b>Total Deferred Outflows of Resources</b>	<b>1,439,170</b>	<b>1,690,676</b>	<b>3,129,846</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	337,254	168,331	505,585
Accrued Wages and Benefits	89,677	97,108	186,785
Intergovernmental Payable	284,604	39,303	323,907
Accrued Interest Payable	8,249	12,403	20,652
Compensated Absences Payable	109,454	126,299	235,753
General Obligation Bonds Payable	180,000	355,000	535,000
Revenue Bonds Payable	600,000	-	600,000
OWDA Loans Payable	2,703,172	2,896,918	5,600,090
Financed Purchases Payable	64,444	64,443	128,887
<b>Total Current Liabilities</b>	<b>4,376,854</b>	<b>3,759,805</b>	<b>8,136,659</b>
<b>Noncurrent Liabilities:</b>			
Compensated Absences Payable	126,788	88,107	214,895
General Obligation Bonds Payable	1,046,929	5,304,113	6,351,042
Revenue Bonds Payable	3,186	-	3,186
OWDA Loans Payable	38,495,201	70,503,847	108,999,048
Financed Purchases Payable	278,941	278,942	557,883
Net Pension Liability	2,929,300	3,305,364	6,234,664
Net OPEB Liability	61,051	68,888	129,939
<b>Total Noncurrent Liabilities</b>	<b>42,941,396</b>	<b>79,549,261</b>	<b>122,490,657</b>
<b>Total Liabilities</b>	<b>47,318,250</b>	<b>83,309,066</b>	<b>130,627,316</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension	22,970	25,919	48,889
OPEB	20,780	23,447	44,227
<b>Total Deferred Inflows of Resources</b>	<b>43,750</b>	<b>49,366</b>	<b>93,116</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	40,036,632	16,834,624	56,871,256
Restricted for:			
Pension	26,930	30,387	57,317
Unrestricted	18,263,986	18,887,431	37,151,417
<b>Total Net Position</b>	<b>\$58,327,548</b>	<b>\$35,752,442</b>	<b>\$94,079,990</b>

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

**City of Avon Lake, Ohio**  
*Statement of Revenues, Expenses and Changes in Fund Net Position*  
*Proprietary Funds*  
*For the Year Ended December 31, 2023*

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$15,230,257	\$11,710,094	\$26,940,351
Miscellaneous	209,676	231,984	441,660
<b>Total Operating Revenues</b>	<b>15,439,933</b>	<b>11,942,078</b>	<b>27,382,011</b>
<b>OPERATING EXPENSES</b>			
Salaries	2,527,064	2,795,916	5,322,980
Purchased Services	4,585,765	739,822	5,325,587
Materials and Supplies	2,789,992	940,667	3,730,659
Depreciation	2,447,597	3,228,533	5,676,130
Other	95,704	125,753	221,457
<b>Total Operating Expense</b>	<b>12,446,122</b>	<b>7,830,691</b>	<b>20,276,813</b>
Operating Income	2,993,811	4,111,387	7,105,198
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest	173,910	151,598	325,508
Interest and Fiscal Charges	(510,956)	(1,401,187)	(1,912,143)
Intergovernmental	165,482	45,000	210,482
Special Assessments	-	1,001	1,001
Gain on Investment in Joint Venture	79,555	-	79,555
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(92,009)</b>	<b>(1,203,588)</b>	<b>(1,295,597)</b>
Change in Net Position	2,901,802	2,907,799	5,809,601
Net Position - Beginning of Year, Restated	55,425,746	32,844,643	88,270,389
<b>Net Position - End of Year</b>	<b>\$58,327,548</b>	<b>\$35,752,442</b>	<b>\$94,079,990</b>

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

**City of Avon Lake, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
*For the Year Ended December 31, 2023*

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Charges for Services	\$15,328,145	\$10,346,752	\$25,674,897
Cash Received from Other Operating Sources	209,676	231,984	441,660
Cash Payments for Employee Services and Benefits	(2,466,066)	(2,717,259)	(5,183,325)
Cash Payments for Goods and Services	(7,304,368)	(1,824,033)	(9,128,401)
Cash Payments for Other Operating Expenses	(95,681)	(118,255)	(213,936)
Net Cash Provided by Operating Activities	<u>5,671,706</u>	<u>5,919,189</u>	<u>11,590,895</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Intergovernmental Revenue	165,482	45,000	210,482
Transfers In	4,055,910	3,175,873	7,231,783
Transfers Out	(4,055,910)	(3,175,873)	(7,231,783)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>165,482</u>	<u>45,000</u>	<u>210,482</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from OWDA Loans	1,168,662	29,076	1,197,738
Principal Paid on Notes and Revenue Bonds	(815,000)	(350,000)	(1,165,000)
Principal Paid on OWDA Loans	(2,515,057)	(3,182,877)	(5,697,934)
Principal Paid on Financed Purchases	(62,457)	(62,457)	(124,914)
Interest Payments	(547,517)	(985,035)	(1,532,552)
Payments for Capital Acquisitions	(3,908,443)	(871,260)	(4,779,703)
Special Assessments	-	26,014	26,014
Net Cash (Used in) Capital and Related Financing Activities	<u>(6,679,812)</u>	<u>(5,396,539)</u>	<u>(12,076,351)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on Investments	<u>173,901</u>	<u>138,331</u>	<u>312,232</u>
Net Cash Provided by Investing Activities	<u>173,901</u>	<u>138,331</u>	<u>312,232</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 (668,723)	 705,981	 37,258
Cash and Cash Equivalents - Beginning of Year, Restated	<u>14,550,875</u>	<u>6,887,704</u>	<u>21,438,579</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$13,882,152</u></u>	<u><u>\$7,593,685</u></u>	<u><u>\$21,475,837</u></u>

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

(Continued)

**City of Avon Lake, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2023  
(Continued)

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating Income	\$2,993,811	\$4,111,387	\$7,105,198
Adjustments:			
Depreciation	2,447,597	3,228,533	5,676,130
(Increase) Decrease in Assets and Deferred Outflows of Resources:			
Accounts Receivable	15,642	37,871	53,513
Prepays	(48,751)	(30,312)	(79,063)
Materials and Supplies Inventory	16,455	(33,791)	(17,336)
Intergovernmental Receivable	88,815	(1,547,066)	(1,458,251)
Loans Receivable	-	136,118	136,118
Net Pension Asset	14,129	14,685	28,814
Net OPEB Asset	327,522	356,338	683,860
Deferred Outflows of Resources - Pension	(749,129)	(865,623)	(1,614,752)
Deferred Outflows of Resources - OPEB	(171,065)	(193,671)	(364,736)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:			
Accounts Payable	60,506	(67,128)	(6,622)
Accrued Wages and Benefits	9,214	8,720	17,934
Compensated Absences Payable	27,134	(26,209)	925
Matured Compensated Absences Payable	-	(3,083)	(3,083)
Intergovernmental Payable	44,952	22,635	67,587
Net Pension Liability	2,006,951	2,301,866	4,308,817
Net OPEB Liability	61,051	68,888	129,939
Deferred Inflows of Resources - Pension	(1,135,504)	(1,234,478)	(2,369,982)
Deferred Inflows of Resources - OPEB	(337,624)	(366,491)	(704,115)
<b>Net Cash Provided by Operating Activities</b>	<b>\$5,671,706</b>	<b>\$5,919,189</b>	<b>\$11,590,895</b>
<b><u>Schedule of Noncash Investing, Capital, and Financing Activities:</u></b>			
Net Impact of accruals for payment of capital acquisitions	\$ 247,691	\$ 87,071	\$ 334,762

**City of Avon Lake, Ohio**  
*Statement of Fiduciary Net Position*  
*Custodial Funds*  
*December 31, 2023*

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	<u><b>Custodial</b></u>
<b>ASSETS</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 38,406
Cash and Cash Equivalents with Fiscal Agent	<u>4,201,556</u>
<b>Total Assets</b>	<u>4,239,962</u>
 <b>LIABILITIES</b>	
Due to External Parties	455,434
Obligations under Securities Lending	<u>5,326,470</u>
<b>Total Liabilities</b>	<u>5,781,904</u>
 <b>NET POSITION</b>	
Restricted For:	
Individuals, Organizations, and Other Governments	<u>(1,541,942)</u>
<b>Total Net Position</b>	<u><u>\$ (1,541,942)</u></u>

See accompany notes to the basic financial statements.

**City of Avon Lake, Ohio**  
*Statement of Changes in Fiduciary Net Position*  
*Custodial Funds*  
*For the Year Ended December 31, 2023*

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	<u><b>Custodial</b></u>
<b>ADDITIONS</b>	
Investment Earnings	\$ 14,824
Amounts Received as Fiscal Agent	8,350,485
Fines and Forfeitures for Other Governments	<u>765,361</u>
<b>Total Additions</b>	<u>9,130,670</u>
<b>DEDUCTIONS</b>	
Distributions to Other Governments	1,649,706
Fines and Forfeitures Distributions to Other Governments	765,665
Distributions as Fiscal Agent	<u>5,650,644</u>
<b>Total Deductions</b>	<u>8,066,015</u>
Net Increase in Fiduciary Net Position	1,064,655
Net Position - Beginning of Year, Restated	<u>(2,606,597)</u>
<b>Net Position - End of Year</b>	<u><u>\$ (1,541,942)</u></u>

See accompany notes to the basic financial statements.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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**NOTE 1: DESCRIPTION OF THE CITY AND REPORTING ENTITY**

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

**Reporting Entity**

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

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

The City is associated with the Lorain County Community Alliance Council of Governments and the Northeast Ohio Public Energy Council (NOPEC) as jointly governed organizations. The City is also a member of the Medina-Lorain Water Consortium, a joint venture (See Note 15).

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Basis of Presentation**

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

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

*Government-wide Financial Statements*

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

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

*Fund Financial Statements*

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

B. **Fund Accounting**

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

*Governmental Funds*

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

B. **Fund Accounting** (Continued)

The following are the City's major governmental funds:

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

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

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

Proprietary Funds

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

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

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

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

**C. Measurement Focus**

*Government-wide Financial Statements*

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

*Fund Financial Statements*

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

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

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

**D. Basis of Accounting**

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

*Revenues - Exchange and Non-exchange Transactions*

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

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

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferral on refunding, pension and OPEB. A deferral on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance year 2024 operations. These amounts have been recorded as deferred inflows on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, intergovernmental revenues, special assessments, charges for services, and other revenues. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities fund on page 23. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13)

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

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

Expenses/Expenditures

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

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

E. **Budgetary Process**

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

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

Tax Budget

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

Estimated Resources

The County Budget Commission determines if the tax budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by October 1. As part of this certification, the City receives the official certificate of estimated resources that states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate of estimated resources can be further amended during the year if the fiscal officer determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported in the budgetary statements as original represent the amounts in the official certificate of estimated resources when the original appropriations were adopted. The amounts reported in the budgetary statements as final reflect the amounts in the final amended official certificate of estimated resources issued during 2023.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

E. **Budgetary Process** (Continued)

Appropriations

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

Lapsing of Appropriations

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

Encumbrances

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

F. **Equity in Pooled Cash and Cash Equivalents**

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

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

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

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

For 2023, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the City has, by ordinance, specified the Capital Improvement Fund to receive an allocation of interest earnings. Interest receipts credited to the Capital Improvement Fund during 2023 amounted to \$600,327 due to the change in fair market value from the prior year.

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

The City presents “Cash and Cash Equivalents with Escrow Agents” on its Statement of Net Position. In governmental activities, the \$11,092 represents cash held by escrow agent for contractor retainage. During 2023, this amount was invested in money market savings interest bearing accounts.

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

G. **Inventories**

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

H. **Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2023 are recorded as prepaid items using the consumption method. A current asset for the period amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

I. **Capital Assets**

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

I. **Capital Assets** (Continued)

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

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

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

J. **Interfund Balances**

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

K. **Compensated Absences**

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

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

L. **Compensated Absences** (Continued)

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

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

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

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

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

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

**O. Fund Balance**

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

*Nonspendable* – The nonspendable fund balance classification includes amounts that cannot be spent because they are not spendable in form, or legally or contractually required to be maintained intact.

The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

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

*Assigned* – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts would represent intended uses established by policies of the City Council or a City official delegated that authority by City Charter or ordinance, or by State statute. State statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

**P. Net Position**

Net Position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets.

The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The government-wide statement of net position reports a total of \$8,450,845 for the restricted component of net position, none of which is restricted by enabling legislation. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted components of net position are available.

**P. Operating Revenues and Expenses**

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

**Q. Contributions of Capital**

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

**R. Interfund Activity**

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

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

**S. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2023.

**T. Use of Estimates**

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

NOTE 3: **CHANGES IN ACCOUNTING PRINCIPLES**

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

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. These changes were incorporated in the City's financial statements; however, there was no effect on the beginning net position/fund balance.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The implementation of this Statement did not have an effect on the financial statements of the City.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The implementation of this Statement did not have an effect on the financial statements of the City.

GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of this Statement did not have an effect on the financial statements of the City.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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**NOTE 4: BUDGETARY BASIS OF ACCOUNTING**

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

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

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

	<u>General</u>
GAAP Basis- Net Change in Fund Balance	\$ (2,148,907)
<u>Increase (Decrease) Due to:</u>	
Revenue Accruals	(916,571)
Expenditure Accruals	67,801
Outstanding Encumbrances	(352,938)
Funds with Separate Legally Adopted Budgets	<u>3,078,657</u>
Budgetary Basis-Net Change in Fund Balance	<u>\$ (271,958)</u>

**NOTE 5: ACCOUNTABILITY AND COMPLIANCE**

**A. Accountability**

At December 31, 2023, Troy School Driveway Fund and Cove Avenue Improvements Fund (non-major governmental funds) had deficit fund balances of \$20,000 and \$65,874, respectively. These deficit fund balances, are the result of adjustments for accrued liabilities in these funds. The General Fund is liable for any deficits in these funds and previous transfers when cash is needed, not when accruals occur.

**B. Compliance**

The City had negative cash fund balances, Recreation Special Revenue Fund, Curtis Road Sewer Improvements Capital Project Fund, and Pool Renovation Capital Project Fund in the amounts of \$41,433, \$21,523, and \$580, respectively, indicating that revenue from other sources were used to pay obligations contrary to Ohio Revised Code Section 5705.10 (H).

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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NOTE 5: **ACCOUNTABILITY AND COMPLIANCE**

**B. Compliance** (Continued)

The City had original appropriations in excess of estimated resources plus carryover balances as reported on the Official Certificate of Estimated Resources contrary to Ohio Revised Code Section 5705.39 in the General Fund in the amount of \$1,937,543.

NOTE 6: **DEPOSITS AND INVESTMENTS**

**A. Legal Requirements**

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

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

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

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

1. Bonds, notes, or other obligations of, or guaranteed by, the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality.
3. Written repurchase agreements for a period not to exceed thirty days in securities listed above that mature within five years from the date of purchase.
4. Bonds and other obligations of the State of Ohio.
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
6. The State Treasurer’s investment pool (STAR Ohio).

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

A. **Legal Requirements** (Continued)

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

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

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

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

B. **Deposits**

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, the carrying amount of the City's deposits was \$28,843,052 and \$2,645 in petty cash with the bank balance at \$29,558,543. Of the City's bank balance, \$760,396 was covered by federal depository insurance and \$23,529,213 uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name, and \$5,211,693 was uninsured and uncollateralized. One of the City's financial institutions was approved for a reduced collateral rate of 60 percent through the Ohio Pooled Collateral System, resulting in the uninsured and uncollateralized balance.

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

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

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The City's financial institutions had enrolled in OPCS as of December 31, 2023.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

**C. Investments**

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

STAR Ohio is measured at net asset value per share while all other investments are measured at fair value. Fair value is determined by quoted market prices and acceptable other pricing methodologies. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The City's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs). The following table identifies the City's recurring fair value measurement as of December 31, 2023. As previously discussed, Star Ohio is reported at its net asset value. As of December 31, 2023, the City had the following investments:

<u>Investment Type</u>	<u>Measurement Value</u>	<u>Level Input</u>	<u>Maturities</u>
Federal Home Loan Bank	\$ 487,140	2	3/14/2025
Freddie Mac	466,665	2	9/23/2025
Fannie Mae	2,914,165	2	07/02/2024-06/17/2025
United States Treasury Notes	11,224,902	2	12/31/23-9/30/2028
Money Market Mutual Funds	567,799	N/A	n/a
STAR Ohio	5,003,246	N/A	n/a
Total Investments	20,663,917		
Carrying Amount of Deposits	28,843,052		
Petty Cash	2,645		
Total Cash and Investments	<u>\$ 49,509,614</u>		

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

**D. Interest Rate Risk**

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

E. **Credit Risk**

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

The City has no investment policy that addresses credit risk.

F. **Concentration of Credit Risk**

The following is the City's allocation as of December 31, 2023:

<u>Investment Type</u>	<u>Measurement Value</u>	<u>Investment</u>
Federal Home Loan Bank	\$ 487,140	2.36%
Freddie Mac	466,665	2.26%
Fannie Mae	2,914,165	14.10%
United States Treasury Notes	11,224,902	54.32%
Money Market Mutual Funds	567,799	2.75%
STAR Ohio	5,003,246	24.21%
Total Investments	<u>\$ 20,663,917</u>	<u>100.00%</u>

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

<u>Investment Type</u>	<u>Percentage of Investments</u>
United States Treasury Obligations	100.00%
Authorized U.S. Federal Agency Securities	50.00%
Certificates of Deposit	25.00%
STAR Ohio	90.00%
Repurchase Agreement	40.00%
Commercial Paper or Bankers Acceptances	25.00%

NOTE 7: **RECEIVABLES**

Receivables at December 31, 2023, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, accrued interest on investments, leases and accounts (billings for utility service) receivable.

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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NOTE 7: **RECEIVABLES** (Continued)

**A. Property Taxes**

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

Real property taxes collected were based on assessed value equal to thirty-five percent (35%) of appraised value. The Lorain County Auditor reappraises real property every six years, with a triennial update, which was last completed for 2023. Real property taxes are levied on assessed valuations as of December 31, which is the lien date. Real property taxes, billed one year in arrears, are payable annually or semiannually. The first payment is due January 20, and the remainder is payable by June 20.

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

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

The full tax rate for all City operations for the year ended December 31, 2023 was \$7.98 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2023 property tax receipts were based are as follows:

Real Property -	
Residential/Agriculture	\$ 990,266,750
Other Real Estate	124,064,580
Tangible Personal Property	
Public Utilities	64,184,560
Total Valuation	<u><u>\$ 1,178,515,890</u></u>

**B. Income Taxes**

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

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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NOTE 7: **RECEIVABLES** (Continued)

B. **Income Taxes** (Continued)

By City ordinance, 55 percent of the income tax proceeds were credited to the General Fund, 30 percent of the municipal income tax proceeds were credited to the Capital Improvement Fund (a capital projects fund) 11 percent of the income tax proceeds were credited to the General Bond Retirement (Unvoted) Fund (a debt service fund) and 3 percent of the income tax proceeds were credited to the Recreation Fund (a special revenue fund).

C. **Intergovernmental Receivables**

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities	
Homestead and Rollback	\$ 445,334
Gasoline Tax	727,076
Local Government	330,523
Auto Registration	58,968
Avon Lake City School District	39,806
Grants	144,182
Total Governmental Activities	<u>1,745,889</u>
Business-Type Activities	
Water	3,590,970
Sewer	11,404,336
Total Business-Type Activities	<u>14,995,306</u>
Total Intergovernmental Receivable	<u>\$ 16,741,195</u>

Per a cooperative agreement between Lorain County Rural Wastewater District (LORCO) and Avon Lake Municipal Utilities (ALMU) dated December 7, 2009, LORCO shall pay a tap fee of \$775,000 to ALMU contingent upon the certification of the system. On September 15, 2011, the first amendment to the agreement was authorized and approved with a project certification date of November 18, 2011. On November 17, 2015 the second amendment to the agreement was authorized and approved. Therefore, the repayment of the tap fees will be \$100,000 on each of the tenth, eleventh, twelfth, thirteenth, fourteenth, fifteenth, and sixteenth anniversaries of the certification date and \$75,000 on the seventeenth anniversary. LORCO shall pay to ALMU an amount equal to \$31,754 on each of the tenth, eleventh, and twelfth anniversaries of the certification date, in respect of the accumulated interest for deferring the tap fee by three years. Also, LORCO shall pay to ALMU an amount equal to \$40,294 on each of the tenth, eleventh, twelfth, thirteenth, fourteenth, fifteenth, sixteenth and seventieth anniversaries of the certification date. The City has recorded the intergovernmental receivable in the Sewer Fund.

The City has advanced funds and treated sanitary sewer flows at its treatment facility since the inception of the cooperative agreement with LORCO. While these expenses have been monitored by both parties, no transactions have been recorded until 2022. As of December 31, 2023, the City has recorded a receivable for services in the amount of \$9,227,866 and a receivable for advances in the amount of \$4,650,000.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

NOTE 7: **RECEIVABLES** (Continued)

D. **Lease**

In April 2022, City of Avon Lake entered a ten-year lease with the Avon Lake Boat Club as lessor for the use land. An initial lease receivable was recorded in the amount of \$93,478. As of December 31, 2023, the value of the lease receivable is \$43,478. The lease has an interest rate of 3.00 percent. The value of the deferred inflow of resources as of December 31, 2023 was \$77,120, and City of Avon Lake recognized lease revenue of \$9,348 during the fiscal year. The lessee has one extension option, each for sixty months. The remaining principal and interest due is \$43,478 and \$6,522, respectively on April 1, 2027.

NOTE 8: **CAPITAL ASSETS**

	Balances 12/31/2022	Additions	Disposals	Balances 12/31/2023
<b>Governmental Activities</b>				
Nondepreciable Assets:				
Land	\$ 5,713,977	\$ -	\$ -	\$ 5,713,977
Construction in progress	2,577,956	2,828,848	(2,763,683)	2,643,121
Total Nondepreciable Assets	<u>8,291,933</u>	<u>2,828,848</u>	<u>(2,763,683)</u>	<u>8,357,098</u>
Depreciable Assets:				
Buildings and Improvements	21,694,307	1,051,549	-	22,745,856
Machinery and Equipment	5,892,939	1,154,923	-	7,047,862
Vehicles	6,982,053	385,690	(117,428)	7,250,315
Infrastructure	111,264,673	2,168,443	-	113,433,116
Total Depreciable Assets	<u>145,833,972</u>	<u>4,760,605</u>	<u>(117,428)</u>	<u>150,477,149</u>
Less Accumulated Depreciation				
Buildings and Improvements	(10,241,633)	(529,461)	-	(10,771,094)
Machinery and Equipment	(3,480,133)	(377,474)	-	(3,857,607)
Vehicles	(4,708,537)	(380,378)	117,428	(4,971,487)
Infrastructure	(57,481,036)	(2,600,956)	-	(60,081,992)
Total Accumulated Depreciation	<u>(75,911,339)</u>	<u>(3,888,269)</u>	<u>* 117,428</u>	<u>(79,682,180)</u>
Total Depreciable Assets, Net	<u>69,922,633</u>	<u>872,336</u>	<u>-</u>	<u>70,794,969</u>
Governmental Activities Capital Assets, Net	<u>\$ 78,214,566</u>	<u>\$ 3,701,184</u>	<u>\$ (2,763,683)</u>	<u>\$ 79,152,067</u>

\* Depreciation expense was charged to governmental functions as follows:

Security of Persons and Property	\$ 344,870
Leisure Time Activities	310,284
Transportation	2,600,956
Community Environment	3,313
General Government	628,846
Total Depreciation Expense	<u>\$ 3,888,269</u>

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

	Balances 12/31/2022	Additions	Disposals	Balances 12/31/2023
<b>Business-Type Activities</b>				
Nondepreciable Assets:				
Land	\$ 1,922,412	\$ 1,555,061	\$ -	\$ 3,477,473
Construction in progress	5,650,170	1,765,265	(5,032,101)	2,383,334
Total Nondepreciable Assets	<u>7,572,582</u>	<u>3,320,326</u>	<u>(5,032,101)</u>	<u>5,860,807</u>
Depreciable Assets:				
Buildings and Improvements	43,160,369	815,562	-	43,975,931
Machinery and Equipment	6,054,982	879,795	-	6,934,777
Vehicles	1,679,055	-	-	1,679,055
Infrastructure	196,462,934	4,216,539	-	200,679,473
Total Depreciable Assets	<u>247,357,340</u>	<u>5,911,896</u>	<u>-</u>	<u>253,269,236</u>
Less Accumulated Depreciation				
Buildings and Improvements	(25,006,740)	(483,586)	-	(25,490,326)
Machinery and Equipment	(3,100,653)	(327,139)	-	(3,427,792)
Vehicles	(796,724)	(105,945)	-	(902,669)
Infrastructure	(44,818,990)	(4,759,460)	-	(49,578,450)
Total Accumulated Depreciation	<u>(73,723,107)</u>	<u>(5,676,130)</u>	<u>-</u>	<u>(79,399,237)</u>
Total Depreciable Assets, Net	<u>173,634,233</u>	<u>235,766</u>	<u>-</u>	<u>173,869,999</u>
Business-Type Activities Capital Assets, Net	<u>\$ 181,206,815</u>	<u>\$ 3,556,092</u>	<u>\$ (5,032,101)</u>	<u>\$ 179,730,806</u>

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**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

**NOTE 9: LONG-TERM OBLIGATIONS**

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<b>Governmental Activities</b>				
General Obligation Bonds				
Refunding	2012	2028	1.0% - 2.75%	\$ 765,000
Refunding	2015	2028	2.0% - 3.0%	2,964,998
Various Purpose Bond	2019	2039	2.0% - 3.0%	9,360,000
Street Improvement Bond	2022	2036	4.0% - 5.0%	3,500,000
Fire Truck Acquisition	2023	2033	4.0% - 5.0%	2,185,000
Ohio Public Works Commission Loan - Direct Borrowings				
Walker Road/Bike Lane	2009	2024	0.00%	100,000
Walker Road/Lear Road Intersection	2014	2034	0.00%	125,000
Lear Road/Krebs Intersection	2017	2040	0.00%	125,000
Central Avon Lake Drainage Project Phase II *	2017	2040	0.00%	375,000
Ohio Water Development Authority Loan - Direct Borrowings				
Jaycox Sewer Separation	2010	2041	3.27%	253,409
Belmar Sewer Separation	2013	2044	2.94%	1,082,498
Mull/Norman Sanitary Sewer Force Main	2016	2036	2.21%	578,870
Stop 45 Area CSO	2017	2050	1.61%	6,877,646
Fairfield-Brookfield Combined	2017	2049	0.76%	6,333,540
Curtis Sanitary Sewer Rehab	2018	2039	2.15%	326,015
Water Main Bundle	2022	2043	1.85%	2,225,494
<b>Business-Type Activities</b>				
General Obligation Bonds				
Refunding	2012	2028	1.0% - 2.75%	3,430,000
Utilities Improvement Bond	2019	2049	3.0% - 5.0%	6,635,000
Mortgage Revenue Bonds				
Water System Refunding	2015	2026	2.0% - 2.25%	4,820,000
Ohio Water Development Authority Loan - Direct Borrowings				
Water System Improvements	2003	2025	4.51%	4,764,656
Fay/Vineyard Sanitary Sewer	2008	2029	4.15%	1,548,287
Center Road Pump Station	2008	2029	4.28%	1,356,266
LORCO Force Main	2009	2041	3.68%	9,718,470
LORCO Collection Systems	2009	2041	4.08%	19,167,873
Sewer Separation	2010	2041	3.27%	3,018,029
Water Plant Expansion	2013	2044	2.84%	4,925,787
Belmar Sewer Separation	2013	2044	2.94%	3,741,941
Additional Storage and Interconnection HAB	2015	2038	0.18%	25,557,530
Additional Storage and Interconnection HAB	2016	2038	0.00%	8,202,468
Lear/Nagel Sanitary Sewer Force Main	2016	2026	2.21%	284,831
Mull/Norman Sanitary Sewer Force Main	2016	2036	2.21%	2,428,402
Water Pollution Control Center Rehab	2016	2050	0.45%	37,602,786
Stop 45 Area CSO	2017	2050	1.61%	8,951,229
Lateral Loan Program (*)	2017	2036	0.00%	5,000,000
Fairfield-Brookfield Combined	2017	2049	0.76%	7,070,777
Elyria Interconnect HAB	2018	2039	2.15%	2,001,153
Curtis Sanitary Sewer Rehab	2018	2039	2.15%	1,343,290
Water Main Bundle	2019	2041	2.25%	2,717,821
Plant Effluent Flow Diversion	2021	2041	1.28%	674,815
Water Main Bundle	2022	2043	1.85%	4,327,381

