



OHIO AUDITOR OF STATE
KEITH FABER



CITY OF AVON LAKE
LORAIN COUNTY

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OHIO AUDITOR OF STATE KEITH FABER

65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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 October 31, 2025.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

October 31, 2025



**CITY OF AVON LAKE
LORAIN COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2024**

Finding Number	Finding Summary	Status	Additional Information
2023-001	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 the audited financial statements.	Corrective Action Taken and Finding is Fully Corrected.	None.

2024



Annual Comprehensive Financial Report

For the Year Ended December 31, 2024

CITY OF AVON LAKE, OHIO



Annual Comprehensive Financial Report

**For the Year Ended
December 31, 2024**

Issued by the Finance Department

**Beth Krosse
Director of Finance**

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INTRODUCTORY SECTION



City of Avon Lake, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2024
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CITY OF AVON LAKE, OHIO

150 AVON BELDEN ROAD • AVON LAKE, OHIO 44012-1699

Telephone: (440) 933-6141

Fax: (440) 930-4107

www.avonlake.org

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

October 31, 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, 2024.

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.

Auditor of State of Ohio, has issued an unmodified ("clean") opinion on the City of Avon Lake, Ohio's financial statements for the year ended December 31, 2024. 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. Based on the most recent data from the U.S. Census Bureau, 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 City's sanitary 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 Interstate I-90, 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 Field, 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 3,641 students with 522 contracted employees including teachers, professionals, and support staff working to offer quality educational opportunities. The district issued 720 W-2 forms in 2024 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, providing 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 catch-and-release fishing pond. 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, skate park, baseball fields, playground and pavilions. 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 spent in excess of \$2.5 million on street replacement and maintenance in 2024. The City awarded contracts to D.L. Smith and Denes Concrete for replacement of various asphalt and concrete streets. The City was also able to complete a crack seal program during 2024 that was bid out and awarded to Scodeller Construction Inc. 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 the resurfacing of Walker Road Phases III and IV which was awarded to Crossroads Asphalt and began design work for the resurfacing of Walker Road phase V which will receive partial funding from OPWC.

For stormwater improvements within Avon Lake, all 2024 contracted street projects contained various storm water improvements including but not limited to replacement of storm main, repair and or replacement of catch basin structures or pavement design to improve overall storm drainage. The City's Public Works crews also took on the task of conducting catch basin rehabilitations to continue to reduce the backlog of repairs. Lastly, construction began in late fall for the rehabilitation of a storm water outfall located at 31922 Lake Road. Construction was substantially completed prior to the end of 2024 with project closeout to occur in 2025.

Additionally, the City commenced design and construction to replace the Avon Lake Play Space playground in Bleser Park. This long-awaited park improvement is aimed to replace the former iconic playground removed a number of years ago, which was the center piece of the community. Kimley-Horn was awarded the design contract for the entire project for a fee of \$165,105. Phase I of construction was split between Public Works staff and RMH Concrete and Foundations with their contract value finishing out at \$160,806. Phase II of construction is slated for 2025.

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. Mannik and Smith Group continued the design of the eastern section of the project, which is utilizing safety funding from ODOT. Right of way acquisition commenced for the eastern project late in 2024 with a contract to Transystems to conduct the necessary work. Construction of this project is scheduled to commence in the fall of 2025. The city additionally engaged Mannik and Smith Group for the design of the western section of the project mid-year for a fee of \$48,668. The western sidewalk project will also utilize safety funding from ODOT.

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 the

City's industrial areas is over 1,400 acres, with less than 150 available for future development. In 2022 and 2023, three new commercial buildings were constructed 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 almost 20 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. The Avon Lake 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 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 where 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 at Stop 65 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 Road and Moore Road 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 (CIC)

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.

Then for two years, monthly CIC meetings served as the venue for demolition and redevelopment updates for the power plant project.

Jobs Growth Incentive Program (JGIP)

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 all businesses that are growing through this incentive. Home-based businesses and non-profit organizations are not eligible to receive JGIP incentives. The program is in its thirteenth year. It was evaluated at the end of 2017 and extended another five years. The City distributed awards for the 2024 tax year in May 2025.

Due to the City's location in a region with a varied economic base, unemployment has been relatively stable. 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 Avon Lake are higher than for the state as a whole. In 2024, the median family income in Avon Lake was \$110,174, while the median family income for the State of Ohio was \$90,288. Housing prices in Avon Lake continue to remain strong. The median home value in the city is estimated at \$337,200. The sale of homes and home sale prices began to increase in 2016 and at the end of 2024, the average sale price was \$389,300.

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

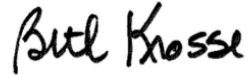
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Avon Lake for its annual comprehensive financial report for the year ended December 31, 2022. The Certificate of Achievement is 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,

A handwritten signature in black ink, appearing to read "M. Spaetzel", with a long horizontal flourish extending to the right.

Mark A. Spaetzel
Mayor

A handwritten signature in black ink, appearing to read "Beth Krosse", in a cursive style.

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, 2024

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

Mark Spaetzel

Mayor

Gary A. Ebert

Director of Law

Beth Krosse

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

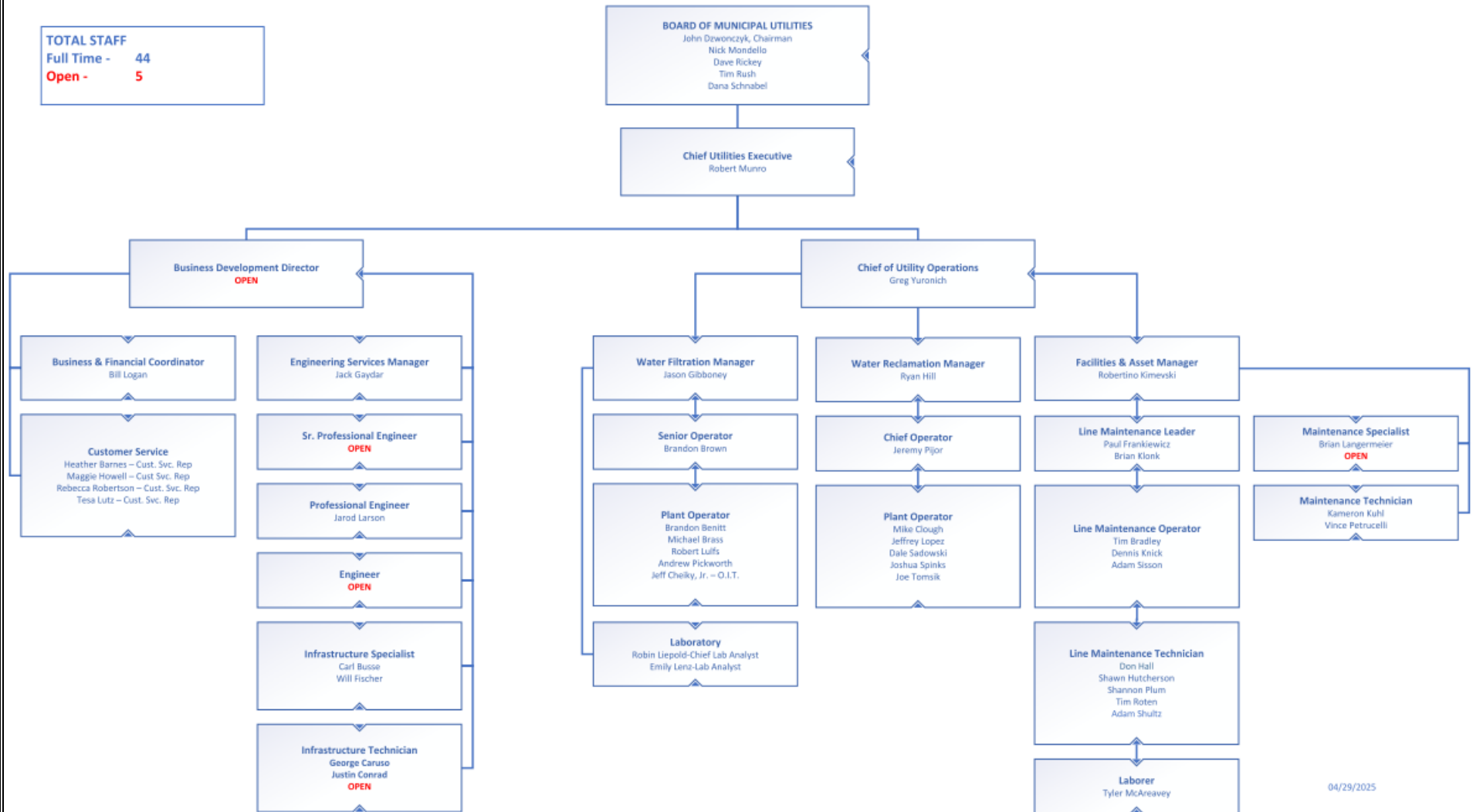
Judge of Municipal Court





ORGANIZATIONAL CHART

TOTAL STAFF
Full Time - 44
Open - 5



04/29/2025

FINANCIAL SECTION

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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, 2024, 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, 2024, 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.

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 October 31, 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.

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink that reads "Tiffany L. Ridenbaugh". The signature is written in a cursive, flowing style.

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

October 31, 2025

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

The discussion and analysis of the City of Avon Lake's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2024. 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 2024 are as follows:

- The City's economic condition continued to improve as total revenues increased by \$5,716,001 or 9.14% over 2024.
- Total Net Position increased \$8,053,688 in 2024 from 2023.

Overview of the Annual Comprehensive Financial Report

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

Government-wide Financial Statements

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

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

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

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

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

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

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

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

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

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

Notes to the Basic Financial Statements

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

Other Information

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

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

The City of Avon Lake as a Whole

Analysis of Net Position

The City's total Net Position changed from a year ago, increasing from \$143,928,649 to \$151,982,337.

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	
	2024	2023 *	2024	2023 *	2024	2023 *
ASSETS						
Current and other assets	\$ 39,454,029	\$ 38,983,718	\$ 48,552,112	\$ 41,903,596	\$ 88,006,141	\$ 80,887,314
Net Pension Asset	82,452	65,036	49,322	36,174	131,774	101,210
Net OPEB Asset	339,067	-	202,826	-	541,893	-
Capital assets, net	81,260,911	79,152,067	183,786,158	179,730,806	265,047,069	258,882,873
Total Assets	121,136,459	118,200,821	232,590,418	221,670,576	353,726,877	339,871,397
DEFERRED OUTFLOWS OF RESOURCES						
Deferral on Refunding	143,240	175,672	54,609	66,745	197,849	242,417
Pension	10,883,332	11,901,892	2,020,087	2,665,022	12,903,419	14,566,914
OPEB	1,367,276	1,925,198	177,306	398,079	1,544,582	2,323,277
Total Deferred Outflows Of Resources	12,393,848	14,002,762	2,252,002	3,129,846	14,645,850	17,132,608
LIABILITIES						
Current and other liabilities	2,069,084	2,923,555	2,132,286	1,036,929	4,201,370	3,960,484
Long-term liabilities:						
Due within one year	3,319,436	2,701,773	6,819,868	7,099,730	10,139,304	9,801,503
Due in More Than One Year:						
Net Pension Liability	33,608,704	32,748,284	6,072,515	6,234,664	39,681,219	38,982,948
Net OPEB Liability	1,772,711	1,848,038	-	129,939	1,772,711	1,977,977
Other Amounts	31,513,126	31,542,274	117,447,827	116,160,770	148,960,953	147,703,044
Total Liabilities	72,283,061	71,763,924	132,472,496	130,662,032	204,755,557	202,425,956
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	8,835,127	7,334,663	-	-	8,835,127	7,334,663
Pension	935,045	1,449,524	22,272	48,889	957,317	1,498,413
OPEB	1,718,215	1,772,097	124,174	44,227	1,842,389	1,816,324
Total Deferred Inflows Of Resources	11,488,387	10,556,284	146,446	93,116	11,634,833	10,649,400
NET POSITION						
Net Investment in						
Capital Assets	48,901,040	47,363,712	60,458,349	56,871,256	109,359,389	104,234,968
Restricted	10,066,936	8,393,528	252,148	57,317	10,319,084	8,450,845
Unrestricted	(9,209,117)	(5,873,865)	41,512,981	37,116,701	32,303,864	31,242,836
Total Net Position	\$ 49,758,859	\$ 49,883,375	\$ 102,223,478	\$ 94,045,274	\$ 151,982,337	\$ 143,928,649

* - 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

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

reported net position and subtracting deferred outflows related to pension and OPEB and net pension/OPEB asset.

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

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

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

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

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

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

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

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

Total assets increased by \$13,855,480 in 2024. Capital assets are used to provide services to the City's citizens; however, they are not available for future spending. Total capital assets (net of depreciation) increased by \$6,164,196. The increase was mainly attributed to an increased amount of projects.

Current and other assets increased \$7,118,827 mainly from an increase in accounts receivable and equity in pooled cash and cash equivalents in the business-type activities.

Total liabilities increased by \$2,329,601 in 2024 with current liabilities increasing \$240,886 and long-term liabilities increasing \$2,088,715. 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 less any debt related to acquire those assets that is still outstanding represents the largest portion of net position which increased \$5,124,421 from 2023 to 2024. Restricted net position decreased \$1,868,239 and unrestricted net position increased \$1,061,028.

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City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

Table 2 shows the Changes in Net Position for governmental activities and business-type activities for the year ended December 31, 2024 compared to December 31, 2023.

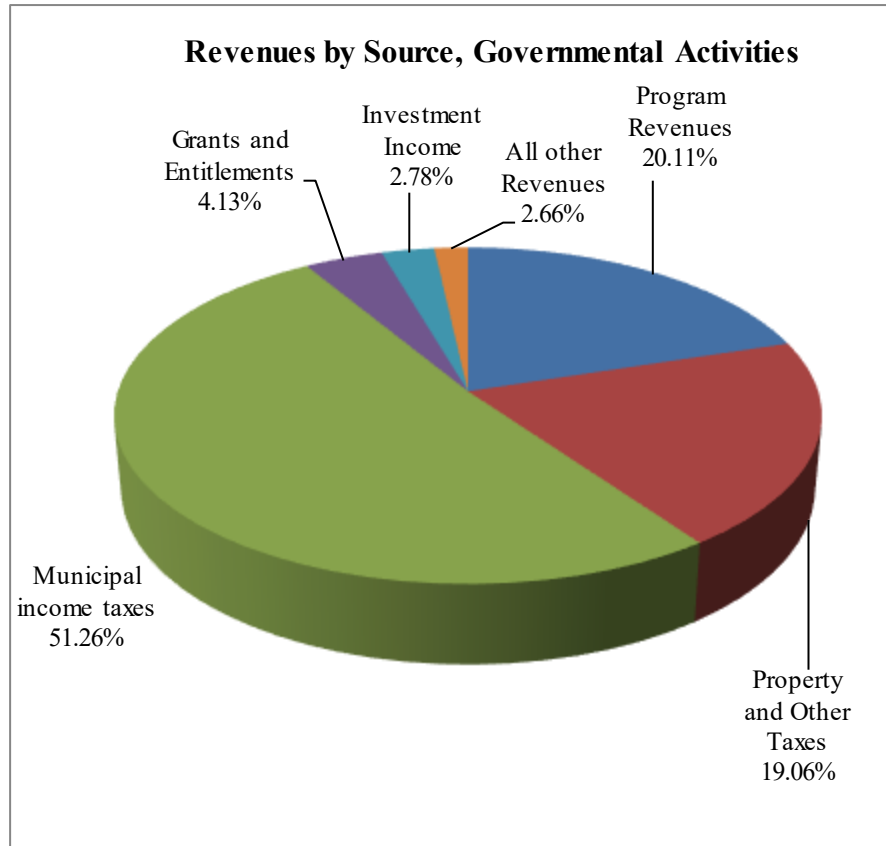
Table 2- Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2024	2023 *	2024	2023 *	2024	2023 *
REVENUES						
Program Revenues:						
Charges for services	\$ 3,183,687	\$ 3,370,028	\$ 29,495,295	\$ 26,941,352	\$ 32,678,982	\$ 30,311,380
Operating grants and contributions	3,612,958	2,298,194	108,371	210,482	3,721,329	2,508,676
Capital grants and contributions	645,734	932,050	-	-	645,734	932,050
Total Program Revenues	7,442,379	6,600,272	29,603,666	27,151,834	37,046,045	33,752,106
General Revenues:						
Property taxes	7,052,719	7,498,298	-	-	7,052,719	7,498,298
Municipal income taxes	18,965,339	17,112,354	-	-	18,965,339	17,112,354
Other taxes	334,188	372,802	-	-	334,188	372,802
Grants and entitlements	1,527,920	1,565,150	-	-	1,527,920	1,565,150
Investment income	1,027,708	967,946	731,777	325,508	1,759,485	1,293,454
All other revenues	650,121	451,506	947,069	521,215	1,597,190	972,721
Total General Revenues	29,557,995	27,968,056	1,678,846	846,723	31,236,841	28,814,779
Total Revenues	37,000,374	34,568,328	31,282,512	27,998,557	68,282,886	62,566,885
EXPENSES						
Program Expenses:						
Security of persons and property	14,344,100	13,908,850	-	-	14,344,100	13,908,850
Public health services	3,168	88,011	-	-	3,168	88,011
Leisure time activities	2,559,123	2,424,668	-	-	2,559,123	2,424,668
Community environment	653,476	613,959	-	-	653,476	613,959
Transportation	11,306,889	12,352,849	-	-	11,306,889	12,352,849
General government	7,412,050	5,386,074	-	-	7,412,050	5,386,074
Interest and fiscal charges	846,084	882,378	-	-	846,084	882,378
Water	-	-	13,724,319	12,957,078	13,724,319	12,957,078
Sewer	-	-	9,379,989	9,231,878	9,379,989	9,231,878
Total Expenses	37,124,890	35,656,789	23,104,308	22,188,956	60,229,198	57,845,745
Changes in Net Position	(124,516)	(1,088,461)	8,178,204	5,809,601	8,053,688	4,721,140
Net Position - Beginning of Year, Restated	49,883,375	50,971,836	94,045,274	88,235,673	143,928,649	139,207,509
Net Position - End of Year	\$ 49,758,859	\$ 49,883,375	\$ 102,223,478	\$ 94,045,274	\$ 151,982,337	\$ 143,928,649

* - Restated

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

Governmental Activities

Revenues by source of governmental activities for 2024 were comprised of:



Revenues

Total revenues increased by \$2,432,046 or 7.04%. The 1.50% municipal income tax is the largest general revenue source totaling \$18,965,339 or 51.26%. Municipal income tax revenue increased by \$1,852,985 or 10.83% due to the increase in wages and net profits for reporting individuals and entities. The municipal income tax revenue is receipted into the Income Tax Transfer Fund and then allocated to other funds on an annual basis.