\* - Final amortization schedules have not been completed as of December 31, 2023.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

Changes in the City's long-term obligations during 2023 were as follows:

	Outstanding 12/31/2022	Additions	Reductions	Outstanding 12/31/2023	Amount Due in One Year
<b>Governmental activities</b>					
General obligation bonds					
Refunding bonds (2012)					
various through 2028	\$ 325,000	\$ -	\$ 50,000	\$ 275,000	\$ 55,000
Unamortized premium	4,251	-	654	3,597	-
Refunding bonds (2015)					
Recreational Facilities through 2028	1,815,000	-	280,000	1,535,000	290,000
Unamortized premium	159,814	-	24,587	135,227	-
Various Purpose Bonds (2019) through 2039	7,925,000	-	500,000	7,425,000	505,000
Unamortized premium	131,946	-	8,037	123,909	-
Street Improvement Bonds (2022) through 2036	3,250,000	-	175,000	3,075,000	185,000
Fire Truck Acquisition Bonds (2023) through 2033	-	2,185,000	-	2,185,000	165,000
Unamortized premium	-	158,759	7,938	150,821	-
Total general obligation bonds	<u>13,611,011</u>	<u>2,343,759</u>	<u>1,046,216</u>	<u>14,908,554</u>	<u>1,200,000</u>
Loans - Direct Borrowings					
OPWC loan- Walker Rd/Bike Lane					
0.0% through 2024	9,998	-	6,667	3,331	3,331
OPWC loan- Walker Rd/Lear Rd Intersection					
Upgrade, 0.0% through 2034	78,125	-	6,250	71,875	6,250
OPWC loan- Lear Road/Krebs Intersection					
Upgrade, 0.0% through 2040	17,833	-	850	16,983	850
OPWC loan- Central Avon Lake Drainage Project					
Phase II, 0.0% through 2027	-	12,549	-	12,549	-
OWDA loan - Jaycox Sewer					
Separation, 3.27% through 2041	182,838	-	7,490	175,348	7,737
OWDA loan - Belmar Sewer Separation (2013)					
2.94% through 2044	914,250	-	31,018	883,232	31,937
OWDA loan - Mull/Norman Sanitary Sewer					
Force Main, 2.21% through 2036	408,961	-	30,260	378,701	30,261
OWDA loan - Stop 45 Area CSO (2017)					
1.610% through 2050	6,685,748	-	195,000	6,490,748	198,152
OWDA loan - Fairfield-Brookfield Combined					
Sewer Separation (2017) 0.760% through 2049	6,125,629	-	209,494	5,916,135	211,089
OWDA loan - Curtis Sanitary Sewer Rehab (2018)					
2.15% through 2035	310,489	-	15,861	294,628	16,204
OWDA loan - Water Main Bundle (2022)					
1.85% through 2043	1,680,282	545,212	-	2,225,494	92,885
Total Loans - Direct Borrowings	<u>16,414,153</u>	<u>557,761</u>	<u>502,890</u>	<u>16,469,024</u>	<u>598,696</u>
Net Pension Liability					
OPERS	3,220,790	7,987,942	-	11,208,732	-
OP&F	14,405,815	7,133,737	-	21,539,552	-
Total Net Pension Liability	<u>17,626,605</u>	<u>15,121,679</u>	<u>-</u>	<u>32,748,284</u>	<u>-</u>
Net OPEB Liability					
OPERS	-	233,606	-	233,606	-
OP&F	2,527,445	-	913,013	1,614,432	-
Total Net OPEB Liability	<u>2,527,445</u>	<u>233,606</u>	<u>913,013</u>	<u>1,848,038</u>	<u>-</u>
Landfill postclosure costs	-	88,011	-	88,011	-
Police pension liability	61,391	-	3,830	57,561	3,995
Financed Purchases Payables	440,842	357,338	222,111	576,069	171,739
Compensated absences	1,716,838	731,581	685,333	1,763,086	727,343
Total Governmental activities	<u>\$ 52,398,285</u>	<u>\$ 19,433,735</u>	<u>\$ 3,373,393</u>	<u>\$ 68,458,627</u>	<u>\$ 2,701,773</u>

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

	Outstanding 12/31/2022	Additions	Reductions	Outstanding 12/31/2023	Amount Due in One Year
<b>Business-type activities</b>					
General obligation bonds					
Refunding bonds (2012)					
various % through 2028	\$ 1,450,000	\$ -	\$ 230,000	\$ 1,220,000	\$ 235,000
Unamortized premium	19,402	-	2,985	16,417	-
Utilities Improvement bonds (2019)					
various % through 2049	1,310,000	-	175,000	1,135,000	180,000
Unamortized premium	108,643	-	16,714	91,929	-
Utilities Improvement bonds (2019)					
various % through 2049	4,470,000	-	120,000	4,350,000	120,000
Unamortized premium	75,547	-	2,851	72,696	-
Total general obligation bonds	<u>7,433,592</u>	<u>-</u>	<u>547,550</u>	<u>6,886,042</u>	<u>535,000</u>
 Mortgage revenue bonds					
Water system refunding (2015)					
various % through 2026	1,240,000	-	640,000	600,000	600,000
Unamortized premium	9,564	-	6,378	3,186	-
Total Mortgage revenue bonds	<u>1,249,564</u>	<u>-</u>	<u>646,378</u>	<u>603,186</u>	<u>600,000</u>
 OWDA Loans - Direct Borrowings					
Water system improvements (2003)					
4.51% through 2025	851,810	-	329,372	522,438	344,395
Fay/Vineyard sanitary sewer (2008)	-				
4.15% through 2029	603,667	-	90,569	513,098	94,367
Center Road pump station (2008)	-				
4.28% through 2029	532,686	-	79,654	453,032	83,099
LORCO force main (2009)	-				
3.68% through 2041	7,442,834	-	276,583	7,166,251	286,855
LORCO collection system (2009)	-				
4.08% through 2041	14,622,987	-	522,203	14,100,784	543,726
Sewer separation (2010)	-				
3.27% through 2041	1,962,737	-	81,718	1,881,019	84,412
Water Plant Expansion (2013)	-				
2.84% through 2044	3,856,047	-	136,500	3,719,547	140,405
Belmar Sewer Separation (2013)	-				
2.94% through 2044	445,177	-	15,103	430,074	15,551
Belmar Sewer Separation (2013)					
2.94% through 2044	2,494,919	-	84,647	2,410,272	87,153
Additional Storage and Interconnection HAB (2015)	-				
0.18% through 2038	19,254,105	-	1,267,504	17,986,601	1,269,787
Additional Storage and Interconnection HAB (2016)	-				
0.00% through 2038	4,804,925	-	320,328	4,484,597	320,328
Lear/Nagel Sanitary Sewer Force main (2016)	-				
2.21% through 2036	99,690	-	28,483	71,207	28,483
Mull/Norman Sanitary Sewer Force Main (2016)	-				
2.21% through 2036	620,050	-	45,963	574,087	45,962
Mull/Norman Sanitary Sewer Force Main (2016)					
2.21% through 2036	1,093,276	-	80,983	1,012,293	80,983
Water Pollution ControlCenter Rehab (2016)	-				
0.45% through 2050	34,066,901	-	1,189,380	32,877,521	1,194,738
Stop 45 Area CSO (2017)	-				
1.610% through 2050	3,437,506	-	100,260	3,337,246	101,881
Stop 45 Area CSO (2017)					
1.610% through 2050	5,263,969	-	153,531	5,110,438	156,013
Lateral Loan Program (2017)	-				
0.000% through 2036	1,417,957	-	-	1,417,957	-

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

	Outstanding 12/31/2022	Additions	Reductions	Outstanding 12/31/2023	Amount Due in One Year
OWDA Loans - Direct Borrowings (Continued)					
Fairfield-Brookfield Combined	-				
Sewer Separation (2017) 0.760% through 2049	2,236,341	-	76,482	2,159,859	77,064
Sewer Separation (2017) 0.760% through 2049	4,602,325		157,398	4,444,927	158,596
Elyria Interconnect HAB	1,564,850	-	94,839	1,470,011	94,839
Curtis Sanitary Sewer Rehab (2018)	-				
2.15% through 2035	350,712	-	17,916	332,796	18,303
Curtis Sanitary Sewer Rehab (2018)					
2.15% through 2035	928,607		47,438	881,169	48,464
Water Main Bundle (2019)	-				
2.25% through 2041	2,425,748	-	110,790	2,314,958	113,284
Plant Effluent Flow Diversion (2021)	-				
1.28% through 2041	629,960	-	30,385	599,575	30,774
Water Main Bundle (2022)	-				
1.85% through 2043	2,697,497	1,168,662	-	3,866,159	161,373
Water Main Bundle (2022)					
1.85% through 2043	792,051	29,076	359,905	461,222	19,255
Total OWDA Loans - Direct Borrowings	<u>119,099,334</u>	<u>1,197,738</u>	<u>5,697,934</u>	<u>114,599,138</u>	<u>5,600,090</u>
Net Pension Liability - OPERS	1,925,847	4,308,817	-	6,234,664	-
Net OPEB Liability - OPERS	-	129,939	-	129,939	-
Financed Purchases Payable - Water	405,842	-	62,457	343,385	64,444
Financed Purchases Payable - Sewer	405,842	-	62,457	343,385	64,443
Compensated absences	449,723	223,556	222,631	450,648	235,753
Total business-type activities	<u>\$ 130,969,744</u>	<u>\$ 5,860,050</u>	<u>\$ 7,239,407</u>	<u>\$ 129,590,387</u>	<u>\$ 7,099,730</u>

General obligation bonds, other than the enterprise general obligation and mortgage revenue bonds, along with the Ohio Public Works Commission Loans and Ohio Water Development Authority loans (governmental activities) will be paid from the General Bond Retirement Debt Service Fund from income taxes. Ohio Water Development Authority loans (business type activities) will be repaid from resources within the Water and Sewer Funds. Special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City. The police pension liability will be paid from taxes receipted in the Police Pension Special Revenue Fund. The City pays obligations related to employee compensation from the fund benefitting from their service. There is no repayment schedule for the net pension and net OPEB liability. However, employer pension contributions are made from the following funds; Street Construction, Maintenance, and Repair fund, Paramedic fund, Dial-A-Bus fund, Cable TV fund, COPS fund, Police and Fire Pension funds, and Recreation Trust fund. See notes 12 and 13 for further information regarding net pension liability and net OPEB liability. See note 11 for further information regarding financed purchases payable.

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

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

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

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

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

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

On June 22, 2022, the City issued \$3,500,000 in various purpose bonds. These bonds will mature on December 1, 2036 and have an interest rate of 4.00 – 5.00 percent. The proceeds of the bonds were used for street projects.

On October 24, 2023, the City issued \$2,185,000 in fire truck acquisition bonds. These bonds will mature on December 1, 2033 and have an interest rate of 5.00 percent. The proceeds were used for the acquisition of a fire truck.

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

Proceeds were deposited in an irrevocable trust with an escrow agent to provide for future debt payments on the refunded 2005 water system mortgage revenue bonds. As a result, \$5,815,000 of these bonds was considered defeased and the liability of the refunding bonds has been removed from the City's financial statements. The amount still outstanding at December 31, 2023 is \$1,905,000.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

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

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

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

During 2009, the City entered into a loan agreement in the amount of \$9,718,470 with OWDA for the LORCO force main project. This debt has a fixed rate of 3.68 percent interest over a thirty-year period beginning July 1, 2012 through January 1, 2041.

During 2009, the City entered into a loan agreement in the amount of \$19,167,873 with OWDA for the LORCO collection system. The loan has a fixed rate of 4.08 percent interest over a twenty-nine year period beginning January 1, 2012 through January 1, 2041.

During 2010, the City entered into a loan agreement in the amount of \$3,018,029 with OWDA for the Sewer separation project. The loan has a fixed rate of 3.27 percent interest over a thirty-year period beginning January 1, 2011 through January 1, 2041.

During 2013, the City entered into a loan agreement in the amount of \$4,925,787 with OWDA for the Water Plant Expansion project. The loan has a fixed rate of 2.84 percent interest over a thirty-year period beginning July 1, 2014 through January 1, 2044.

During 2013, the City entered into a loan agreement in the amount of \$4,824,439 with OWDA for the Belmar sewer separation project. The loan has a fixed rate of 2.94 percent interest over a thirty-year period beginning January 1, 2015 through July 1, 2044.

During 2015, the City entered into a loan agreement with OWDA for the Additional Storage and Interconnection HAB project. The loan has a fixed rate of 0.18 percent interest over a twenty-year period beginning July 1, 2018 through January 1, 2038.

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

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

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

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

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

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

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

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

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

During 2019, the City entered into a loan agreement with OWDA for the Water Main Bundle project. The loan has a fixed rate of 2.15 percent interest over a fifteen-year period beginning July 1, 2021 through July 1, 2041. As of December 2020, the loan balance for the portion of the project completed was \$2,622,722.

During 2021, the City entered into a loan agreement with OWDA for the Plan Effluent Flow Diversion project. The loan has a fixed rate of 1.28 percent interest over a twenty-year period beginning 2021 through 2041.

During 2022, the City entered into a loan agreement with OWDA for the Water Main Bundle project. The loan has a fixed rate of 1.85 percent interest over a fifteen-year period beginning July 1, 2024 through December 31, 2044.

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

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

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

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

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

Principal and interest requirements to retire long-term obligations, except net pension and OPEB liability, landfill post-closure costs, financed purchases, and compensated absences, at December 31, 2023 are as follows:

Year Ended	Governmental Activities			
	General Obligation Bonds		OWDA Loan	
	Principal	Interest	Principal	Interest
2024	\$ 1,200,000	\$ 502,441	\$ 588,265	\$ 236,364
2025	1,245,000	455,470	596,354	227,619
2026	1,285,000	418,050	604,582	218,735
2027	1,300,000	377,938	612,952	209,706
2028	1,350,000	335,663	621,469	200,534
2029-2033	5,385,000	1,061,400	3,240,406	859,766
2034-2038	2,530,000	228,950	3,401,734	608,505
2039-2043	200,000	6,000	3,439,735	354,070
2044-2048	-	-	2,685,854	139,956
2049-2050	-	-	572,935	10,089
	<u>\$ 14,495,000</u>	<u>\$ 3,385,912</u>	<u>\$ 16,364,286</u>	<u>\$ 3,065,344</u>

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2023  
(Continued)

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

Year Ended	Police Pension Liability		OPWC Loans		Total	
	Principal	Interest	Principal	Principal	Interest	
2024	\$ 3,995	\$ 2,404	\$ 10,431	\$ 1,802,691	\$ 741,209	
2025	4,167	2,233	7,100	1,852,621	685,322	
2026	4,345	2,054	7,100	1,901,027	638,839	
2027	4,532	1,867	7,100	1,924,584	589,511	
2028	4,727	1,672	7,100	1,983,296	537,869	
2029-2033	21,027	4,570	35,500	8,681,933	1,925,736	
2034-2038	14,768	882	13,625	5,960,127	838,337	
2039-2043	-	-	4,233	3,643,968	360,070	
2044-2048	-	-	-	2,685,854	139,956	
2049-2050	-	-	-	572,935	10,089	
	<u>\$ 57,561</u>	<u>\$ 15,682</u>	<u>\$ 92,189</u>	<u>\$ 31,009,036</u>	<u>\$ 6,466,938</u>	

Business-Type Activities

Year Ended	General Obligation Bonds		Mortgage Revenue Bond	
	Principal	Interest	Principal	Interest
2024	\$ 535,000	\$ 207,890	\$ 600,000	\$ 12,750
2025	555,000	187,368	-	-
2026	555,000	165,988	-	-
2027	570,000	150,563	-	-
2028	570,000	134,088	-	-
2029-2033	900,000	522,900	-	-
2034-2038	795,000	406,500	-	-
2039-2043	910,000	281,100	-	-
2044-2048	1,075,000	134,850	-	-
2049	240,000	7,200	-	-
	<u>\$ 6,705,000</u>	<u>2,198,447</u>	<u>\$ 600,000</u>	<u>\$ 12,750</u>

OWDA Loans

Year Ended			Total	Total
	Principal	Interest	Principal	Interest
2024	\$ 5,600,090	\$ 1,634,830	\$ 6,765,090	\$ 1,882,470
2025	5,505,575	1,636,611	6,700,575	1,851,129
2026	5,387,325	1,553,305	6,542,325	1,732,043
2027	5,449,404	1,470,976	6,019,404	1,621,539
2028	5,528,088	1,397,607	6,098,088	1,531,695
2029-2033	27,719,792	5,857,285	28,619,792	6,380,185
2034-2038	27,880,006	3,897,161	28,675,006	4,303,661
2039-2043	18,138,258	1,696,660	19,048,258	1,977,760
2044-2048	9,913,929	361,518	10,988,929	496,368
2049-2050	2,058,714	41,536	2,298,714	48,736
	<u>\$ 113,181,181</u>	<u>\$ 19,547,489</u>	<u>\$ 121,756,181</u>	<u>\$ 21,825,586</u>

There are two OWDA loans where the final amortization schedules have not been completed as of December 31, 2023. Therefore, the previous table does not include outstanding principal and interest payments for those loans. This information will be provided once final amortization schedules are available.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

**NOTE 10: ASSET RETIREMENT OBLIGATION**

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

**NOTE 11: FINANCED PURCHASES PAYABLES**

In 2023, the City entered into a lease agreement for the purchase of a minivan, two trucks, and a tractor. In previous years the City entered a lease for the purchase of three trucks, computer upgrades, and a jet/vacuum machine, which all is held as collateral. The assets are recorded in the Governmental Activities and Business Type Activities as shown on the Statement of Net Position with a book value of \$576,069 and \$686,770, respectively at December 31, 2023. The following is a schedule of future minimum lease payments as of December 31, 2023.

	Governmental Activities	Business-Type Activities
2024	\$ 201,830	\$ 150,743
2025	201,829	150,742
2026	167,986	150,742
2027	63,984	150,742
2028	1,433	150,743
Total minimum lease payments	637,062	753,712
Less: amount representing interest	(60,993)	(66,942)
Total	<u>\$ 576,069</u>	<u>\$ 686,770</u>

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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**NOTE 12: DEFINED BENEFIT PENSION PLANS**

**A. Net Pension Liability/Asset**

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

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

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

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

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

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

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. 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 were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS' Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

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

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent. Cost-of-living adjustments for OPERS members in 2022 and 2023 will be 3 percent for all those eligible to receive the annual benefit increase.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

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

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

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

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

The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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

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**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

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

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

	<u>State and Local</u>
<b>2023 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
<b>2023 Actual Contribution Rates</b>	
Employer:	
Pension **	14.0 %
Post-Employment Health Care Benefits **	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

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

\*\* These pension and employer health care rates are for the traditional plan. Beginning July 1, 2022, the employer contribution rate for the combined plan is allocated 2 percent health care with the remainder going to pension. The employer contributions rate for the member-directed plan allocated 4 percent for health care with remainder going to pension.

The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer's contribution allocated to health care was 0% for 2023 for the Traditional plan. The portion of the employer's contribution allocated to health care was 2% for the Combined plan and 4% for the Member-Directed plan for 2023. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions was \$1,400,500 for 2023. Of this amount, \$71,108 is reported as an intergovernmental payable.

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

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

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

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

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

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

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

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

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

	<u>Police</u>	<u>Firefighters</u>
<b>2023 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 <b>2023 Actual Contribution Rates</b>		
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 %

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

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

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,427,661 for 2023. Of this amount, \$55,031 is reported as an intergovernmental payable.

In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 202, the specific liability of the City was \$57,561 payable in semi-annual payments through the year 2035.

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

The net pension liability/asset for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. 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:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.059154%	0.044079%	0.230588%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.059050%	0.042942%	0.226755%	
Change in Proportionate Share	<u>-0.000104%</u>	<u>-0.001137%</u>	<u>-0.003833%</u>	
Proportionate Share of the Net Pension Liability	\$ 17,443,396	\$ -	\$ 21,539,552	\$ 38,982,948
Proportionate Share of the Net Pension (Asset)	\$ -	\$ (101,210)	\$ -	\$ (101,210)
Pension Expense	\$ 2,780,424	\$ 12,403	\$ 2,734,477	\$ 5,527,304

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

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

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional	OPERS Combined	OP&F	Total
<b>Deferred Outflows of Resources</b>				
Net difference between projected and actual earnings on pension plan investments	\$ 4,971,915	\$ 36,886	\$ 3,135,893	\$ 8,144,694
Differences between expected and actual experience	579,395	6,223	323,083	908,701
Changes of assumptions	184,277	6,705	1,942,796	2,133,778
Changes in proportion and differences between City contributions and proportionate share of contributions	256,136	14,183	281,261	551,580
City contributions subsequent to the measurement date	1,377,710	22,790	1,427,661	2,828,161
Total Deferred Outflows of Resources	<u>\$ 7,369,433</u>	<u>\$ 86,787</u>	<u>\$ 7,110,694</u>	<u>\$ 14,566,914</u>
<b>Deferred Inflows of Resources</b>				
Changes of assumptions	\$ -	\$ -	\$ 420,016	\$ 420,016
Differences between expected and actual experience	-	14,465	490,738	505,203
Changes in proportion and differences between City contributions and proportionate share of contributions	109,149	13,167	450,878	573,194
Total Deferred Inflows of Resources	<u>\$ 109,149</u>	<u>\$ 27,632</u>	<u>\$ 1,361,632</u>	<u>\$ 1,498,413</u>

\$2,828,161 as deferred outflows of resources related to pension resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional	OPERS Combined	OP&F	Total
Year Ending December 31:				
2024	\$ 825,983	\$ 922	\$ 420,491	\$ 1,247,396
2025	1,157,523	6,260	1,047,295	2,211,078
2026	1,463,476	9,527	1,180,807	2,653,810
2027	2,435,592	15,958	1,753,701	4,205,251
2028	-	338	(80,893)	(80,555)
Thereafter	-	3,360	-	3,360
Total	<u>\$ 5,882,574</u>	<u>\$ 36,365</u>	<u>\$ 4,321,401</u>	<u>\$ 10,240,340</u>

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

**E. Actuarial Assumptions - OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

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

	<b><u>Traditional Pension Plan</u></b>	<b><u>Combined Plan</u></b>
Wage Inflation		
Current Measurement Date:	2.75 percent	2.75 percent
Prior Measurement Date:	2.75 percent	2.75 percent
Future Salary Increases, including inflation		
Current Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA		
Pre 1/7/2013 retirees:	3 percent, simple	3 percent, simple
Post 1/7/2013 retirees:		
Current Measurement Date:	3 percent, simple through 2023, then 2.05 percent simple	3 percent, simple through 2023, then 2.05 percent simple
Prior Measurement Date:	3 percent, simple through 2022, then 2.05 percent simple	3 percent, simple through 2022, then 2.05 percent simple
Investment Rate of Return		
Current Measurement Date:	6.9 percent	6.9 percent
Prior Measurement Date:	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

**E. Actuarial Assumptions – OPERS** (Continued)

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1 percent for 2022.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of the geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	22.00 %	2.62 %
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	<u>100.00 %</u>	

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

**E. Actuarial Assumptions – OPERS** (Continued)

**Discount Rate** The discount rate used to measure the total pension liability was 6.9 percent, post-experience study results. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

City's proportionate share of the net pension liability/(asset)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Traditional Pension Plan	\$26,129,625	\$17,443,396	\$10,218,012
Combined Plan	(\$52,819)	(\$101,210)	(\$139,562)

**F. Actuarial Assumptions – OP&F**

OP&F's total pension liability as of December 31, 2022 is based on the results of an actuarial valuation date of January 1, 2022, 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.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2022, are presented below:

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.50 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

The most recent experience study was completed December 31, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

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

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, 2022 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return **</u>
Domestic Equity	18.60 %	4.80 %
International Equity	12.40	5.50
Core Fixed Income *	25.00	2.50
U.S. Inflation Linked Bonds *	15.00	2.00
High Yield Fixed Income	7.00	4.40
Private Real Estate	12.00	5.30
Private Markets	10.00	7.90
Midstream Energy Infrastructure	5.00	5.90
Private Credit	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Commodities	2.00	3.60
Total	<u>125.00 %</u>	

Note: Assumptions are geometric

\* levered 2.5x

\*\* Geometric mean, net of expected inflation

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

**Discount Rate** The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 7.50 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

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

***Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$ 28,414,825	\$ 21,539,552	\$ 15,824,137

NOTE 13: **DEFINED BENEFIT OPEB PLANS**

**A. Net OPEB Liability/Asset**

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

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

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

**A. Net OPEB Liability/Asset** (Continued)

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

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

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

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Effective January 1, 2022 the Combined Plan is no longer available for member selection.

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.

Currently, Medicare-eligible retirees can select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses, and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA.

For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

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

The base HRA allowance is determined by OPERS. Retirees receive a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022 or after must meet the following health care eligibility requirements to receive an HRA allowance:

1. Medicare Retirees – Medicare-eligible with a minimum of 20 years of qualifying service credit.
2. Non-Medicare Retirees – Non-Medicare retirees qualify based on the following age-and-service criteria:
  - a. Group A – 30 years of qualifying service credit at any age;
  - b. Group B – 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;
  - c. Group C – 32 years of qualifying service credit and minimum age 55; or,
  - d. A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who do not meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service. Members with a retirement date prior to January 1, 2022 who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Retirement Date	Group A		Group B		Group C	
	Age	Service	Age	Service	Age	Service
December 1, 2014 or Prior	Any	10	Any	10	Any	10
January 1, 2015 through December 31, 2021	60	20	52 60	31 20	55	32
	Any	30	Any	32	60	20

The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

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

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 covered payroll. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate employer contributions to health care for members in the Traditional Pension Plan. Effective July 1, 2022, OPERS began allocating 2.0 percent of the employer contribution rate to health care funding for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2023 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 \$11,616 for 2023.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) a cost-sharing, multiple-employer defined post-employment healthcare plan that provides various levels of health care to retired, disabled and beneficiaries, as well as their dependents. On January 1, 2019, OP&F changed the way it supports retiree health care. A stipend-based health care model has replaced the self-insured group health care plan that had been in place. A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses. A summary of the full benefit provisions can be found in OP&F's annual comprehensive financial report.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2022, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The City's contractually required contribution to OP&F was \$33,424 for 2023.

**D. 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, 2021, rolled forward to the measurement date of December 31, 2022, 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, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net OPEB liability/asset was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

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

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

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the Net OPEB Liability/Asset			
Prior Measurement Date	0.058348%	0.230588%	
Proportion of the Net OPEB Liability/Asset			
Current Measurement Date	<u>0.057658%</u>	<u>0.226755%</u>	
Change in Proportionate Share	<u>-0.000690%</u>	<u>-0.003833%</u>	
Proportionate Share of the Net OPEB			
Liability	\$ 363,545	\$ 1,614,432	\$ 1,977,977
OPEB Expense	\$ (698,065)	\$ 183,046	\$ (515,019)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$ -	\$ 96,339	\$ 96,339
Changes of assumptions	355,083	804,546	1,159,629
Net difference between projected and actual earnings on pension plan investments	722,012	138,471	860,483
Changes in proportion and differences between City contributions and proportionate share of contributions	25,038	136,748	161,786
City contributions subsequent to the measurement date	<u>11,616</u>	<u>33,424</u>	<u>45,040</u>
Total Deferred Outflows of Resources	<u>\$ 1,113,749</u>	<u>\$ 1,209,528</u>	<u>\$ 2,323,277</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ 90,683	\$ 318,332	\$ 409,015
Changes of assumptions	29,217	1,320,474	1,349,691
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>3,838</u>	<u>53,780</u>	<u>57,618</u>
Total Deferred Inflows of Resources	<u>\$ 123,738</u>	<u>\$ 1,692,586</u>	<u>\$ 1,816,324</u>

\$45,040 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 2024.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

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

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

Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
2024	\$ 141,854	\$ 27,020	\$ 168,874
2025	262,602	34,749	297,351
2026	225,148	(72,283)	152,865
2027	348,791	(40,360)	308,431
2028	-	(135,648)	(135,648)
Thereafter	-	(329,960)	(329,960)
Total	<u>\$ 978,395</u>	<u>\$ (516,482)</u>	<u>\$ 461,913</u>

**E. Actuarial Assumptions - OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the actuarial assumptions on the next page applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	
Current Measurement Date:	2.75 percent
Prior Measurement Date:	2.75 percent
Projected Salary Increases, including inflation	
Current Measurement Date:	2.75 to 10.75 percent, including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent, including wage inflation
Single Discount Rate:	
Current Measurement Date:	5.22 percent
Prior Measurement Date:	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	
Current Measurement Date:	4.05 percent
Prior Measurement Date:	1.84 percent
Health Care Cost Trend Rate	
Current Measurement Date:	5.50 percent initial, 3.50 percent ultimate in 2036
Prior Measurement Date:	5.50 percent initial, 3.50 percent ultimate in 2034

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

**E. Actuarial Assumptions – OPERS** (Continued)

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

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

During 2022, 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 was a loss of 15.6 percent for 2022.