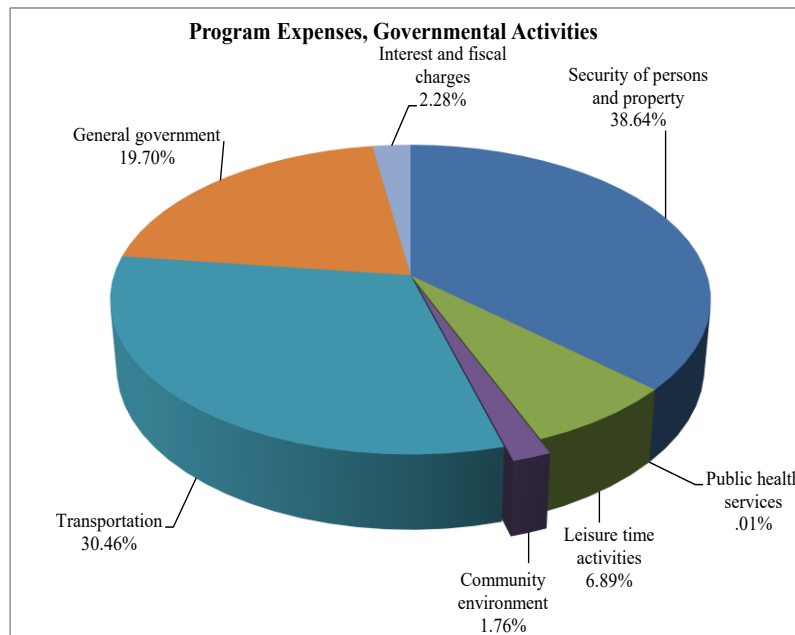
The next largest general revenue source is property taxes totaling \$7,052,719 or 19.06%. Property taxes decreased by \$445,579 due to the timing of property tax collections in 2024. Operating grants and contributions increased by \$1,314,764 or 57.21%. The increase in operating grants and contributions is due to an increased spending in ARPA funds in 2024.

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

Expenses

Expenses increased \$1,468,101 or 4.12% in 2024.

Program expenses of governmental activities for 2024, were comprised of:



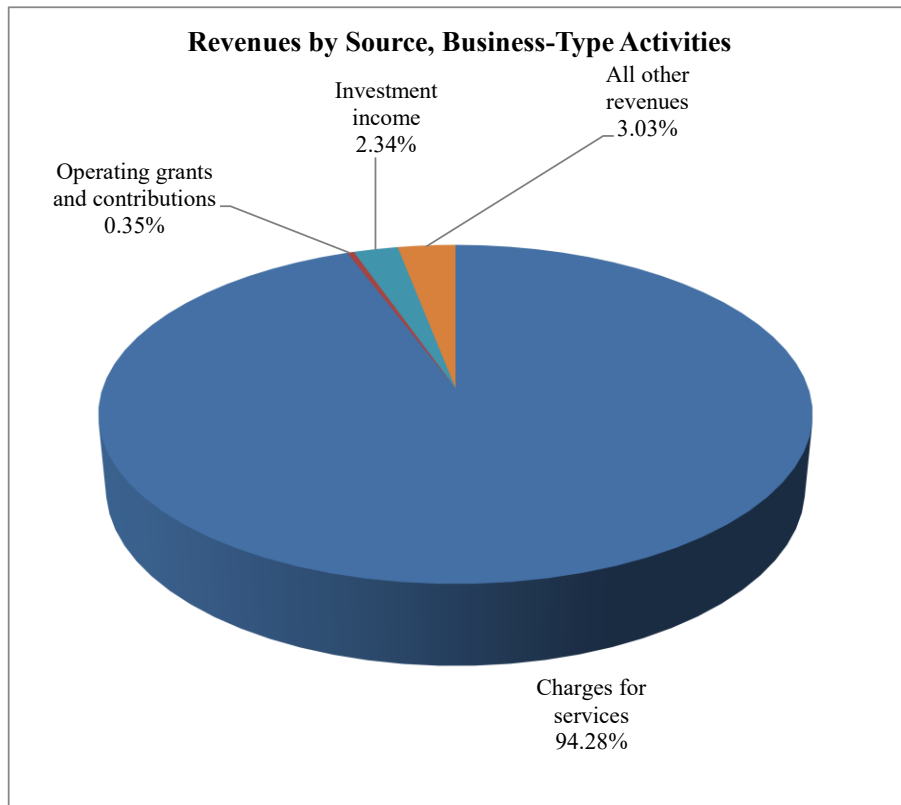
Program expenses amounted to \$37,124,890 in 2024, of which only \$7,442,379 was supported by program revenues. Security of persons and property, which includes police, fire and paramedic services, represented \$14,344,100 of total program expenses. Transportation, which includes street maintenance, snow removal, etc., represents \$11,306,889 of program expenses. Transportation expense decreased by \$1,045,960 due to the increase in capitalized projects in 2024. 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 \$7,412,050. General Government expense increased due to a large one-time building refund fee. Leisure time activities represented \$2,559,123 of program expenses and includes recreation pool and special programs.

Business-Type Activities

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

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

Revenues by source for business-type activities for 2024 were comprised of:



The City's Water Fund experienced an increase of \$3,744,957 in its 2024 net position compared to 2023 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 \$4,433,247 in its 2024 net position compared to 2023. The main contributor to this is the City's efforts to maintain expense lower than revenues.

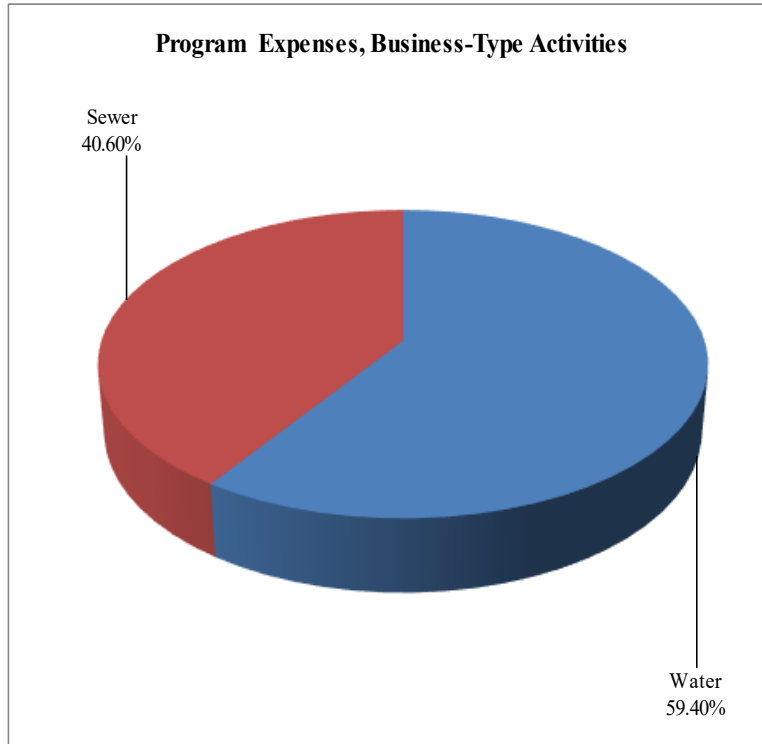
Revenues

Program revenue consisting of charges for services, operating and capital grants and contributions represented 94.63% of total revenues for the business-type activities in 2024. Charges for services for the business-type activities amounted to \$29,495,295 with 56.49% provided by water services and 43.51% 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 increased \$1,340,332 or 8.68% primarily as a result of a 4% rate increase which was effective January 1, 2024. Sewer operating revenues increased \$2,871,209 or 26.99% primarily as a result of an increased intergovernmental receivable due to the operations of LORCO and a 2% rate increase which was effective January 1, 2024.

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

Program Expenses for business-type activities for 2024 were comprised of:



Expenses

Water operation expenses amounted to \$13,232,383 or 62.41% and sanitary sewer operation expenses amounted to \$7,968,636 or 37.59% of total program expenses for business-type activities in 2024.

Total expenses for business-type activities increased in 2024 by \$915,352 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 \$36,747,475 and expenditures of \$39,407,497 (not including other financing sources and uses). All other revenues decreased due to the decrease of Ohio Workers Compensation reimbursement.

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 \$5,925,673. General Fund expenditures (including transfers out) for the current year were \$22,346,013, with revenues and other financing sources of \$21,152,652 leaving a fund balance of \$4,732,312 and an unassigned balance of \$3,003,039 in the General Fund.

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

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 13.44% of total General Fund expenditures while total fund balance represents 21.18% of that same amount. The fund balance of the City's General Fund balance decreased by \$1,193,361 in 2024 when compared to 2023 due to an increase in expenditures in 2024.

Other Major Funds Analysis

The City's Capital Improvement fund experienced a decrease in fund balance in the amount of \$400,469 mainly due to a decrease in allocated income tax and offset by slightly lower capital outlay.

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 2024, 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 and final budgeted revenues including other financing sources are \$21,743,141, and actual revenue including other financing sources are \$21,499,834. Actual revenue decreased over the final budgeted amounts. Original budgeted expenditures including other financing uses are \$22,141,243 and final budgeted expenditures including other financing uses are \$22,577,418.

Actual general fund expenditures including other financing uses were \$21,164,853 or \$1,412,565 less than the final budget. The decrease in actual expenditures represents the City's proactive management and legislative action to control costs across the City's departments when practicable.

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Capital assets, net of depreciation, at December 31, 2024 and 2023 consisted of:

Table 3- Capital Assets (Net of Depreciation)						
	Governmental Activities		Business-Type Activities		Total	
	2024	2023 *	2024	2023 *	2024	2023 *
Land	\$ 5,713,977	\$ 5,713,977	\$ 7,568,664	\$ 3,477,473	\$ 13,282,641	\$ 9,191,450
Construction in progress	4,412,002	2,643,121	6,410,290	2,383,334	10,822,292	5,026,455
Buildings and improvements	11,477,577	11,974,762	18,954,107	18,485,605	30,431,684	30,460,367
Machinery and equipment	4,231,416	3,190,255	3,244,149	3,506,985	7,475,565	6,697,240
Vehicles	2,458,123	2,278,828	676,621	776,386	3,134,744	3,055,214
Intangible Right-to-use Lease Asset - Buildings	80,436	-	-	-	80,436	-
Intangible Right-to-use Lease Asset - Vehicles	771,989	-	469,363	-	1,241,352	-
Subscription (SBITA)	386,202	-	-	-	386,202	-
Infrastructure	51,729,189	53,351,124	146,462,964	151,101,023	198,192,153	204,452,147
Total Capital Assets, Net of Depreciation	<u>\$ 81,260,911</u>	<u>\$ 79,152,067</u>	<u>\$ 183,786,158</u>	<u>\$ 179,730,806</u>	<u>\$ 265,047,069</u>	<u>\$ 258,882,873</u>

* Restated

Capital assets are major assets that are used in operations and have useful lives of more than one year. As of December 31, 2024, total capital assets for the City were \$265,047,069 which reflects an increase of \$6,164,196 from the 2023 ending balance of \$258,882,873. Governmental activities' capital assets, net of depreciation, increased \$2,108,844 from 2023. Business-type capital assets, net of depreciation, increased \$4,055,352.

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, 2024, was \$156,011,435 which consisted of \$32,231,860 for governmental activities and \$123,689,575 for business-type activities. The City-wide balance reflects an increase of \$1,225,091 from 2023.

City of Avon Lake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

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

Table 4- Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General Obligation Bonds	\$ 13,659,400	\$ 14,908,554	\$ 6,328,492	\$ 6,886,042	\$ 19,987,892	\$ 21,794,596
OWDA Loans	16,071,156	16,364,286	116,334,897	114,599,138	132,406,053	130,963,424
OPWC Loans	118,838	104,738	-	-	118,838	104,738
Mortgage Revenue Bonds	-	-	-	603,186	-	603,186
Police Pension Liability	53,566	57,561	-	-	53,566	57,561
Financed Purchases	1,202,069	576,069	557,883	686,770	1,759,952	1,262,839
Leases	850,424	-	468,303	-	1,318,727	-
Subscriptions	366,407	-	-	-	366,407	-
Total Outstanding Debt	<u>\$ 32,321,860</u>	<u>\$ 32,011,208</u>	<u>\$ 123,689,575</u>	<u>\$ 122,775,136</u>	<u>\$ 156,011,435</u>	<u>\$ 154,786,344</u>

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

CURRENT FINANCIAL RELATED ACTIVITIES

During 2024, the City began several road projects and planning of an extensive community playground project. The City experienced an increase in business and planned residential construction in 2024, in addition to an increase in property tax due to 2024 county tax re-evaluations.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This report is intended to provide the citizens and anyone interested in the financial aspects of the City of Avon Lake a general overview of the financial operations. If there are any questions, please feel free to contact Finance Director Beth Krosse, 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, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 22,973,099	\$ 25,759,332	\$ 48,732,431
Cash and Cash Equivalents:			
With Escrow Agents	11,144	-	11,144
Materials and Supplies Inventory	450,108	318,556	768,664
Accounts Receivable	406,056	3,246,830	3,652,886
Accrued Interest Receivable	105,140	-	105,140
Intergovernmental Receivable	1,597,018	16,521,273	18,118,291
Prepaid Items	220,181	167,093	387,274
Municipal Income Taxes Receivable	4,623,425	-	4,623,425
Property Taxes Receivable	8,970,944	-	8,970,944
Special Assessments Receivable	45,457	25,012	70,469
Lease Receivable	51,457	-	51,457
Loans Receivable	-	378,941	378,941
Investment In Joint Venture	-	2,135,075	2,135,075
Net Pension Asset	82,452	49,322	131,774
Net OPEB Asset	339,067	202,826	541,893
Nondepreciable Capital Assets	10,125,979	13,978,954	24,104,933
Depreciable Capital Assets	71,134,932	169,807,204	240,942,136
Total Assets	121,136,459	232,590,418	353,726,877
DEFERRED OUTFLOWS OF RESOURCES			
Deferral on Refunding	143,240	54,609	197,849
Pension	10,883,332	2,020,087	12,903,419
OPEB	1,367,276	177,306	1,544,582
Total Deferred Outflows of Resources	12,393,848	2,252,002	14,645,850
LIABILITIES			
Accounts Payable	766,475	676,490	1,442,965
Accrued Wages and Benefits	835,955	225,209	1,061,164
Intergovernmental Payable	133,231	386,169	519,400
Accrued Interest Payable	184,105	844,418	1,028,523
Retainage Payable	74,053	-	74,053
Unearned Revenue	75,265	-	75,265
Long-term Liabilities:			
Due within one year	3,319,436	6,819,868	10,139,304
Due in more than one year:			
Net Pension Liability	33,608,704	6,072,515	39,681,219
Net OPEB Liability	1,772,711	-	1,772,711
Other Amounts	31,513,126	117,447,827	148,960,953
Total Liabilities	72,283,061	132,472,496	204,755,557
DEFERRED INFLOWS OF RESOURCES			
Property Taxes and Lease	8,835,127	-	8,835,127
Pension	935,045	22,272	957,317
OPEB	1,718,215	124,174	1,842,389
Total Deferred Inflows of Resources	11,488,387	146,446	11,634,833
NET POSITION			
Net Investment in Capital Assets	48,901,040	60,458,349	109,359,389
Restricted for:			
Debt Service	2,366,581	-	2,366,581
Capital Projects	2,499,253	-	2,499,253
Public Safety	2,129,448	-	2,129,448
Parks and Recreation	361,207	-	361,207
Streets and Highways	2,187,077	-	2,187,077
Pension/OPEB	421,519	252,148	673,667
Other Purposes	101,851	-	101,851
Unrestricted	(9,209,117)	41,512,981	32,303,864
Total Net Position	\$ 49,758,859	\$ 102,223,478	\$ 151,982,337