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

**E. Actuarial Assumptions – OPERS** (Continued)

The table below displays the Board-approved asset allocation policy for 2022 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u>
Fixed Income	34.00 %	2.56 %
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other investments	6.00	1.84
Total	<u>100.00 %</u>	

***Discount Rate*** A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022. A single discount rate of 6.00 percent was used to measure the OPEB asset on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 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 2054. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2054, 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 5.22 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 (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	<u>1% Decrease (4.22%)</u>	<u>Current Discount Rate (5.22%)</u>	<u>1% Increase (6.22%)</u>
City's proportionate share of the net OPEB liability	\$ 1,237,341	\$ 363,545	\$ 357,480

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

**E. Actuarial Assumptions – OPERS** (Continued)

***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 net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	<u>1% Decrease</u>	<u>Current Health Care Cost Trend Rate Assumption</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 340,759	\$ 363,545	\$ 389,192

**F. Actuarial Assumptions – OP&F**

OP&F's total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

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

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

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

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

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	4.27 percent
Prior measurement date	2.84 percent
Cost of Living Adjustments	2.2 percent simple

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

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

The most recent experience study was completed for the five year period ended December 31, 2021.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2022, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	18.60 %	4.80 %
Non-US Equity	12.40	5.50
Core Fixed Income *	25.00	2.50
U.S. Inflation Linked Bonds *	15.00	2.00
High Yield Fixed Income	7.00	4.40
Private Real Estate	12.00	5.30
Private Markets	10.00	7.90
Midstream Energy Infrastructure	5.00	5.90
Private Credit	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Commodities	2.00	3.60
Total	<u>125.00 %</u>	

Note: Assumptions are geometric

\* levered 2.5x

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
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NOTE 13: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

**Discount Rate** The total OPEB liability was calculated using the discount rate of 4.27 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 7.50 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, the long-term assumed rate of return on investments of 7.50 percent was applied to periods before December 31, 2035, resulting in a discount rate of 4.27 percent.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.27 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27 percent), or one percentage point higher (5.27 percent) than the current rate.

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
City's proportionate share of the net OPEB liability	\$ 1,988,021	\$ 1,614,432	\$ 1,299,026

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
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**NOTE 14: RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2023, the City contracted with Zurich American Insurance Company for the following types of insurance:

<u>Company</u>	<u>Type</u>	<u>Coverage</u>
Zurich American Insurance Company	Blanket Building and Content Replacement	\$ 109,105,953
	Miscellaneous Equipment	1,824,530
	Earthquake Coverage	1,000,000
	Flood Coverage	1,000,000
	Pollutant Cleanup And Removal	250,000
	Public Employee Dishonesty	100,000
	Faithful Performance of Duty	100,000
	Money and Securities In/Out Coverage	100,000
	Forgery and Alteration	100,000
	General Liability - Each Occurrence	1,000,000
	Employee Benefits Liability	1,000,000
	Law Enforcement Liability - Each Occurrence	1,000,000
	Public Official Liability - Each Occurrence	1,000,000
	Employment Practice - Each Occurrence	1,000,000
	Automobile Liability	1,000,000
	Excess Liability - Each Occurrence	10,000,000
	Terrorism Insurance	Included
	Cyber Liability	1,000,000

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

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

**NOTE 15: JOINTLY GOVERNED ORGANIZATIONS AND JOINT VENTURE**

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

The City is a member of the Lorain County Community Alliance (Alliance) which is a council of governments formed under Ohio Revised Code Section 167. The Alliance is comprised of public members that have voting privileges and other citizen, business, and agency members that have no voting privileges. The Alliance includes nine cities, four villages, and nine townships members along with over 30 associate members. The Alliance was formed to serve as an opportunity for both the public and private sector, including citizen representatives to develop long-term plans that deal with cross-boundary issues and community interests.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

A. **Lorain County Community Alliance Council of Governments** (Continued)

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

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

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of over 240 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each community then elect one person to serve on the eight-member NOPEC Board of Directors. In 2023, the City made no contributions to NOPEC. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, at 31360 Solon Road, Suite 33, Solon, Ohio 44139 or at the website [www.nopecinfo.org](http://www.nopecinfo.org).

C. **Medina-Lorain Water Consortium**

The City is a member of the Medina-Lorain Water Consortium (the Consortium), which is a joint venture between the City of Avon Lake, the Rural Lorain County Water Authority, Medina County, and the City of Medina. The Consortium was created in 1999 for the purpose of construction, operation and maintenance of a water transmission line to serve the members of the Consortium, and for the purpose of bulk water delivery from the City of Avon Lake. There is an ongoing financial responsibility for all parties for the maintenance and repair of the project. The Consortium is governed by representatives of the member parties. The City of Avon Lake serves as the fiscal agent for the Consortium. As of December 31, 2023, the City's equity interest in the Consortium was \$1,983,110. Financial information can be obtained from the City of Avon Lake Finance Director, 150 Avon Belden Road, Avon Lake, Ohio 44012.

NOTE 16: **CONTINGENT LIABILITIES**

A. **Grants**

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

**B. Litigation**

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

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

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

NOTE 17: **INTERFUND TRANSFERS AND BALANCES**

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed. Interfund transfers for the year ended December 31, 2023, consisted of the following:

Transfer To	Transfer From			Total
	Governmental Activities			
	General Fund	Capital	Other	
		Improvement Fund	Governmental Funds	
<i>Governmental Activities:</i>				
Capital Improvement Fund	\$ -	\$ -	\$ 1,422,406	\$ 1,422,406
Non-Major Governmental Funds	262,000	22,103	-	284,103
Total Governmental Activities	\$ 262,000	\$ 22,103	\$ 1,422,406	\$ 1,706,509

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

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

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization, (4) to transfer funds approved by council to continue improvements of the roads.

Interfund balances for the year ended December 31, 2023 consisted of the following:

	Interfund Receivable	Interfund Payable
Governmental Activities:		
General Fund	\$ 20,000	\$ -
Non-Major Governmental Funds	87,447	107,447
Total Governmental Activities	<u>\$ 107,447</u>	<u>\$ 107,447</u>

Interfund balances at December 31, 2023 consisted of \$20,000 due from the Troy School Driveway non-major governmental fund and \$87,447 due from the Cove Avenue Improvement Fund non-major governmental Fund. The General Fund advanced monies to the Troy School Driveway non-major governmental fund to cover project expenditures in anticipation of payments of \$5,000 per year for ten years from the Avon Lake City School District. The Debt Service Fund issued manuscript debt for Cove Avenue Improvements in anticipation of the collection of special assessments and the Income Tax Transfer Fund issued manuscript debt for Capital Improvements Fund in anticipation of the collection of income taxes with a balance of \$87,447 at year end.

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

**NOTE 18: FUND BALANCES**

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

<b>Fund Balances</b>	<b>General</b>	<b>Capital Improvement</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<i>Nonspendable</i>				
Prepaid Items	\$ 105,454	\$ 5,125	\$ 42,037	\$ 152,616
Materials and Supplies Inventory	-	-	394,688	394,688
Unclaimed Funds	11,450	-	-	11,450
Long-term Interfund Balances	20,000	-	-	20,000
<i>Total Nonspendable</i>	<u>136,904</u>	<u>5,125</u>	<u>436,725</u>	<u>578,754</u>
<i>Restricted for</i>				
Paramedic Services	-	-	1,483,921	1,483,921
Other Law Enforcement	-	-	197,726	197,726
Streets and Highways	-	-	986,114	986,114
Courts	-	-	400,637	400,637
Debt Service - Unvoted and Voted	-	-	759,976	759,976
Debt Service - Special Assessments	-	-	999,470	999,470
Capital Projects	-	-	852,349	852,349
Recreation	-	-	77,177	77,177
Opioid Settlement	-	-	19,440	19,440
Other Purposes	-	-	128,760	128,760
<i>Total Restricted</i>	<u>-</u>	<u>-</u>	<u>5,905,570</u>	<u>5,905,570</u>
<i>Committed to</i>				
Street Trees	-	-	301,708	301,708
Recreation	-	-	347,721	347,721
Capital Improvements	-	10,736,723	1,112,137	11,848,860
<i>Total Committed</i>	<u>-</u>	<u>10,736,723</u>	<u>1,761,566</u>	<u>12,498,289</u>
<i>Assigned to</i>				
Subsequent Year 2024 Appropriations	1,646,156	-	-	1,646,156
Police/Court Facility	-	-	838,869	838,869
Other Capital Projects	-	-	186,979	186,979
Purchases on Order:				
Security of Persons and Property	28,725	-	-	28,725
Transportation	218,060	-	-	218,060
Community Environment	7,357	-	-	7,357
General Government	59,247	-	-	59,247
<i>Total Assigned</i>	<u>1,959,545</u>	<u>-</u>	<u>1,025,848</u>	<u>2,985,393</u>
<i>Unassigned (Deficit)</i>	<u>3,829,224</u>	<u>-</u>	<u>(85,874)</u>	<u>3,743,350</u>
<b>Total Fund Balances</b>	<u><u>\$ 5,925,673</u></u>	<u><u>\$ 10,741,848</u></u>	<u><u>\$ 9,043,835</u></u>	<u><u>\$ 25,711,356</u></u>

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

**NOTE 19: LANDFILL POSTCLOSURE COSTS**

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

**NOTE 20: OTHER COMMITMENTS**

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are components of fund balance for subsequent year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. As of December 31, 2023, the City's commitments for encumbrances in the governmental and proprietary funds were as follows:

	<u>Outstanding Encumbrances</u>
<i>Governmental Funds</i>	
General	\$ 313,389
Capital Improvement	1,366,935
All Other Governmental Funds	<u>155,628</u>
<i>Total Governmental Funds</i>	<u>1,835,952</u>
 <i>Proprietary Funds</i>	
Water	298,137
Sewer	<u>112,262</u>
<i>Total Proprietary Funds</i>	<u>410,399</u>
<i>Total All Funds</i>	<u><u>\$ 2,246,351</u></u>

**NOTE 21: TAX ABATEMENTS**

**A. Real Estate Tax Abatement**

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

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

NOTE 21: **TAX ABATEMENTS** (Continued)

**B. City Council's Incentive Criteria for Decision Making**

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

**C. Other**

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

\$91,644,315	Total abated assessed value on the active CRA tax abated properties
\$ 2,151,650	Total CRA real property taxes exempted for the active CRA agreements
\$ 538,820	Estimated amounts paid directly to the Avon Lake City Schools by the owner of tax abated property pursuant to the terms of each CRA Agreement

NOTE 22: **RESTATEMENT**

The City restated the beginning Net Position in the Water Fund, Sewer Fund, and Custodial Fund to (a) report the LORCO fund as custodial as it was previously combined with the Sewer Fund and to (b) adjust the receivable to the City from LORCO. The adjustments had the following effect on Net Position:

	Business Type Activities	Custodial Fund	
Net Position December 31, 2022	\$ 76,556,388	\$ 2,440,061	
Adjustments:			
LORCO adjustments	11,714,001	(5,046,658)	
Restated Net Position December 31, 2022	<u>\$ 88,270,389</u>	<u>\$ (2,606,597)</u>	

	Water	Sewer	Total
Net Position December 31, 2022	\$ 55,875,746	\$ 20,680,642	\$ 76,556,388
Adjustments:			
Cash and Cash Equivalents	-	(451,860)	(451,860)
Interfund Receivable	(3,600,000)	-	(3,600,000)
Intergovernmental Receivable	3,150,000	9,008,752	12,158,752
Prepaid Items	-	(10,777)	(10,777)
Payables	-	17,886	17,886
Interfund Payable	-	3,600,000	3,600,000
Restated Net Position December 31, 2022	<u>\$ 55,425,746</u>	<u>\$ 32,844,643</u>	<u>\$ 88,270,389</u>

**City of Avon Lake, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*  
(Continued)

NOTE 22: **RESTATEMENT** (Continued)

The City restated the beginning fund balance to combine the Income Tax Transfer Fund (previously reported as a special revenue fund) with the General fund on the governmental fund financial statements in accordance with GASB Statement No. 54. The adjustments had the following effect on Fund Balance:

	General	Capital Improvement	Other Governmental Funds	Total
Fund Balance December 31, 2022	\$ 2,342,179	\$ 6,198,992	\$ 15,344,472	\$ 23,885,643
Adjustments:				
Move special revenue fund to general fund	5,732,401	-	(5,732,401)	-
Restated Fund Balance December 31, 2022	<u>\$ 8,074,580</u>	<u>\$ 6,198,992</u>	<u>\$ 9,612,071</u>	<u>\$ 23,885,643</u>

The City restated the beginning fund balance on the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual for the Capital Improvement fund from \$1,459,431 to \$1,959,434, to properly reflect the beginning fund balance.

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

<b>Traditional Plan</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
City's Proportion of the Net Pension Liability	0.059050%	0.059154%	0.054637%	0.057796%
City's Proportionate Share of the Net Pension Liability	\$ 17,443,396	\$ 5,146,637	\$ 8,090,550	\$ 11,423,771
City's Covered Payroll	\$ 9,154,779	\$ 8,556,421	\$ 7,870,107	\$ 8,155,543
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	190.54%	60.15%	102.80%	140.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%
<b>Combined Plan</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
City's Proportion of the Net Pension (Asset)	0.042942%	0.044079%	0.041713%	0.050473%
City's Proportionate Share of the Net Pension (Asset)	\$ (101,210)	\$ (173,673)	\$ (120,410)	\$ (105,248)
City's Covered Payroll	\$ 200,021	\$ 200,957	\$ 183,829	\$ 224,686
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	50.60%	86.42%	65.50%	46.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	137.14%	169.88%	157.67%	145.28%

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

See accompanying notes to the required supplementary information

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<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.061830%	0.057781%	0.058649%	0.057354%	0.057386%	0.057386%
\$ 16,933,983	\$ 9,064,719	\$ 13,318,191	\$ 9,934,436	\$ 6,921,393	\$ 6,765,062
\$ 8,292,214	\$ 7,727,454	\$ 7,581,592	\$ 7,127,450	\$ 7,058,833	\$ 6,653,592
204.22%	117.31%	175.66%	139.38%	98.05%	101.68%
74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.039280%	0.038779%	0.041606%	0.028590%	0.025707%	0.025707%
\$ (43,924)	\$ (52,791)	\$ (23,157)	\$ (13,912)	\$ (9,897)	\$ (2,697)
\$ 168,000	\$ 159,938	\$ 161,958	\$ 103,517	\$ 94,675	\$ 81,677
26.15%	33.01%	14.30%	13.44%	10.45%	3.30%
126.64%	137.28%	116.55%	116.90%	114.83%	104.33%

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

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	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's Proportion of the Net Pension Liability	0.226755%	0.230588%	0.227411%	0.228352%
City's Proportionate Share of the Net Pension Liability	\$ 21,539,552	\$ 14,405,815	\$ 15,502,844	\$ 15,382,990
City's Covered Payroll	\$ 6,129,069	\$ 5,836,938	\$ 5,580,353	\$ 5,312,048
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	351.43%	246.80%	277.81%	289.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.90%	75.03%	70.65%	69.89%

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

See accompanying notes to the required supplementary information

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<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.233973%	0.229765%	0.224958%	0.234416%	0.233249%	0.233249%
\$ 19,098,379	\$ 14,101,689	\$ 14,248,614	\$ 15,080,172	\$ 12,083,285	\$ 11,359,972
\$ 5,254,101	\$ 5,010,578	\$ 4,857,217	\$ 4,721,955	\$ 4,596,910	\$ 4,663,567
363.49%	281.44%	293.35%	319.36%	262.86%	243.59%
63.07%	70.91%	68.36%	66.77%	71.71%	73.00%

**City of Avon Lake, Ohio**  
*Required Supplementary Information*  
*Schedule of City Contributions - Pension*  
*Ohio Public Employees Retirement System*  
*Last Ten Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Contractually Required Contributions</u>				
Traditional Plan	\$ 1,377,710	\$ 1,281,669	\$ 1,197,899	\$ 1,101,815
Combined Plan	<u>22,790</u>	<u>28,003</u>	<u>28,134</u>	<u>25,736</u>
Total Required Contributions	\$ 1,400,500	\$ 1,309,672	\$ 1,226,033	\$ 1,127,551
Contributions in Relation to the Contractually Required Contribution	<u>(1,400,500)</u>	<u>(1,309,672)</u>	<u>(1,226,033)</u>	<u>(1,127,551)</u>
Contribution Deficiency / (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll				
Traditional Plan	\$ 9,840,786	\$ 9,154,779	\$ 8,556,421	\$ 7,870,107
Combined Plan	\$ 162,786	\$ 200,021	\$ 200,957	\$ 183,829
<u>Pension Contributions as a Percentage of Covered Payroll</u>				
Traditional Plan	14.00%	14.00%	14.00%	14.00%
Combined Plan	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information

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<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,141,776	\$ 1,160,910	\$ 1,004,569	\$ 909,791	\$ 855,294	\$ 847,060
<u>31,456</u>	<u>23,520</u>	<u>20,792</u>	<u>19,435</u>	<u>12,422</u>	<u>11,361</u>
\$ 1,173,232	\$ 1,184,430	\$ 1,025,361	\$ 929,226	\$ 867,716	\$ 858,421
<u>(1,173,232)</u>	<u>(1,184,430)</u>	<u>(1,025,361)</u>	<u>(929,226)</u>	<u>(867,716)</u>	<u>(858,421)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,155,543	\$ 8,292,214	\$ 7,727,454	\$ 7,581,592	\$ 7,127,450	\$ 7,058,833
\$ 224,686	\$ 168,000	\$ 159,938	\$ 161,958	\$ 103,517	\$ 94,675
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%

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

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	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contributions	\$ 1,427,661	\$ 1,313,352	\$ 1,248,826	\$ 1,192,864
Contributions in Relation to the Contractually Required Contribution	<u>(1,427,661)</u>	<u>(1,313,352)</u>	<u>(1,248,826)</u>	<u>(1,192,864)</u>
Contribution Deficiency / (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 6,684,736	\$ 6,129,069	\$ 5,836,938	\$ 5,580,353
Contributions as a Percentage of Covered-Employee Payroll	21.36%	21.43%	21.40%	21.38%

See accompanying notes to the required supplementary information

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<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,131,739	\$ 1,117,164	\$ 1,066,650	\$ 1,034,716	\$ 1,007,282	\$ 980,642
<u>(1,131,739)</u>	<u>(1,117,164)</u>	<u>(1,066,650)</u>	<u>(1,034,716)</u>	<u>(1,007,282)</u>	<u>(980,642)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,312,048	\$ 5,254,101	\$ 5,010,578	\$ 4,857,217	\$ 4,721,955	\$ 4,596,910
21.31%	21.26%	21.29%	21.30%	21.33%	21.33%

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

	2023	2022	2021
City's Proportion of the Net OPEB Liability/Asset	0.057658%	0.058348%	0.053934%
City's Proportionate Share of the Net OPEB Liability/(Asset)	\$ 363,545	\$ (1,827,549)	\$ (960,877)
City's Covered Payroll	\$ 9,597,985	\$ 9,069,263	\$ 8,332,372
City's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	3.79%	-20.15%	-11.53%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	94.79%	128.23%	115.57%

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

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

See accompanying notes to the required supplementary information

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2020	2019	2018	2017
0.057127%	0.060709%	0.057010%	0.058250%
\$ 7,890,723	\$ 7,915,021	\$ 6,190,866	\$ 5,883,448
\$ 8,576,000	\$ 8,740,452	\$ 8,075,130	\$ 8,049,392
92.01%	90.56%	76.67%	73.09%
47.80%	46.33%	54.14%	54.04%

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

	2023	2022	2021
City's Proportion of the Net OPEB Liability	0.2267553%	0.2305882%	0.2274115%
City's Proportionate Share of the Net OPEB Liability	\$ 1,614,432	\$ 2,527,445	\$ 2,409,462
City's Covered Payroll	\$ 6,129,069	\$ 5,836,938	\$ 5,580,353
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	26.34%	43.30%	43.18%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	52.59%	46.86%	45.42%

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

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

See accompanying notes to the required supplementary information

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2020	2019	2018	2017
0.2283517%	0.2339729%	0.2297646%	0.2249600%
\$ 2,255,596	\$ 2,130,682	\$ 13,018,138	\$ 10,678,345
\$ 5,312,048	\$ 5,254,101	\$ 5,010,578	\$ 4,857,217
42.46%	40.55%	259.81%	219.84%
47.08%	46.57%	14.13%	15.96%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 11,616	\$ 9,728	\$ 12,475	\$ 11,137
Contributions in Relation to the Contractually Required Contribution	<u>(11,616)</u>	<u>(9,728)</u>	<u>(12,475)</u>	<u>(11,137)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 10,226,134	\$ 9,597,985	\$ 9,069,263	\$ 8,332,372
Contributions as a Percentage of Covered Payroll	0.11%	0.10%	0.14%	0.13%

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

See accompanying notes to the required supplementary information

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<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 10,963	\$ 11,210	\$ 88,882	\$ 167,105	\$ 144,847
<u>(10,963)</u>	<u>(11,210)</u>	<u>(88,882)</u>	<u>(167,105)</u>	<u>(144,847)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,576,000	\$ 8,740,452	\$ 8,075,130	\$ 8,049,392	\$ 7,499,001
0.13%	0.13%	1.10%	2.08%	1.93%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 33,424	\$ 30,646	\$ 29,184	\$ 27,902
Contributions in Relation to the Contractually Required Contribution	<u>(33,424)</u>	<u>(30,646)</u>	<u>(29,184)</u>	<u>(27,902)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 6,684,736	\$ 6,129,069	\$ 5,836,938	\$ 5,580,353
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%

See accompanying notes to the required supplementary information

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 26,561	\$ 26,270	\$ 25,053	\$ 24,043	\$ 23,516	\$ 22,883
<u>(26,561)</u>	<u>(26,270)</u>	<u>(25,053)</u>	<u>(24,043)</u>	<u>(23,516)</u>	<u>(22,883)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,312,048	\$ 5,254,101	\$ 5,010,578	\$ 4,857,217	\$ 4,721,955	\$ 4,596,910
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

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

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**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

***Net Pension Liability***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014-2023.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%. For 2020, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 3.00% simple through 2018 to 1.40% simple through 2020, then 2.15% simple. For 2021, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 1.40% simple through 2020 to 0.50% simple through 2021, then 2.15% simple. For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75% (b) the cost-of-living adjustments for post-1/7/2013 retirees were increased from 0.50% simple through 2021 to 3.00% simple through 2022, then 2.05% simple (c) the expected investment return was reduced from 7.20% to 6.90%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2023.

***Net OPEB Liability***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2018-2023.

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

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

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For 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16%. For 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00% (b) the municipal bond rate changed from 2.75% to 2.00% (c) the health care cost trend rate changed from 10.50% initial and 3.50% ultimate in 2030 to 8.50% initial and 3.50% ultimate in 2035. For 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75%. (b) the municipal bond rate changed from 2.00% to 1.84% (c) the health care cost trend rate changed from 8.50% initial and 3.50% ultimate in 2035 to 5.50% initial and 3.50% ultimate in 2034. For 2023, the following changes in assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22% (b) the municipal bond rate changed from 1.84% to 4.05% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2034 to 5.50% initial and 3.50% ultimate in 2036.

**OHIO POLICE AND FIRE (OP&F) PENSION FUND**  
*Net Pension Liability*

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014-2023.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the investment rate of return was reduced from 8.25 percent to 8.00 percent (b) the projected salary increases was reduced from 4.25% to 3.75% (c) the payroll increases was reduced from 3.75% to 3.25% (d) the inflation assumptions was reduced from 3.25% to 2.75% (e) the cost of living adjustments was reduced from 2.60% to 2.20% (f) rates of withdrawal, disability and service retirement were updated to reflect recent experience (g) mortality rates were updated to the RP-2014 Total Employee and Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2016 (h) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2016. For 2019-2021, there have been no OP&F pension plan amendments adopted or changes in assumptions between the measurement date and the report date that would have impacted the actuarial valuation of the pension plan as of the measurement date. For 2022, the investment rate of return was reduced from 8.00 percent to 7.50 percent. For 2023, Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates 68 adjusted by 108.9% for males and 131% for females. Mortality for active members is based on the Pub-2010 Below Medium Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

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

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***Net OPEB Liability***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2018 and 2020-2023. For 2019, see below regarding changes to stipend-based model.

*Changes in assumptions:* For 2018, the single discount rate changed from 3.79 percent to 3.24 percent. For 2019, the changes of assumptions were: (a) beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend-based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years (b) beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5% (c) the single discount rate changed from 3.24 percent to 4.66 percent. For 2020, the single discount rate changed from 4.66 to 3.56. For 2021, the single discount rate changed from 3.56 to 2.96. For 2022, the single discount rate changed from 2.96 to 2.84. For 2023, the changes of assumptions were: (a) the single discount rate changed from 2.84% to 4.27% (b) the depletion year of OPEB assets is projected in year 2036 (c) mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

## Combining Statements



## ***Fund Descriptions – Nonmajor Governmental Funds***

### ***Non-Major Special Revenue Funds***

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

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

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

*Income Tax Transfer Fund* - This fund is used to account for the collection of the City's municipal income tax. This fund also accounts for the administration of the municipal income tax collection and the distribution of that tax to the General Fund, Capital Improvement Fund, and the Sewer Fund based on the City's income tax allocations approved in the City's codified ordinances. Due to the implementation of GASB Statement No. 54, this fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a separate legally adopted budget.

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

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

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

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

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

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

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

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

## ***Fund Descriptions – Nonmajor Governmental Funds***

### ***Non-Major Special Revenue Funds (Continued)***

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

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

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

*Employee Sick Time Buy Back Fund* - This fund accounts for transfers from the General Fund committed for the payment of accumulated sick time upon the termination of employment by employees of the City. Due to the implementation of GASB Statement No. 54, this fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a separate legally adopted budget. This fund did not have any budgetary activity in 2023. Therefore, budgetary information is not provided.

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

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

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

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

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

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

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

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

*Opioid Settlement Fund* - This fund accounts for and reports funds received in conjunction with the One Ohio Opioid Settlement. Eligible expenditures that address healthcare needs stemming from the opioid crisis may be paid from this fund.

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

## ***Fund Descriptions – Nonmajor Governmental Funds***

### ***Non-Major Special Revenue Funds (Continued)***

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

*Deposit Trust Fund* – This fund is used to account for the receipt of refundable deposits required of contractors, builders, residents or others to ensure compliance with various City ordinances. Due to the implementation of GASB Statement No. 84, this fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a separate legally adopted budget in 2023.

*Unclaimed Monies Fund* – This fund is used to account for stale dated checks issued by the City for various purposes. These dollars are held in this fund until a legal claim is made. Due to the implementation of GASB Statement No. 84, this fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a separate legally adopted budget in 2023.

### ***Non-Major Debt Service Funds***

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

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

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

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

### ***Non-Major Capital Project Funds***

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

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

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

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

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

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

## ***Fund Descriptions – Nonmajor Governmental Funds***

### ***Non-Major Capital Project Funds (Continued)***

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

*North Point Erosion Control Fund* – This fund accounts for the resources provided through transfers from various funds assigned for the construction and improvement to the North Point erosion project.

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

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

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

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

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

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

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

**City of Avon Lake, Ohio**  
*Combining Balance Sheet*  
**Nonmajor Governmental Funds**  
*December 31, 2023*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 5,414,038	\$ 1,322,142	\$ 2,928,702	\$ 9,664,882
Materials and Supplies Inventory	394,688	-	-	394,688
Accounts Receivable	31,789	-	99,464	131,253
Interfund Receivable	-	87,447	-	87,447
Intergovernmental Receivable	961,804	18,379	-	980,183
Prepaid Items	42,037	-	-	42,037
Municipal Income Taxes Receivable	139,308	506,264	-	645,572
Property and Other Taxes Receivable	2,286,616	301,086	-	2,587,702
Special Assessments Receivable	-	-	56,821	56,821
<b>Total Assets</b>	<b>\$ 9,270,280</b>	<b>\$ 2,235,318</b>	<b>\$ 3,084,987</b>	<b>\$ 14,590,585</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 64,910	\$ -	\$ -	\$ 64,910
Accrued Wages and Benefits	105,828	-	-	105,828
Intergovernmental Payable	22,040	-	-	22,040
Interfund Payable	-	-	107,447	107,447
Unearned Revenue	1,665,662	-	-	1,665,662
<i>Total Liabilities</i>	<i>1,858,440</i>	<i>-</i>	<i>107,447</i>	<i>1,965,887</i>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	2,227,104	293,228	-	2,520,332
Unavailable Revenue - Delinquent Property Taxes	59,512	7,858	-	67,370
Unavailable Revenue - Municipal Income Taxes	43,039	156,407	-	199,446
Unavailable Revenue - Other	702,256	18,379	73,080	793,715
<i>Total Deferred Inflows of Resources</i>	<i>3,031,911</i>	<i>475,872</i>	<i>73,080</i>	<i>3,580,863</i>
<b>Fund Balances:</b>				
Nonspendable	436,725	-	-	436,725
Restricted	3,293,775	1,759,446	852,349	5,905,570
Committed	649,429	-	1,112,137	1,761,566
Assigned	-	-	1,025,848	1,025,848
Unassigned (Deficits)	-	-	(85,874)	(85,874)
<i>Total Fund Balances</i>	<i>4,379,929</i>	<i>1,759,446</i>	<i>2,904,460</i>	<i>9,043,835</i>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 9,270,280</b>	<b>\$ 2,235,318</b>	<b>\$ 3,084,987</b>	<b>\$ 14,590,585</b>

**City of Avon Lake, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2023*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>				
Property and Other Taxes	\$ 2,300,399	\$ 301,090	\$ -	\$ 2,601,489
Municipal Income Taxes	606,619	2,264,114	-	2,870,733
Intergovernmental	2,145,100	36,757	57,319	2,239,176
Interest	5,252	19,537	-	24,789
Fees, Licenses, and Permits	29,246	-	-	29,246
Fines and Forfeitures	70,867	-	-	70,867
Rentals	113,013	-	-	113,013
Charges for Services	939,436	-	752,191	1,691,627
Contributions and Donations	87,051	-	-	87,051
Special Assessments	-	1,065	30,268	31,333
All Other Revenues	172,540	-	-	172,540
<b>Total Revenues</b>	<u>6,469,523</u>	<u>2,622,563</u>	<u>839,778</u>	<u>9,931,864</u>
<b>EXPENDITURES</b>				
Current:				
Security of Persons and Property	2,996,312	-	-	2,996,312
Leisure Time Activities	1,672,537	-	-	1,672,537
Community Environment	55	-	-	55
Transportation	2,278,589	-	-	2,278,589
General Government	12,000	8,492	1,164	21,656
Capital Outlay	189,406	-	100,230	289,636
Debt Service:				
Principal Retirement	9,448	1,507,860	-	1,517,308
Interest and Fiscal Charges	4,639	676,081	1,692	682,412
<b>Total Expenditures</b>	<u>7,162,986</u>	<u>2,192,433</u>	<u>103,086</u>	<u>9,458,505</u>
Excess of Revenues Over (Under) Expenditures	<u>(693,463)</u>	<u>430,130</u>	<u>736,692</u>	<u>473,359</u>
<b>OTHER FINANCING SOURCES</b>				
Sale of Capital Assets	-	64,003	-	64,003
Issuance of Financed Purchases	32,705	-	-	32,705
Transfers In	262,000	-	22,103	284,103
Transfers Out	-	-	(1,422,406)	(1,422,406)
<b>Total Other Financing Sources</b>	<u>294,705</u>	<u>64,003</u>	<u>(1,400,303)</u>	<u>(1,041,595)</u>
Net Change in Fund Balances	<u>(398,758)</u>	<u>494,133</u>	<u>(663,611)</u>	<u>(568,236)</u>
Fund Balances - Beginning of Year, Restated	4,778,687	1,265,313	3,568,071	9,612,071
<b>Fund Balances - End of Year</b>	<u><u>\$ 4,379,929</u></u>	<u><u>\$ 1,759,446</u></u>	<u><u>\$ 2,904,460</u></u>	<u><u>\$ 9,043,835</u></u>

**City of Avon Lake, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2023*

	<b>Street Construction Maintenance and Repair</b>	<b>State Highway</b>	<b>Paramedic</b>	<b>Law Enforcement Trust</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 581,869	\$ 200,638	\$ 1,549,349	\$ 69,127
Materials and Supplies Inventory	394,688	-	-	-
Accounts Receivable	-	-	-	-
Intergovernmental Receivable	727,076	58,968	96,570	-
Prepaid Items	27,357	-	7,672	-
Income Taxes Receivable	-	-	-	-
Property Taxes Receivable	-	-	1,635,908	-
<b>Total Assets</b>	<b>\$ 1,730,990</b>	<b>\$ 259,606</b>	<b>\$ 3,289,499</b>	<b>\$ 69,127</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 23,275	\$ -	\$ 4,438	\$ -
Accrued Wages and Benefits	28,295	-	48,617	-
Intergovernmental Payable	4,371	-	12,373	-
Unearned Revenue	-	-	-	-
<i>Total Liabilities</i>	<i>55,941</i>	<i>-</i>	<i>65,428</i>	<i>-</i>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	-	-	1,593,364	-
Unavailable Revenue - Delinquent Property Taxes	-	-	42,544	-
Unavailable Revenue - Income Taxes	-	-	-	-
Unavailable Revenue - Other	486,668	39,828	96,570	-
<i>Total Deferred Inflows of Resources</i>	<i>486,668</i>	<i>39,828</i>	<i>1,732,478</i>	<i>-</i>
<b>Fund Balances:</b>				
Nonspendable	422,045	-	7,672	-
Restricted	766,336	219,778	1,483,921	69,127
Committed	-	-	-	-
<i>Total Fund Balances</i>	<i>1,188,381</i>	<i>219,778</i>	<i>1,491,593</i>	<i>69,127</i>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,730,990</b>	<b>\$ 259,606</b>	<b>\$ 3,289,499</b>	<b>\$ 69,127</b>

<b>Law Enforcement Education</b>	<b>Indigent Drivers Alcohol Treatment</b>	<b>Municipal Court Computer</b>	<b>COPS</b>	<b>Avon Lake Bay Park</b>	<b>Board of Building Standards</b>	<b>Street Tree</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	29,246	-
761	10,068	25,124	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	67,421
-	-	-	105,945	-	-	-
761	10,068	25,124	105,945	-	29,246	67,421
-	546	-	292,503	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	55	-
-	-	-	-	-	-	24,477
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	546	-	292,503	-	55	24,477
761	9,522	25,124	(186,558)	-	29,191	42,944
-	-	-	-	-	-	-
-	-	-	140,000	-	-	-
-	-	-	-	-	-	-
-	-	-	140,000	-	-	-
761	9,522	25,124	(46,558)	-	29,191	42,944
17,585	83,953	210,293	40,382	432	27,061	258,764
\$ 18,346	\$ 93,475	\$ 235,417	\$ (6,176)	\$ 432	\$ 56,252	\$ 301,708

(Continued)

**City of Avon Lake, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2023*  
*(Continued)*

	<b>Continued Professional Training</b>	<b>Court Security</b>	<b>Court Interlock</b>	<b>Police Pension</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 67,083	\$ 11,362	\$ 154,355	\$ 9,780
Materials and Supplies Inventory	-	-	-	-
Accounts Receivable	4,288	2,298	550	-
Intergovernmental Receivable	-	-	-	19,692
Prepaid Items	-	-	-	-
Income Taxes Receivable	-	-	-	-
Property Taxes Receivable	-	-	-	325,354
<b>Total Assets</b>	<b>\$ 71,371</b>	<b>\$ 13,660</b>	<b>\$ 154,905</b>	<b>\$ 354,826</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ -	\$ -	\$ 419	\$ -
Accrued Wages and Benefits	-	2,534	-	-
Intergovernmental Payable	-	392	-	-
Unearned Revenue	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>2,926</b>	<b>419</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	-	-	-	316,870
Unavailable Revenue - Delinquent Property Taxes	-	-	-	8,484
Unavailable Revenue - Income Taxes	-	-	-	-
Unavailable Revenue - Other	-	-	-	19,692
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>345,046</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	71,371	10,734	154,486	9,780
Committed	-	-	-	-
<b>Total Fund Balances</b>	<b>71,371</b>	<b>10,734</b>	<b>154,486</b>	<b>9,780</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 71,371</b>	<b>\$ 13,660</b>	<b>\$ 154,905</b>	<b>\$ 354,826</b>

<b>Fire Pension</b>	<b>Recreation Trust</b>	<b>Recreation</b>	<b>Opioid Settlement</b>	<b>American Rescue Plan</b>	<b>AL Public Arts</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ 13,174	\$ 347,721	\$ 35,470	\$ 19,440	\$ 1,668,202	\$ 705	\$ 5,414,038
-	-	-	-	-	-	394,688
-	-	-	-	-	-	31,789
19,692	-	-	-	-	-	961,804
-	-	7,008	-	-	-	42,037
-	-	139,308	-	-	-	139,308
325,354	-	-	-	-	-	2,286,616
<u>\$ 358,220</u>	<u>\$ 347,721</u>	<u>181,786</u>	<u>19,440</u>	<u>1,668,202</u>	<u>\$ 705</u>	<u>\$ 9,270,280</u>
\$ -	\$ -	\$ 34,238	\$ -	\$ 2,540	\$ -	\$ 64,910
-	-	17,604	-	-	-	105,828
-	-	2,720	-	-	-	22,040
-	-	-	-	1,665,662	-	1,665,662
<u>-</u>	<u>-</u>	<u>54,562</u>	<u>-</u>	<u>1,668,202</u>	<u>-</u>	<u>1,858,440</u>
316,870	-	-	-	-	-	2,227,104
8,484	-	-	-	-	-	59,512
-	-	43,039	-	-	-	43,039
19,692	-	-	-	-	-	702,256
<u>345,046</u>	<u>-</u>	<u>43,039</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,031,911</u>
-	-	7,008	-	-	-	436,725
13,174	-	77,177	19,440	-	705	3,293,775
-	347,721	-	-	-	-	649,429
<u>13,174</u>	<u>347,721</u>	<u>84,185</u>	<u>19,440</u>	<u>-</u>	<u>705</u>	<u>4,379,929</u>
<u>\$ 358,220</u>	<u>\$ 347,721</u>	<u>\$ 181,786</u>	<u>\$ 19,440</u>	<u>\$ 1,668,202</u>	<u>\$ 705</u>	<u>\$ 9,270,280</u>

**City of Avon Lake, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2023*

	<b>Street Construction Maintenance and Repair</b>	<b>State Highway</b>	<b>Paramedic</b>	<b>Law Enforcement Trust</b>
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ 1,655,205	\$ -
Municipal Income Taxes	-	-	-	-
Intergovernmental	1,580,436	128,558	193,139	-
Interest	-	-	-	-
Fees, Licenses, and Permits	-	-	-	-
Fines and Forfeitures	-	-	-	600
Rentals	-	-	-	-
Charges for Services	-	-	-	-
Contributions and Donations	-	-	100	-
All Other Revenues	903	-	1,519	-
<b>Total Revenues</b>	<u>1,581,339</u>	<u>128,558</u>	<u>1,849,963</u>	<u>600</u>
<b>EXPENDITURES</b>				
Current:				
Security of Persons and Property:	-	-	1,912,892	-
Leisure Time Activities	-	-	-	-
Community Environment	-	-	-	-
Transportation	2,254,112	-	-	-
General Government	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<u>2,254,112</u>	<u>-</u>	<u>1,912,892</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>(672,773)</u>	<u>128,558</u>	<u>(62,929)</u>	<u>600</u>
<b>OTHER FINANCING SOURCES</b>				
Issuance of Financed Purchases	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(672,773)</u>	<u>128,558</u>	<u>(62,929)</u>	<u>600</u>
Fund Balances - Beginning of Year, Restated	1,861,154	91,220	1,554,522	68,527
<b>Fund Balances - End of Year</b>	<u>\$ 1,188,381</u>	<u>\$ 219,778</u>	<u>\$ 1,491,593</u>	<u>\$ 69,127</u>

<b>Law Enforcement Education</b>	<b>Indigent Drivers Alcohol Treatment</b>	<b>Municipal Court Computer</b>	<b>COPS</b>	<b>Avon Lake Bay Park</b>	<b>Board of Building Standards</b>	<b>Street Tree</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	29,246	-
761	10,068	25,124	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	67,421
-	-	-	105,945	-	-	-
761	10,068	25,124	105,945	-	29,246	67,421
-	-	-	-	-	-	-
-	546	-	292,503	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	55	-
-	-	-	-	-	-	24,477
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	546	-	292,503	-	55	24,477
761	9,522	25,124	(186,558)	-	29,191	42,944
-	-	-	-	-	-	-
-	-	-	140,000	-	-	-
-	-	-	-	-	-	-
-	-	-	140,000	-	-	-
761	9,522	25,124	(46,558)	-	29,191	42,944
17,585	83,953	210,293	40,382	432	27,061	258,764
\$ 18,346	\$ 93,475	\$ 235,417	\$ (6,176)	\$ 432	\$ 56,252	\$ 301,708

(Continued)

**City of Avon Lake, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2023*  
(Continued)

	<b>Continued Professional Training</b>	<b>Court Security</b>	<b>Court Interlock</b>	<b>Police Pension</b>	<b>Fire Pension</b>
<b>REVENUES</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ 322,597	\$ 322,597
Municipal Income Taxes	-	-	-	-	-
Intergovernmental	-	-	-	39,383	39,383
Interest	-	-	-	-	-
Fees, Licenses, and Permits	-	-	-	-	-
Fines and Forfeitures	-	25,083	9,231	-	-
Rentals	-	-	-	-	-
Charges for Services	-	-	-	-	-
Contributions and Donations	-	-	-	-	-
All Other Revenues	37,766	28	-	-	-
<b>Total Revenues</b>	<u>37,766</u>	<u>25,111</u>	<u>9,231</u>	<u>361,980</u>	<u>361,980</u>
<b>EXPENDITURES</b>					
Current:					
Security of Persons and Property:	-	44,758	5,149	365,138	375,326
Leisure Time Activities	-	-	-	-	-
Community Environment	-	-	-	-	-
Transportation	-	-	-	-	-
General Government	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	3,860	-
Interest and Fiscal Charges	-	-	-	2,727	-
<b>Total Expenditures</b>	<u>-</u>	<u>44,758</u>	<u>5,149</u>	<u>371,725</u>	<u>375,326</u>
Excess of Revenues Over (Under) Expenditures	<u>37,766</u>	<u>(19,647)</u>	<u>4,082</u>	<u>(9,745)</u>	<u>(13,346)</u>
<b>OTHER FINANCING SOURCES</b>					
Issuance of Financed Purchases	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>37,766</u>	<u>(19,647)</u>	<u>4,082</u>	<u>(9,745)</u>	<u>(13,346)</u>
Fund Balances - Beginning of Year	33,605	30,381	150,404	19,525	26,520
<b>Fund Balances - End of Year</b>	<u>\$ 71,371</u>	<u>\$ 10,734</u>	<u>\$ 154,486</u>	<u>\$ 9,780</u>	<u>\$ 13,174</u>

<b>Recreation Trust</b>	<b>Recreation Fund</b>	<b>Opioid Settlement</b>	<b>American Rescue Plan</b>	<b>AL Public Arts</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,300,399
-	606,619	-	-	-	606,619
-	-	-	164,201	-	2,145,100
5,252	-	-	-	-	5,252
-	-	-	-	-	29,246
-	-	-	-	-	70,867
-	113,013	-	-	-	113,013
78,644	860,792	-	-	-	939,436
-	19,530	-	-	-	87,051
-	670	25,709	-	-	172,540
<u>83,896</u>	<u>1,600,624</u>	<u>25,709</u>	<u>164,201</u>	<u>-</u>	<u>6,469,523</u>
-	-	-	-	-	2,996,312
-	1,672,537	-	-	-	1,672,537
-	-	-	-	-	55
-	-	-	-	-	2,278,589
-	-	12,000	-	-	12,000
-	-	-	189,406	-	189,406
-	-	-	-	-	-
-	-	-	5,588	-	9,448
-	-	-	1,912	-	4,639
<u>-</u>	<u>1,672,537</u>	<u>12,000</u>	<u>196,906</u>	<u>-</u>	<u>7,162,986</u>
<u>83,896</u>	<u>(71,913)</u>	<u>13,709</u>	<u>(32,705)</u>	<u>-</u>	<u>(693,463)</u>
-	-	-	32,705	-	32,705
-	122,000	-	-	-	262,000
-	-	-	-	-	-
<u>-</u>	<u>122,000</u>	<u>-</u>	<u>32,705</u>	<u>-</u>	<u>294,705</u>
<u>83,896</u>	<u>50,087</u>	<u>13,709</u>	<u>-</u>	<u>-</u>	<u>(398,758)</u>
263,825	34,098	5,731	-	705	4,778,687
<u>\$ 347,721</u>	<u>\$ 84,185</u>	<u>\$ 19,440</u>	<u>\$ -</u>	<u>\$ 705</u>	<u>\$ 4,379,929</u>

**City of Avon Lake, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Debt Service Funds*  
*December 31, 2023*

	GO Bond Retirement (Unvoted)	GO Bond Retirement (Voted)	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 354,571	\$ 55,548	\$ 912,023	\$ 1,322,142
Interfund Receivable	-	-	87,447	87,447
Intergovernmental Receivable	-	18,379	-	18,379
Income Taxes Receivable	506,264	-	-	506,264
Property Taxes Receivable	-	301,086	-	301,086
<b>Total Assets</b>	<b>\$ 860,835</b>	<b>\$ 375,013</b>	<b>\$ 999,470</b>	<b>\$ 2,235,318</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Deferred Inflows of Resources:</b>				
Property Taxes and Payments in Lieu of Taxes	-	293,228	-	293,228
Unavailable Revenue - Delinquent Property Taxes	-	7,858	-	7,858
Unavailable Revenue - Income Taxes	156,407	-	-	156,407
Unavailable Revenue - Other	-	18,379	-	18,379
<i>Total Deferred Inflows of Resources</i>	<i>156,407</i>	<i>319,465</i>	<i>-</i>	<i>475,872</i>
<b>Fund Balances:</b>				
Restricted	704,428	55,548	999,470	1,759,446
<i>Total Fund Balances</i>	<i>704,428</i>	<i>55,548</i>	<i>999,470</i>	<i>1,759,446</i>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 860,835</b>	<b>\$ 375,013</b>	<b>\$ 999,470</b>	<b>\$ 2,235,318</b>

**City of Avon Lake, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Debt Service Funds*  
*For the Year Ended December 31, 2023*

	<b>GO Bond Retirement (Unvoted)</b>	<b>GO Bond Retirement (Voted)</b>	<b>Special Assessment Bond Retirement</b>	<b>Total Nonmajor Debt Service Funds</b>
<b>REVENUES</b>				
Property Taxes	\$ -	\$ 301,090	\$ -	\$ 301,090
Income Taxes	2,264,114	-	-	2,264,114
Intergovernmental	-	36,757	-	36,757
Interest	7,202	-	12,335	19,537
Special Assessments	-	-	1,065	1,065
<b>Total Revenues</b>	<u>2,271,316</u>	<u>337,847</u>	<u>13,400</u>	<u>2,622,563</u>
<b>EXPENDITURES</b>				
Current:				
General Government	3,375	4,970	147	8,492
Debt Service:				
Principal Retirement	1,227,860	280,000	-	1,507,860
Interest and Fiscal Charges	621,631	54,450	-	676,081
<b>Total Expenditures</b>	<u>1,852,866</u>	<u>339,420</u>	<u>147</u>	<u>2,192,433</u>
Excess Revenues Over Expenditures	<u>418,450</u>	<u>(1,573)</u>	<u>13,253</u>	<u>430,130</u>
<b>OTHER FINANCING SOURCES</b>				
Sale of Capital Assets	64,003	-	-	64,003
<b>Total Other Financing Sources</b>	<u>64,003</u>	<u>-</u>	<u>-</u>	<u>64,003</u>
Net Change in Fund Balances	<u>482,453</u>	<u>(1,573)</u>	<u>13,253</u>	<u>494,133</u>
Fund Balances - Beginning of Year	221,975	57,121	986,217	1,265,313
<b>Fund Balances - End of Year</b>	<u>\$ 704,428</u>	<u>\$ 55,548</u>	<u>\$ 999,470</u>	<u>\$ 1,759,446</u>

**City of Avon Lake, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2023*

	<b>Sewer Separation Projects</b>	<b>Police Court Facility</b>	<b>45's Sewer Separation</b>
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 755,664	\$ -
Accounts Receivable	-	99,464	-
Special Assessments Receivable	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 855,128</b>	<b>-</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Interfund Payable	\$ -	\$ -	\$ -
<i>Total Liabilities</i>	-	-	-
<b>Deferred Inflows of Resources:</b>			
Unavailable Revenue - Other	-	16,259	-
<i>Total Deferred Inflows of Resources</i>	-	16,259	-
<b>Fund Balances:</b>			
Restricted	-	-	-
Committed	-	-	-
Assigned	-	838,869	-
Unassigned (Deficits)	-	-	-
<i>Total Fund Balances (Deficits)</i>	-	838,869	-
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ -</b>	<b>\$ 855,128</b>	<b>\$ -</b>

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<b>Troy School Driveway</b>	<b>Bicycle Trails</b>	<b>Walker Rd. Widening</b>
\$ -	\$ 200	\$ 23,716
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 23,716</u>
<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ -</u>
<u>20,000</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>
-	-	23,716
-	200	-
-	-	-
(20,000)	-	-
<u>(20,000)</u>	<u>200</u>	<u>23,716</u>
<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 23,716</u>

(Continued)

**City of Avon Lake, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2023*  
*(Continued)*

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	<b>North Point Erosion Control</b>	<b>Pool Renovation</b>	<b>Walker Rd Sewer/Lear Rd East</b>	<b>Titus- Pitts-Hill Ditch</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ -	\$ 591,321	\$ 1,111,937
Accounts Receivable	-	-	-	-
Special Assessments Receivable	-	-	-	-
<b>Total Assets</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 591,321</u></b>	<b><u>\$ 1,111,937</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Interfund Payable	\$ -	\$ -	\$ -	\$ -
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable Revenue - Other	-	-	-	-
<i>Total Deferred Inflows of Resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Restricted	-	-	591,321	-
Committed	-	-	-	1,111,937
Assigned	-	-	-	-
Unassigned (Deficits)	-	-	-	-
<i>Total Fund Balances (Deficits)</i>	<u>-</u>	<u>-</u>	<u>591,321</u>	<u>1,111,937</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 591,321</u></b>	<b><u>\$ 1,111,937</u></b>

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<b>Sidewalk/ Street Lighting</b>	<b>Cove Ave Improvement</b>	<b>Curtis Road Sewer Improvement</b>	<b>ALPS Playground</b>	<b>Total Nonmajor Capital Projects Funds</b>
\$ 237,312	\$ 21,573	\$ -	\$ 186,979	\$ 2,928,702
-	-	-	-	99,464
-	56,821	-	-	56,821
<u>\$ 237,312</u>	<u>\$ 78,394</u>	<u>\$ -</u>	<u>\$ 186,979</u>	<u>\$ 3,084,987</u>
\$ -	\$ 87,447	\$ -	\$ -	\$ 107,447
-	87,447	-	-	107,447
-	56,821	-	-	73,080
-	56,821	-	-	73,080
237,312	-	-	-	852,349
-	-	-	-	1,112,137
-	-	-	186,979	1,025,848
-	(65,874)	-	-	(85,874)
<u>237,312</u>	<u>(65,874)</u>	<u>-</u>	<u>186,979</u>	<u>2,904,460</u>
<u>\$ 237,312</u>	<u>\$ 78,394</u>	<u>\$ -</u>	<u>\$ 186,979</u>	<u>\$ 3,084,987</u>

**City of Avon Lake, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2023*

	<b>Sewer Separation Projects</b>	<b>Police Court Facility</b>	<b>45's Sewer Separation</b>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 57,319	\$ -
Charges for Services	-	752,191	-
Special Assessments	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>809,510</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current:			
General Government	-	-	-
Capital Outlay	-	50,135	-
Debt Service:			
Interest and Fiscal Charges	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>50,135</u>	<u>-</u>
Excess of Revenues (Under) Expenditures	<u>-</u>	<u>759,375</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	(994,989)	-	(408,646)
<b>Total Other Financing Sources (Uses)</b>	<u>(994,989)</u>	<u>-</u>	<u>(408,646)</u>
Net Change in Fund Balances	(994,989)	759,375	(408,646)
 Fund Balances (Deficits)- Beginning of Year	 <u>994,989</u>	 <u>79,494</u>	 <u>408,646</u>
<b>Fund Balances (Deficits) - End of Year</b>	<b><u>\$ -</u></b>	<b><u>\$ 838,869</u></b>	<b><u>\$ -</u></b>

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<b>Troy School Driveway</b>	<b>Bicycle Trails</b>	<b>Walker Rd. Widening</b>
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
(15,000)	-	-
(15,000)	-	-
(15,000)	-	-
(5,000)	200	23,716
\$ (20,000)	\$ 200	\$ 23,716

(Continued)

**City of Avon Lake, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2023*  
(Continued)

	<b>North Point Erosion Control</b>	<b>Pool Renovation</b>	<b>Walker Rd Sewer/Lear Rd East</b>	<b>Titus- Pitts-Hill Ditch</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Special Assessments	-	-	18,449	-
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>18,449</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	709	-
Capital Outlay	-	-	-	-
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>709</u>	<u>-</u>
Excess of Revenues (Under) Expenditures	<u>-</u>	<u>-</u>	<u>17,740</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	580	-	-
Transfers Out	(3,771)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(3,771)</u>	<u>580</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(3,771)</u>	<u>580</u>	<u>17,740</u>	<u>-</u>
Fund Balances (Deficits)- Beginning of Year	<u>3,771</u>	<u>(580)</u>	<u>573,581</u>	<u>1,111,937</u>
<b>Fund Balances (Deficits) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 591,321</u>	<u>\$ 1,111,937</u>

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Sidewalk/ Street Lighting	Cove Ave Improvement	Curtis Road Sewer Improvement	ALPS Playground	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ 57,319
-	-	-	-	752,191
-	11,819	-	-	30,268
-	11,819	-	-	839,778
-	455	-	-	1,164
3,937	-	-	46,158	100,230
-	1,692	-	-	1,692
3,937	2,147	-	46,158	103,086
(3,937)	9,672	-	(46,158)	736,692
-	-	21,523	-	22,103
-	-	-	-	(1,422,406)
-	-	21,523	-	(1,400,303)
(3,937)	9,672	21,523	(46,158)	(663,611)
241,249	(75,546)	(21,523)	233,137	3,568,071
\$ 237,312	\$ (65,874)	\$ -	\$ 186,979	\$ 2,904,460

## ***Fund Descriptions – Fiduciary Funds***

### ***Fiduciary Funds***

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

### ***Custodial Funds***

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

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

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

*LORCO* – This fund is used to account for activity associated with sanitary sewer operations of the Lorain County Solid Waste District. Avon Lake Regional Water serves as the fiscal agent for these operations.