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, 2024

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
Primary Government:				
Governmental activities:				
Security of Persons and Property	\$ 14,344,100	\$ 804,377	\$ 232,715	\$ 82,330
Public Health Services	3,168	-	-	-
Leisure Time Activities	2,559,123	1,204,959	15,075	-
Community Environment	653,476	672,712	12,239	-
Transportation	11,306,889	-	1,709,891	563,404
General Government	7,412,050	501,639	1,643,038	-
Interest	846,084	-	-	-
Total Governmental activities	37,124,890	3,183,687	3,612,958	645,734
Business-type activities:				
Water	13,724,319	16,661,259	108,371	-
Sewer	9,379,989	12,834,036	-	-
Total Business-type activities	23,104,308	29,495,295	108,371	-
Total Primary Government	\$ 60,229,198	\$ 32,678,982	\$ 3,721,329	\$ 645,734

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.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (13,224,678)	\$ -	\$ (13,224,678)
(3,168)	-	(3,168)
(1,339,089)	-	(1,339,089)
31,475	-	31,475
(9,033,594)	-	(9,033,594)
(5,267,373)	-	(5,267,373)
(846,084)	-	(846,084)
(29,682,511)	-	(29,682,511)
-	3,045,311	3,045,311
-	3,454,047	3,454,047
-	6,499,358	6,499,358
(29,682,511)	6,499,358	(23,183,153)
4,613,968	-	4,613,968
280,185	-	280,185
2,158,566	-	2,158,566
18,965,339	-	18,965,339
334,188	-	334,188
1,527,920	-	1,527,920
1,027,708	731,777	1,759,485
20,785	-	20,785
629,336	947,069	1,576,405
29,557,995	1,678,846	31,236,841
(124,516)	8,178,204	8,053,688
49,883,375	94,045,274	143,928,649
\$ 49,758,859	\$ 102,223,478	\$ 151,982,337

City of Avon Lake, Ohio

Balance Sheet

Governmental Funds

December 31, 2024

	General Fund	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 3,359,173	\$ 10,448,887	\$ 9,165,039	\$ 22,973,099
Cash and Cash Equivalents:				
With Escrow Agents	-	11,144	-	11,144
Materials and Supplies Inventory	-	-	450,108	450,108
Accrued Interest Receivable	-	105,140	-	105,140
Accounts Receivable	120,318	15,000	270,738	406,056
Interfund Receivable	20,000	-	71,430	91,430
Intergovernmental Receivable	662,059	-	934,959	1,597,018
Prepaid Items	179,682	1,022	39,477	220,181
Municipal Income Taxes Receivable	3,541,544	171,067	910,814	4,623,425
Property Taxes Receivable	6,128,301	-	2,842,643	8,970,944
Special Assessments Receivable	-	-	45,457	45,457
Lease Receivable	-	51,457	-	51,457
Total Assets	<u>\$ 14,011,077</u>	<u>\$ 10,803,717</u>	<u>\$ 14,730,665</u>	<u>\$ 39,545,459</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 407,152	\$ 252,749	\$ 106,574	\$ 766,475
Accrued Wages and Benefits	690,357	-	145,598	835,955
Intergovernmental Payable	108,212	-	25,019	133,231
Retainage Payable	-	74,053	-	74,053
Interfund Payable	-	-	91,430	91,430
Unearned Revenue	70,265	-	5,000	75,265
<i>Total Liabilities</i>	<u>1,275,986</u>	<u>326,802</u>	<u>373,621</u>	<u>1,976,409</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes and Lease	5,983,820	76,498	2,774,809	8,835,127
Unavailable Revenue - Delinquent Property Taxes	144,481	-	67,834	212,315
Unavailable Revenue - Municipal Income Taxes	1,222,233	59,038	314,334	1,595,605
Unavailable Revenue - Other	652,245	-	829,510	1,481,755
<i>Total Deferred Inflows of Resources</i>	<u>8,002,779</u>	<u>135,536</u>	<u>3,986,487</u>	<u>12,124,802</u>
FUND BALANCES				
Nonspendable	212,049	1,022	489,585	702,656
Restricted	-	-	6,549,305	6,549,305
Committed	18,508	10,340,357	1,825,737	12,184,602
Assigned	1,498,716	-	1,582,924	3,081,640
Unassigned (Deficits)	3,003,039	-	(76,994)	2,926,045
<i>Total Fund Balances</i>	<u>4,732,312</u>	<u>10,341,379</u>	<u>10,370,557</u>	<u>25,444,248</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 14,011,077</u>	<u>\$ 10,803,717</u>	<u>\$ 14,730,665</u>	<u>\$ 39,545,459</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, 2024*

Total Governmental Funds Balance	\$ 25,444,248
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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	81,260,911
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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	\$	212,315	
Municipal income taxes		1,595,605	
Special assessments		45,457	
Intergovernmental		1,310,980	
Charges for services		125,318	
Total			3,289,675

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due.	(184,105)
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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		10,883,332	
Deferred Inflows - Pension		(935,045)	
Net Pension Asset		82,452	
Net OPEB Asset		339,067	
Net Pension Liability		(33,608,704)	
Deferred Outflows - OPEB		1,367,276	
Deferred Inflows - OPEB		(1,718,215)	
Net OPEB Liability		(1,772,711)	
Total			(25,362,548)

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		(13,295,000)	
OPWC loans		(118,838)	
OWDA loan		(16,071,156)	
Deferral on refunding		143,240	
Unamortized bond premium		(364,400)	
Financed Purchases Payable		(1,202,069)	
Leases and Subscriptions Payable		(1,216,831)	
Other long-term obligations		(144,745)	
Compensated absences		(2,419,523)	
Total			(34,689,322)

Net Position of Governmental Activities	\$ 49,758,859
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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, 2024

	General Fund	Capital Improvement	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 4,596,160	\$ -	\$ 2,438,287	\$ 7,034,447
Municipal Income Taxes	13,018,166	2,645,358	3,018,354	18,681,878
Franchise Taxes	313,748	-	-	313,748
Intergovernmental	1,497,915	702,727	3,761,381	5,962,023
Interest	222,019	796,221	9,468	1,027,708
Fees, Licenses, and Permits	660,552	-	12,160	672,712
Fines and Forfeitures	237,731	-	126,776	364,507
Rentals	82,592	-	129,426	212,018
Charges for Services	49,567	-	1,758,719	1,808,286
Contributions and Donations	-	-	27,986	27,986
Special Assessments	-	-	12,826	12,826
Lease	-	8,600	-	8,600
All Other Revenues	127,379	251,196	242,161	620,736
Total Revenues	20,805,829	4,404,102	11,537,544	36,747,475
EXPENDITURES				
Current:				
Security of Persons and Property	9,268,076	26,475	3,159,679	12,454,230
Leisure Time Activities	292,225	-	1,987,918	2,280,143
Community Environment	623,152	2,182	6,906	632,240
Transportation	4,730,873	-	1,458,255	6,189,128
General Government	6,551,409	89,091	9,906	6,650,406
Capital Outlay	346,038	6,298,296	1,820,171	8,464,505
Debt Service:				
Principal Retirement	80,909	381,627	1,549,787	2,012,323
Interest and Fiscal Charges	18,331	65,837	640,354	724,522
Total Expenditures	21,911,013	6,863,508	10,632,976	39,407,497
Excess of Revenues (Under) Expenditures	(1,105,184)	(2,459,406)	904,568	(2,660,022)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	785	-	20,000	20,785
Issuance of Financed Purchases	-	871,024	-	871,024
Loans Issued	-	24,531	-	24,531
Issuance of Subscriptions and Leases	346,038	1,013,382	117,154	1,476,574
Transfers In	-	150,000	285,000	435,000
Transfers Out	(435,000)	-	-	(435,000)
Total Other Financing Sources (Uses)	(88,177)	2,058,937	422,154	2,392,914
Net Change in Fund Balances	(1,193,361)	(400,469)	1,326,722	(267,108)
Fund Balances - Beginning of Year	5,925,673	10,741,848	9,043,835	25,711,356
Fund Balances - End of Year	\$ 4,732,312	\$ 10,341,379	\$ 10,370,557	\$ 25,444,248

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, 2024*

Net Change in Fund Balances-Total Governmental Funds	\$	(267,108)
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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	\$ 6,534,419	
Depreciation	(4,376,305)	
Total		2,158,114

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

(49,270)

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

Delinquent property taxes	18,272	
Municipal income taxes	283,461	
Special assessments	(11,364)	
Intergovernmental	(83,260)	
Charges for services	109,059	
Other	(84,054)	
Total		232,114

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 loans, leases, financed purchases, and subscriptions.

(2,372,129)

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.

2,012,323

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

Pension		2,387,567
OPEB		39,630

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		(3,734,652)
OPEB		(129,276)

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	(274,695)	
Landfill postclosure costs	(3,168)	
Accrued interest on bonds	(140,688)	
Amortization of bond premium	49,154	
Amortization of deferral on refunding	(32,432)	
Total		(401,829)

Change in Net Position of Governmental Activities	\$	(124,516)
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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, 2024*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 4,753,735	\$ 4,753,735	\$ 4,596,160	\$ (157,575)
Other Taxes	361,876	361,876	334,872	(27,004)
Intergovernmental	1,301,708	1,301,708	1,475,708	174,000
Interest	365,564	365,564	222,019	(143,545)
Fees, Licenses, and Permits	1,529,252	1,529,252	1,371,091	(158,161)
Fines and Forfeitures	221,254	221,254	240,634	19,380
Charges for Services	52,091	52,091	47,722	(4,369)
Rentals	95,222	95,222	82,592	(12,630)
Contributions and Donations	350	350	-	(350)
All Other Revenues	59,757	59,757	128,251	68,494
Total Revenues	<u>8,740,809</u>	<u>8,740,809</u>	<u>8,499,049</u>	<u>(241,760)</u>
Expenditures:				
Current:				
Security of Persons and Property	9,676,046	9,680,511	9,256,193	424,318
Community Environment	649,179	649,179	622,619	26,560
Transportation	5,500,942	5,514,237	4,894,154	620,083
General Government	5,268,076	5,686,491	5,519,887	166,604
Total Expenditures	<u>21,094,243</u>	<u>21,530,418</u>	<u>20,292,853</u>	<u>1,237,565</u>
Excess of Revenues Over (Under) Expenditures	(12,353,434)	(12,789,609)	(11,793,804)	995,805
Other Financing Sources (Uses)				
Sale of Capital Assets	2,332	2,332	785	(1,547)
Transfers In	13,000,000	13,000,000	13,000,000	-
Transfers Out	(1,047,000)	(1,047,000)	(872,000)	175,000
Total Other Financing Sources (Uses)	<u>11,955,332</u>	<u>11,955,332</u>	<u>12,128,785</u>	<u>173,453</u>
Net Change in Fund Balance	(398,102)	(834,277)	334,981	1,169,258
Fund Balance - Beginning of Year	502,506	502,506	502,506	-
Prior Year Encumbrances Appropriated	352,938	352,938	352,938	-
Fund Balance - End of Year	<u>\$ 457,342</u>	<u>\$ 21,167</u>	<u>\$ 1,190,425</u>	<u>\$ 1,169,258</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, 2024

	Business-Type Activities - Enterprise Funds		
	Water Fund	Sewer Fund	Total
ASSETS			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$15,136,995	\$10,622,337	\$25,759,332
Materials and Supplies Inventory	161,245	157,311	318,556
Accounts Receivable	1,770,307	1,476,523	3,246,830
Intergovernmental Receivable	3,508,874	13,012,399	16,521,273
Prepaid Items	92,613	74,480	167,093
Special Assessments Receivable	-	25,012	25,012
Loans Receivable	-	378,941	378,941
Total Current Assets	20,670,034	25,747,003	46,417,037
Noncurrent Assets:			
Investment in Joint Venture	2,135,075	-	2,135,075
Capital Assets:			
Land	4,654,247	2,914,417	7,568,664
Construction in Progress	6,410,290	-	6,410,290
Depreciable Assets, Net of Depreciation	77,339,563	92,467,641	169,807,204
Net Pension Asset	23,826	25,496	49,322
Net OPEB Asset	97,978	104,848	202,826
Total Noncurrent Assets	90,660,979	95,512,402	186,173,381
Total Assets	111,331,013	121,259,405	232,590,418
DEFERRED OUTFLOWS OF RESOURCES			
Deferral on Refunding	-	54,609	54,609
Pension	975,835	1,044,252	2,020,087
OPEB	85,650	91,656	177,306
Total Deferred Outflows of Resources	1,061,485	1,190,517	2,252,002
LIABILITIES			
Current Liabilities:			
Accounts Payable	444,506	231,984	676,490
Accrued Wages and Benefits	106,544	118,665	225,209
Intergovernmental Payable	363,641	22,528	386,169
Accrued Interest Payable	185,064	659,354	844,418
Compensated Absences Payable	131,357	137,119	268,476
General Obligation Bonds Payable	185,000	370,000	555,000
OWDA Loans Payable	2,718,374	3,043,295	5,761,669
Financed Purchases Payable	66,494	66,493	132,987
Leases Payable	50,868	50,868	101,736
Total Current Liabilities	4,251,848	4,700,306	8,952,154
Noncurrent Liabilities:			
Compensated Absences Payable	192,765	116,879	309,644
General Obligation Bonds Payable	845,215	4,928,277	5,773,492
OWDA Loans Payable	41,657,225	68,916,003	110,573,228
Financed Purchases Payable	212,447	212,449	424,896
Leases Payable	183,284	183,283	366,567
Net Pension Liability	2,933,425	3,139,090	6,072,515
Total Noncurrent Liabilities	46,024,361	77,495,981	123,520,342
Total Liabilities	50,276,209	82,196,287	132,472,496
DEFERRED INFLOWS OF RESOURCES			
Pension	10,759	11,513	22,272
OPEB	59,984	64,190	124,174
Total Deferred Inflows of Resources	70,743	75,703	146,446
NET POSITION			
Net Investment in Capital Assets	42,558,199	17,900,150	60,458,349
Restricted for:			
Pension/OPEB	121,804	130,344	252,148
Unrestricted	19,365,543	22,147,438	41,512,981
Total Net Position	\$62,045,546	\$40,177,932	\$102,223,478

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, 2024

	Business-Type Activities - Enterprise Funds		
	Water Fund	Sewer Fund	Total
OPERATING REVENUES			
Charges for Services	\$16,661,259	\$12,833,356	\$29,494,615
Miscellaneous	119,006	676,098	795,104
Total Operating Revenues	16,780,265	13,509,454	30,289,719
OPERATING EXPENSES			
Salaries	3,158,080	3,187,823	6,345,903
Purchased Services	4,734,205	613,604	5,347,809
Materials and Supplies	2,736,405	846,623	3,583,028
Depreciation/Amortization	2,536,500	3,193,328	5,729,828
Other	67,193	127,258	194,451
Total Operating Expense	13,232,383	7,968,636	21,201,019
Operating Income	3,547,882	5,540,818	9,088,700
NONOPERATING REVENUES (EXPENSES)			
Interest	428,675	303,102	731,777
Interest and Fiscal Charges	(491,936)	(1,411,353)	(1,903,289)
Intergovernmental	108,371	-	108,371
Special Assessments	-	680	680
Gain on Investment in Joint Venture	151,965	-	151,965
Total Nonoperating Revenues (Expenses)	197,075	(1,107,571)	(910,496)
Change in Net Position	3,744,957	4,433,247	8,178,204
Net Position - Beginning of Year, Restated	58,300,589	35,744,685	94,045,274
Net Position - End of Year	\$62,045,546	\$40,177,932	\$102,223,478

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, 2024

	Business-Type Activities - Enterprise Funds		
	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Charges for Services	\$16,042,931	\$11,095,159	\$27,138,090
Cash Received from Other Operating Sources	119,006	676,098	795,104
Cash Payments for Employee Services and Benefits	(2,843,136)	(2,981,037)	(5,824,173)
Cash Payments for Goods and Services	(7,365,011)	(1,335,193)	(8,700,204)
Cash Payments for Other Operating Expenses	(67,181)	(92,189)	(159,370)
Net Cash Provided by Operating Activities	<u>5,886,609</u>	<u>7,362,838</u>	<u>13,249,447</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental Revenue	108,371	140,294	248,665
Transfers In	3,970,931	3,236,500	7,207,431
Transfers Out	(3,970,931)	(3,236,500)	(7,207,431)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>108,371</u>	<u>140,294</u>	<u>248,665</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from OWDA Loans	4,374,580	-	4,374,580
Principal Paid on Notes and Revenue Bonds	(780,000)	(355,000)	(1,135,000)
Principal Paid on OWDA Loans	(1,347,816)	(1,441,467)	(2,789,283)
Principal Paid on Subscriptions	(21,784)	(21,784)	(43,568)
Principal Paid on Financed Purchases	(64,444)	(64,443)	(128,887)
Interest Payments	(189,212)	(762,769)	(951,981)
Payments for Capital Acquisitions	(7,140,145)	(2,149,912)	(9,290,057)
Special Assessments	-	25,693	25,693
Net Cash (Used in) Capital and Related Financing Activities	<u>(5,168,821)</u>	<u>(4,769,682)</u>	<u>(9,938,503)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	<u>428,684</u>	<u>295,202</u>	<u>723,886</u>
Net Cash Provided by Investing Activities	<u>428,684</u>	<u>295,202</u>	<u>723,886</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 1,254,843	 3,028,652	 4,283,495
Cash and Cash Equivalents - Beginning of Year	<u>13,882,152</u>	<u>7,593,685</u>	<u>21,475,837</u>
Cash and Cash Equivalents - End of Year	<u><u>\$15,136,995</u></u>	<u><u>\$10,622,337</u></u>	<u><u>\$25,759,332</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, 2024
(Continued)

	Business-Type Activities - Enterprise Funds		
	Water Fund	Sewer Fund	Total
RECONCILIATION OF OPERATING INCOME			
TO NET CASH PROVIDED BY			
OPERATING ACTIVITIES			
Operating Income	\$3,547,882	\$5,540,818	\$9,088,700
Adjustments:			
Depreciation	2,536,500	3,193,328	5,729,828
(Increase) Decrease in Assets and Deferred Outflows of Resources:			
Accounts Receivable	(700,424)	(115,173)	(815,597)
Prepays	(7,149)	(27,505)	(34,654)
Materials and Supplies Inventory	(25,557)	46,297	20,740
Intergovernmental Receivable	115,933	(1,734,187)	(1,618,254)
Loans Receivable	-	117,409	117,409
Net Pension Asset	(6,830)	(6,318)	(13,148)
Net OPEB Asset	(97,978)	(104,848)	(202,826)
Deferred Outflows of Resources - Pension	276,301	368,634	644,935
Deferred Outflows of Resources - OPEB	101,384	119,389	220,773
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:			
Accounts Payable	19,655	137,202	156,857
Accrued Wages and Benefits	16,867	21,557	38,424
Compensated Absences Payable	60,921	31,835	92,756
Intergovernmental Payable	79,037	(16,775)	62,262
Net Pension Liability	4,125	(166,274)	(162,149)
Net OPEB Liability	(61,051)	(68,888)	(129,939)
Deferred Inflows of Resources - Pension	(12,211)	(14,406)	(26,617)
Deferred Inflows of Resources - OPEB	39,204	40,743	79,947
Net Cash Provided by Operating Activities	\$5,886,609	\$7,362,838	\$13,249,447
<u>Schedule of Noncash Investing, Capital, and Financing Activities:</u>			
Net Impact of accruals for payment of capital acquisitions	\$ (87,597)	\$ 73,549	\$ (14,048)

City of Avon Lake, Ohio
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2024

	<u>Custodial</u>
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 40,800
Cash and Cash Equivalents with Fiscal Agent	<u>5,040,170</u>
Total Assets	<u><u>5,080,970</u></u>
 LIABILITIES	
Due to External Parties	966,226
Due to Primary Government	<u>5,186,176</u>
Total Liabilities	<u><u>6,152,402</u></u>
 NET POSITION	
Restricted For:	
Individuals, Organizations, and Other Governments	<u>(1,071,432)</u>
Total Net Position	<u><u>\$ (1,071,432)</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, 2024

	Custodial
ADDITIONS	
Interest	\$ 110,207
Amounts Received as Fiscal Agent	8,764,152
Fines and Forfeitures for Other Governments	280,066
Total Additions	<u>9,154,425</u>
DEDUCTIONS	
Distributions to Primary Government	1,650,120
Fines and Forfeitures Distributions to Other Governments	279,684
Distributions as Fiscal Agent	6,754,111
Total Deductions	<u>8,683,915</u>
Net Increase in Fiduciary Net Position	470,510
Net Position - Beginning of Year	(1,541,942)
Net Position - End of Year	<u><u>\$ (1,071,432)</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, 2024

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, 2024
(Continued)

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

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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

B. **Fund Accounting**

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

Governmental Funds

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

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

B. **Fund Accounting** (Continued)

The following are the City's major governmental funds:

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

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

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

Proprietary Funds

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

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

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

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

Fiduciary Funds

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

The City's fiduciary funds are custodial funds. Custodial funds are used to account for fees and deposits collected on behalf of others, municipal court collections that are distributed to various local governments, and the City serves as the fiscal agent for the Medina-Lorain Water Consortium 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, 2024
(Continued)

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

C. Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

Like the government-wide statements, all proprietary and fiduciary 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 fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus. For proprietary funds, the statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total 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.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

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

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

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. 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, 2024, but which were levied to finance year 2025 operations. These amounts have been recorded as deferred inflows on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, intergovernmental revenues, special assessments, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities fund on page 23.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

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

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

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)

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 2024.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

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

E. **Budgetary Process** (Continued)

Appropriations

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

Lapsing of Appropriations

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

Encumbrances

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

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

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

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

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

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

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

For 2024, 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 2024 amounted to \$796,221.

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 \$11,144 represents cash held by escrow agent for contractor retainage. During 2024, 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, 2024 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, 2024
(Continued)

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

I. **Capital Assets** (Continued)

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

All reported capital assets are depreciated or amortized 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

The City is reporting intangible right to use assets related to lease vehicles and buildings and subscription-based information technology arrangements (SBITAs). The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease/SBITA term or the useful life of the underlying asset.

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**

The City recognizes a liability for compensated absences for leave that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability is incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

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

L. **Compensated Absences** (Continued)

Vacation - The City's policy permits employees to accumulate earned but unused benefits, which are eligible for payments at the employee's current pay rate upon separation from employment.

Sick - The City's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employment of the City and, upon separation from service, no monetary obligation exists. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy.

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.

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.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

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

O. **Fund Balance** (Continued)

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.

P. **Net Position**

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

The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The government-wide statement of net position reports a total of \$10,319,084 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.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

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

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services 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.

R. 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.

S. 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.

T. 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 2024.

U. 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.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

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 2023-1 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. 100, Accounting Change and Error Corrections – an Amendment of GASB Statement No. 62. GASB 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. The implementation of the GASB pronouncement did not have any impact on beginning net position or fund balance.

GASB Statement No. 101, Compensated Absences The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. For the City, GASB 101 increased the liability and the cumulative effects of compensated absence related expense on net position as shown on the table below.

	Governmental Activities	Business Type Activities	
Net Position December 31, 2023	\$ 50,265,117	\$ 94,079,990	
Adjustments:			
Change in Accounting Principle (GASB 101)	(381,742)	(34,716)	
Restated Net Position December 31, 2023	<u>\$ 49,883,375</u>	<u>\$ 94,045,274</u>	

	Water	Sewer	Total
Net Position December 31, 2023	\$ 58,327,548	\$ 35,752,442	\$ 94,079,990
Adjustments:			
Change in Accounting Principle (GASB 101)	(26,959)	(7,757)	(34,716)
Restated Net Position December 31, 2023	<u>\$ 58,300,589</u>	<u>\$ 35,744,685</u>	<u>\$ 94,045,274</u>

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

NOTE 4: BUDGETARY BASIS OF ACCOUNTING

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

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

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

	<u>General</u>
GAAP Basis- Net Change in Fund Balance	\$ (1,193,361)
<u>Increase (Decrease) Due to:</u>	
Revenue Accruals	417,322
Expenditure Accruals	162,749
Outstanding Encumbrances	(467,496)
Funds with Separate Legally Adopted Budgets	<u>1,415,767</u>
Budgetary Basis-Net Change in Fund Balance	<u><u>\$ 334,981</u></u>

NOTE 5: ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At December 31, 2024, Court Security Special Revenue Fund, Troy School Driveway Capital Project Fund, and Cove Avenue Improvement Capital Project Fund had deficit fund balances in the amounts of \$543, \$20,000 and \$56,451, 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.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

NOTE 6: **DEPOSITS AND INVESTMENTS**

A. **Legal Requirements**

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

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

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

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

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

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 \$11,165,423 with the bank balance at \$11,827,506. Of the City's bank balance, \$761,146 was covered by federal depository insurance and \$10,089,430 uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name, and \$879,546 was uninsured and uncollateralized. One of the City's financial institutions was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System, resulting in the uninsured and uncollateralized balance.

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

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

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The City's financial institutions had enrolled in OPCS as of December 31, 2024.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(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, 2024. As previously discussed, Star Ohio is reported at its net asset value. As of December 31, 2024, 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	\$ 497,955	2	3/14/2025
Freddie Mac	486,255	2	9/23/2025
Fannie Mae	991,435	2	01/07/2025-06/17/2025
United States Treasury Notes	14,156,795	2	10/31/25-10/31/2029
Money Market Mutual Funds	77,914	N/A	n/a
STAR Ohio	26,448,768	N/A	n/a
Total Investments	42,659,122		
Carrying Amount of Deposits	11,165,423		
Total Cash and Investments	<u>\$ 53,824,545</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, 2024
(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, 2024:

<u>Investment Type</u>	<u>Measurement Value</u>	<u>Investment</u>
Federal Home Loan Bank	\$ 497,955	1.17%
Freddie Mac	486,255	1.14%
Fannie Mae	991,435	2.32%
United States Treasury Notes	14,156,795	33.19%
Money Market Mutual Funds	77,914	0.18%
STAR Ohio	26,448,768	62.00%
Total Investments	<u>\$ 42,659,122</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, 2024, 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, 2024
(Continued)

NOTE 7: **RECEIVABLES** (Continued)

A. Property Taxes

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

Real property taxes collected were based on assessed value equal to thirty-five percent (35%) of appraised value. The Lorain County Auditor reappraises real property every six years, with a triennial update, which was last completed for 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, 2024 was \$7.98 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2024 property tax receipts were based are as follows:

Real Property -	
Residential/Agriculture	\$ 1,012,814,720
Other Real Estate	112,405,660
Tangible Personal Property	
Public Utilities	59,151,120
Total Valuation	<u><u>\$ 1,184,371,500</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, 2024
(Continued)

NOTE 7: **RECEIVABLES** (Continued)

B. **Income Taxes** (Continued)

By City ordinance, 69 percent of the income tax proceeds were credited to the General Fund, 16 percent of the municipal income tax proceeds were credited to the Capital Improvement Fund (a capital projects fund) 12 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	\$ 452,268
Gasoline Tax/Auto Registration	730,360
Local Government	355,824
Permissive Tax	9,720
Avon Lake Schools	38,605
Grants	<u>10,241</u>
Total Governmental Activities	<u>1,597,018</u>
Business-Type Activities	
Water	3,508,874
Sewer	<u>13,012,399</u>
Total Business-Type Activities	<u>16,521,273</u>
Total Intergovernmental Receivable	<u><u>\$ 18,118,291</u></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 seventeenth 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, 2024, the City has recorded a receivable for services in the amount of \$10,976,223 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, 2024
(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, which was amended during 2024 for a term through 2037. As of December 31, 2024, the value of the lease receivable is \$51,457. The lease has an interest rate of 3.00 percent. The value of the deferred inflow of resources as of December 31, 2024 was \$76,499, and City of Avon Lake recognized lease revenue of \$7,880 during the fiscal year.

NOTE 8: **CAPITAL ASSETS**

	Balances 1/1/2024	Additions	Disposals	Balances 12/31/2024
Governmental Activities				
Nondepreciable Assets:				
Land	\$ 5,713,977	\$ -	\$ -	\$ 5,713,977
Construction in progress	2,643,121	1,768,881	-	4,412,002
Total Nondepreciable Assets	<u>8,357,098</u>	<u>1,768,881</u>	<u>-</u>	<u>10,125,979</u>
Depreciable/Amortized Assets:				
Buildings and Improvements	22,745,856	42,000	-	22,787,856
Machinery and Equipment	7,047,862	1,538,609	(160,230)	8,426,241
Vehicles	7,250,315	599,945	(250,551)	7,599,709
Intangible Right-to-use Lease Asset - Buildings	-	120,654	-	120,654
Intangible Right-to-use Lease Asset - Vehicles	-	912,104	-	912,104
Subscription (SBITA)	-	572,226	-	572,226
Infrastructure	113,433,116	980,000	-	114,413,116
Total Depreciable/Amortized Assets	<u>150,477,149</u>	<u>4,765,538</u>	<u>(410,781)</u>	<u>154,831,906</u>
Less Accumulated Depreciation/Amortization				
Buildings and Improvements	(10,771,094)	(539,185)	-	(11,310,279)
Machinery and Equipment	(3,857,607)	(448,178)	110,960	(4,194,825)
Vehicles	(4,971,487)	(420,650)	250,551	(5,141,586)
Intangible Right-to-use Lease Asset - Buildings	-	(40,218)	-	(40,218)
Intangible Right-to-use Lease Asset - Vehicles	-	(140,115)	-	(140,115)
Subscription (SBITA)	-	(186,024)	-	(186,024)
Infrastructure	(60,081,992)	(2,601,935)	-	(62,683,927)
Total Accumulated Depreciation/Amortization	<u>(79,682,180)</u>	<u>(4,376,305) *</u>	<u>361,511</u>	<u>(83,696,974)</u>
Total Depreciable Assets, Net	<u>70,794,969</u>	<u>389,233</u>	<u>(49,270)</u>	<u>71,134,932</u>
Governmental Activities Capital Assets, Net	<u>\$ 79,152,067</u>	<u>\$ 2,158,114</u>	<u>\$ (49,270)</u>	<u>\$ 81,260,911</u>

* Depreciation/Amortization expense was charged to governmental functions as follows:

Security of Persons and Property	\$ 421,330
Leisure Time Activities	509,733
Transportation	2,742,050
Community Environment	3,313
General Government	699,879
Totals	<u>\$ 4,376,305</u>

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

NOTE 8: CAPITAL ASSETS (Continued)

	Balances 1/1/2024	Additions	Disposals	Balances 12/31/2024
Business-Type Activities				
Nondepreciable Assets:				
Land	\$ 3,477,473	\$ 4,091,191	\$ -	\$ 7,568,664
Construction in progress	2,383,334	4,904,896	(877,940)	6,410,290
Total Nondepreciable Assets	<u>5,860,807</u>	<u>8,996,087</u>	<u>(877,940)</u>	<u>13,978,954</u>
Depreciable Assets/Amortized:				
Buildings and Improvements	43,975,931	895,652	-	44,871,583
Machinery and Equipment	6,934,777	96,540	-	7,031,317
Vehicles	1,679,055	-	-	1,679,055
Intangible Right-to-use Lease Asset - Vehicles	-	511,871	-	511,871
Infrastructure	200,679,473	162,970	-	200,842,443
Total Depreciable/Amortized Assets	<u>253,269,236</u>	<u>1,667,033</u>	<u>-</u>	<u>254,936,269</u>
Less Accumulated Depreciation/Amortization				
Buildings and Improvements	(25,490,326)	(427,150)	-	(25,917,476)
Machinery and Equipment	(3,427,792)	(359,376)	-	(3,787,168)
Vehicles	(902,669)	(99,765)	-	(1,002,434)
Intangible Right-to-use Lease Asset - Vehicles	-	(42,508)	-	(42,508)
Infrastructure	(49,578,450)	(4,801,029)	-	(54,379,479)
Total Accumulated Depreciation/Amortization	<u>(79,399,237)</u>	<u>(5,729,828)</u>	<u>-</u>	<u>(85,129,065)</u>
Total Depreciable Assets, Net	<u>173,869,999</u>	<u>(4,062,795)</u>	<u>-</u>	<u>169,807,204</u>
Business-Type Activities Capital Assets, Net	<u>\$ 179,730,806</u>	<u>\$ 4,933,292</u>	<u>\$ (877,940)</u>	<u>\$ 183,786,158</u>

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City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

NOTE 9: LONG-TERM OBLIGATIONS

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
Governmental Activities				
General Obligation Bonds				
Refunding	2012	2028	1.0% - 2.75%	\$ 765,000
Refunding	2015	2028	2.0% - 3.0%	2,964,998
Various Purpose Bond	2019	2039	2.0% - 3.0%	9,360,000
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
Walker Road Paving phase IV	2024	2044	0.00%	24,531
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
Business-Type Activities				
General Obligation Bonds				
Refunding	2012	2028	1.0% - 2.75%	3,430,000
Utilities Improvement Bond	2019	2049	3.0% - 5.0%	6,635,000
Mortgage Revenue Bonds				
Water System Refunding	2015	2026	2.0% - 2.25%	4,820,000
Ohio Water Development Authority Loan - Direct Borrowings				
Water System Improvements	2003	2025	4.51%	4,764,656
Fay/Vineyard Sanitary Sewer	2008	2029	4.15%	1,548,287
Center Road Pump Station	2008	2029	4.28%	1,356,266
LORCO Force Main	2009	2041	3.68%	9,718,470
LORCO Collection Systems	2009	2041	4.08%	19,167,873
Sewer Separation	2010	2041	3.27%	3,018,029
Water Plant Expansion	2013	2044	2.84%	4,925,787
Belmar Sewer Separation	2013	2044	2.94%	3,741,941
Additional Storage and Interconnection HAB	2015	2038	0.18%	25,557,530
Additional Storage and Interconnection HAB	2016	2038	0.00%	8,202,468
Lear/Nagel Sanitary Sewer Force Main	2016	2026	2.21%	284,831
Mull/Norman Sanitary Sewer Force Main	2016	2036	2.21%	2,428,402
Water Pollution 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
Water Filtration Plant Improvements **	2024	2057	3.56%	25,036,627
Water Filtration Plant Improvements **	2024	2057	4.07%	7,397,617

* - Final amortization schedules have not been completed as of December 31, 2024.