**City of Avon Lake, Ohio**  
*Combining Statement of Fiduciary Net Position*  
*Custodial Funds*  
*December 31, 2023*

	<u>ELT 2 MOR</u>	<u>Transfer</u>	<u>Municipal Court</u>	<u>LORCO</u>	<u>Total</u>
<b>ASSETS</b>					
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 1,671	\$ 36,735	\$ -	\$ 38,406
Cash and Cash Equivalents with Fiscal Agent	3,565,692	-	-	635,864	4,201,556
<b>Total Assets</b>	<u>3,565,692</u>	<u>1,671</u>	<u>36,735</u>	<u>635,864</u>	<u>4,239,962</u>
<b>LIABILITIES</b>					
Due to External Parties	417,579	1,120	36,735	-	455,434
Due to Primary Government	-	-	-	5,326,470	5,326,470
<b>Total Liabilities</b>	<u>417,579</u>	<u>1,120</u>	<u>36,735</u>	<u>5,326,470</u>	<u>5,781,904</u>
<b>NET POSITION</b>					
Restricted For:					
Individuals, Organizations, and Other Governments	3,148,113	551	-	(4,690,606)	(1,541,942)
<b>Total Net Position</b>	<u>\$ 3,148,113</u>	<u>\$ 551</u>	<u>\$ -</u>	<u>\$ (4,690,606)</u>	<u>\$ (1,541,942)</u>

**City of Avon Lake, Ohio**  
*Combining Statement of Changes in Fiduciary Net Position*  
*Custodial Funds*  
*For the Year Ended December 31, 2023*

	<u>ELT 2 MOR</u>	<u>Transfer</u>	<u>Municipal Court</u>	<u>LORCO</u>	<u>Total</u>
<b>ADDITIONS</b>					
Investment Earnings	-	-	-	14,824	14,824
Amounts Received as Fiscal Agent	\$ 6,113,450	\$ -	\$ -	2,237,035	\$ 8,350,485
Fines and Forfeitures for Other Governments	-	3,527	761,834	-	765,361
<b>Total Additions</b>	<u>6,113,450</u>	<u>3,527</u>	<u>761,834</u>	<u>2,251,859</u>	<u>9,130,670</u>
<b>DEDUCTIONS</b>					
Distributions to Primary Government	-	-	-	1,649,706	1,649,706
Fines and Forfeitures Distributions to Other Governments	-	3,831	761,834	-	765,665
Distributions as Fiscal Agent	5,404,543	-	-	246,101	5,650,644
<b>Total Deductions</b>	<u>5,404,543</u>	<u>3,831</u>	<u>761,834</u>	<u>1,895,807</u>	<u>8,066,015</u>
Net Increase (Decrease) in Fiduciary Net Position	708,907	(304)	-	356,052	1,064,655
Net Position - Beginning of Year, Restated	2,439,206	855	-	(5,046,658)	(2,606,597)
<b>Net Position - End of Year</b>	<u>\$ 3,148,113</u>	<u>\$ 551</u>	<u>\$ -</u>	<u>\$ (4,690,606)</u>	<u>\$ (1,541,942)</u>

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



**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual*  
**General Fund**  
*For the Year Ended December 31, 2023*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Property Taxes	\$ 2,943,511	\$ 4,880,376	\$ 4,880,613	\$ 237
Other Taxes	208,081	345,000	361,876	16,876
Intergovernmental	1,145,258	1,898,851	1,505,494	(393,357)
Interest	220,143	365,000	365,563	563
Fees, Licenses, and Permits	261,458	433,500	498,949	65,449
Fines and Forfeitures	151,386	251,000	221,255	(29,745)
Charges for Services	41,918	69,500	52,091	(17,409)
Rentals	54,282	90,000	81,160	(8,840)
Contributions and Donations	3,619	6,000	350	(5,650)
All Other Revenues	121,531	201,500	54,351	(147,149)
<b>Total Revenues</b>	<b>5,151,187</b>	<b>8,540,727</b>	<b>8,021,702</b>	<b>(519,025)</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police				
Personal Services	4,746,387	5,183,387	5,109,570	73,817
Other	405,965	389,765	387,509	2,256
Total Police	5,152,352	5,573,152	5,497,079	76,073
Fire				
Personal Services	3,134,467	3,301,467	3,262,089	39,378
Other	251,151	242,151	234,401	7,750
Total Fire	3,385,618	3,543,618	3,496,490	47,128
Total Security of Persons and Property	8,537,970	9,116,770	8,993,569	123,201
Community Development				
Building Inspection				
Personal Services	554,035	545,035	531,914	13,121
Other	37,394	50,394	48,966	1,428
Total Building Inspection	591,429	595,429	580,880	14,549
Planning Commission				
Personal Services	-	2,042	2,041	1
Other	-	7,800	7,734	66
Total Planning Commission	-	9,842	9,775	67
EEAB				
Other	2,550	1,550	1,500	50
Total EEAB	2,550	1,550	1,500	50
Total Community Development	593,979	606,821	592,155	14,666

(continued)

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual*  
**General Fund**  
*For the Year Ended December 31, 2023*  
 (Continued)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Transportation				
Service				
Personal Services	3,454,660	3,296,660	3,242,079	54,581
Other	1,316,801	1,604,176	1,553,266	50,910
Total Transportation	4,771,461	4,900,836	4,795,345	105,491
General Government				
Legislative - Council				
Personal Services	259,720	288,326	286,051	2,275
Other	40,855	45,655	44,461	1,194
Total Legislative - Council	300,575	333,981	330,512	3,469
Judicial - Court				
Personal Services	520,770	599,770	586,002	13,768
Other	85,064	113,064	112,745	319
Total Judicial - Court	605,834	712,834	698,747	14,087
Legal Counsel				
Personal Services	175,980	199,980	197,633	2,347
Other	96,879	80,879	69,378	11,501
Total Legal Counsel	272,859	280,859	267,011	13,848
Civil Service				
Personal Services	9,350	9,350	9,205	145
Other	190,500	29,700	29,519	181
Total Civil Service	199,850	39,050	38,724	326
Mayor				
Personal Services	781,015	783,909	764,389	19,520
Other	339,788	432,188	427,833	4,355
Total Mayor	1,120,803	1,216,097	1,192,222	23,875
Finance				
Personal Services	484,345	511,345	507,153	4,192
Other	329,500	370,500	370,077	423
Total Finance	813,845	881,845	877,230	4,615
Other General Government				
Other	846,018	964,018	960,865	3,153
Total General Government	4,159,784	4,428,684	4,365,311	63,373
<b>Total Expenditures</b>	<b>18,063,194</b>	<b>19,053,111</b>	<b>18,746,380</b>	<b>306,731</b>

(continued)

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2023  
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of Revenues Over (Under) Expenditures	(12,912,007)	(10,512,384)	(10,724,678)	(212,294)
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	-	-	716	716
Transfers In	11,000,000	11,000,000	11,000,004	4
Transfers Out	(800,000)	(580,000)	(548,000)	32,000
<b>Total Other Financing Sources (Uses)</b>	<u>10,200,000</u>	<u>10,420,000</u>	<u>10,452,720</u>	<u>32,720</u>
Net Change in Fund Balance	(2,712,007)	(92,384)	(271,958)	(179,574)
Fund Balance - Beginning of Year	501,945	501,945	501,945	-
Prior Year Encumbrances Appropriated	272,519	272,519	272,519	-
Fund Balance - End of Year	<u>\$ (1,937,543)</u>	<u>\$ 682,080</u>	<u>\$ 502,506</u>	<u>\$ (179,574)</u>

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Capital Improvement Fund  
For the Year Ended December 31, 2023*

	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Municipal Income Taxes	\$ 6,000,000	\$ 6,000,000	\$ -
Intergovernmental	740,801	589,592	(151,209)
Interest	375,000	165,436	(209,564)
All Other Revenues	40,000	487,871	447,871
<b>Total Revenues</b>	<u>7,155,801</u>	<u>7,242,899</u>	<u>87,098</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property:			
Other	126,500	125,184	1,316
Total Security of Persons & Property	<u>126,500</u>	<u>125,184</u>	<u>1,316</u>
General Government			
Other	20,100	20,072	28
Total General Government	<u>20,100</u>	<u>20,072</u>	<u>28</u>
Capital Outlay:			
Capital Outlay	13,709,659	8,920,116	4,789,543
<b>Total Expenditures</b>	<u>13,856,259</u>	<u>9,065,372</u>	<u>4,790,887</u>
Excess of Revenues Over (Under) Expenditures	(6,700,458)	(1,822,473)	4,877,985
<b>Other Financing Sources</b>			
Sale of Capital Assets	810,655	97,867	(712,788)
Bond Anticipation Notes Issued	2,500,000	2,180,134	(319,866)
OWDA Loans Issued	630,000	580,000	(50,000)
Transfers In	1,465,348	1,465,348	-
Transfers Out	(1,065,044)	(65,044)	1,000,000
<b>Total Other Financing Sources</b>	<u>4,340,959</u>	<u>4,258,305</u>	<u>(82,654)</u>
Net Change in Fund Balance	(2,359,499)	2,435,832	4,795,331
Fund Balance - Beginning of Year, Restated	1,959,434	1,959,434	-
Prior Year Encumbrances Appropriated	4,556,849	4,556,849	-
<b>Fund Balance - End of Year</b>	<u>\$ 4,156,784</u>	<u>\$ 8,952,115</u>	<u>\$ 4,795,331</u>

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Street Construction, Maintenance and Repair Fund  
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ 1,555,000	\$ 1,585,552	\$ 30,552
All Other Revenues	-	903	903
<b>Total Revenues</b>	<u>1,555,000</u>	<u>1,586,455</u>	<u>31,455</u>
<b>Expenditures:</b>			
Current:			
Transportation			
Street Construction, Maintenance and Repair			
Personal Services	1,084,055	1,050,368	33,687
Other	958,688	942,588	16,100
Contractual Services	156,400	669,388	(512,988)
<b>Total Expenditures</b>	<u>2,199,143</u>	<u>2,662,344</u>	<u>(463,201)</u>
Excess of Revenues Over (Under) Expenditures	(644,143)	(1,075,889)	(431,746)
<b>Other Financing Sources</b>			
Transfers In	175,000	-	(175,000)
<b>Total Other Financing Sources</b>	<u>175,000</u>	<u>-</u>	<u>(175,000)</u>
Net Change in Fund Balance	(469,143)	(1,075,889)	(606,746)
Fund Balance - Beginning of Year	754,318	754,318	-
Prior Year Encumbrances Appropriated	810,113	810,113	-
<b>Fund Balance - End of Year</b>	<u>\$ 1,095,288</u>	<u>\$ 488,542</u>	<u>\$ (606,746)</u>

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 State Highway Fund  
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ 165,150	\$ 128,558	\$ (36,592)
<b>Total Revenues</b>	<u>165,150</u>	<u>128,558</u>	<u>(36,592)</u>
<b>Expenditures:</b>			
Current:			
Transportation			
Street Construction, Maintenance and Repair			
Other	125,000	-	125,000
<b>Total Expenditures</b>	<u>125,000</u>	<u>-</u>	<u>125,000</u>
Net Change in Fund Balance	40,150	128,558	88,408
Fund Balance - Beginning of Year	72,080	72,080	-
<b>Fund Balance - End of Year</b>	<u><u>\$ 112,230</u></u>	<u><u>\$ 200,638</u></u>	<u><u>\$ 88,408</u></u>

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Income Tax Transfer Fund  
 For the Year Ended December 31, 2023*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Municipal Income Taxes	\$ 17,620,000	\$ 17,140,631	\$ (479,369)
<b>Total Revenues</b>	<u>17,620,000</u>	<u>17,140,631</u>	<u>(479,369)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property:			
Police and Others:			
Other	399,996	306,108	93,888
<b>Total Expenditures</b>	<u>399,996</u>	<u>306,108</u>	<u>93,888</u>
Excess of Revenues Over (Under) Expenditures	17,220,004	16,834,523	(385,481)
<b>Other Financing (Uses)</b>			
Transfers Out	(19,850,004)	(19,850,004)	-
<b>Total Other Financing (Uses)</b>	<u>(19,850,004)</u>	<u>(19,850,004)</u>	<u>-</u>
Net Change in Fund Balance	(2,630,000)	(3,015,481)	(385,481)
Fund Balance - Beginning of Year	5,732,401	5,732,401	-
<b>Fund Balance - End of Year</b>	<u>\$ 3,102,401</u>	<u>\$ 2,716,920</u>	<u>\$ (385,481)</u>

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Paramedic Fund  
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Property Taxes	\$ 1,775,040	\$ 1,655,205	\$ (119,835)
Intergovernmental	197,050	193,139	(3,911)
Contributions and Donations	-	100	100
All Other Revenues	-	1,519	1,519
<b>Total Revenues</b>	<u>1,972,090</u>	<u>1,849,963</u>	<u>(122,127)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Fire			
Personal Services	1,761,795	1,725,517	36,278
Other	268,296	241,449	26,847
<b>Total Expenditures</b>	<u>2,030,091</u>	<u>1,966,966</u>	<u>63,125</u>
Net Change in Fund Balance	(58,001)	(117,003)	(59,002)
Fund Balance - Beginning of Year	1,416,336	1,416,336	-
Prior Year Encumbrances Appropriated	50,796	50,796	-
<b>Fund Balance - End of Year</b>	<u>\$ 1,409,131</u>	<u>\$ 1,350,129</u>	<u>\$ (59,002)</u>

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Office on Aging Fund  
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures:</b>			
Current:			
Public Health Services			
Other	75,000	47,751	27,249
<b>Total Expenditures</b>	75,000	47,751	27,249
Excess of Revenues Over (Under) Expenditures	(75,000)	(47,751)	27,249
<b>Other Financing Sources</b>			
Transfers In	75,000	50,000	(25,000)
<b>Total Other Financing Sources</b>	75,000	50,000	(25,000)
Net Change in Fund Balance	-	2,249	2,249
Fund Balance (Deficit) - Beginning of Year	4,147	4,147	-
<b>Fund Balance - End of Year</b>	\$ 4,147	\$ 6,396	\$ 2,249

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*Dial-A-Bus Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
All Other Revenues	\$ -	\$ 37	\$ 37
<b>Total Revenues</b>	<u>-</u>	<u>37</u>	<u>37</u>
<b>Expenditures:</b>			
Current:			
Transportation			
Service			
Personal Services	38,035	37,484	551
Other	8,100	5,048	3,052
<b>Total Expenditures</b>	<u>46,135</u>	<u>42,532</u>	<u>3,603</u>
Excess of Revenues Over (Under) Expenditures	(46,135)	(42,495)	3,640
<b>Other Financing Sources</b>			
Transfers In	60,000	10,000	(50,000)
<b>Total Other Financing Sources</b>	<u>60,000</u>	<u>10,000</u>	<u>(50,000)</u>
Net Change in Fund Balance	13,865	(32,495)	(46,360)
Fund Balance - Beginning of Year	28,527	28,527	-
Prior Year Encumbrances Appropriated	5,000	5,000	-
<b>Fund Balance - End of Year</b>	<u>\$ 47,392</u>	<u>\$ 1,032</u>	<u>\$ (46,360)</u>

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Cable TV Fund  
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Charges for Services	\$ 500	\$ 825	\$ 325
All Other Revenues	-	159	159
<b>Total Revenues</b>	<u>500</u>	<u>984</u>	<u>484</u>
<b>Expenditures:</b>			
Current:			
Leisure Time Activities			
Cable TV			
Personal Services	222,375	220,325	2,050
Other	48,991	43,853	5,138
Capital Outlay	6,500	11,053	(4,553)
<b>Total Expenditures</b>	<u>277,866</u>	<u>275,231</u>	<u>2,635</u>
Excess of Revenues Over (Under) Expenditures	(277,366)	(274,247)	3,119
<b>Other Financing Sources</b>			
Transfers In	300,000	226,000	(74,000)
<b>Total Other Financing Sources</b>	<u>300,000</u>	<u>226,000</u>	<u>(74,000)</u>
Net Change in Fund Balance	22,634	(48,247)	(70,881)
Fund Balance - Beginning of Year	35,517	35,517	-
Prior Year Encumbrances Appropriated	12,991	12,991	-
<b>Fund Balance - End of Year</b>	<u>\$ 71,142</u>	<u>\$ 261</u>	<u>\$ (70,881)</u>

## City of Avon Lake, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Law Enforcement Trust Fund  
For the Year Ended December 31, 2023*

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	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Fines and Forfeitures	\$ 1,000	\$ 600	\$ (400)
<b>Total Revenues</b>	<u>1,000</u>	<u>600</u>	<u>(400)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Other	2,000	-	2,000
<b>Total Expenditures</b>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Net Change in Fund Balance	(1,000)	600	1,600
Fund Balance - Beginning of Year	68,527	68,527	-
<b>Fund Balance - End of Year</b>	<u>\$ 67,527</u>	<u>\$ 69,127</u>	<u>\$ 1,600</u>

# City of Avon Lake, Ohio

## *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Law Enforcement and Education Fund For the Year Ended December 31, 2023*

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	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Fines and Forfeitures	\$ 750	\$ 786	\$ 36
<b>Total Revenues</b>	<u>750</u>	<u>786</u>	<u>36</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Police			
Other	7,500	-	7,500
<b>Total Expenditures</b>	<u>7,500</u>	<u>-</u>	<u>7,500</u>
Net Change in Fund Balance	(6,750)	786	7,536
Fund Balance - Beginning of Year	17,535	17,535	-
<b>Fund Balance - End of Year</b>	<u>\$ 10,785</u>	<u>\$ 18,321</u>	<u>\$ 7,536</u>

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Indigent Drivers Alcohol Treatment Fund  
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Fines and Forfeitures	\$ 12,500	\$ 9,997	\$ (2,503)
<b>Total Revenues</b>	<u>12,500</u>	<u>9,997</u>	<u>(2,503)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Police			
Other	17,934	546	17,388
<b>Total Expenditures</b>	<u>17,934</u>	<u>546</u>	<u>17,388</u>
Net Change in Fund Balance	(5,434)	9,451	14,885
Fund Balance - Beginning of Year	83,137	83,137	-
Prior Year Encumbrances Appropriated	434	434	-
<b>Fund Balance - End of Year</b>	<u>\$ 78,137</u>	<u>\$ 93,022</u>	<u>\$ 14,885</u>

# City of Avon Lake, Ohio

## *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Municipal Court Computer Fund For the Year Ended December 31, 2023*

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	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Fines and Forfeitures	\$ 25,000	\$ 24,522	\$ (478)
<b>Total Revenues</b>	<u>25,000</u>	<u>24,522</u>	<u>(478)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Police			
Other	10,000	-	10,000
<b>Total Expenditures</b>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net Change in Fund Balance	15,000	24,522	9,522
Fund Balance - Beginning of Year	208,628	208,628	-
<b>Fund Balance - End of Year</b>	<u>\$ 223,628</u>	<u>\$ 233,150</u>	<u>\$ 9,522</u>

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 COPS Fund  
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
All Other Revenues	150,000	141,722	(8,278)
<b>Total Revenues</b>	<u>150,000</u>	<u>141,722</u>	<u>(8,278)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Police			
Personal Services	297,085	291,021	6,064
<b>Total Expenditures</b>	<u>297,085</u>	<u>291,021</u>	<u>6,064</u>
Excess of Revenues Over (Under) Expenditures	(147,085)	(149,299)	(2,214)
<b>Other Financing Sources</b>			
Transfers In	150,000	140,000	(10,000)
<b>Total Other Financing Sources</b>	<u>150,000</u>	<u>140,000</u>	<u>(10,000)</u>
Net Change in Fund Balance	2,915	(9,299)	(12,214)
Fund Balance (Deficit) - Beginning of Year	13,740	13,740	-
<b>Fund Balance - End of Year</b>	<u>\$ 16,655</u>	<u>\$ 4,441</u>	<u>\$ (12,214)</u>

## City of Avon Lake, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Avon Lake/Bay Park Fund  
For the Year Ended December 31, 2023*

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	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	432	432	-
<b>Fund Balance - End of Year</b>	<u><u>\$ 432</u></u>	<u><u>\$ 432</u></u>	<u><u>\$ -</u></u>

# City of Avon Lake, Ohio

## *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Board of Building Standards Fund For the Year Ended December 31, 2023*

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	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Fees, Licenses, and Permits	\$ 24,500	\$ 7,338	\$ (17,162)
<b>Total Revenues</b>	<u>24,500</u>	<u>7,338</u>	<u>(17,162)</u>
<b>Expenditures:</b>			
Current:			
Community Environment			
Building Inspection			
Other	6,838	3,085	3,753
<b>Total Expenditures</b>	<u>6,838</u>	<u>3,085</u>	<u>3,753</u>
Net Change in Fund Balance	17,662	4,253	(13,409)
Fund Balance - Beginning of Year	25,043	25,043	-
Prior Year Encumbrances Appropriated	2,338	2,338	-
<b>Fund Balance - End of Year</b>	<u>\$ 45,043</u>	<u>\$ 31,634</u>	<u>\$ (13,409)</u>

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Street Tree Fund  
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Fees, Licenses, and Permits	\$ 20,000	\$ -	\$ (20,000)
Contributions and Donations	100,000	67,421	(32,579)
<b>Total Revenues</b>	<u>120,000</u>	<u>67,421</u>	<u>(52,579)</u>
<b>Expenditures:</b>			
Current:			
Transportation			
Other	24,925	24,477	448
<b>Total Expenditures</b>	<u>24,925</u>	<u>24,477</u>	<u>448</u>
Net Change in Fund Balance	95,075	42,944	(52,131)
Fund Balance - Beginning of Year	241,915	241,915	-
<b>Fund Balance - End of Year</b>	<u>\$ 336,990</u>	<u>\$ 284,859</u>	<u>\$ (52,131)</u>

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Continued Professional Training - Police Fund  
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
All Other Revenues	\$ 50,000	\$ 33,478	\$ (16,522)
<b>Revenues</b>	<u>\$ 50,000</u>	<u>\$ 33,478</u>	<u>\$ (16,522)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Police			
Other	30,000	-	30,000
<b>Total Expenditures</b>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Net Change in Fund Balance	20,000	33,478	13,478
Fund Balance - Beginning of Year	33,605	33,605	-
<b>Fund Balance - End of Year</b>	<u>\$ 53,605</u>	<u>\$ 67,083</u>	<u>\$ 13,478</u>

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Court Security Fund  
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Fines and Forfeitures	\$ 30,000	\$ 24,454	\$ (5,546)
All Other Revenues	-	28	28
<b>Total Revenues</b>	<u>30,000</u>	<u>24,482</u>	<u>(5,518)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Police			
Personal Services	44,008	43,487	521
Other	4,000	-	4,000
<b>Total Expenditures</b>	<u>48,008</u>	<u>43,487</u>	<u>4,521</u>
Net Change in Fund Balance	(18,008)	(19,005)	(997)
Fund Balance - Beginning of Year	30,367	30,367	-
<b>Fund Balance - End of Year</b>	<u>\$ 12,359</u>	<u>\$ 11,362</u>	<u>\$ (997)</u>

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Court Interlock Fund  
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Fines and Forfeitures	\$ 15,000	\$ 9,030	\$ (5,970)
<b>Total Revenues</b>	<u>15,000</u>	<u>9,030</u>	<u>(5,970)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Police			
Other	15,000	5,478	9,522
<b>Total Expenditures</b>	<u>15,000</u>	<u>5,478</u>	<u>9,522</u>
Net Change in Fund Balance	-	3,552	3,552
Fund Balance - Beginning of Year	150,803	150,803	-
<b>Fund Balance - End of Year</b>	<u>\$ 150,803</u>	<u>\$ 154,355</u>	<u>\$ 3,552</u>

# City of Avon Lake, Ohio

## *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Police Pension Fund For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Property Taxes	\$ 331,615	\$ 322,597	\$ (9,018)
Intergovernmental	39,280	39,383	103
<b>Total Revenues</b>	<u>370,895</u>	<u>361,980</u>	<u>(8,915)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Police			
Personal Services	366,400	366,399	1
Other	5,326	5,326	-
<b>Total Expenditures</b>	<u>371,726</u>	<u>371,725</u>	<u>1</u>
Net Change in Fund Balance	(831)	(9,745)	(8,914)
Fund Balance - Beginning of Year	19,525	19,525	-
<b>Fund Balance - End of Year</b>	<u>\$ 18,694</u>	<u>\$ 9,780</u>	<u>\$ (8,914)</u>

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Fire Pension Fund  
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Property Taxes	\$ 331,615	\$ 322,597	\$ (9,018)
Intergovernmental	39,280	39,383	103
<b>Total Revenues</b>	<u>370,895</u>	<u>361,980</u>	<u>(8,915)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Fire			
Personal Services	370,000	370,000	-
Other	5,326	5,326	-
<b>Total Expenditures</b>	<u>375,326</u>	<u>375,326</u>	<u>-</u>
Net Change in Fund Balance	(4,431)	(13,346)	(8,915)
Fund Balance - Beginning of Year	26,520	26,520	-
<b>Fund Balance - End of Year</b>	<u>\$ 22,089</u>	<u>\$ 13,174</u>	<u>\$ (8,915)</u>

# City of Avon Lake, Ohio

## *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Recreation Trust Fund For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Interest	\$ 2,000	\$ 4,765	\$ 2,765
Charges for Services	85,000	78,644	(6,356)
<b>Total Revenues</b>	<u>87,000</u>	<u>83,409</u>	<u>(3,591)</u>
<b>Expenditures:</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	87,000	83,409	(3,591)
Fund Balance - Beginning of Year	263,825	263,825	-
<b>Fund Balance - End of Year</b>	<u>\$ 350,825</u>	<u>\$ 347,234</u>	<u>\$ (3,591)</u>

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Recreation Fund  
For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Rentals	\$ 138,000	\$ 113,013	\$ (24,987)
Charges for Services	828,100	860,792	32,692
Contributions and Donations	30,000	19,530	(10,470)
All Other Revenues	-	670	670
<b>Total Revenues</b>	<u>996,100</u>	<u>994,005</u>	<u>(2,095)</u>
<b>Expenditures:</b>			
Current:			
Leisure Time Activities			
Personal Services	934,392	919,215	15,177
Other	789,848	771,675	18,173
<b>Total Expenditures</b>	<u>1,724,240</u>	<u>1,690,890</u>	<u>33,350</u>
Excess of Revenues Over (Under) Expenditures	(728,140)	(696,885)	31,255
<b>Other Financing Sources</b>			
Transfers In	800,000	722,000	(78,000)
<b>Total Other Financing Sources</b>	<u>800,000</u>	<u>722,000</u>	<u>(78,000)</u>
Net Change in Fund Balance	71,860	25,115	(46,745)
Fund Balance (Deficit) - Beginning of Year	(41,432)	(41,432)	-
Prior Year Encumbrances Appropriated	18,448	18,448	-
<b>Fund Balance - End of Year</b>	<u>\$ 48,876</u>	<u>\$ 2,131</u>	<u>\$ (46,745)</u>

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Opioid Settlement Fund  
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
All Other Revenues	\$ 55,000	\$ 25,709	\$ (29,291)
<b>Total Revenues</b>	<u>55,000</u>	<u>25,709</u>	<u>(29,291)</u>
<b>Expenditures:</b>			
Current:			
General Government			
Other	12,000	12,000	-
<b>Total Expenditures</b>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Net Change in Fund Balance	43,000	13,709	(29,291)
Fund Balance - Beginning of Year	5,731	5,731	-
<b>Fund Balance - End of Year</b>	<u>\$ 48,731</u>	<u>\$ 19,440</u>	<u>\$ (29,291)</u>