** - Project still open and final amortization schedules are not available.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

NOTE 9: LONG-TERM OBLIGATIONS (Continued)

Changes in the City's long-term obligations during 2024 were as follows:

	Restated Outstanding 1/1/2024	Additions	Reductions	Outstanding 12/31/2024	Amount Due in One Year
Governmental activities					
General obligation bonds					
Refunding bonds (2012)					
various through 2028	\$ 275,000	\$ -	\$ 55,000	\$ 220,000	\$ 55,000
Unamortized premium	3,597	-	654	2,943	-
Refunding bonds (2015)					
Recreational Facilities through 2028	1,535,000	-	290,000	1,245,000	295,000
Unamortized premium	135,227	-	24,587	110,640	-
Various Purpose Bonds (2019) through 2039	7,425,000	-	505,000	6,920,000	520,000
Unamortized premium	123,909	-	8,037	115,872	-
Street Improvement Bonds (2022) through 2036	3,075,000	-	185,000	2,890,000	190,000
Fire Truck Acquisition Bonds (2023) through 2033	2,185,000	-	165,000	2,020,000	185,000
Unamortized premium	150,821	-	15,876	134,945	-
Total general obligation bonds	14,908,554	-	1,249,154	13,659,400	1,245,000
 Loans - Direct Borrowings					
OPWC loan- Walker Rd/Bike Lane					
0.0% through 2024	3,331	-	3,331	-	-
OPWC loan- Walker Rd/Lear Rd Intersection					
Upgrade, 0.0% through 2034	71,875	-	6,250	65,625	6,250
OPWC loan- Lear Road/Krebs Intersection					
Upgrade, 0.0% through 2040	16,983	-	850	16,133	850
OPWC loan- Central Avon Lake Drainage Project					
Phase II, 0.0% through 2027	12,549	-	-	12,549	-
OPWC loan- Walker Road Paving Phase IV					
Phase IV, 0.0% through 2044	-	24,531	-	24,531	1,226
OWDA loan - Jaycox Sewer					
Separation, 3.27% through 2041	175,348	-	3,837	171,511	7,864
OWDA loan - Belmar Sewer Separation (2013)					
2.94% through 2044	883,232	-	15,852	867,380	32,406
OWDA loan - Mull/Norman Sanitary Sewer					
Force Main, 2.21% through 2036	378,701	-	15,130	363,571	30,261
OWDA loan - Stop 45 Area CSO (2017)					
1.610% through 2050	6,490,748	-	98,679	6,392,069	199,747
OWDA loan - Fairfield-Brookfield Combined					
Sewer Separation (2017) 0.760% through 2049	5,916,135	-	105,344	5,810,791	211,891
OWDA loan - Curtis Sanitary Sewer Rehab (2018)					
2.15% through 2035	294,628	-	8,059	286,569	16,378
OWDA loan - Water Main Bundle (2022)					
1.85% through 2043	2,225,494	-	46,229	2,179,265	93,745
Total Loans - Direct Borrowings	16,469,024	24,531	303,561	16,189,994	600,618
 Net Pension Liability					
OPERS	11,208,732	-	1,057,247	10,151,485	-
OP&F	21,539,552	1,917,667	-	23,457,219	-
Total Net Pension Liability	32,748,284	1,917,667	1,057,247	33,608,704	-
 Net OPEB Liability					
OPERS	233,606	-	233,606	-	-
OP&F	1,614,432	158,279	-	1,772,711	-
Total Net OPEB Liability	1,848,038	158,279	233,606	1,772,711	-
 Landfill postclosure costs	88,011	3,168	-	91,179	-
Police pension liability	57,561	-	3,995	53,566	4,167
Financed Purchases Payables	576,069	871,024	245,024	1,202,069	312,183
Leases Payable	-	1,029,258	178,834	850,424	221,550
Subscriptions Payable	-	447,316	80,909	366,407	108,063
Compensated absences	2,144,828	274,695	-	2,419,523	827,855
Total Governmental activities	\$ 68,840,369	\$ 4,725,938	\$ 3,352,330	\$ 70,213,977	\$ 3,319,436

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

NOTE 9: LONG-TERM OBLIGATIONS (Continued)

	Restated Outstanding 1/1/2024	Additions	Reductions	Outstanding 12/31/2024	Amount Due in One Year
Business-type activities					
General obligation bonds					
Refunding bonds (2012)					
various % through 2028	\$ 1,220,000	\$ -	\$ 235,000	\$ 985,000	\$ 245,000
Unamortized premium	16,417	-	2,985	13,432	-
Utilities Improvement bonds (2019)					
various % through 2049	1,135,000	-	180,000	955,000	185,000
Unamortized premium	91,929	-	16,714	75,215	-
Utilities Improvement bonds (2019)					
various % through 2049	4,350,000	-	120,000	4,230,000	125,000
Unamortized premium	72,696	-	2,851	69,845	-
Total general obligation bonds	6,886,042	-	557,550	6,328,492	555,000
Mortgage revenue bonds					
Water system refunding (2015)					
various % through 2024	600,000	-	600,000	-	-
Unamortized premium	3,186	-	3,186	-	-
Total Mortgage revenue bonds	603,186	-	603,186	-	-
OWDA Loans - Direct Borrowings					
Water system improvements (2003)					
4.51% through 2025	522,438	-	170,277	352,161	352,161
Fay/Vineyard sanitary sewer (2008)					
4.15% through 2029	513,098	-	46,699	466,399	96,325
Center Road pump station (2008)					
4.28% through 2029	453,032	-	41,110	411,922	84,878
LORCO force main (2009)					
3.68% through 2041	7,166,251	-	142,120	7,024,131	292,133
LORCO collection system (2009)					
4.08% through 2041	14,100,784	-	269,118	13,831,666	554,818
Sewer separation (2010)					
3.27% through 2041	1,881,019	-	41,864	1,839,155	85,792
Water Plant Expansion (2013)					
2.84% through 2044	3,719,547	-	69,707	3,649,840	142,398
Belmar Sewer Separation (2013)					
2.94% through 2044	430,074	-	7,719	422,355	15,780
Belmar Sewer Separation (2013)					
2.94% through 2044	2,410,272	-	43,259	2,367,013	88,434
Additional Storage and Interconnection HAB (2015)					
0.18% through 2038	17,986,601	-	634,608	17,351,993	1,270,930
Additional Storage and Interconnection HAB (2016)					
0.00% through 2038	4,484,597	-	160,164	4,324,433	320,328
Lear/Nagel Sanitary Sewer Force main (2016)					
2.21% through 2036	71,207	-	14,242	56,965	28,483
Mull/Norman Sanitary Sewer Force Main (2016)					
2.21% through 2036	574,087	-	22,981	551,106	45,962
Mull/Norman Sanitary Sewer Force Main (2016)					
2.21% through 2036	1,012,293	-	40,492	971,801	80,984
Water Pollution ControlCenter Rehab (2016)					
0.45% through 2050	32,877,521	-	596,698	32,280,823	1,197,426
Stop 45 Area CSO (2017)					
1.610% through 2050	3,337,246	-	50,736	3,286,510	102,701
Stop 45 Area CSO (2017)					
1.610% through 2050	5,110,438	-	77,694	5,032,744	157,269
Lateral Loan Program (2017)					
0.000% through 2036	1,417,957	-	-	1,417,957	118,164
					continued

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

NOTE 9: LONG-TERM OBLIGATIONS (Continued)

	Restated Outstanding 1/1/2024	Additions	Reductions	Outstanding 12/31/2024	Amount Due in One Year
Fairfield-Brookfield Combined					
Sewer Separation (2017) 0.760% through 2049	\$ 2,159,859	\$ -	\$ 38,459	\$ 2,121,400	\$ 77,357
Sewer Separation (2017) 0.760% through 2049	4,444,927		79,148	4,365,779	159,199
Elyria Interconnect HAB	1,470,011	-	47,420	1,422,591	94,839
Curtis Sanitary Sewer Rehab (2018) 2.15% through 2035	332,796	-	9,103	323,693	18,500
Curtis Sanitary Sewer Rehab (2018) 2.15% through 2035	881,169	-	24,102	857,067	48,985
Water Main Bundle (2019) 2.25% through 2041	2,314,958	-	56,327	2,258,631	114,552
Plant Effluent Flow Diversion (2021) 1.28% through 2041	599,575	-	15,338	584,237	30,971
Water Main Bundle (2022) 1.85% through 2043	3,866,159	-	80,315	3,785,844	162,866
Water Main Bundle (2022) 1.85% through 2043	461,222	-	9,583	451,639	19,434
Water Filtration Plant Improvements (2024) 3.56% through 2057	-	4,498,403	-	4,498,403	-
Water Filtration Plant Improvements (2024) 4.07% through 2057	-	26,639	-	26,639	-
Total OWDA Loans - Direct Borrowings	114,599,138	4,525,042	2,789,283	116,334,897	5,761,669
Net Pension Liability - OPERS	6,234,664	-	162,149	6,072,515	-
Net OPEB Liability - OPERS	129,939	-	129,939	-	-
Financed Purchases Payable - Water	343,385	-	64,444	278,941	66,494
Financed Purchases Payable - Sewer	343,385	-	64,443	278,942	66,493
Leases Payable	-	511,871	43,568	468,303	101,736
Compensated absences	485,364	92,756	-	578,120	268,476
Total business-type activities	\$ 129,625,103	\$ 5,129,669	\$ 4,414,562	\$ 130,340,210	\$ 6,819,868

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, 2024
(Continued)

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 bonds were fully paid as of December 31, 2024. Principal and interest paid for the current year were \$612,750.

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, 2024 is \$1,300,000.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

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.

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, 2024
(Continued)

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.

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.

During 2024, the City entered into a loan agreement with OWDA for the Water Filtration project. The loan has a fixed rate of 3.56 percent and 4.07 percent over a thirty-year period with final maturity date of 2057. An amortization schedule has not been prepared by OWDA since the project is still ongoing.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

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

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

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

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

In 2024, the City entered into a loan agreement with OPWC for \$24,531. These funds were used for the Walker Road Paving Phase IV 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 debt obligations are as follows:

Year Ended	Governmental Activities			
	General Obligation Bonds		OWDA Loan	
	Principal	Interest	Principal	Interest
2025	\$ 1,245,000	\$ 455,470	\$ 592,292	\$ 230,408
2026	1,285,000	418,050	600,451	221,582
2027	1,300,000	377,938	608,749	212,613
2028	1,350,000	335,663	617,193	203,501
2029	1,010,000	288,950	625,783	194,241
2030-2034	5,280,000	862,900	3,263,139	826,951
2035-2039	1,825,000	144,500	3,411,421	574,113
2040-2044	-	-	3,380,349	319,678
2045-2049	-	-	2,673,531	114,021
2050	-	-	298,248	3,606
	<u>\$ 13,295,000</u>	<u>\$ 2,883,471</u>	<u>\$ 16,071,156</u>	<u>\$ 2,900,714</u>

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

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

Year Ended	Police Pension Liability		OPWC Loans	Total	
	Principal	Interest	Principal	Principal	Interest
2025	\$ 4,167	\$ 2,233	\$ 8,326	\$ 1,849,785	\$ 688,111
2026	4,345	2,054	8,326	1,898,122	641,686
2027	4,532	1,867	8,326	1,921,607	592,418
2028	4,727	1,672	8,326	1,980,246	540,836
2029	4,930	1,469	8,326	1,649,039	484,660
2030-2034	21,929	3,667	41,630	8,606,698	1,693,518
2035-2039	8,936	316	13,499	5,258,856	718,929
2040-2044	-	-	9,530	3,389,879	319,678
2045-2049	-	-	-	2,673,531	114,021
2050	-	-	-	298,248	3,606
	<u>\$ 53,566</u>	<u>\$ 13,278</u>	<u>\$ 106,289</u>	<u>\$ 29,526,011</u>	<u>\$ 5,797,463</u>

Year Ended	Business-Type Activities			
	General Obligation Bonds		OWDA Loans	
	Principal	Interest	Principal	Interest
2025	\$ 555,000	\$ 187,368	\$ 5,761,669	\$ 1,635,073
2026	555,000	165,988	5,482,430	1,555,129
2027	570,000	150,563	5,529,117	1,477,555
2028	570,000	134,088	5,606,610	1,396,162
2029	335,000	117,600	5,578,360	1,316,400
2030-2034	715,000	495,900	28,506,674	5,393,202
2035-2039	815,000	382,650	27,468,203	2,756,173
2040-2044	940,000	253,800	16,961,657	1,025,019
2045-2049	1,115,000	69,150	9,857,449	240,653
2050	-	-	1,057,686	6,199
	<u>\$ 6,170,000</u>	<u>1,957,107</u>	<u>\$ 111,809,855</u>	<u>\$ 16,801,565</u>

There is one OPWC loan and one OWDA loan where the final amortization schedules have not been completed as of December 31, 2024. 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.

Leases Payable - During 2024 the City entered into three-year lease agreement for the use of a building with an interest rate of 3.00 percent for a monthly amount of \$3,500. The City also entered into a five-year agreement with Enterprise, LLC for the lease of various vehicles with an interest rate of 4.80 percent. The City has also recorded a corresponding right to use leased asset.

Subscriptions Payable - During 2024 the City entered into an five-year subscription-based information technology agreement (SBITA) for procurement software with an interest rate of 4.39 percent for an annual amount of \$96,410. The City also entered into a five-year agreement SBITA for the flock camera safety software with an interest rate of 4.80 percent, for an annual amount due of \$28,500. The City has also recorded a corresponding right to use subscription asset.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

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

Principal and interest requirements are as follows:

Year Ended	Governmental Activities				Business-Type Activities	
	Leases		Subscriptions		Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 221,550	\$ 59,144	\$ 108,063	\$ 16,846	\$ 101,736	\$ 37,511
2026	222,771	27,925	113,005	11,905	101,736	37,511
2027	181,446	57,250	118,172	6,737	101,736	37,511
2028	181,446	57,250	27,167	1,333	101,736	37,511
2029	43,211	13,797	-	-	61,359	22,376
	<u>\$ 850,424</u>	<u>\$ 215,366</u>	<u>\$ 366,407</u>	<u>\$ 36,821</u>	<u>\$ 468,303</u>	<u>\$ 172,420</u>

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 the current year the City entered into lease agreements for a wheel loader and snow plow. In previous years the City entered a lease for the purchase of vehicles, a tractor, freightliner, 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 \$1,567,658 and \$799,708, respectively at December 31, 2023. The following is a schedule of future minimum lease payments as of December 31, 2024.

	Governmental Activities	Business-Type Activities
2025	\$ 368,101	\$ 150,742
2026	334,258	150,742
2027	230,255	150,742
2028	167,705	150,743
2029	166,270	-
2030	99,495	-
Total minimum lease payments	<u>1,366,084</u>	<u>602,969</u>
Less: amount representing interest	<u>(164,015)</u>	<u>(45,086)</u>
Total	<u>\$ 1,202,069</u>	<u>\$ 557,883</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, 2024
(Continued)

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. Effective January 1, 2022, the Combined Plan is no longer available for member selection. In October 2023, the legislature approved House Bill (HB) 33, which allows for the consolidation of the Combined Plan with the Traditional Pension Plan with the timing of the consolidation at the discretion of OPERS. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(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. City to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

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

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

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

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

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.

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City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(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:

	State and Local		
	Traditional Pension Plan	Combined Plan	Member- Directed Plan
2023-2024 Statutory Maximum Contribution Rates			
Employer	14.0 %	14.0 %	14.0 %
Employee *	10.0 %	10.0 %	10.0 %
2023-2024 Actual Contribution Rates			
Employer:			
Pension	14.0 %	12.0 %	10.0 %
Post-Employment Health Care Benefits	0.0 %	2.0 %	4.0 %
Total Employer	<u>14.0 %</u>	<u>14.0 %</u>	<u>14.0 %</u>
Employee	<u>10.0 %</u>	<u>10.0 %</u>	<u>10.0 %</u>

* Member contributions within the Combined Plan are not used to fund the defined benefit retirement allowance.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions was \$1,468,810 for 2024. Of this amount, \$57,566 is reported as an intergovernmental payable.

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

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(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>
2024 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2024 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
 Employee	 12.25 %	 12.25 %

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(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 \$1,468,521 for 2024. Of this amount, \$60,101 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, 2024, the specific liability of the City was \$53,566 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, 2023, 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, 2023, and was determined by rolling forward the total pension liability as of January 1, 2023, to December 31, 2023. 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	0.059050%	0.042942%	0.2267553%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.061970%	0.042870%	0.2427937%	
Change in Proportionate Share	0.002920%	-0.000072%	0.0160384%	
Proportionate Share of the Net Pension Liability	\$ 16,224,000	\$ -	\$ 23,457,219	\$ 39,681,219
Proportionate Share of the Net Pension (Asset)	\$ -	\$ (131,774)	\$ -	\$ (131,774)
Pension Expense	\$ 2,195,016	\$ 5,692	\$ 2,526,729	\$ 4,727,437

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(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, 2024, 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
Deferred Outflows of Resources				
Net difference between projected and actual earnings on pension plan investments	\$ 3,274,693	\$ 21,431	\$ 2,658,199	\$ 5,954,323
Differences between expected and actual experience	265,167	5,340	753,045	1,023,552
Changes of assumptions	-	4,891	1,482,471	1,487,362
Changes in proportion and differences between City contributions and proportionate share of contributions	341,263	15,492	1,144,096	1,500,851
City contributions subsequent to the measurement date	1,450,311	18,499	1,468,521	2,937,331
Total Deferred Outflows of Resources	<u>\$ 5,331,434</u>	<u>\$ 65,653</u>	<u>\$ 7,506,332</u>	<u>\$ 12,903,419</u>
Deferred Inflows of Resources				
Changes of assumptions	\$ -	\$ -	\$ 356,225	\$ 356,225
Differences between expected and actual experience	-	13,037	262,344	275,381
Changes in proportion and differences between City contributions and proportionate share of contributions	35,246	11,223	279,242	325,711
Total Deferred Inflows of Resources	<u>\$ 35,246</u>	<u>\$ 24,260</u>	<u>\$ 897,811</u>	<u>\$ 957,317</u>

\$2,937,331 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS Traditional	OPERS Combined	OP&F	Total
2025	\$ 1,030,251	\$ 3,129	\$ 1,286,245	\$ 2,319,625
2026	1,192,205	6,390	1,426,932	2,625,527
2027	2,089,727	12,818	2,041,127	4,143,672
2028	(466,306)	(2,781)	77,936	(391,151)
2029	-	1,620	298,801	300,421
Thereafter	-	1,718	8,959	10,677
Total	<u>\$ 3,845,877</u>	<u>\$ 22,894</u>	<u>\$ 5,140,000</u>	<u>\$ 9,008,771</u>

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(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, 2023, 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:

	<u>Traditional Pension Plan</u>	<u>Combined Plan</u>
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:	2.3 percent simple through 2024, then 2.05 percent simple	2.3 percent simple through 2024, then 2.05 percent simple
Prior Measurement Date:	3 percent, simple through 2023, then 2.05 percent simple	3 percent, simple through 2023, 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, 2024
(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 gain of 11.2 percent for 2023.

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, 2023, 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	24.00 %	2.85 %
Domestic Equities	21.00	4.27
Real Estate	13.00	4.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	<u>100.00 %</u>	

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(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 7.2 percent, post-experience study results. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 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	\$25,540,936	\$16,224,000	\$8,475,017
Combined Plan	(\$79,738)	(\$131,774)	(\$172,766)

F. Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2023 is based on the results of an actuarial valuation date of January 1, 2023, 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, 2024
(Continued)

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, 2023, are presented below:

Valuation Date	January 1, 2023, with actuarial liabilities rolled forward to December 31, 2023
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 average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(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, 2023 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return **</u>
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	18.60	4.10
International Equity	12.40	4.90
Core Fixed Income *	25.00	2.40
U.S. Inflation Linked Bonds *	15.00	2.10
High Yield Fixed Income	7.00	4.10
Private Real Estate	12.00	5.40
Private Markets	10.00	7.30
Midstream Energy Infrastructure	5.00	5.80
Private Credit	5.00	6.80
Real Assets	8.00	6.00
Gold	5.00	3.50
Commodities	2.00	3.50
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, 2024
(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	\$ 31,070,833	\$ 23,457,219	\$ 17,125,757

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, 2024
(Continued)

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

A. Net OPEB Liability/Asset (Continued)

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

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

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

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, the 115 Health Care Trust, which was established in 2014 to fund health care for the Traditional Pension, Combined, and Member-Directed plans. With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

Retirees and eligible dependents enrolled in Medicare Parts A and B, and non-Medicare retirees beginning in 2022, are able to participate in the OPERS Connector in lieu of comprehensive health care coverage. The Connector, a vendor selected by OPERS, assist eligible retirees, spouses, and dependents in the evaluation, selection and purchase of a health care plan on the open market. Eligible retirees may receive a monthly allowance in their health reimbursement arrangement (HRA) account that can be used to reimburse eligible health care expenses.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

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

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

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	31	55	32
	Any	30	Any	32	60	20

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

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

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

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 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The employer contribution as a percent of covered payroll deposited for the Combined Plan and Member-Directed Plan health care programs in 2024 was 2.0 percent and 4.0 percent, respectively.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$8,763 for 2024.

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.

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

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 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 2023, 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 \$34,147 for 2024.

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

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, 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, 2023, and was determined by rolling forward the total OPEB liability as of January 1, 2023, to December 31, 2023. 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. Following is information related to the proportionate share and OPEB expense:

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

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

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

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net OPEB Liability/Asset			
Prior Measurement Date	0.057658%	0.2267553%	
Proportion of the Net OPEB Liability/Asset			
Current Measurement Date	0.060042%	0.2427937%	
Change in Proportionate Share	<u>0.002384%</u>	<u>0.0160384%</u>	
Proportionate Share of the Net OPEB (Asset)	\$ (541,893)	\$ -	\$ (541,893)
Proportionate Share of the Net OPEB Liability	\$ -	\$ 1,772,711	\$ 1,772,711
OPEB Expense	\$ (48,619)	\$ 149,130	\$ 100,511

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ -	\$ 85,244	\$ 85,244
Changes of assumptions	139,510	610,008	749,518
Net difference between projected and actual earnings on pension plan investments	325,437	130,902	456,339
Changes in proportion and differences between City contributions and proportionate share of contributions	-	210,571	210,571
City contributions subsequent to the measurement date	<u>8,763</u>	<u>34,147</u>	<u>42,910</u>
Total Deferred Outflows of Resources	<u>\$ 473,710</u>	<u>\$ 1,070,872</u>	<u>\$ 1,544,582</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 77,127	\$ 325,775	\$ 402,902
Changes of assumptions	232,944	1,141,588	1,374,532
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>21,684</u>	<u>43,271</u>	<u>64,955</u>
Total Deferred Inflows of Resources	<u>\$ 331,755</u>	<u>\$ 1,510,634</u>	<u>\$ 1,842,389</u>

\$42,910 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 or addition to net OPEB asset in 2025.

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

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

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

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

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2025	\$ (28,207)	\$ 45,897	\$ 17,690
2026	17,961	(64,937)	(46,976)
2027	253,326	(30,793)	222,533
2028	(109,888)	(133,031)	(242,919)
2029	-	(142,514)	(142,514)
Thereafter	-	(148,531)	(148,531)
Total	<u>\$ 133,192</u>	<u>\$ (473,909)</u>	<u>\$ (340,717)</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, 2022, rolled forward to the measurement date of December 31, 2023. 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:	5.70 percent
Prior Measurement Date:	5.22 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	
Current Measurement Date:	3.77 percent
Prior Measurement Date:	4.05 percent
Health Care Cost Trend Rate	
Current Measurement Date:	5.50 percent initial, 3.50 percent ultimate in 2038
Prior Measurement Date:	5.50 percent initial, 3.50 percent ultimate in 2036

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

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 2023, 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 gain of 14.0 percent for 2023.

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, 2024
(Continued)

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

E. Actuarial Assumptions – OPERS (Continued)

The table below displays the Board-approved asset allocation policy for 2023 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	37.00 %	2.82 %
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	<u>100.00 %</u>	

Discount Rate A single discount rate of 5.70 percent was used to measure the OPEB liability on the measurement date of December 31, 2023. A single discount rate of 5.22 percent was used to measure the OPEB asset on the measurement date of December 31, 2022. 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 3.77 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 2070. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate

The following table presents the City's proportionate share of the net OPEB asset calculated using the single discount rate of 5.70 percent, as well as what the City's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher 6.70 than the current rate:

<u></u>	<u>1% Decrease (4.70%)</u>	<u>Current Discount Rate (5.70%)</u>	<u>1% Increase (6.70%)</u>
City's proportionate share of the net OPEB liability/(asset)	\$ 297,808	\$ (541,893)	\$ (1,237,466)

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(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 2024 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.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB (asset)	\$ (564,395)	\$ (541,893)	\$ (516,361)

F. Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2023, is based on the results of an actuarial valuation date of January 1, 2023, 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, 2024
(Continued)

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

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

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

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

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

Valuation Date	January 1, 2023, with actuarial liabilities rolled forward to December 31, 2023
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.50 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	4.07 percent
Prior measurement date	4.27 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, 2024
(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, 2023, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	18.60 %	4.10 %
Non-US Equity	12.40	4.90
Core Fixed Income *	25.00	2.40
U.S. Inflation Linked Bonds *	15.00	2.10
High Yield Fixed Income	7.00	4.10
Private Real Estate	12.00	5.40
Private Markets	10.00	7.30
Midstream Energy Infrastructure	5.00	5.80
Private Credit	5.00	6.80
Real Assets	8.00	6.00
Gold	5.00	3.50
Commodities	2.00	3.50
Total	<u>125.00 %</u>	

Note: Assumptions are geometric

* levered 2.x

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, 2024
(Continued)

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 4.07 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, 2037, and the Municipal Bond Index rate of 3.38 percent was applied to periods on and after December 31, 2037, resulting in a discount rate of 4.07 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 4.07 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 (3.07 percent), or one percentage point higher (5.07 percent) than the current rate.

	1% Decrease (3.07%)	Current Discount Rate (4.07%)	1% Increase (5.07%)
City's proportionate share of the net OPEB liability	\$ 2,183,488	\$ 1,772,711	\$ 1,426,756

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

NOTE 14: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2024, the City contracted with Travelers Indemnity Company for the following types of insurance:

<u>Company</u>	<u>Type</u>	<u>Coverage</u>
Travelers Insurance	Blanket Building and Content Replacement	\$ 176,069,535
	Miscellaneous Equipment	938,349
	Contractors Equipment	2,197,641
	Earthquake Coverage	1,000,000
	Flood Coverage	1,000,000
	Pollutant Cleanup And Removal	100,000
	Public Employee Dishonesty	100,000
	Faithful Performance of Duty	100,000
	Money and Securities In/Out Coverage	100,000
	Forgery and Alteration	100,000
	General Liability - Each Occurrence	1,000,000
	Employee Benefits Liability	1,000,000
	Law Enforcement Liability - Each Occurrence	1,000,000
	Public Official Liability - Each Occurrence	1,000,000
	Employment Practice - Each Occurrence	1,000,000
	Automobile Liability	1,000,000
	Excess Liability - Each Occurrence	10,000,000
	Terrorism Insurance	Included
	Cyber Liability	3,000,000

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, 2024
(Continued)

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, 5th Floor, Elyria, Ohio 44035, who serves as fiscal agent.

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

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

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each community then elect one person to serve on the eight-member NOPEC Board of Directors. In 2024, the City made no contributions to NOPEC. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, at 31360 Solon Road, Suite 33, Solon, Ohio 44139 or at the website www.nopecinfo.org.

C. **Medina-Lorain Water Consortium**

The City is a member of the Medina-Lorain Water Consortium (the Consortium), which is a joint venture between the City of Avon Lake, the Rural Lorain County Water Authority, Medina County, and the City of Medina. The Consortium was created in 1999 for the purpose of construction, operation and maintenance of a water transmission line to serve the members of the Consortium, and for the purpose of bulk water delivery from the City of Avon Lake. There is an ongoing financial responsibility for all parties for the maintenance and repair of the project. The Consortium is governed by representatives of the member parties. The City of Avon Lake serves as the fiscal agent for the Consortium. As of December 31, 2024, the City's equity interest in the Consortium was \$2,135,075. 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, 2024
(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.

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, 2024, consisted of the following:

<u>Transfer To</u>	<u>Transfer From</u> <u>Activities</u>
<i>Governmental Activities:</i>	
Capital Improvement Fund	\$ 150,000
Non-Major Governmental Funds	285,000
Total Governmental Activities	<u>\$ 435,000</u>

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, 2024 consisted of the following:

	<u>Interfund</u> <u>Receivable</u>	<u>Interfund</u> <u>Payable</u>
Governmental Activities:		
General Fund	\$ 20,000	\$ -
Non-Major Governmental Funds	71,430	91,430
Total Governmental Activities	<u>\$ 91,430</u>	<u>\$ 91,430</u>

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(Continued)

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

Interfund balances at December 31, 2024 consisted of \$20,000 due from the Troy School Driveway non-major governmental fund and \$71,430 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 \$71,430 at year end.

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City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(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:

Fund Balances	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<i>Nonspendable</i>				
Prepaid Items	\$ 179,682	\$ 1,022	\$ 39,477	\$ 220,181
Materials and Supplies Inventory	-	-	450,108	450,108
Unclaimed Funds	12,367	-	-	12,367
Long-term Interfund Balances	20,000	-	-	20,000
<i>Total Nonspendable</i>	<u>212,049</u>	<u>1,022</u>	<u>489,585</u>	<u>702,656</u>
<i>Restricted for</i>				
Paramedic Services	-	-	1,194,214	1,194,214
Other Law Enforcement	-	-	242,729	242,729
Streets and Highways	-	-	1,236,115	1,236,115
Courts	-	-	406,009	406,009
Debt Service - Unvoted and Voted	-	-	1,283,792	1,283,792
Debt Service - Special Assessments	-	-	1,003,316	1,003,316
Capital Projects	-	-	854,018	854,018
Recreation	-	-	80,454	80,454
Opioid Settlement	-	-	72,559	72,559
Other Purposes	-	-	176,099	176,099
<i>Total Restricted</i>	<u>-</u>	<u>-</u>	<u>6,549,305</u>	<u>6,549,305</u>
<i>Committed to</i>				
Dial-A-Bus Program	2,182	-	-	2,182
Cable TV	16,326	-	-	16,326
Street Trees	-	-	313,947	313,947
Recreation	-	-	399,653	399,653
Capital Improvements	-	10,340,357	1,112,137	11,452,494
<i>Total Committed</i>	<u>18,508</u>	<u>10,340,357</u>	<u>1,825,737</u>	<u>12,184,602</u>
<i>Assigned to</i>				
Subsequent Year 2025 Appropriations	1,135,923	-	-	1,135,923
Police/Court Facility	-	-	1,556,865	1,556,865
Other Capital Projects	-	-	26,059	26,059
Purchases on Order:				
Security of Persons and Property	32,465	-	-	32,465
Transportation	157,517	-	-	157,517
Community Environment	6,220	-	-	6,220
General Government	166,591	-	-	166,591
<i>Total Assigned</i>	<u>1,498,716</u>	<u>-</u>	<u>1,582,924</u>	<u>3,081,640</u>
<i>Unassigned (Deficit)</i>	<u>3,003,039</u>	<u>-</u>	<u>(76,994)</u>	<u>2,926,045</u>
Total Fund Balances	<u><u>\$ 4,732,312</u></u>	<u><u>\$ 10,341,379</u></u>	<u><u>\$ 10,370,557</u></u>	<u><u>\$ 25,444,248</u></u>

City of Avon Lake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(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, 2024, the City's commitments for encumbrances in the governmental and proprietary funds were as follows:

	Outstanding Encumbrances
<i>Governmental Funds</i>	
General	\$ 362,793
Capital Improvement	3,897,798
All Other Governmental Funds	144,812
<i>Total Governmental Funds</i>	<u>4,405,403</u>
 <i>Proprietary Funds</i>	
Water	406,635
Sewer	17,724
<i>Total Proprietary Funds</i>	<u>424,359</u>
<i>Total All Funds</i>	<u>\$ 4,829,762</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 the assessed values 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, 2024
(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.