# City of Avon Lake, Ohio

## *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual American Rescue Plan Fund For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ -	\$ -	\$ -
<b>Total Revenues</b>	-	-	-
<b>Expenditures:</b>			
Current:			
Community Environment			
Other	250,000	-	250,000
Capital Outlay	923,843	267,875	655,968
<b>Total Expenditures</b>	1,173,843	267,875	905,968
<b>Other Financing Sources</b>			
Transfers In	250,000	250,000	-
<b>Total Other Financing Sources</b>	250,000	250,000	-
Net Change in Fund Balance	(923,843)	(17,875)	905,968
Fund Balance - Beginning of Year	1,686,077	1,686,077	-
<b>Fund Balance - End of Year</b>	<u>\$ 762,234</u>	<u>\$ 1,668,202</u>	<u>\$ 905,968</u>

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual*  
*AL Public Arts Fund*  
*For the Year Ended December 31, 2023*

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	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>	\$ -	\$ -	\$ -
<b>Expenditures:</b>	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	705	705	-
<b>Fund Balance - End of Year</b>	<b>\$ 705</b>	<b>\$ 705</b>	<b>\$ -</b>

# City of Avon Lake, Ohio

## *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Deposits Trust Fund For the Year Ended December 31, 2023*

---

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Licenses and Permits	\$ 280	\$ 535	\$ 255
<b>Total Revenues</b>	<u>280</u>	<u>535</u>	<u>255</u>
<b>Expenditures:</b>			
Current:			
Community Environment			
Other	33,000	-	33,000
<b>Total Expenditures</b>	<u>33,000</u>	<u>-</u>	<u>33,000</u>
Net Change in Fund Balance	(32,720)	535	33,255
Fund Balance - Beginning of Year	61,730	61,730	-
Prior Year Encumbrances Appropriated	8,000	8,000	-
<b>Fund Balance - End of Year</b>	<u>\$ 37,010</u>	<u>\$ 70,265</u>	<u>\$ 33,255</u>

# City of Avon Lake, Ohio

## *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Unclaimed Monies Fund For the Year Ended December 31, 2023*

---

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
All Other Revenues	\$ 1,000	\$ 745	\$ (255)
<b>Total Revenues</b>	<u>1,000</u>	<u>745</u>	<u>(255)</u>
<b>Expenditures:</b>			
Current:			
General Government			
Other	1,000	-	1,000
<b>Total Expenditures</b>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net Change in Fund Balance	-	745	745
Fund Balance - Beginning of Year	10,705	10,705	-
<b>Fund Balance - End of Year</b>	<u>\$ 10,705</u>	<u>\$ 11,450</u>	<u>\$ 745</u>

# City of Avon Lake, Ohio

## *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual General Bond Retirement (Unvoted) Fund For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Interest	\$ -	\$ 7,202	\$ 7,202
<b>Total Revenues</b>	<b>-</b>	<b>7,202</b>	<b>7,202</b>
<b>Expenditures:</b>			
General Government			
Mayor			
Other	5,000	5,000	-
Total General Government	5,000	5,000	-
Debt Service:			
Principal	1,229,824	1,229,824	-
Interest & Fiscal Charges	572,502	589,431	(16,929)
Total Debt Service	1,802,326	1,819,255	(16,929)
<b>Total Expenditures</b>	<b>1,807,326</b>	<b>1,824,255</b>	<b>(16,929)</b>
Excess of Revenues Over (Under) Expenditures	(1,807,326)	(1,817,053)	(9,727)
<b>Other Financing Sources</b>			
Sale of Capital Assets	-	64,003	64,003
Transfers In	2,250,000	2,250,000	-
<b>Total Other Financing Sources</b>	<b>2,250,000</b>	<b>2,314,003</b>	<b>64,003</b>
Net Change in Fund Balance	442,674	496,950	54,276
Fund Balance - Beginning of Year	210,078	210,078	-
<b>Fund Balance - End of Year</b>	<b>\$ 652,752</b>	<b>\$ 707,028</b>	<b>\$ 54,276</b>

# City of Avon Lake, Ohio

## *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual General Bond Retirement (Voted) Fund For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Property Taxes	\$ 295,160	\$ 301,090	\$ 5,930
Intergovernmental	37,205	36,757	(448)
<b>Total Revenues</b>	<u>332,365</u>	<u>337,847</u>	<u>5,482</u>
<b>Expenditures:</b>			
Current:			
General Government			
Other General Government			
Other	4,971	4,970	1
Debt Service:			
Principal	280,000	280,000	-
Interest & Fiscal Charges	73,033	54,450	18,583
Total Debt Service	353,033	334,450	18,583
<b>Total Expenditures</b>	<u>358,004</u>	<u>339,420</u>	<u>18,584</u>
Net Change in Fund Balance	(25,639)	(1,573)	24,066
Fund Balance- Beginning of Year	57,121	57,121	-
<b>Fund Balance- End of Year</b>	<u>\$ 31,482</u>	<u>\$ 55,548</u>	<u>24,066</u>

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Special Assessment Bond Retirement Fund  
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Interest	\$ -	\$ 7,813	\$ 7,813
Special Assessments	85,565	1,065	(84,500)
<b>Total Revenues</b>	<u>85,565</u>	<u>8,878</u>	<u>(76,687)</u>
<b>Expenditures:</b>			
Current:			
General Government			
Other General Government			
Other	<u>8,010</u>	<u>147</u>	<u>7,863</u>
Debt Service:			
Principal	19,041	19,040	1
Interest & Fiscal Charges	<u>3,017</u>	<u>3,017</u>	<u>-</u>
Total Debt Service	<u>22,058</u>	<u>22,057</u>	<u>1</u>
<b>Total Expenditures</b>	<u>30,068</u>	<u>22,204</u>	<u>7,864</u>
Net Change in Fund Balance	55,497	(13,326)	(68,823)
Fund Balance - Beginning of Year	851,960	851,960	-
<b>Fund Balance - End of Year</b>	<u><u>\$ 907,457</u></u>	<u><u>\$ 838,634</u></u>	<u><u>\$ (68,823)</u></u>

# City of Avon Lake, Ohio

## *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Sewer Separation Fund For the Year Ended December 31, 2023*

---

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures:</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing (Uses)</b>			
Transfers Out	<u>(994,989)</u>	<u>(994,989)</u>	<u>-</u>
<b>Total Other Financing (Uses)</b>	<u>(994,989)</u>	<u>(994,989)</u>	<u>-</u>
Net Change in Fund Balance	(994,989)	(994,989)	-
Fund Balance - Beginning of Year	<u>994,989</u>	<u>994,989</u>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

# City of Avon Lake, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Police/Court Facility Fund For the Year Ended December 31, 2023

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ -	\$ 57,319	\$ 57,319
Charges for Services	625,000	668,986	43,986
<b>Total Revenues</b>	<u>625,000</u>	<u>726,305</u>	<u>101,305</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property:			
Other	1,600,000	57,318	1,542,682
<b>Total Expenditures</b>	<u>1,600,000</u>	<u>57,318</u>	<u>1,542,682</u>
Excess of Revenues Over (Under) Expenditures	<u>(975,000)</u>	<u>668,987</u>	<u>1,643,987</u>
<b>Other Financing Sources</b>			
Transfers In	1,000,000	-	(1,000,000)
<b>Total Other Financing Sources</b>	<u>1,000,000</u>	<u>-</u>	<u>(1,000,000)</u>
Net Change in Fund Balance	25,000	668,987	643,987
Fund Balance - Beginning of Year	79,494	79,494	-
<b>Fund Balance - End of Year</b>	<u>\$ 104,494</u>	<u>\$ 748,481</u>	<u>\$ 643,987</u>

# City of Avon Lake, Ohio

## *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual 45's Sewer Separation Fund For the Year Ended December 31, 2023*

---

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures:</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing (Uses)</b>			
Transfers Out	<u>(408,646)</u>	<u>(408,646)</u>	<u>-</u>
<b>Total Other Financing (Uses)</b>	<u>(408,646)</u>	<u>(408,646)</u>	<u>-</u>
Net Change in Fund Balance	(408,646)	(408,646)	-
Fund Balance - Beginning of Year	<u>408,646</u>	<u>408,646</u>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

## City of Avon Lake, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Troy School Driveway Fund  
For the Year Ended December 31, 2023*

---

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures:</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Uses</b>			
Transfers Out	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
<b>Total Other Financing Uses</b>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Net Change in Fund Balance	(15,000)	(15,000)	-
Fund Balance - Beginning of Year	<u>15,000</u>	<u>15,000</u>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

# City of Avon Lake, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Bicycle Trails Fund  
For the Year Ended December 31, 2023*

---

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

## City of Avon Lake, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Walker Road Widening Fund  
For the Year Ended December 31, 2023*

---

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures:</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	23,716	23,716	-
<b>Fund Balance - End of Year</b>	<u><u>\$ 23,716</u></u>	<u><u>\$ 23,716</u></u>	<u><u>\$ -</u></u>

# City of Avon Lake, Ohio

## *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual North Point Control Erosion Fund For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>	\$ -	\$ -	\$ -
<b>Expenditures:</b>	-	-	-
<b>Other Financing (Uses)</b>			
Transfers Out	(3,771)	(3,771)	-
<b>Total Other (Uses)</b>	(3,771)	(3,771)	-
Net Change in Fund Balance	(3,771)	(3,771)	-
Fund Balance - Beginning of Year	3,771	3,771	-
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# City of Avon Lake, Ohio

## *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Pool Renovation Fund For the Year Ended December 31, 2023*

---

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures:</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources</b>			
Transfers In	<u>-</u>	<u>580</u>	<u>580</u>
<b>Total Other Financing Sources</b>	<u>-</u>	<u>580</u>	<u>580</u>
Net Change in Fund Balance	-	580	580
Fund Balance (Deficit) - Beginning of Year	<u>(580)</u>	<u>(580)</u>	<u>-</u>
<b>Fund Balance (Deficit) - End of Year</b>	<u><u>\$ (580)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 580</u></u>

# City of Avon Lake, Ohio

## *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Walker Rd. Sewer/Lear Rd. East Fund For the Year Ended December 31, 2023*

---

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Special Assessments	\$ 18,782	\$ 18,449	\$ (333)
<b>Total Revenues</b>	<u>18,782</u>	<u>18,449</u>	<u>(333)</u>
<b>Expenditures:</b>			
Current:			
General Government			
Other	710	709	1
<b>Total Expenditures</b>	<u>710</u>	<u>709</u>	<u>1</u>
Net Change in Fund Balance	18,072	17,740	(332)
Fund Balance - Beginning of Year	573,581	573,581	-
<b>Fund Balance - End of Year</b>	<u>\$ 591,653</u>	<u>\$ 591,321</u>	<u>\$ (332)</u>

# City of Avon Lake, Ohio

## *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Titus-Pitts-Hill Ditch Fund For the Year Ended December 31, 2023*

---

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures:</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	1,111,937	1,111,937	-
<b>Fund Balance - End of Year</b>	<u><u>\$ 1,111,937</u></u>	<u><u>\$ 1,111,937</u></u>	<u><u>\$ -</u></u>

# City of Avon Lake, Ohio

## *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Sidewalk/Street Lighting Fund For the Year Ended December 31, 2023*

---

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures:</b>			
Current:			
Transportation			
Other	418,826	8,162	410,664
<b>Total Expenditures</b>	<u>418,826</u>	<u>8,162</u>	<u>410,664</u>
Net Change in Fund Balance	(418,826)	(8,162)	410,664
Fund Balance - Beginning of Year	233,086	233,086	-
Prior Year Encumbrances Appropriated	8,163	8,163	-
<b>Fund Balance - End of Year</b>	<u><u>\$ (177,577)</u></u>	<u><u>\$ 233,087</u></u>	<u><u>\$ 410,664</u></u>

## City of Avon Lake, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Cove Ave. Improvements Fund  
For the Year Ended December 31, 2023*

---

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Special Assessments	\$ 12,500	\$ 11,819	\$ (681)
<b>Total Revenues</b>	<u>12,500</u>	<u>11,819</u>	<u>(681)</u>
<b>Expenditures:</b>			
Current:			
Public Works			
Other	455	455	-
<b>Total Expenditures</b>	<u>455</u>	<u>455</u>	<u>-</u>
Net Change in Fund Balance	12,045	11,364	(681)
 Fund Balance - Beginning of Year	 44,277	 44,277	 -
<b>Fund Balance - End of Year</b>	<u><u>\$ 56,322</u></u>	<u><u>\$ 55,641</u></u>	<u><u>\$ (681)</u></u>

**City of Avon Lake, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Curtis Road Sewer. Improvements Fund  
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>	\$ -	\$ -	\$ -
<b>Expenditures:</b>	-	-	-
<b>Other Financing Sources</b>			
Transfers In	-	21,523	21,523
<b>Total Other Financing Sources</b>	-	21,523	21,523
Net Change in Fund Balance	-	21,523	21,523
Fund Balance (Deficit) - Beginning of Year	(21,523)	(21,523)	-
<b>Fund Balance (Deficit) - End of Year</b>	<u>\$ (21,523)</u>	<u>\$ -</u>	<u>\$ 21,523</u>

# City of Avon Lake, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual ALPS Playground Fund For the Year Ended December 31, 2023

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Total Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures:</b>			
Capital Outlay:			
Other	754,879	52,362	702,517
<b>Total Expenditures</b>	754,879	52,362	702,517
Excess of Revenues Over (Under) Expenditures	(754,879)	(52,362)	702,517
<b>Other Financing (Uses)</b>			
Transfers Out	(250,000)	(250,000)	-
<b>Total Other Financing (Uses)</b>	(250,000)	(250,000)	-
Net Change in Fund Balance	(1,004,879)	(302,362)	702,517
Fund Balance - Beginning of Year	483,338	483,338	-
Prior Year Encumbrances Appropriated	4,199	4,199	-
<b>Fund Balance - End of Year</b>	\$ (517,342)	\$ 185,175	\$ 702,517

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## **STATISTICAL SECTION**



# City of Avon Lake, Ohio

## Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2-S15
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue sources, property taxes and municipal income taxes.	S16-S22
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S24-S29
<b>Economic and Demographic Information</b>	
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S30-S33
<b>Operating Information</b>	
These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S34-S38

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

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

	2023	2022	2021
<b><u>Governmental Activities</u></b>			
Net Investment in Capital Assets	\$ 47,363,712	\$ 47,335,212	\$ 47,954,460
Restricted	8,393,528	9,039,191	10,044,828
Unrestricted	(5,492,123)	(5,020,825)	(11,745,946)
<b>Total Governmental Activities Net Position</b>	<b><u>\$ 50,265,117</u></b>	<b><u>\$ 51,353,578</u></b>	<b><u>\$ 46,253,342</u></b>
<b><u>Business Type - Activities</u></b>			
Net Investment in Capital Assets	\$ 56,871,256	\$ 52,370,282	\$ 52,741,345
Restricted	57,317	-	-
Unrestricted	37,151,417	24,186,106	20,169,879
<b>Total Business-Type Activities Net Position</b>	<b><u>\$ 94,079,990</u></b>	<b><u>\$ 76,556,388</u></b>	<b><u>\$ 72,911,224</u></b>
<b><u>Primary Government</u></b>			
Net Investment in Capital Assets	\$ 104,234,968	\$ 99,705,494	\$ 100,695,805
Restricted	8,450,845	9,039,191	10,044,828
Unrestricted	31,659,294	19,165,281	8,423,933
<b>Total Primary Government Net Position</b>	<b><u>\$ 144,345,107</u></b>	<b><u>\$ 127,909,966</u></b>	<b><u>\$ 119,164,566</u></b>

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

2020	2019	2018	2017 (2)	2016	2015	2014 (1)
\$ 43,649,736	\$ 41,911,671	\$ 42,910,011	\$ 40,084,385	\$ 44,792,875	\$ 47,819,200	\$ 47,692,149
10,208,592	9,450,107	12,190,510	11,788,817	8,808,675	8,126,696	7,513,366
(16,017,463)	(13,851,128)	(26,178,517)	(22,086,580)	(8,228,818)	(10,251,230)	(8,629,554)
<u>\$ 37,840,865</u>	<u>\$ 37,510,650</u>	<u>\$ 28,922,004</u>	<u>\$ 29,786,622</u>	<u>\$ 45,372,732</u>	<u>\$ 45,694,666</u>	<u>\$ 46,575,961</u>
\$ 52,123,767	\$ 49,468,981	\$ 47,469,992	\$ 47,110,023	\$ 44,246,451	\$ 50,834,571	\$ 43,880,621
-	-	-	-	-	-	1,343,581
12,826,136	9,312,111	7,967,187	5,212,866	7,049,592	117,369	7,891,672
<u>\$ 64,949,903</u>	<u>\$ 58,781,092</u>	<u>\$ 55,437,179</u>	<u>\$ 52,322,889</u>	<u>\$ 51,296,043</u>	<u>\$ 50,951,940</u>	<u>\$ 53,115,874</u>
\$ 95,773,503	\$ 91,380,652	\$ 90,380,003	\$ 87,194,408	\$ 89,039,326	\$ 98,653,771	\$ 91,572,770
10,208,592	9,450,107	12,190,510	11,788,817	8,808,675	8,126,696	8,856,947
(3,191,327)	(4,539,017)	(18,211,330)	(16,873,714)	(1,179,226)	(10,133,861)	(737,882)
<u>\$ 102,790,768</u>	<u>\$ 96,291,742</u>	<u>\$ 84,359,183</u>	<u>\$ 82,109,511</u>	<u>\$ 96,668,775</u>	<u>\$ 96,646,606</u>	<u>\$ 99,691,835</u>

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

	2023	2022	2021
<b><u>Program Revenues</u></b>			
Governmental Activities:			
Charges for Services:			
Security of Persons and Property	\$ 733,777	\$ 708,354	\$ 661,737
Leisure Time Activities	1,091,603	1,011,927	825,105
Community Environment	1,238,734	524,690	389,415
Basic Utility Services	-	-	27
Transportation	-	-	-
General Government	305,914	313,877	301,738
Subtotal - Charges for Services	<u>3,370,028</u>	<u>2,558,848</u>	<u>2,178,022</u>
Operating Grants and Contributions:			
Security of Persons and Property	298,632	59,191	259,229
Leisure Time Activities	19,530	34,109	42,217
Community Environment	67,421	1,233	150,000
Basic Utility Services	-	-	7,364
Transportation	1,715,460	1,675,960	1,774,194
General Government	197,151	533,736	2,275
Subtotal - Operating Grants and Contributions	<u>2,298,194</u>	<u>2,304,229</u>	<u>2,235,279</u>
Capital Grants and Contributions:			
Security of Persons and Property	509,540	805,184	-
Leisure Time Activities	-	7,011	65,109
Community Environment	150,510	429,490	-
Transportation	185,000	610,407	3,675,881
General Government	87,000	-	-
Subtotal - Capital Grants and Contributions	<u>932,050</u>	<u>1,852,092</u>	<u>3,740,990</u>
<b>Total Governmental Activities Program Revenues</b>	<u>6,600,272</u>	<u>6,715,169</u>	<u>8,154,291</u>
<b><u>Business-Type Activities</u></b>			
Charges for Services:			
Water	15,230,257	16,310,410	15,100,270
Sewer	11,711,095	9,775,341	9,631,326
Operating Grants and Contributions:			
Water	165,482	89,315	35,574
Sewer	45,000	-	-
Capital Grants and Contributions			
Water	-	-	-
Sewer	-	-	-
<b>Total Business-Type Activities Program Revenues</b>	<u>27,151,834</u>	<u>26,175,066</u>	<u>24,767,170</u>
<b>Total Primary Government Program Revenues</b>	<u>\$ 33,752,106</u>	<u>\$ 32,890,235</u>	<u>\$ 32,921,461</u>

2020	2019	2018	2017	2016	2015	2014
\$ 453,571	\$ 677,959	\$ 553,486	\$ 610,426	\$ 545,414	\$ 460,031	\$ 618,555
305,974	762,797	772,868	781,478	646,179	495,657	493,336
4,832	3,781	2,840	3,152	8,325	11,515	3,812
-	-	-	-	-	-	-
-	188,098	221,287	199,964	246,147	206,922	300,721
739,149	477,718	426,452	459,499	1,086,256	743,508	575,566
<u>1,503,526</u>	<u>2,110,353</u>	<u>1,976,933</u>	<u>2,054,519</u>	<u>2,532,321</u>	<u>1,917,633</u>	<u>1,991,990</u>
1,484,882	135,633	92,944	64,582	4,260	54,107	1,327
9,885	39,673	54,268	24,500	1,890	21,618	8,646
109,001	-	-	-	-	11,768	-
-	-	-	-	-	-	-
1,664,554	1,603,905	1,207,049	1,509,818	1,106,175	974,559	875,929
600	320,410	44,706	20,316	56,396	7,282	13,214
<u>3,268,922</u>	<u>2,099,621</u>	<u>1,398,967</u>	<u>1,619,216</u>	<u>1,168,721</u>	<u>1,069,334</u>	<u>899,116</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	536,270	2,017,170	762,187	55,400	-	1,179,656
41,000	-	-	-	-	-	-
<u>41,000</u>	<u>536,270</u>	<u>2,017,170</u>	<u>762,187</u>	<u>55,400</u>	<u>-</u>	<u>1,179,656</u>
<u>4,813,448</u>	<u>4,746,244</u>	<u>5,393,070</u>	<u>4,435,922</u>	<u>3,756,442</u>	<u>2,986,967</u>	<u>4,070,762</u>
16,448,066	14,455,666	13,690,745	13,322,903	12,343,359	11,300,714	10,225,815
8,744,282	7,835,749	7,017,943	6,441,710	5,666,281	5,515,053	5,070,984
127,073	217,249	261,737	282,043	305,784	230,280	314,822
-	-	-	-	-	322,352	-
-	308,250	1,036,250	156,400	66,360	-	224,212
49,089	84,400	607,600	175,977	66,650	-	291,625
<u>25,368,510</u>	<u>22,901,314</u>	<u>22,614,275</u>	<u>20,379,033</u>	<u>18,448,434</u>	<u>17,368,399</u>	<u>16,127,458</u>
<u>\$ 30,181,958</u>	<u>\$ 27,647,558</u>	<u>\$ 28,007,345</u>	<u>\$ 24,814,955</u>	<u>\$ 22,204,876</u>	<u>\$ 20,355,366</u>	<u>\$ 20,198,220</u>

(Continued)

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

	2023	2022	2021
<b><u>Expenses</u></b>			
Governmental Activities:			
Security of Persons and Property	\$ 13,908,850	\$ 10,838,731	\$ 10,943,878
Public Health	88,011	-	-
Leisure Time Activities	2,424,668	1,746,202	1,443,906
Community Environment	613,959	423,478	434,731
Transportation	12,352,849	13,020,043	6,073,064
General Government	5,386,074	4,307,919	3,060,873
Interest & Fiscal Charges	882,378	600,015	564,005
<b>Total Governmental Activities Expenses</b>	<u>35,656,789</u>	<u>30,936,388</u>	<u>22,520,457</u>
<b><u>Business-Type Activities</u></b>			
Water	12,957,078	12,075,086	9,607,546
Sewer	9,231,878	8,316,218	7,108,238
<b>Total Business-Type Activities Expenses</b>	<u>22,188,956</u>	<u>20,391,304</u>	<u>16,715,784</u>
<b>Total Primary Government Program Expenses</b>	<u>57,845,745</u>	<u>51,327,692</u>	<u>39,236,241</u>
<b><u>Net (Expense)/Revenue</u></b>			
Governmental Activities	(29,056,517)	(24,221,219)	(14,366,166)
Business-Type Activities	4,962,878	5,783,762	8,051,386
<b>Total Primary Government Net Expense</b>	<u>(24,093,639)</u>	<u>(18,437,457)</u>	<u>(6,314,780)</u>

2020	2019	2018	2017	2016	2015	2014
\$ 11,196,697	\$ 1,151,587	\$ 11,330,517	\$ 10,372,536	\$ 10,039,529	\$ 9,003,214	\$ 8,933,432
-	-	-	-	5,546	29,823	88,023
1,450,787	2,071,149	1,979,149	1,776,435	1,302,035	1,153,093	1,312,553
710,895	687,950	580,475	553,662	524,453	459,925	461,484
8,377,882	8,366,486	7,461,591	9,078,916	7,536,427	6,739,622	7,473,350
4,364,779	4,656,345	4,272,344	3,777,011	3,414,524	3,515,818	3,325,069
612,256	953,438	375,664	470,588	424,664	488,696	431,533
<u>26,713,296</u>	<u>17,886,955</u>	<u>25,999,740</u>	<u>26,029,148</u>	<u>23,247,178</u>	<u>21,390,191</u>	<u>22,025,444</u>
11,705,141	12,588,737	11,778,764	10,024,654	10,400,178	12,176,431	9,325,575
<u>8,349,728</u>	<u>7,406,292</u>	<u>8,156,152</u>	<u>7,194,231</u>	<u>7,742,785</u>	<u>7,079,585</u>	<u>6,058,831</u>
<u>20,054,869</u>	<u>19,995,029</u>	<u>19,934,916</u>	<u>17,218,885</u>	<u>18,142,963</u>	<u>19,256,016</u>	<u>15,384,406</u>
<u>46,768,165</u>	<u>37,881,984</u>	<u>45,934,656</u>	<u>43,248,033</u>	<u>41,390,141</u>	<u>40,646,207</u>	<u>37,409,850</u>
(21,899,848)	(13,140,711)	(20,606,670)	(21,593,226)	(19,490,736)	(18,403,224)	(17,954,682)
<u>5,313,641</u>	<u>2,906,285</u>	<u>2,679,359</u>	<u>3,160,148</u>	<u>305,471</u>	<u>(1,887,617)</u>	<u>743,052</u>
<u>(16,586,207)</u>	<u>(10,234,426)</u>	<u>(17,927,311)</u>	<u>(18,433,078)</u>	<u>(19,185,265)</u>	<u>(20,290,841)</u>	<u>(17,211,630)</u>

(Continued)

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

	2023	2022	2021
<b><u>General Revenues and Other Changes in Net Position</u></b>			
Governmental Activities			
Property and Other Taxes Levied For:			
General Purposes	\$ 5,263,988	\$ 4,948,133	\$ 4,656,564
Debt Service Purpose	301,746	282,481	296,829
Other Purposes	2,305,366	2,138,653	2,144,102
Municipal Income Taxes Levied For:			
General Purposes	17,112,354	18,004,000	13,346,755
Grants and Entitlements not Restricted to			
Specific Programs	1,565,150	1,539,418	1,432,719
Investment Income	967,946	(623,619)	(120,051)
Gain on Sale of Capital Assets	162,586	68,359	334
All Other Revenues	288,920	595,126	475,270
Transfers	-	-	546,121
<b>Total Governmental</b>	<u>27,968,056</u>	<u>26,952,551</u>	<u>22,778,643</u>
Business-Type Activities			
Municipal Income Taxes Levied For:			
Sewer	-	-	-
Investment Income	325,508	196,653	43,887
All Other Revenues	521,215	642,015	412,169
Transfers	-	-	(546,121)
<b>Total Business-Type Activities</b>	<u>846,723</u>	<u>838,668</u>	<u>(90,065)</u>
<b>Total Primary Government General Revenues and Other Changes in Net Position</b>	<u>28,814,779</u>	<u>27,791,219</u>	<u>22,688,578</u>
<b><u>Change in Net Position</u></b>			
Governmental Activities	(1,088,461)	2,731,332	8,412,477
Business-Type Activities	5,809,601	6,622,430	7,961,321
<b>Total Primary Government Change in Net Position</b>	<u>\$ 4,721,140</u>	<u>\$ 9,353,762</u>	<u>\$ 16,373,798</u>