The following are the tax abatements or other economic incentives provided in 2024, by the City, identified by dollar amount and type.

\$ 89,974,675	Total abated assessed value on the active CRA tax abated properties
\$ 2,238,334	Total CRA real property taxes exempted for the active CRA agreements
\$ 544,368	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: **SUBSEQUENT EVENT NOTE**

On April 9, 2025, the City issued \$2,640,000 in fire truck acquisition bonds. These bonds will mature on December 1, 2034 and have an interest rate of 3.77 percent. The proceeds are being used for the acquisition of a fire truck.

Required Supplementary Information

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

Traditional Plan	2024	2023	2022	2021
City's Proportion of the Net Pension Liability	0.061970%	0.059050%	0.059154%	0.054637%
City's Proportionate Share of the Net Pension Liability	\$ 16,224,000	\$ 17,443,396	\$ 5,146,637	\$ 8,090,550
City's Covered Payroll	\$ 9,840,786	\$ 9,154,779	\$ 8,556,421	\$ 7,870,107
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	164.86%	190.54%	60.15%	102.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%
Combined Plan	2024	2023	2022	2021
City's Proportion of the Net Pension (Asset)	0.042870%	0.042942%	0.044079%	0.041713%
City's Proportionate Share of the Net Pension (Asset)	\$ (131,774)	\$ (101,210)	\$ (173,673)	\$ (120,410)
City's Covered Payroll	\$ 189,917	\$ 200,021	\$ 200,957	\$ 183,829
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	69.39%	50.60%	86.42%	65.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	144.55%	137.14%	169.88%	157.67%

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
0.057796%	0.061830%	0.057781%	0.058649%	0.057354%	0.057386%
\$ 11,423,771	\$ 16,933,983	\$ 9,064,719	\$ 13,318,191	\$ 9,934,436	\$ 6,921,393
\$ 8,155,543	\$ 8,292,214	\$ 7,727,454	\$ 7,581,592	\$ 7,127,450	\$ 7,058,833
140.07%	204.22%	117.31%	175.66%	139.38%	98.05%
82.17%	74.70%	84.66%	77.25%	81.08%	86.45%
2020	2019	2018	2017	2016	2015
0.050473%	0.039280%	0.038779%	0.041606%	0.028590%	0.025707%
\$ (105,248)	\$ (43,924)	\$ (52,791)	\$ (23,157)	\$ (13,912)	\$ (9,897)
\$ 224,686	\$ 168,000	\$ 159,938	\$ 161,958	\$ 103,517	\$ 94,675
46.84%	26.15%	33.01%	14.30%	13.44%	10.45%
145.28%	126.64%	137.28%	116.55%	116.90%	114.83%

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

Police	2024	2023	2022	2021
City's Proportion of the Net Pension Liability	0.1029858%	0.0925919%	0.0962788%	0.0950688%
City's Proportionate Share of the Net Pension Liability	\$ 9,949,847	\$ 8,795,337	\$ 6,014,939	\$ 6,480,925
City's Covered Payroll	\$ 3,183,379	\$ 2,821,763	\$ 2,730,100	\$ 2,633,753
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	312.56%	311.70%	220.32%	246.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.63%	62.90%	75.03%	70.65%
Fire	2024	2023	2022	2021
City's Proportion of the Net Pension Liability	0.1398079%	0.1341633%	0.1343094%	0.1323427%
City's Proportionate Share of the Net Pension Liability	\$ 13,507,372	\$ 12,744,215	\$ 8,390,876	\$ 9,021,919
City's Covered Payroll	\$ 3,501,357	\$ 3,307,306	\$ 3,106,838	\$ 2,946,600
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	385.78%	385.34%	270.08%	306.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.63%	62.90%	75.03%	70.65%

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
0.0995629%	0.1021860%	0.1015002%	0.0983150%	0.1010208%	0.1002948%
\$ 6,707,089	\$ 8,341,078	\$ 6,229,525	\$ 6,227,173	\$ 6,498,740	\$ 5,195,688
\$ 2,590,937	\$ 2,612,216	\$ 2,463,016	\$ 2,371,779	\$ 2,275,053	\$ 2,214,042
258.87%	319.31%	252.92%	262.55%	285.65%	234.67%
69.89%	63.07%	70.91%	68.36%	66.77%	71.71%
2020	2019	2018	2017	2016	2015
0.1287888%	0.1317870%	0.1282644%	0.1266430%	0.1333956%	0.1329545%
\$ 8,675,901	\$ 10,757,301	\$ 7,872,164	\$ 8,021,441	\$ 8,581,432	\$ 6,887,597
\$ 2,721,111	\$ 2,641,885	\$ 2,547,562	\$ 2,485,438	\$ 2,446,902	\$ 2,382,868
318.84%	407.18%	309.01%	322.74%	350.71%	289.05%
69.89%	63.07%	70.91%	68.36%	66.77%	71.71%

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

	2024	2023	2022	2021
<u>Contractually Required Contributions</u>				
Traditional Plan	\$ 1,450,311	\$ 1,377,710	\$ 1,281,669	\$ 1,197,899
Combined Plan	18,499	22,790	28,003	28,134
Total Required Contributions	\$ 1,468,810	\$ 1,400,500	\$ 1,309,672	\$ 1,226,033
Contributions in Relation to the Contractually Required Contribution	(1,468,810)	(1,400,500)	(1,309,672)	(1,226,033)
Contribution Deficiency / (Excess)	\$ -	\$ -	\$ -	\$ -
<u>City's Covered Payroll</u>				
Traditional Plan	\$ 10,359,364	\$ 9,840,786	\$ 9,154,779	\$ 8,556,421
Combined Plan	\$ 154,158	\$ 189,917	\$ 200,021	\$ 200,957
<u>Pension Contributions as a Percentage of Covered Payroll</u>				
Traditional Plan	14.00%	14.00%	14.00%	14.00%
Combined Plan	12.00%	12.00%	14.00%	14.00%

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
\$ 1,101,815	\$ 1,141,776	\$ 1,160,910	\$ 1,004,569	\$ 909,791	\$ 855,294
25,736	31,456	23,520	20,792	19,435	12,422
\$ 1,127,551	\$ 1,173,232	\$ 1,184,430	\$ 1,025,361	\$ 929,226	\$ 867,716
(1,127,551)	(1,173,232)	(1,184,430)	(1,025,361)	(929,226)	(867,716)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 7,870,107	\$ 8,155,543	\$ 8,292,214	\$ 7,727,454	\$ 7,581,592	\$ 7,127,450
\$ 183,829	\$ 224,686	\$ 168,000	\$ 159,938	\$ 161,958	\$ 103,517
14.00%	14.00%	14.00%	13.00%	12.00%	12.00%
14.00%	14.00%	14.00%	13.00%	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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually Required Contributions	\$ 1,468,521	\$ 1,427,661	\$ 1,313,352	\$ 1,248,826
Contributions in Relation to the Contractually Required Contribution	<u>(1,468,521)</u>	<u>(1,427,661)</u>	<u>(1,313,352)</u>	<u>(1,248,826)</u>
Contribution Deficiency / (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 6,829,353	\$ 6,684,736	\$ 6,129,069	\$ 5,836,938
Contributions as a Percentage of Covered Payroll	21.50%	21.36%	21.43%	21.40%

See accompanying notes to the required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,192,864	\$ 1,131,739	\$ 1,117,164	\$ 1,066,650	\$ 1,034,716	\$ 1,007,282
<u>(1,192,864)</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,580,353	\$ 5,312,048	\$ 5,254,101	\$ 5,010,578	\$ 4,857,217	\$ 4,721,955
21.38%	21.31%	21.26%	21.29%	21.30%	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 Eight Years (1)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
City's Proportion of the Net OPEB Liability/Asset	0.060042%	0.057658%	0.058348%
City's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (541,893)	\$ 363,545	\$(1,827,549)
City's Covered Payroll	\$ 10,226,134	\$ 9,597,985	\$ 9,069,263
City's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-5.30%	3.79%	-20.15%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	107.76%	94.79%	128.23%

(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

2021	2020	2019	2018	2017
0.053934%	0.057127%	0.060709%	0.057010%	0.058250%
\$ (960,877)	\$ 7,890,723	\$ 7,915,021	\$ 6,190,866	\$ 5,883,448
\$ 8,332,372	\$ 8,576,000	\$ 8,740,452	\$ 8,075,130	\$ 8,049,392
-11.53%	92.01%	90.56%	76.67%	73.09%
115.57%	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 Eight Years (1)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
City's Proportion of the Net OPEB Liability	0.2427937%	0.2267553%	0.2305882%
City's Proportionate Share of the Net OPEB Liability	\$ 1,772,711	\$ 1,614,432	\$ 2,527,445
City's Covered Payroll	\$ 6,684,736	\$ 6,129,069	\$ 5,836,938
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	26.52%	26.34%	43.30%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	51.89%	52.59%	46.86%

(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

2021	2020	2019	2018	2017
0.2274115%	0.2283517%	0.2339729%	0.2297646%	0.2249600%
\$ 2,409,462	\$ 2,255,596	\$ 2,130,682	\$ 13,018,138	\$ 10,678,345
\$ 5,580,353	\$ 5,312,048	\$ 5,254,101	\$ 5,010,578	\$ 4,857,217
43.18%	42.46%	40.55%	259.81%	219.84%
45.42%	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 Ten Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually Required Contribution	\$ 8,763	\$ 11,616	\$ 9,728	\$ 12,475
Contributions in Relation to the Contractually Required Contribution	<u>(8,763)</u>	<u>(11,616)</u>	<u>(9,728)</u>	<u>(12,475)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 10,655,507	\$ 10,226,134	\$ 9,597,985	\$ 9,069,263
Contributions as a Percentage of Covered Payroll	0.08%	0.11%	0.10%	0.14%

See accompanying notes to the required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 11,137	\$ 10,963	\$ 11,210	\$ 88,882	\$ 167,105	\$ 144,847
<u>(11,137)</u>	<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>	<u>\$ -</u>
\$ 8,332,372	\$ 8,576,000	\$ 8,740,452	\$ 8,075,130	\$ 8,049,392	\$ 7,499,001
0.13%	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

	2024	2023	2022	2021
Contractually Required Contribution	\$ 34,147	\$ 33,424	\$ 30,646	\$ 29,184
Contributions in Relation to the Contractually Required Contribution	<u>(34,147)</u>	<u>(33,424)</u>	<u>(30,646)</u>	<u>(29,184)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 6,829,353	\$ 6,684,736	\$ 6,129,069	\$ 5,836,938
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%

See accompanying notes to the required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 27,902	\$ 26,561	\$ 26,270	\$ 25,053	\$ 24,043	\$ 23,516
<u>(27,902)</u>	<u>(26,561)</u>	<u>(26,270)</u>	<u>(25,053)</u>	<u>(24,043)</u>	<u>(23,516)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,580,353	\$ 5,312,048	\$ 5,254,101	\$ 5,010,578	\$ 4,857,217	\$ 4,721,955
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

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

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2024.

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. For 2024, 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 decreased from 3.00% simple through 2023 then 2.05% simple, to 2.30% simple through 2024 then 2.05% simple.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2024.

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

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

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. For 2024, the following changes in assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 5.22% to 5.70% (b) the municipal bond rate changed from 4.05% to 3.77% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2036 to 5.50% initial and 3.50% ultimate in 2038.

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 2014-2024.

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 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. For 2024, the Municipal Bond Index Rate decreased from 3.65 percent to 3.38 percent.

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

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018 and 2020-2024. 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 percent to 4.27 percent (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. For 2024, the changes of assumptions were: (a) the single discount rate changed from 4.27 to 4.07 (b) the depletion year of OPEB assets is projected in year 2038.

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 2024. 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 2024.

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 2024.

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:

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

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. This fund did not have any budgetary activity in 2024. Therefore, budgetary information is not provided.

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.

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.

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, 2024

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 3,916,620	\$ 1,764,533	\$ 3,483,886	\$ 9,165,039
Materials and Supplies Inventory	450,108	-	-	450,108
Accounts Receivable	128,255	-	142,483	270,738
Interfund Receivable	-	71,430	-	71,430
Intergovernmental Receivable	916,580	18,379	-	934,959
Prepaid Items	39,477	-	-	39,477
Municipal Income Taxes Receivable	221,924	688,890	-	910,814
Property and Other Taxes Receivable	2,532,706	309,937	-	2,842,643
Special Assessments Receivable	-	-	45,457	45,457
Total Assets	\$ 8,205,670	\$ 2,853,169	\$ 3,671,826	\$ 14,730,665
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 65,087	\$ -	\$ 41,487	\$ 106,574
Accrued Wages and Benefits	145,598	-	-	145,598
Intergovernmental Payable	25,019	-	-	25,019
Interfund Payable	-	-	91,430	91,430
Unearned Revenue	5,000	-	-	5,000
Total Liabilities	240,704	-	132,917	373,621
Deferred Inflows of Resources:				
Property Taxes	2,472,326	302,483	-	2,774,809
Unavailable Revenue - Delinquent Property Taxes	60,380	7,454	-	67,834
Unavailable Revenue - Municipal Income Taxes	76,589	237,745	-	314,334
Unavailable Revenue - Other	744,850	18,379	66,281	829,510
Total Deferred Inflows of Resources	3,354,145	566,061	66,281	3,986,487
Fund Balances:				
Nonspendable	489,585	-	-	489,585
Restricted	3,408,179	2,287,108	854,018	6,549,305
Committed	713,600	-	1,112,137	1,825,737
Assigned	-	-	1,582,924	1,582,924
Unassigned (Deficits)	(543)	-	(76,451)	(76,994)
Total Fund Balances	4,610,821	2,287,108	3,472,628	10,370,557
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 8,205,670	\$ 2,853,169	\$ 3,671,826	\$ 14,730,665

City of Avon Lake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Property and Other Taxes	\$ 2,157,698	\$ 280,589	\$ -	\$ 2,438,287
Municipal Income Taxes	667,066	2,351,288	-	3,018,354
Intergovernmental	3,724,623	36,758	-	3,761,381
Interest	5,621	3,847	-	9,468
Fees, Licenses, and Permits	12,160	-	-	12,160
Fines and Forfeitures	126,776	-	-	126,776
Rentals	129,426	-	-	129,426
Charges for Services	1,033,540	-	725,179	1,758,719
Contributions and Donations	27,986	-	-	27,986
Special Assessments	-	-	12,826	12,826
All Other Revenues	242,161	-	-	242,161
Total Revenues	<u>8,127,057</u>	<u>2,672,482</u>	<u>738,005</u>	<u>11,537,544</u>
EXPENDITURES				
Current:				
Security of Persons and Property	3,159,679	-	-	3,159,679
Leisure Time Activities	1,987,918	-	-	1,987,918
Community Environment	6,906	-	-	6,906
Transportation	1,458,255	-	-	1,458,255
General Government	-	9,189	717	9,906
Capital Outlay	1,652,068	-	168,103	1,820,171
Debt Service:				
Principal Retirement	46,226	1,503,561	-	1,549,787
Interest and Fiscal Charges	7,267	632,070	1,017	640,354
Total Expenditures	<u>8,318,319</u>	<u>2,144,820</u>	<u>169,837</u>	<u>10,632,976</u>
Excess of Revenues Over (Under) Expenditures	<u>(191,262)</u>	<u>527,662</u>	<u>568,168</u>	<u>904,568</u>
OTHER FINANCING SOURCES				
Sale of Capital Assets	20,000	-	-	20,000
Issuance of Subscriptions and Leases	117,154	-	-	117,154
Transfers In	285,000	-	-	285,000
Total Other Financing Sources	<u>422,154</u>	<u>-</u>	<u>-</u>	<u>422,154</u>
Net Change in Fund Balances	230,892	527,662	568,168	1,326,722
Fund Balances - Beginning of Year	4,379,929	1,759,446	2,904,460	9,043,835
Fund Balances - End of Year	<u>\$ 4,610,821</u>	<u>\$ 2,287,108</u>	<u>\$ 3,472,628</u>	<u>\$ 10,370,557</u>