2020	2019	2018	2017	2016	2015	2014
\$ 4,526,103	\$ 4,524,175	\$ 3,595,471	\$ 4,109,532	\$ 3,988,090	\$ 3,393,633	\$ 3,272,816
293,675	301,864	288,506	292,413	321,191	292,499	285,751
2,055,303	2,049,383	1,883,814	1,911,587	1,994,500	1,805,298	1,774,044
12,809,267	12,851,527	11,890,667	11,305,374	11,667,821	10,232,789	9,929,219
1,270,864	1,277,192	1,152,476	1,116,923	895,131	1,505,059	1,556,651
427,663	508,868	292,217	197,265	189,676	133,216	143,406
18,929	25,444	2,617	1,591	23,080	27,905	2,731
828,259	190,904	636,284	461,349	89,313	131,530	278,953
-	-	-	-	-	-	-
22,230,063	21,729,357	19,742,052	19,396,034	19,168,802	17,521,929	17,243,571
-	-	-	-	-	-	214,650
212,436	206,463	93,443	3,240	(775)	9,911	18,659
642,734	231,165	341,488	251,821	39,407	158,471	436,561
-	-	-	-	-	-	-
855,170	437,628	434,931	255,061	38,632	168,382	669,870
23,085,233	22,166,985	20,176,983	19,651,095	19,207,434	17,690,311	17,913,441
330,215	8,588,646	(864,618)	(2,197,192)	(321,934)	(881,295)	(711,111)
6,168,811	3,343,913	3,114,290	3,415,209	344,103	(1,719,235)	1,412,922
\$ 6,499,026	\$ 11,932,559	\$ 2,249,672	\$ 1,218,017	\$ 22,169	\$ (2,600,530)	\$ 701,811

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

	2023	2022	2021	2020
<b><u>General Fund</u></b>				
Nonspendable	\$ 136,904	\$ 193,788	\$ 208,572	\$ 235,364
Committed	0	62,554	86,307	96,482
Assigned	1,959,545	371,546	684,094	300,416
Unassigned	3,829,224	1,714,291	1,565,161	2,383,988
<b>Total General Fund</b>	<u>5,925,673</u>	<u>2,342,179</u>	<u>2,544,134</u>	<u>3,016,250</u>
<b><u>All Other Governmental Funds</u></b>				
Nonspendable	441,850	154,709	157,039	470,449
Restricted	5,905,570	7,608,883	8,438,413	8,088,292
Committed	12,498,289	13,566,119	10,634,803	9,435,261
Assigned	1,025,848	316,402	328,104	333,265
Unassigned (Deficit)	(85,874)	(102,649)	(123,545)	(134,303)
<b>Total All Other Governmental Funds</b>	<u>19,785,683</u>	<u>21,543,464</u>	<u>19,434,814</u>	<u>18,192,964</u>
 <b>Total Governmental Funds</b>	 <u>\$ 25,711,356</u>	 <u>\$ 23,885,643</u>	 <u>\$ 21,978,948</u>	 <u>\$ 21,209,214</u>

2019	2018	2017	2016	2015	2014
\$ 155,322	\$ 141,347	\$ 118,833	\$ 70,880	\$ 67,966	\$ 112,319
330,097	351,169	429,429	442,006	261,380	278,633
177,192	60,618	288,322	920,391	1,216,648	1,710,552
2,125,878	1,313,191	1,110,473	1,040,308	1,220,231	760,805
2,788,489	1,866,325	1,947,057	2,473,585	2,766,225	2,862,309
531,618	380,096	102,405	151,595	296,051	234,170
7,558,647	6,393,727	5,689,588	6,114,011	5,408,042	3,302,014
10,104,856	8,414,997	10,370,333	8,536,885	5,702,131	6,698,389
87,418	87,418	87,418	87,418	87,418	87,921
(173,131)	(6,639,437)	(6,966,288)	(6,807,634)	(4,276,494)	(2,120,540)
18,109,408	8,636,801	9,283,456	8,082,275	7,217,148	8,201,954
\$ 20,897,897	\$ 10,503,126	\$ 11,230,513	\$ 10,555,860	\$ 9,983,373	\$ 11,064,263

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

	2023	2022	2021
<b><u>Revenues</u></b>			
Property and Other Taxes	\$ 7,770,850	\$ 7,381,242	\$ 7,140,967
Municipal Income Taxes	17,107,120	17,789,607	13,687,237
Intergovernmental	4,830,725	4,554,267	3,978,660
Interest	990,679	(623,619)	(120,048)
Fees, Licenses and Permits	1,238,734	532,690	349,701
Fines and Forfeitures	295,117	283,246	334,797
Rentals	194,173	213,555	-
Charges for Services	1,692,452	1,535,800	1,290,451
Contributions and Donations	172,401	39,920	150,315
Special Assessments	31,333	229,646	219,315
Lease	9,348	7,011	-
All Other Revenues	229,290	591,497	635,154
<b>Total Revenues</b>	<b>34,562,222</b>	<b>32,534,862</b>	<b>27,666,549</b>
<b><u>Expenditures</u></b>			
Current:			
Security of Persons and Property	12,068,110	11,057,900	10,879,853
Public Health Services	-	-	-
Leisure Time Activities	2,033,127	1,763,399	1,622,355
Community Environment	574,709	562,971	661,852
Transportation	6,883,960	6,202,596	5,651,522
General Government	4,632,174	4,448,774	3,581,102
Capital Outlay	7,332,754	9,529,510	2,706,601
Debt Service:			
Principal Retirement	1,733,831	1,720,152	1,333,261
Interest and Fiscal Charges	735,663	591,506	566,592
Bond Issuance Costs	163,625	-	-
<b>Total Expenditures</b>	<b>36,157,953</b>	<b>35,876,808</b>	<b>27,003,138</b>
Excess of Revenues Over (Under) Expenditures	<b>(1,595,731)</b>	<b>(3,341,946)</b>	<b>663,411</b>

2020	2019	2018	2017	2016	2015	2014
\$ 6,859,658	\$ 6,874,935	\$ 6,154,376	\$ 6,329,612	\$ 6,280,195	\$ 5,542,344	\$ 5,393,371
12,383,810	12,763,965	11,775,124	11,191,207	12,343,455	10,537,547	10,424,202
4,338,585	3,155,191	2,412,554	2,614,311	2,144,101	2,677,043	2,975,550
427,663	508,868	292,217	197,265	189,676	133,216	143,406
264,135	251,006	320,828	316,657	421,148	292,465	283,496
295,808	366,913	328,608	376,244	357,291	391,869	379,546
-	-	-	-	-	-	-
872,812	1,288,428	1,229,239	1,729,626	1,732,212	1,095,404	1,088,715
52,846	46,046	83,536	45,617	4,550	10,209	10,005
220,722	224,594	228,025	236,923	339,961	330,281	398,003
-	-	-	-	-	-	-
1,095,748	327,462	359,581	443,768	89,313	131,530	279,397
<u>26,811,787</u>	<u>25,807,408</u>	<u>23,184,088</u>	<u>23,481,230</u>	<u>23,901,902</u>	<u>21,141,908</u>	<u>21,375,691</u>
9,907,382	9,549,104	9,394,471	9,182,784	8,526,874	8,580,683	8,284,112
-	-	13,317	-	77,920	81,250	80,000
1,031,640	1,427,973	1,528,769	1,295,348	943,592	834,646	898,760
651,403	531,816	510,854	485,603	481,223	474,261	452,526
4,858,916	4,080,465	4,152,369	4,391,691	4,504,531	4,079,694	3,980,188
3,617,155	3,646,641	3,601,142	3,091,800	2,873,869	3,083,760	2,860,068
4,293,788	6,878,916	8,950,165	11,049,269	4,453,527	3,673,188	5,255,871
1,825,001	1,120,543	1,049,566	1,176,908	1,807,539	1,104,432	2,958,998
622,192	757,016	401,123	402,100	237,478	330,506	379,746
-	240,549	11,500	63,899	25,468	83,453	9,955
<u>26,807,477</u>	<u>28,233,023</u>	<u>29,613,276</u>	<u>31,139,402</u>	<u>23,932,021</u>	<u>22,325,873</u>	<u>25,160,224</u>
4,310	(2,425,615)	(6,429,188)	(7,658,172)	(30,119)	(1,183,965)	(3,784,533)

(Continued)

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Premium on Bond Issuance	-	-	-
Payment to Refunded Bond Escrow Account	-	-	-
Transfers In	1,706,506	160,000	435,000
Transfers Out	(1,706,509)	(160,000)	(435,000)
Sale of Capital Assets	162,586	68,359	334
Bond Anticipation Notes Issued	-	-	-
Premium on Debt Issued	158,759	-	-
Issuance of Financed Purchases/Capital Lease	357,338		105,989
Bond Proceeds	2,185,000	3,500,000	-
Loan Proceeds	557,761	1,680,282	-
<b>Total Other Financing Sources (Uses)</b>	<u>3,421,441</u>	<u>5,248,641</u>	<u>106,323</u>
 <b>Net Change in Fund Balances</b>	 <u><u>\$ 1,825,710</u></u>	 <u><u>\$ 1,906,695</u></u>	 <u><u>\$ 769,734</u></u>
 Debt Service as a Percentage of Noncapital Expenditures	 7.37%	 7.30%	 7.93%

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2020	2019	2018	2017	2016	2015	2014
-	160,745	-	-	-	-	-
-	-	-	-	-	(3,234,044.00)	-
3,215,539	1,939,121	2,893,838	10,426,368	3,294,701	5,307,197	1,810,984
(3,215,539)	(1,939,121)	(2,893,838)	(10,426,368)	(3,294,701)	(5,307,197)	(1,810,984)
50,744	25,444	12,376	1,591	23,736	27,905	2,731
-	-	-	-	-	-	-
-	-	-	-	-	344,216	-
-	-	-	329,484	-	-	-
-	9,360,000	-	-	-	2,964,998	-
256,263	3,274,197	5,689,425	8,001,750	578,870	-	125,000
<u>307,007</u>	<u>12,820,386</u>	<u>5,701,801</u>	<u>8,332,825</u>	<u>602,606</u>	<u>103,075</u>	<u>127,731</u>
<u>\$ 311,317</u>	<u>\$ 10,394,771</u>	<u>\$ (727,387)</u>	<u>\$ 674,653</u>	<u>\$ 572,487</u>	<u>\$ (1,080,890)</u>	<u>\$ (3,656,802)</u>
10.55%	8.33%	6.80%	7.13%	10.13%	7.45%	15.36%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Other Real Estate		Assessed Value	Estimated Actual Value
2023	\$ 990,266,750	\$ 124,064,580	\$3,183,803,800	\$ 64,184,560	\$72,937,000
2022	978,333,350	124,975,010	3,152,309,600	81,360,540	92,455,159
2021	850,012,420	113,672,680	2,753,386,000	74,951,190	85,171,807
2020	834,341,780	115,506,280	2,713,851,600	64,726,250	73,552,557
2019	822,000,240	115,185,740	2,677,674,229	65,134,520	74,016,500
2018	735,234,640	92,341,760	2,364,504,000	54,808,360	62,282,227
2017	721,156,790	94,388,670	2,330,129,886	51,256,120	58,245,591
2016	714,330,370	91,450,730	2,302,231,714	43,768,750	49,737,216
2015	656,953,220	91,620,740	2,138,782,743	39,187,470	44,531,216
2014	647,831,640	91,423,030	2,112,156,200	38,214,330	43,425,375

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

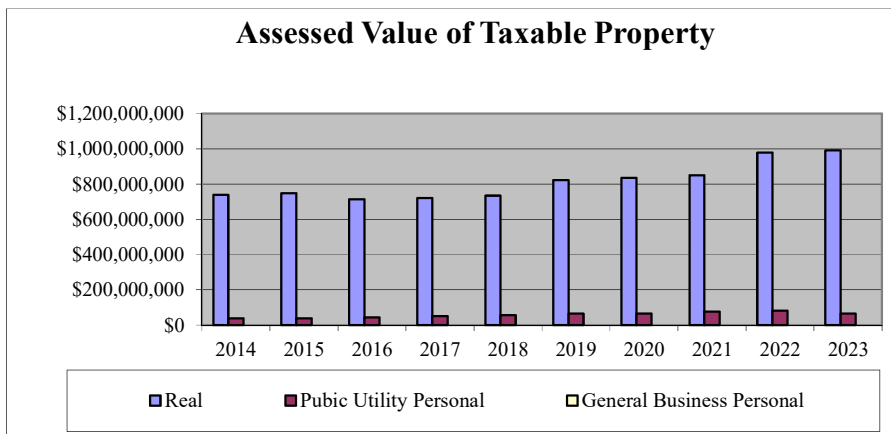
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. 23 percent for inventories.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed.

Source: Lorain County Auditor

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Total		Ratio	Direct Tax Rate
Assessed Value	Estimated Actual Value		
\$ 1,178,515,890	\$3,256,740,800	36.19%	\$ 7.98
1,184,668,900	3,244,764,759	36.51%	7.98
1,038,636,290	2,838,557,807	36.59%	8.02
1,014,574,310	2,787,404,157	36.40%	8.03
1,002,320,500	2,751,690,729	36.43%	8.04
882,384,760	2,426,786,227	36.36%	8.08
866,801,580	2,388,375,477	36.29%	8.08
849,549,850	2,351,968,930	36.12%	8.10
787,761,430	2,183,313,959	36.08%	8.12
777,469,000	2,155,581,575	36.07%	8.13



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

	Collection Year 2023	Collection Year 2022	Collection Year 2021	Collection Year 2020
<b><u>Unvoted Millage</u></b>				
General	\$ 3.60	\$ 3.60	\$ 3.60	\$ 3.60
Fireman's Fund	0.30	0.30	0.30	0.30
Police Pension	0.30	0.30	0.30	0.30
<b>Total Unvoted Millage</b>	<b>4.20</b>	<b>4.20</b>	<b>4.20</b>	<b>4.20</b>
<b><u>Voted Millage</u></b>				
2000 Charter Current Expense	1.50	1.50	1.50	1.50
2008 Bond	0.28	0.28	0.32	0.33
2012 Ambulance & EMS	2.00	2.00	2.00	2.00
<b>Total Voted Millage</b>	<b>3.78</b>	<b>3.78</b>	<b>3.82</b>	<b>3.83</b>
<b>Total Millage</b>	<b>\$ 7.98</b>	<b>\$ 7.98</b>	<b>\$ 8.02</b>	<b>\$ 8.03</b>
<b><u>Overlapping Rates by Taxing District</u></b>				
<b>City of Avon Lake</b>				
Residential/Agricultural Effective Rate	\$ 6.7847	\$ 6.7847	\$ 7.1513	\$ 7.1642
Commercial/Industrial and Public Utility Effective Rate	7.3942	7.3942	7.5074	7.5281
General Business and Public Utility Personal Property	7.9800	7.9800	8.0200	8.0300
<b>Avon Lake School District</b>				
Residential/Agricultural Effective Rate	36.8234	36.7199	38.8743	39.0469
Commercial/Industrial and Public Utility Effective Rate	46.9092	45.8223	49.5525	49.8200
General Business and Public Utility Personal Property	67.0900	66.9850	69.0710	69.2430
<b>Lorain County</b>				
Residential/Agricultural Effective Rate	11.8625	11.7989	13.6306	13.1644
Commercial/Industrial and Public Utility Effective Rate	13.4813	13.4016	13.7821	13.2344
General Business and Public Utility Personal Property	15.4270	15.3020	15.5820	15.0820
<b>Special Taxing Districts (1)</b>				
Residential/Agricultural Effective Rate	4.0597	4.0660	4.3801	4.3887
Commercial/Industrial and Public Utility Effective Rate	4.3444	4.2577	4.4272	4.4252
General Business and Public Utility Personal Property	5.2500	5.2500	5.2500	5.2500

Source: Lorain County Auditor

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

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Collection Year 2019	Collection Year 2018	Collection Year 2017	Collection Year 2016	Collection Year 2015	Collection Year 2014
\$ 3.60 0.30 0.30	\$ 3.60 0.30 0.30	\$ 3.60 0.30 0.30	\$ 3.60 0.30 0.30	\$ 3.60 0.30 0.30	\$ 3.60 0.30 0.30
4.20	4.20	4.20	4.20	4.20	4.20
1.50 0.34 2.00	1.50 0.38 2.00	1.50 0.38 2.00	1.50 0.40 2.00	1.50 0.42 2.00	1.50 0.43 2.00
3.84	3.88	3.88	3.90	3.92	3.93
\$ 8.04	\$ 8.08	\$ 8.08	\$ 8.10	\$ 8.12	\$ 8.13
\$ 7.1781 8.0800 8.0400	\$ 7.4858 8.0800 8.0800	\$ 7.4944 7.9870 8.0800	\$ 7.5170 7.9640 8.1000	\$ 7.7490 7.9884 8.1200	\$ 7.7610 8.0016 8.1300
39.2148 49.7422 69.4100	43.0180 57.4012 72.2800	43.1994 54.9694 72.6900	43.4947 54.8818 72.6900	46.6387 56.7991 74.5700	47.1799 57.3566 75.1000
13.1882 13.0638 15.0820	14.1817 14.4874 15.0820	14.2006 14.4165 15.0820	14.3715 13.7749 15.0820	14.0857 13.7749 14.4820	14.0927 13.7186 14.4820
4.3969 4.3767 5.2500	4.8128 4.8943 5.2500	4.8266 4.8377 5.2500	4.8283 4.7883 5.2500	5.1100 4.7956 5.2500	5.1134 4.7728 5.2500

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

Year	Current Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections to Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Current Tax Levy
2023	\$ 8,372,766	\$ 7,125,096	85.10%	\$ 357,006	7,482,102	89.36%	\$ 194,043	2.32%
2022	7,882,403	6,912,138	87.69%	85,483	6,997,621	88.78%	177,847	2.26%
2021	7,552,109	6,580,636	87.14%	149,337	6,729,973	89.11%	189,822	2.51%
2020	7,267,858	6,383,085	87.83%	73,579	6,456,664	88.84%	173,847	2.39%
2019	7,289,264	7,175,918	98.45%	93,870	7,269,788	99.73%	158,296	2.17%
2018	6,692,792	6,438,197	96.20%	102,487	6,540,684	97.73%	158,810	2.37%
2017	6,572,706	6,478,101	98.56%	131,722	6,609,823	100.56%	172,188	2.62%
2016	6,452,483	6,345,423	98.34%	117,559	6,462,982	100.16%	188,269	2.92%
2015	6,141,076	6,056,711	98.63%	152,679	6,209,390	101.11%	164,684	2.68%
2014	6,070,204	5,959,788	98.18%	130,919	6,090,707	100.34%	215,597	3.55%

Source: Lorain County Auditor

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

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

**City of Avon Lake, Ohio**  
*Principal Taxpayers – Real Estate Tax*  
 2023 and 2014

			<b>2023</b>	
			Real Property	Percentage of Real
Taxpayer			Assessed Valuation (1)	Assessed Valuation
American Transmission Systems Inc	\$	40,606,680		3.45 %
Cleveland Electric Illuminating Co		14,159,350		1.20 %
Great Lakes Senior Living Communities LLC		9,500,000		0.81 %
Aquamarine Apartments LTD		8,545,090		0.73 %
Avon Lake Environmental Redevelopment Group LLC		8,281,100		0.70 %
Somerset OH Owner 1 LLC		5,804,930		0.49 %
Ford Motor Company		5,306,540		0.45 %
NRG Power Midwest LP		5,013,360		0.43 %
Echo Avon Lake LLC		4,341,500		0.37 %
Towne Care Center LLC		4,238,740		0.36 %
Total	\$	105,797,290		8.99 %
Total Assessed Valuation			\$ 1,178,515,890	
			<b>2014</b>	
			Real Property	Percentage of Real
Taxpayer			Assessed Valuation (1)	Assessed Valuation
Orion Power Midwest LP	\$	77,281,420		9.94 %
Ford Motor Company		9,945,200		1.28 %
Cleveland Electric		9,493,430		1.22 %
American Transmission Systems Inc		4,504,920		0.58 %
Geon Co		4,084,290		0.53 %
Legacy Pointe LTD		2,508,730		0.32 %
Kopf Properties II LTD		2,435,570		0.31 %
Gamellia Construction Inc.		2,423,960		0.31 %
Centurytel of Ohio Inc		2,423,610		0.31 %
Waterside Crossings LTD		2,034,680		0.26 %
Total	\$	117,135,810		15.06 %
Total Assessed Valuation			\$ 777,469,000	

Source: Lorain County Auditor

(1) The amounts presented represent the assessed values upon which 2023 and 2014 collections were based.

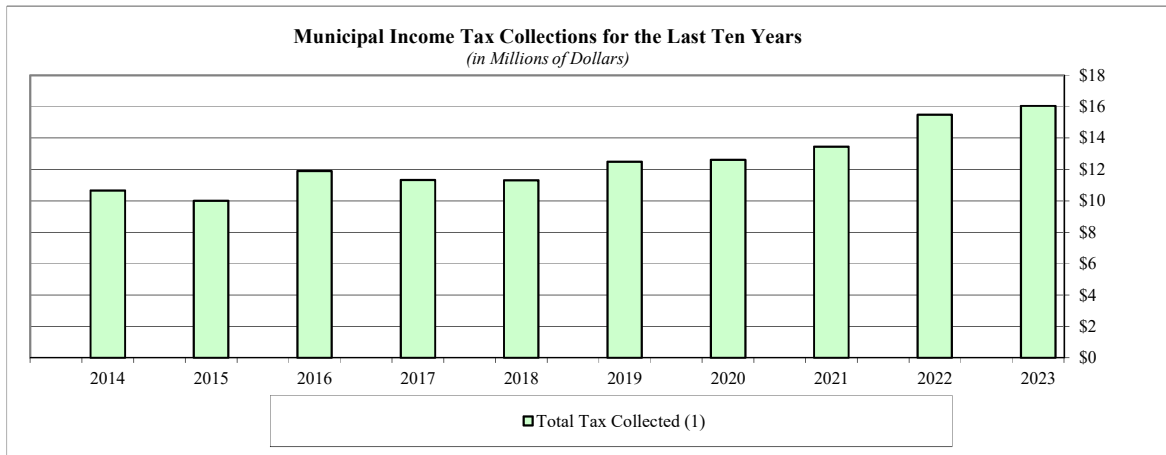
**City of Avon Lake, Ohio**  
*Municipal Income Tax Revenue Base and Collections*  
*Cash Basis*  
*Last Ten Years*

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Tax Year	Tax Rate	Total Tax Collected (1)
2023	1.50%	\$ 16,052,881
2022	1.50%	15,478,808
2021	1.50%	13,458,292
2020	1.50%	12,604,122
2019	1.50%	12,488,574
2018	1.50%	11,314,759
2017	1.50%	11,320,836
2016	1.50%	11,895,371
2015	1.50%	9,992,454
2014	1.50%	10,668,132

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

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





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

Year	Governmental Activities						
	General Obligation Bonds (1)	Special Assessment Bonds	OWDA Loans	OPWC Loans	Notes Payable	Financed Purchases/ Capital Leases	Other Debt
2023	\$ 14,908,554	\$ -	\$ 16,364,286	\$ 104,738	\$ -	\$ 57,561	\$ -
2022	13,611,011	-	16,308,197	105,956	-	440,842	-
2021	11,204,289	-	17,885,362	132,272	-	182,462	-
2020	12,022,567	-	18,344,795	149,372	-	144,680	-
2019	13,198,553	225,417	18,492,868	155,830	-	190,511	-
2018	4,327,799	445,834	15,398,377	168,747	-	235,194	-
2017	5,121,540	659,522	8,709,698	181,664	-	278,757	-
2016	5,925,733	867,458	782,318	162,499	-	-	23,000
2015	6,745,040	1,147,817	226,302	175,416	626,204	-	46,000
2014	7,009,404	1,415,685	232,081	188,333	626,784	-	69,000

(1) Amounts include associated premiums

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

Business-Type Activities					Total Debt	Percentage of Personal Income	Per Capita
General Obligation Bonds (1)	Financed Purchases/ Capital Leases	OWDA Loans	Other Debt	Mortgage Revenue Bond			
\$ 6,886,042	\$ 686,770	\$ 114,599,138	\$ -	\$ 603,186	\$ 154,210,275	13.50%	\$ 6,118
7,433,592	811,684	119,099,334	-	1,249,564	159,060,180	13.92%	6,310
7,971,142	-	117,732,545	-	1,885,942	156,994,014	13.74%	6,228
8,503,692	-	122,234,936	-	2,507,320	163,907,362	17.77%	7,259
9,021,242	-	124,272,340	-	3,113,698	168,670,459	18.28%	7,470
2,361,342	-	121,442,001	-	3,720,076	148,099,370	16.05%	6,559
2,579,327	-	108,833,549	-	3,876,454	130,240,511	14.12%	5,768
2,792,312	-	75,706,390	-	3,982,832	90,242,542	9.78%	3,996
3,005,297	-	49,041,258	-	4,727,210	65,740,544	7.13%	2,911
3,218,282	-	46,068,004	-	6,210,000	65,037,573	7.05%	2,880

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

Year	Population (1)		Estimated Actual Value of Taxable Property (2)	Net Bonded Debt (3)	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capita
2023	25,206	(a)	\$3,256,740,800	\$21,034,620	0.65 %	\$835
2022	25,206	(a)	3,244,764,759	21,323,699	0.66 %	846
2021	25,206	(a)	2,838,557,807	19,491,279	0.69 %	773
2020	22,581	(b)	2,787,404,157	20,765,324	0.74 %	920
2019	22,581	(b)	2,751,690,729	21,570,111	0.78 %	955
2018	22,581	(b)	2,426,786,227	6,689,141	0.28 %	296
2017	22,581	(b)	2,388,375,477	7,700,867	0.32 %	341
2016	22,581	(b)	2,351,968,930	8,718,045	0.37 %	386
2015	22,581	(b)	2,183,313,959	9,750,337	0.45 %	432
2014	22,581	(b)	2,155,581,575	10,227,686	0.47 %	453

Sources:

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

(2) Lorain County Auditor

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

**City of Avon Lake, Ohio**  
*Computation of Direct and Overlapping  
Governmental Activities Debt  
December 31, 2023*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
<b>Direct - City of Avon Lake</b>			
General Obligation Bonds, net	\$14,908,554	100.00%	\$ 14,908,554
OPWC Loan	104,738	100.00%	104,738
OWDA Loan	16,364,286	100.00%	16,364,286
Financed Purchases	57,561	100.00%	57,561
<b>Total Direct Debt</b>	31,435,139		31,435,139
<b>Overlapping</b>			
Avon Lake City School District (2)	30,466,006	100.00%	30,466,006
Lorain County (3)	45,690,000	13.28%	6,067,632
<b>Total Overlapping Debt</b>	76,156,006		36,533,638
<b>Total</b>	\$ 107,591,145		\$ 67,968,777

Source: Lorain County Auditor

- (1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.  
(2) Debt outstanding as of June 30, 2023  
(3) Debt outstanding as of December 31, 2021 (latest information available)

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

	2023	2022	2021	2020
<b>Total Assessed Property Value</b>	<u>\$ 1,178,515,890</u>	<u>\$ 1,178,515,890</u>	<u>\$ 1,038,636,290</u>	<u>\$ 1,014,574,310</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>123,744,168</u>	<u>123,744,168</u>	<u>109,056,810</u>	<u>106,530,303</u>
<b>Debt Outstanding:</b>				
General Obligation Bonds	\$14,908,554	\$13,611,011	\$11,204,289	\$ 12,022,567
General Obligation Bonds - Enterprise	6,886,042	7,433,592	7,971,142	8,503,692
Special Assessment Bonds	0	0	0	0
Notes Payable	0	0	0	0
OPWC Loans	104,738	105,956	132,272	149,372
OWDA Loans	16,364,286	16,308,197	17,885,362	18,344,795
OWDA Loans - Enterprise	114,599,138	119,099,334	117,732,545	122,234,936
Mortgage Revenue Bonds	603,186	1,249,564	1,885,942	2,507,320
<b>Total Gross Indebtedness</b>	<u>153,465,944</u>	<u>157,807,654</u>	<u>156,811,552</u>	<u>163,762,682</u>
Less:				
General Obligation Bonds - Enterprise	(6,886,042)	(7,433,592)	(7,971,142)	(8,503,692)
Special Assessment Bonds	0	0	0	0
OPWC Loans	(104,738)	(105,956)	(132,272)	(149,372)
OWDA Loans	(16,364,286)	(16,308,197)	(17,885,362)	(18,344,795)
OWDA Loans - Enterprise	(114,599,138)	(119,099,334)	(117,732,545)	(122,234,936)
Mortgage Revenue Bonds	(603,186)	(1,249,564)	(1,885,942)	(2,507,320)
General Obligation Bond Retirement Fund Balance	759,976	279,096	315,848	239,065
<b>Total Net Debt Applicable to Debt Limit</b>	<u>15,668,530</u>	<u>13,890,107</u>	<u>11,520,137</u>	<u>12,261,632</u>
<b>Legal Debt Margin Within 10 ½ % Limitations</b>	<u>\$ 108,075,638</u>	<u>\$ 109,854,061</u>	<u>\$ 97,536,673</u>	<u>\$ 94,268,671</u>
<b>Legal Debt Margin as a Percentage of the Debt Limit</b>	87.34%	88.78%	89.44%	88.49%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$ 64,818,374</u>	<u>\$ 64,818,374</u>	<u>\$ 57,124,996</u>	<u>\$ 55,801,587</u>
<b>Total Gross Indebtedness</b>	\$ 153,465,944	\$ 157,807,654	\$ 156,811,552	\$ 163,762,682
Less:				
General Obligation Bonds - Enterprise	(6,886,042)	(7,433,592)	(7,971,142)	(8,503,692)
Special Assessment Bonds	0	0	0	0
OPWC Loans	(104,738)	(105,956)	(132,272)	(149,372)
OWDA Loans	(16,364,286)	(16,308,197)	(17,885,362)	(18,344,795)
OWDA Loans - Enterprise	(114,599,138)	(119,099,334)	(117,732,545)	(122,234,936)
Mortgage Revenue Bonds	(603,186)	(1,249,564)	(1,885,942)	(2,507,320)
General Obligation Bond Retirement Fund Balance	759,976	279,096	315,848	239,065
<b>Net Debt Within 5 ½ % Limitations</b>	<u>15,668,530</u>	<u>13,890,107</u>	<u>11,520,137</u>	<u>12,261,632</u>
<b>Unvoted Legal Debt Margin Within 5 ½ % Limitations</b>	<u>\$ 49,149,844</u>	<u>\$ 50,928,267</u>	<u>\$ 45,604,859</u>	<u>\$ 43,539,955</u>
<b>Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation</b>	75.83%	78.57%	79.83%	78.03%

Source: City Financial Records

2019	2018	2017	2016	2015	2014
<u>\$ 1,002,320,500</u>	<u>\$ 882,384,760</u>	<u>\$ 866,801,580</u>	<u>\$ 849,549,850</u>	<u>\$ 787,761,430</u>	<u>\$ 777,469,000</u>
105,243,653	92,650,400	91,014,166	89,202,734	82,714,950	81,634,245
\$ 13,198,553	\$ 4,327,799	\$ 5,121,540	\$ 5,925,733	\$ 6,745,040	\$ 7,009,404
9,021,242	2,361,342	2,579,327	2,792,312	3,005,297	3,218,282
225,417	445,834	659,522	867,458	1,147,817	1,415,685
0	7,793,616	8,303,351	14,435,160	5,879,628	5,976,740
155,830	168,747	181,664	162,499	175,416	188,333
18,492,868	15,398,377	8,709,698	782,318	226,302	232,081
124,272,340	121,442,001	108,833,549	75,706,390	49,041,258	46,068,004
3,113,698	3,720,076	3,876,454	3,982,832	4,274,210	6,210,000
<u>168,479,948</u>	<u>155,657,792</u>	<u>138,265,105</u>	<u>104,654,702</u>	<u>70,494,968</u>	<u>70,318,529</u>
(9,021,242)	(2,361,342)	(2,579,327)	(2,792,312)	(3,005,297)	(3,218,282)
(225,417)	(445,834)	(659,522)	(867,458)	(1,147,817)	(1,415,685)
(155,830)	(168,747)	(181,664)	(162,499)	(175,416)	(188,333)
(18,492,868)	(15,398,377)	(8,709,698)	(782,318)	(226,302)	(232,081)
(124,272,340)	(121,442,001)	(108,833,549)	(75,706,390)	(49,041,258)	(46,068,004)
(3,113,698)	(3,720,076)	(3,876,454)	(3,982,832)	(4,274,210)	(6,210,000)
<u>(649,684)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>12,548,869</u>	<u>12,121,415</u>	<u>13,424,891</u>	<u>20,360,893</u>	<u>12,624,668</u>	<u>12,986,144</u>
<u>\$ 92,694,784</u>	<u>\$ 80,528,985</u>	<u>\$ 77,589,275</u>	<u>\$ 68,841,841</u>	<u>\$ 70,090,282</u>	<u>\$ 68,648,101</u>
88.08%	86.92%	85.25%	77.17%	84.74%	84.09%
<u>\$ 55,127,628</u>	<u>\$ 48,531,162</u>	<u>\$ 47,674,087</u>	<u>\$ 46,725,242</u>	<u>\$ 43,326,879</u>	<u>\$ 42,760,795</u>
\$ 168,479,948	\$ 155,657,792	\$ 138,265,105	\$ 104,654,702	\$ 70,494,968	\$ 70,318,529
(9,021,242)	(2,361,342)	(2,579,327)	(2,792,312)	(3,005,297)	(3,218,282)
(225,417)	(445,834)	(659,522)	(867,458)	(1,147,817)	(1,415,685)
(155,830)	(168,747)	(181,664)	(162,499)	(175,416)	(188,333)
(18,492,868)	(15,398,377)	(8,709,698)	(782,318)	(226,302)	(232,081)
(124,272,340)	(121,442,001)	(108,833,549)	(75,706,390)	(49,041,258)	(46,068,004)
(3,113,698)	(3,720,076)	(3,876,454)	(3,982,832)	(4,274,210)	(6,210,000)
<u>(649,684)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>12,548,869</u>	<u>12,121,415</u>	<u>13,424,891</u>	<u>20,360,893</u>	<u>12,624,668</u>	<u>12,986,144</u>
<u>\$ 42,578,759</u>	<u>\$ 36,409,747</u>	<u>\$ 34,249,196</u>	<u>\$ 26,364,349</u>	<u>\$ 30,702,211</u>	<u>\$ 29,774,651</u>
77.24%	75.02%	71.84%	56.42%	70.86%	69.63%

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

Year	Population (1)		Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2023	25,206	(a)	\$1,142,285,508	\$45,318	\$83,018	44.7
2022	25,206	(a)	1,142,285,508	45,318	83,018	44.7
2021	25,206	(a)	1,142,285,508	45,318	83,018	44.7
2020	22,581	(b)	922,614,498	40,858	77,060	41.9
2019	22,581	(b)	922,614,498	40,858	77,060	41.9
2018	22,581	(b)	922,614,498	40,858	77,060	41.9
2017	22,581	(b)	922,614,498	40,858	77,060	41.9
2016	22,581	(b)	922,614,498	40,858	77,060	41.9
2015	22,581	(b)	922,614,498	40,858	77,060	41.9
2014	22,581	(b)	922,614,498	40,858	77,060	41.9

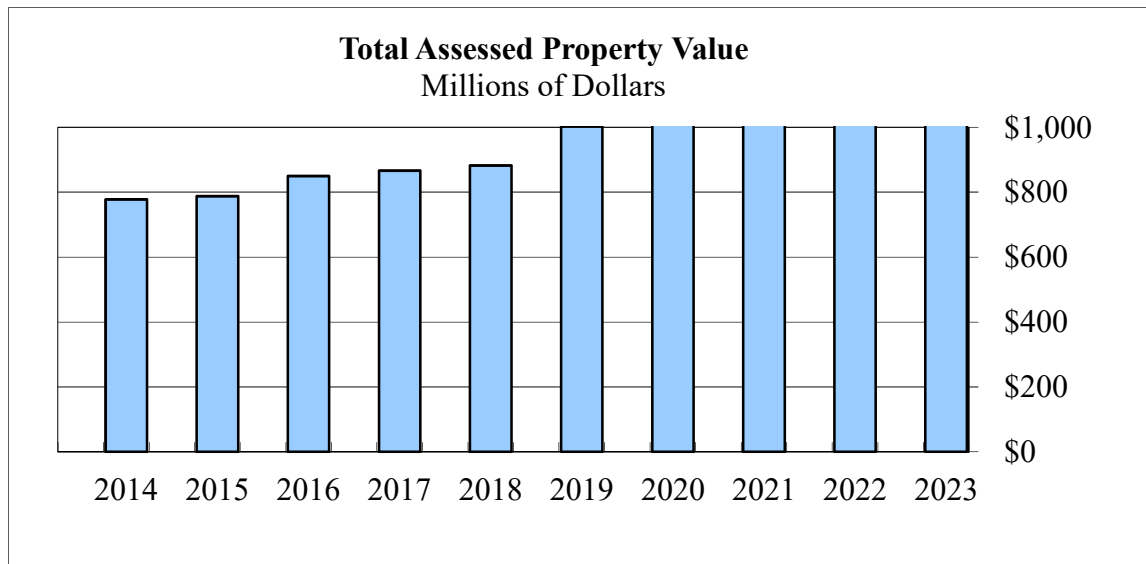
(1) Source: U. S. Census,(a) 2020 (b) 2010

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

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

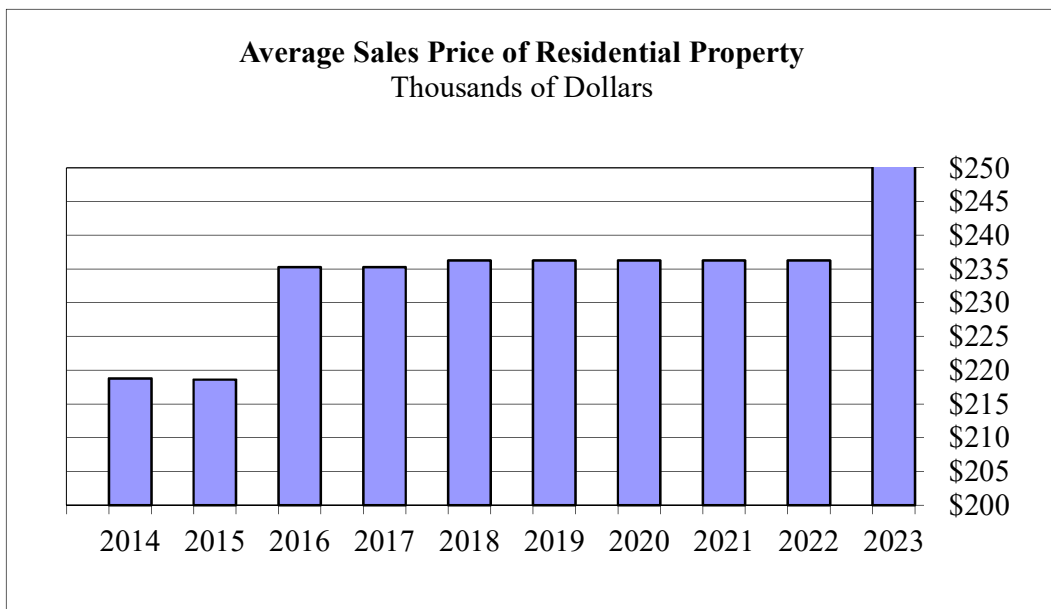
(4) Source: Lorain County Auditor, latest information available

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



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

Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Lorain County Unemployment Rate (3)	Average Value of Residential Property (4)	Total Assessed Property Value (4)
50.5%	3,479	3.8%	\$306,100	\$ 1,178,515,890
50.5%	3,693	5.6%	236,271	1,184,668,900
50.5%	3,729	5.6%	236,271	1,038,636,290
49.3%	3,771	5.2%	236,271	1,014,574,310
49.3%	3,858	5.2%	236,271	1,002,320,500
49.3%	3,833	5.2%	236,271	882,384,760
49.3%	3,809	5.1%	235,270	866,801,580
49.3%	3,807	5.8%	235,270	849,549,850
49.3%	3,735	5.6%	218,583	787,761,430
49.3%	3,772	5.7%	218,758	777,469,000



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

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**2023**

Employer	Number of Employees
Ford Motor Company	1,909
Avon Lake City Schools	736
Avient Corporation	672
Grace Management Services	472
City of Avon Lake	439
NVA Avon Lake Management LLC	299
Lubrizol Advances Materials	241
The Cleveland Clinic Foundation	241
Discount Drug Mart, Inc.	177
Hinkley Lighting	225
<b>Total</b>	<b>5,411</b>
Total Estimated Employment within the City	18,461

**2014**

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

Source: Regional Income Tax Agency (RITA)

N/A - Information not available

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

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
Council	5.5	5.5	5	5	5.00	5.00	5.00	5.00	5.00	5.00
Finance	4	4	4.5	5.5	5.50	5.50	5.50	5.50	6.50	6.50
Law	1.5	2.5	3	3	3.00	3.00	3.00	3.00	2.50	2.50
Administration	3.5	3.5	3.5	2.5	2.50	2.50	2.50	2.50	3.00	3.00
Engineer	6	8.5	5.5	5.5	5.50	5.50	5.50	5.50	5.50	5.50
Court	10.5	10	10	10	10.00	10.00	10.00	10.00	8.50	8.50
Security of Persons and Property										
Police	37	33.5	30	30	29.00	30.00	32.50	29.00	31.00	34.00
Police - Dispatchers/Office/Other	13	13.5	16	16	16.00	16.00	8.00	16.00	15.50	15.50
Police - Animal Wardens	1	1	0	-	-	-	1.00	-	0.50	0.50
Fire	36	33	30	30	30.00	30.00	28.00	28.00	28.00	28.00
Fire - Secretary - Other	2	2	3	3	3.00	3.00	2.00	2.00	2.00	2.00
Leisure Time Activities										
Recreation	24.5	26	12	12	30.50	30.50	30.50	30.50	13.50	24.50
Municipal Pool	43.5	37	44	0	42.50	42.50	42.50	42.50	46.50	46.50
Cable Television	3.5	3	4	4	4.00	4.00	4.00	4.00	4.50	4.50
Community Environment										
Building	5	4.5	4.5	4.5	4.50	4.50	4.50	4.50	5.00	5.00
Economic Development	3.5	2.5	2	1	1.00	1.00	1.50	1.50	0.50	0.50
Transportation										
Service	33	32	28.5	28.5	28.50	28.50	28.50	28.50	28.00	27.50
Streets	8	6	10.5	9.5	9.50	9.50	9.50	9.50	11.00	11.50
Basic Utility Services										
Water	19.5	19.5	33.5	33.5	33.50	33.50	33.50	33.50	22.00	21.00
Sewer	23.5	23.5	21.5	21.5	21.50	21.50	21.50	21.50	28.00	27.50
Totals:	<u>284.00</u>	<u>271.00</u>	<u>271.00</u>	<u>225.00</u>	<u>285.00</u>	<u>286.00</u>	<u>279.00</u>	<u>282.50</u>	<u>267.00</u>	<u>279.50</u>

**Source:** City Payroll Department

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

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

Function/Program	2023	2022	2021
<b>General Government</b>			
<i><b>Council and Clerk</b></i>			
Number of Ordinances Introduced	176	179	157
Number of Resolutions Introduced	38	21	25
<i><b>Finance Department</b></i>			
Number of checks issued	5,385	4,998	4,860
Amount of checks issued	\$ 34,971,645	\$ 37,266,016	\$ 23,936,707
<b>Community Environment</b>			
<i><b>Building Department Indicators</b></i>			
Construction Permits Issued	2,187	2,368	2,293
Estimated Value of Construction	\$ 98,900,115	\$ 90,454,249	\$ 59,772,107
Amount of Revenue generated from permits	\$ 449,522	\$ 400,200	\$ 314,677
Number of contract registrations issued (A)	893	938	868
Annual Apartment/Rooming House License Fees (B)	0	20	0
Revenue generated from above (A, B)	\$ 89,800	\$ 130,808	\$ 72,930
<b>Security of Persons &amp; Property</b>			
<i><b>Police</b></i>			
Total Calls for Services	11,724	12,697	9,363
Number of traffic citations issued	508	448	337
Number of parking citations issued	40	63	28
Number of criminal arrests	127	177	168
Number of accident reports completed	269	197	183
Part 1 Offenses (major offenses)	91	104	104
Animal Warden service calls responded to per annual report	429	563	417
DUI Arrests	30	31	33
Prisoners	150	111	128
Prisoner meal costs	\$ -	\$ -	\$ -
Property damage accidents	139	162	121
Fatalities from Motor Vehicle Accidents	1	0	1
<i><b>Fire</b></i>			
Fire Calls	48	57	43
Overpressure, Overhear (no fire)	2	1	1
Rescue & EMS Incident	2,393	2,270	1,999
Hazardous Condition (no fire)	86	97	109
Service Call	315	330	458
Good Intent Call	236	214	178
False Alarm & False Call	252	305	247
Severe Weather & Natural Disaster	1	0	3
Special Incident Type	1	0	1
Miscellaneous Calls	0	5	0
Total Calls	3,334	3,279	3,045
Number of times Mutual Aid given to Fire and EMS	78	115	86
Number of times Mutual Aid received for Fire and EMS	47	46	33

2020	2019	2018	2017	2016	2015	2014
107	120	176	203	168	158	148
25	14	13	10	10	14	18
4,944	5,677	5,722	5,606	4,480	5,420	5,020
\$ 29,508,823	\$ 30,737,249	\$ 38,387,867	\$ 39,864,957	\$ 29,424,779	\$ 31,395,228	\$ 23,547,741
2,166	2,135	2,168	2,191	1,902	1,888	1,786
\$ 50,781,517	\$ 59,357,352	\$ 48,835,557	\$ 50,731,789	\$ 67,569,737	\$ 41,058,238	\$ 39,275,086
\$ 319,484	\$ 300,875	\$ 286,872	\$ 286,228	\$ 421,266	\$ 302,660	\$ 275,925
723	770	742	871	660	754	747
0	0	0	0	0	0	0
\$ 72,930	\$ 77,600	\$ 74,575	\$ 87,100	\$ 66,300	\$ 75,700	\$ 75,775
8,764	10,129	10,364	11,657	11,651	14,571	14,882
185	375	301	362	642	777	434
56	80	93	160	208	263	227
152	170	171	159	182	144	717
212	303	298	317	257	276	298
0	99	107	184	196	158	71
412	491	482	n/a	n/a	62	105
26	33	22	24	39	46	48
123	183	196	191	245	68	341
\$ -	\$ -	\$ 35	\$ 62	\$ 176	\$ 468	\$ 926
211	281	271	57	63	59	52
0	1	0	0	0	0	0
63	57	52	66	48	54	48
1	2	1	1	2	4	3
1,736	1,769	1,837	1,728	1,602	1,650	1,423
81	97	115	97	88	94	71
490	453	357	363	296	327	294
175	188	157	137	163	129	91
240	262	296	239	214	173	211
2	3	4	5	0	3	0
3	2	2	0	0	5	1
0	0	0	0	0	0	0
2,791	2,833	2,821	2,636	2,413	2,439	2,142
70	59	85	56	79	62	59
43	50	64	73	67	54	44

(Continued)

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

Function/Program	2023	2022	2021
<b>Leisure Time Activities</b>			
<i><b>Recreation</b></i>			
Pool:			
Total Attendance	34,482	-	-
Total Admission Income	\$ 68,200	\$ -	\$ -
Total Pass Sales	856	-	-
Total Pool Parties	64	-	-
Total Pool Party Income	\$ 3,200	\$ -	\$ -
Other Recreation Programs:			
Total Income from Sport related Programs	\$ 305,475	\$ 177,103	\$ 177,103
Total Income from Non-Sport related Programs	\$ 159,020	\$ 15,304	\$ 15,304
Total Income from Food Programs	\$ 73,977	\$ 11,994	\$ 11,994
Total Income from Youth & Family related Programs	\$ 25,904	\$ 8,733	\$ 8,733
Rental of Facilities:	\$ -	\$ -	\$ -
Total Income from Pavilion Rentals	\$ 10,125	\$ 6,125	\$ 6,125
Total Income from Lake House Rentals	\$ 60,100	\$ 24,457	\$ 24,457
<i><b>Communication/Technology</b></i>			
Bulletin Boards	251	243	243
Program Hours	560.25	479.5	479.5
Community Producers	22	12	12
Facebook Post Requests	581	444	444
Website Post Requests	388	152	152
Media Duplication	93	19	19
Series:			
Public	15	15	15
Government	7	7	7
One Time/Specials:			
Public	4	2	2
Government	30	13	13
Studio Tours	1	-	-
Public Editor Used	-	-	-
<b>Water</b>			
Water rates per 1000 gallons, 1st 50,000 gallons of water used (2)	\$ 2.08	\$ 2.08	\$ 2.08
Total accounts within Avon Lake	9,025	8,853	8,853
Bulk customers outside of Avon Lake	7	7	7
Total water sales (billions of gallons)	7,092.000	7,962.000	7,962.000
Average daily production (millions of gallons)	19	22	22
Total miles of water line in Avon Lake	139	136	136
Total water revenues from within Avon Lake	\$ 1,845,551	\$ 2,319,038	\$ 2,319,038
Total water revenues from bulk customers outside of Avon Lake	\$ 11,565,673	\$ 10,746,078	\$ 10,746,078
<b>Sewer</b>			
Wastewater rates per 1000 gallons	\$ 7.30	\$ 7.30	\$ 7.30
Total accounts within Avon Lake	8,974	8,719	8,719
Bulk customers outside of Avon Lake	1	2	2
Total flow of wastewater treatment plant (billions of gallons)	2,100,000.000	2,000.000	2,000.000
Average daily flow (millions of gallons per day)	6	5	5
Tons of dry sludge removed	3,403	3,241	3,241
Total miles of sanitary and combined sewer in Avon Lake	115	104	104
Total wastewater pumping stations in Avon Lake	5	5	5
Total wastewater revenues from within Avon Lake	\$ 6,329,665	\$ 6,878,282	\$ 6,878,282
Total wastewater revenues from bulk customers outside of Avon Lake	\$ 1,520,637	\$ 978,602	\$ 978,602

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

	2020	2019	2018	2017	2016	2015	2014
	-	36,245	35,808	37,155	41,528	35,761	75,761
\$	-	\$ 77,202	\$ 72,755	\$ 70,620	\$ 74,294	\$ 164,271	\$ 150,363
	-	114,881	122,012	125,234	93,205	1,143	930
	-	12	29	12	12	-	41
\$	-	\$ 1,800	\$ 1,450	\$ 1,600	\$ 1,800	\$ 1,950	\$ 6,158
\$	177,103	\$ 194,459	\$ 205,941	\$ 301,000	\$ 135,915	\$ 101,348	\$ 70,207
\$	15,304	\$ 107,300	\$ 111,615	\$ 70,000	\$ 110,867	\$ 20,194	\$ 3,940
\$	11,994	\$ 78,761	\$ 75,503	\$ 79,380	\$ 77,267	\$ 66,530	\$ 2,421
\$	8,733	\$ 12,806	\$ 15,734	\$ 11,000	\$ 7,341	\$ 6,141	\$ 892
\$	-						
\$	6,125	\$ 8,995	\$ 8,650	\$ 3,000	\$ 8,115	\$ 8,225	\$ 9,325
\$	24,457	\$ 48,227	\$ 60,479	\$ 47,700	\$ 32,170	\$ 18,708	\$ 40,972
	243	337	393	452	334	406	544
	479.5	1332	\$457	413	397h 0m	388h 56m	386h 33m
	12	11	11	17	15	24	20
	444	267	324	n/a	n/a	n/a	n/a
	152	238	261	n/a	n/a	n/a	n/a
	19	90	115	n/a	n/a	n/a	n/a
	15	11	14	15	15	16	15
	7	7	7	9	8	8	12
	2	9	19	33	27	8	16
	13	38	26	25	33	57	39
	-	1	1	8	2	1	1
	-	23	23	34	28	25	6
\$	2.08	\$ 2.00	\$ 1.92	\$ 1.85	\$ 1.78	\$ 1.73	\$ 1.68
	8,853	8,805	8,793	8,590	8,855	8,355	8,311
	7	7	7	7	7	7	7
	7,962.000	7,536.000	7.394	7.678	7.428	7.020	6.831
	22	21	21	21.0	20	20	19
	136	136	136	136	134	134	134
\$	2,319,038	\$ 2,208,608	\$ 2,304,718	\$ 2,121,284	\$ 2,237,628	\$ 1,437,738	\$ 1,557,478
\$	10,746,078	\$ 9,244,025	\$ 8,796,372	\$ 8,583,127	\$ 8,083,827	\$ 8,712,715	\$ 7,860,528
\$	7.30	\$ 6.35	\$ 5.52	\$ 4.80	\$ 4.17	\$ 3.63	\$ 3.39
	8,719	8,572	8,538	8,355	8,269	8,186	8,140
	2	2	2	2	2	2	2
	2,000.000	2.000	2.000	1.800	1.700	1.678	1.699
	5	5	5	5	5	5	5
	3,241	3,178	3,134	3,313	3,266	3,311	2,492
	104	104	104	104	103	103	103
	5	5	5	5	5	5	5
\$	6,878,282	\$ 5,895,904	\$ 4,951,874	\$ 3,874,132	\$ 3,604,454	\$ 3,047,574	\$ 3,247,971
\$	978,602	\$ 1,170,658	\$ 908,684	\$ 699,787	\$ 587,422	\$ 502,313	\$ 444,078

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

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>General Government</b>										
Administrative Building	1	1	1	1	1	1	1	1	1	1
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	32	27	34	34	33	33	26	32	31	31
<b>Fire</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	12	12	14	13	13	13	13	13	15	15
Personal Water Craft (PWC)	2	2	2	2	2	2	2	2	2	2
<b>Recreation</b>										
Number of Parks	15	14	14	14	14	14	14	14	14	14
Parks (in acres)	220	226	226	226	226	226	226	226	226	226
Number of Lighted Tennis Courts (1 location)	4	4	4	4	4	4	4	4	4	4
Baseball/Softball Diamonds (3 locations)	14	14	14	14	14	11	11	11	11	11
Pool	1	1	1	1	1	1	1	1	1	1
<b>Transportation</b>										
Streets (miles)	112	126	126	117	117	117	117	117	117	117
<b>Water</b>										
Water Lines (miles)	139	148	145	136	136	136	134	134	134	134
<b>Sewer and Storm Sewer</b>										
Sanitary Sewers (miles)	115	114	112	103	103	103	103	103	103	103
Storm Sewers (miles)	145	90	88	88	88	88	88	88	88	88

Source: City's Department records





**CITY OF AVON LAKE  
LORAIN COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2023**



CITY OF AVON LAKE  
LORAIN COUNTY

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65 East State Street  
Columbus, Ohio 43215  
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the Members of Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Avon Lake, Lorain County, (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 18, 2025, wherein we noted the City restated the beginning Net Position in the Water Fund, Sewer Fund, and Custodial Fund and adjusted the receivable to the City from LORCO. Also, we noted the City restated the beginning fund balance in the General Fund and the Income Tax Transfer Fund.

***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2023-001 that we consider to be a significant deficiency.

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***Report on Compliance and Other Matters***

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

***City's Response to Finding***

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

***Purpose of this Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

June 18, 2025

**CITY OF AVON LAKE  
LORAIN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER – 2023-001**

**Significant Deficiency - Financial Reporting - Construction In Progress**

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

The City understated Construction In Progress additions by \$2,180,134 at December 31, 2023 as a result of not capitalizing a Fire Ladder Truck that was pre-paid in April 2023. The Fire Ladder Truck was purchased before year-end and is currently being constructed out of state for a delivery expected in 2025 or 2026. This error led to the understatement of the ending Construction In Progress and Net Investment in Capital Assets line items of \$2,180,134 in the Statement of Net Position. These errors were conveyed to management and subsequently corrected on their audited financial statements.

These weaknesses increase the risk the financial statements and/or notes could become materially misstated and not be detected and corrected in a timely manner.

We recommend the City establish controls over the maintenance and tracking of Construction In Progress Nondepreciable Capital Assets and the review of financial statements and footnotes to ensure the amounts reported are accurate.

**Official's Response:** The finding of non-reporting of the 2023 purchase of a Fire Ladder Truck for \$2,180,134 and its impact on the ending Construction in Progress and Net Investment in Capital Assets is acknowledged and agreed upon by the Fiscal Officer and Management. This Fiscal Officer has already placed controls into place to correct and avoid future errors related to Construction in Progress and assets. Such controls include tracking, recording, reporting and periodic review of assets by the Finance Department with oversight by the Fiscal Officer.

# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF AVON LAKE**

**LORAIN COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 7/15/2025**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)