City of Avon Lake, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2024

	Street Construction Maintenance and Repair	State Highway	Paramedic	Law Enforcement Trust
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 797,396	\$ 232,327	\$ 1,293,850	\$ 69,202
Materials and Supplies Inventory	450,108	-	-	-
Accounts Receivable	-	-	-	-
Intergovernmental Receivable	663,956	76,124	97,795	-
Prepaid Items	14,036	-	14,405	-
Income Taxes Receivable	-	-	-	-
Property Taxes Receivable	-	-	1,678,332	-
Total Assets	\$ 1,925,496	\$ 308,451	\$ 3,084,382	\$ 69,202
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 9,711	\$ -	\$ 7,287	\$ -
Accrued Wages and Benefits	32,958	-	77,279	-
Intergovernmental Payable	4,201	-	15,070	-
Unearned Revenue	-	-	-	-
Total Liabilities	46,870	-	99,636	-
Deferred Inflows of Resources:				
Property Taxes	-	-	1,638,044	-
Unavailable Revenue - Delinquent Property Taxes	-	-	40,288	-
Unavailable Revenue - Income Taxes	-	-	-	-
Unavailable Revenue - Other	437,161	49,657	97,795	-
Total Deferred Inflows of Resources	437,161	49,657	1,776,127	-
Fund Balances:				
Nonspendable	464,144	-	14,405	-
Restricted	977,321	258,794	1,194,214	69,202
Committed	-	-	-	-
Unassigned (Deficits)	-	-	-	-
Total Fund Balances	1,441,465	258,794	1,208,619	69,202
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,925,496	\$ 308,451	\$ 3,084,382	\$ 69,202

Law Enforcement and Education	Indigent Drivers Alcohol Treatment	Municipal Court Computer	COPS	Avon Lake Bay Park	Board of Building Standards	Street Tree
\$ 19,328	\$ 103,179	\$ 246,139	\$ 1,295	\$ 432	\$ 61,506	\$ 313,947
-	-	-	-	-	-	-
-	-	1,673	-	-	-	-
-	-	-	38,605	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 19,328</u>	<u>\$ 103,179</u>	<u>\$ 247,812</u>	<u>\$ 39,900</u>	<u>\$ 432</u>	<u>\$ 61,506</u>	<u>\$ 313,947</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	9,212	-	-	-
-	-	-	1,670	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>10,882</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
19,328	103,179	247,812	29,018	432	61,506	-
-	-	-	-	-	-	313,947
-	-	-	-	-	-	-
<u>19,328</u>	<u>103,179</u>	<u>247,812</u>	<u>29,018</u>	<u>432</u>	<u>61,506</u>	<u>313,947</u>
<u>\$ 19,328</u>	<u>\$ 103,179</u>	<u>\$ 247,812</u>	<u>\$ 39,900</u>	<u>\$ 432</u>	<u>\$ 61,506</u>	<u>\$ 313,947</u>

(Continued)

City of Avon Lake, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2024
(Continued)

	Continued Professional Training	Court Security	Court Interlock	Police Pension
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 108,674	\$ 296	\$ 158,197	\$ 9,001
Materials and Supplies Inventory	-	-	-	-
Accounts Receivable	4,782	1,663	-	-
Intergovernmental Receivable	-	-	-	20,050
Prepaid Items	-	-	-	-
Income Taxes Receivable	-	-	-	-
Property Taxes Receivable	-	-	-	427,187
Total Assets	\$ 113,456	\$ 1,959	\$ 158,197	\$ 456,238
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	2,167	-	-
Intergovernmental Payable	-	335	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	-	2,502	-	-
Deferred Inflows of Resources:				
Property Taxes	-	-	-	417,141
Unavailable Revenue - Delinquent Property Taxes	-	-	-	10,046
Unavailable Revenue - Income Taxes	-	-	-	-
Unavailable Revenue - Other	-	-	-	20,050
Total Deferred Inflows of Resources	-	-	-	447,237
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	113,456	-	158,197	9,001
Committed	-	-	-	-
Unassigned (Deficits)	-	(543)	-	-
Total Fund Balances	113,456	(543)	158,197	9,001
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 113,456	\$ 1,959	\$ 158,197	\$ 456,238

Fire Pension	Recreation Trust	Recreation	Opioid Settlement	American Rescue Plan	AL Public Arts	Total Nonmajor Special Revenue Funds
\$ 13,001	\$ 399,653	\$ 10,933	\$ 72,559	\$ 5,000	\$ 705	\$ 3,916,620
-	-	-	-	-	-	450,108
-	-	-	120,137	-	-	128,255
20,050	-	-	-	-	-	916,580
-	-	11,036	-	-	-	39,477
-	-	221,924	-	-	-	221,924
427,187	-	-	-	-	-	2,532,706
<u>\$ 460,238</u>	<u>\$ 399,653</u>	<u>243,893</u>	<u>192,696</u>	<u>5,000</u>	<u>\$ 705</u>	<u>\$ 8,205,670</u>
\$ -	\$ -	\$ 48,089	\$ -	\$ -	\$ -	\$ 65,087
-	-	23,982	-	-	-	145,598
-	-	3,743	-	-	-	25,019
-	-	-	-	5,000	-	5,000
<u>-</u>	<u>-</u>	<u>75,814</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>240,704</u>
417,141	-	-	-	-	-	2,472,326
10,046	-	-	-	-	-	60,380
-	-	76,589	-	-	-	76,589
20,050	-	-	120,137	-	-	744,850
<u>447,237</u>	<u>-</u>	<u>76,589</u>	<u>120,137</u>	<u>-</u>	<u>-</u>	<u>3,354,145</u>
-	-	11,036	-	-	-	489,585
13,001	-	80,454	72,559	-	705	3,408,179
-	399,653	-	-	-	-	713,600
-	-	-	-	-	-	(543)
<u>13,001</u>	<u>399,653</u>	<u>91,490</u>	<u>72,559</u>	<u>-</u>	<u>705</u>	<u>4,610,821</u>
<u>\$ 460,238</u>	<u>\$ 399,653</u>	<u>\$ 243,893</u>	<u>\$ 192,696</u>	<u>\$ 5,000</u>	<u>\$ 705</u>	<u>\$ 8,205,670</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, 2024

	Street Construction Maintenance and Repair	State Highway	Paramedic	Law Enforcement Trust
REVENUES				
Property Taxes	\$ -	\$ -	\$ 1,545,504	\$ -
Municipal Income Taxes	-	-	-	-
Intergovernmental	1,610,553	139,016	195,589	-
Interest	-	-	-	-
Fees, Licenses, and Permits	-	-	-	-
Fines and Forfeitures	-	-	-	75
Rentals	-	-	-	-
Charges for Services	-	-	-	-
Contributions and Donations	-	-	672	-
All Other Revenues	786	-	30,560	-
Total Revenues	<u>1,611,339</u>	<u>139,016</u>	<u>1,772,325</u>	<u>75</u>
EXPENDITURES				
Current:				
Security of Persons and Property:	-	-	2,075,299	-
Leisure Time Activities	-	-	-	-
Community Environment	-	-	-	-
Transportation	1,358,255	100,000	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>1,358,255</u>	<u>100,000</u>	<u>2,075,299</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>253,084</u>	<u>39,016</u>	<u>(302,974)</u>	<u>75</u>
OTHER FINANCING SOURCES				
Sale of Capital Assets	-	-	20,000	-
Issuance of Subscriptions and Leases	-	-	-	-
Transfers In	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
Net Change in Fund Balances	<u>253,084</u>	<u>39,016</u>	<u>(282,974)</u>	<u>75</u>
 Fund Balances - Beginning of Year	 <u>1,188,381</u>	 <u>219,778</u>	 <u>1,491,593</u>	 <u>69,127</u>
Fund Balances - End of Year	<u>\$ 1,441,465</u>	<u>\$ 258,794</u>	<u>\$ 1,208,619</u>	<u>\$ 69,202</u>

Law Enforcement and Education	Indigent Drivers Alcohol Treatment	Municipal Court Computer	COPS	Avon Lake Bay Park	Board of Building Standards	Street Tree
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	38,605	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	12,160	-
982	9,854	27,841	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	12,239
-	-	-	155,957	-	-	-
982	9,854	27,841	194,562	-	12,160	12,239
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	6,906	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	150	15,446	309,368	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	6,906	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	150	15,446	309,368	-	6,906	-
982	9,704	12,395	(114,806)	-	5,254	12,239
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	150,000	-	-	-
-	-	-	150,000	-	-	-
982	9,704	12,395	35,194	-	5,254	12,239
18,346	93,475	235,417	(6,176)	432	56,252	301,708
\$ 19,328	\$ 103,179	\$ 247,812	\$ 29,018	\$ 432	\$ 61,506	\$ 313,947

(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, 2024
(Continued)

	Continued Professional Training	Court Security	Court Interlock	Police Pension
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ 306,097
Municipal Income Taxes	-	-	-	-
Intergovernmental	-	-	-	40,099
Interest	-	-	-	-
Fees, Licenses, and Permits	-	-	-	-
Fines and Forfeitures	-	26,148	8,757	-
Rentals	-	-	-	-
Charges for Services	-	-	-	-
Contributions and Donations	-	-	-	-
All Other Revenues	42,085	-	-	-
Total Revenues	<u>42,085</u>	<u>26,148</u>	<u>8,757</u>	<u>346,196</u>
EXPENDITURES				
Current:				
Security of Persons and Property:	-	67,425	5,046	340,576
Leisure Time Activities	-	-	-	-
Community Environment	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	3,995
Interest and Fiscal Charges	-	-	-	2,404
Total Expenditures	<u>-</u>	<u>67,425</u>	<u>5,046</u>	<u>346,975</u>
Excess of Revenues Over (Under) Expenditures	<u>42,085</u>	<u>(41,277)</u>	<u>3,711</u>	<u>(779)</u>
OTHER FINANCING SOURCES				
Sale of Capital Assets	-	-	-	-
Refunding Bonds Issues	-	-	-	-
Transfers In	-	30,000	-	-
Total Other Financing Sources	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>42,085</u>	<u>(11,277)</u>	<u>3,711</u>	<u>(779)</u>
Fund Balances - Beginning of Year	71,371	10,734	154,486	9,780
Fund Balances - End of Year	<u>\$ 113,456</u>	<u>\$ (543)</u>	<u>\$ 158,197</u>	<u>\$ 9,001</u>

Fire Pension	Recreation Trust	Recreation Fund	Opioid Settlement	American Rescue Plan	AL Public Arts	Total Nonmajor Special Revenue Funds
\$ 306,097	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,157,698
-	-	667,066	-	-	-	667,066
40,099	-	-	-	1,660,662	-	3,724,623
-	5,621	-	-	-	-	5,621
-	-	-	-	-	-	12,160
-	-	-	53,119	-	-	126,776
-	-	129,426	-	-	-	129,426
-	46,311	987,229	-	-	-	1,033,540
-	-	15,075	-	-	-	27,986
-	-	12,773	-	-	-	242,161
<u>346,196</u>	<u>51,932</u>	<u>1,811,569</u>	<u>53,119</u>	<u>1,660,662</u>	<u>-</u>	<u>8,127,057</u>
346,369	-	-	-	-	-	3,159,679
-	-	1,987,918	-	-	-	1,987,918
-	-	-	-	-	-	6,906
-	-	-	-	-	-	1,458,255
-	-	-	-	1,652,068	-	1,652,068
-	-	35,723	-	6,508	-	46,226
-	-	2,777	-	2,086	-	7,267
<u>346,369</u>	<u>-</u>	<u>2,026,418</u>	<u>-</u>	<u>1,660,662</u>	<u>-</u>	<u>8,318,319</u>
<u>(173)</u>	<u>51,932</u>	<u>(214,849)</u>	<u>53,119</u>	<u>-</u>	<u>-</u>	<u>(191,262)</u>
-	-	-	-	-	-	20,000
-	-	117,154	-	-	-	117,154
-	-	105,000	-	-	-	285,000
-	-	222,154	-	-	-	422,154
<u>(173)</u>	<u>51,932</u>	<u>7,305</u>	<u>53,119</u>	<u>-</u>	<u>-</u>	<u>230,892</u>
<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>\$ 13,001</u>	<u>\$ 399,653</u>	<u>\$ 91,490</u>	<u>\$ 72,559</u>	<u>\$ -</u>	<u>\$ 705</u>	<u>\$ 4,610,821</u>

City of Avon Lake, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2024

	GO Bond Retirement (Unvoted)	GO Bond Retirement (Voted)	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 800,090	\$ 32,557	\$ 931,886	\$ 1,764,533
Interfund Receivable	-	-	71,430	71,430
Intergovernmental Receivable	-	18,379	-	18,379
Income Taxes Receivable	688,890	-	-	688,890
Property Taxes Receivable	-	309,937	-	309,937
Total Assets	\$ 1,488,980	\$ 360,873	\$ 1,003,316	\$ 2,853,169
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Deferred Inflows of Resources:				
Property Taxes and Payments in Lieu of Taxes	\$ -	\$ 302,483	\$ -	\$ 302,483
Unavailable Revenue - Delinquent Property Taxes	-	7,454	-	7,454
Unavailable Revenue - Income Taxes	237,745	-	-	237,745
Unavailable Revenue - Other	-	18,379	-	18,379
<i>Total Deferred Inflows of Resources</i>	<i>237,745</i>	<i>328,316</i>	<i>-</i>	<i>566,061</i>
Fund Balances:				
Restricted	1,251,235	32,557	1,003,316	2,287,108
<i>Total Fund Balances</i>	<i>1,251,235</i>	<i>32,557</i>	<i>1,003,316</i>	<i>2,287,108</i>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,488,980	\$ 360,873	\$ 1,003,316	\$ 2,853,169

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, 2024

	GO Bond Retirement (Unvoted)	GO Bond Retirement (Voted)	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
REVENUES				
Property Taxes	\$ -	\$ 280,589	\$ -	\$ 280,589
Income Taxes	2,351,288	-	-	2,351,288
Intergovernmental	-	36,758	-	36,758
Interest	-	-	3,847	3,847
Total Revenues	<u>2,351,288</u>	<u>317,347</u>	<u>3,847</u>	<u>2,672,482</u>
EXPENDITURES				
Current:				
General Government	4,901	4,288	-	9,189
Debt Service:				
Principal Retirement	1,213,561	290,000	-	1,503,561
Interest and Fiscal Charges	586,019	46,050	1	632,070
Total Expenditures	<u>1,804,481</u>	<u>340,338</u>	<u>1</u>	<u>2,144,820</u>
Net Change in Fund Balances	546,807	(22,991)	3,846	527,662
 Fund Balances - Beginning of Year	 704,428	 55,548	 999,470	 1,759,446
Fund Balances - End of Year	<u><u>\$ 1,251,235</u></u>	<u><u>\$ 32,557</u></u>	<u><u>\$ 1,003,316</u></u>	<u><u>\$ 2,287,108</u></u>

City of Avon Lake, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2024

	Police/ Court Facility	Troy School Driveway	Bicycle Trails	Walker Rd. Widening
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 1,435,206	\$ -	\$ 200	\$ 23,716
Accounts Receivable	142,483	-	-	-
Special Assessments Receivable	-	-	-	-
Total Assets	\$ 1,577,689	\$ -	\$ 200	\$ 23,716
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	20,000	-	-
<i>Total Liabilities</i>	<i>-</i>	<i>20,000</i>	<i>-</i>	<i>-</i>
Deferred Inflows of Resources:				
Unavailable Revenue - Other	20,824	-	-	-
<i>Total Deferred Inflows of Resources</i>	<i>20,824</i>	<i>-</i>	<i>-</i>	<i>-</i>
Fund Balances:				
Restricted	-	-	-	23,716
Committed	-	-	200	-
Assigned	1,556,865	-	-	-
Unassigned (Deficits)	-	(20,000)	-	-
<i>Total Fund Balances (Deficits)</i>	<i>1,556,865</i>	<i>(20,000)</i>	<i>200</i>	<i>23,716</i>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,577,689	\$ -	\$ 200	\$ 23,716

Walker Rd Sewer/Lear Rd East	Titus- Pitts-Hill Ditch	Sidewalk/ Street Lighting	Cove Ave Improvement	ALPS Playground	Total Nonmajor Capital Projects Funds
\$ 592,990	\$ 1,111,937	\$ 237,312	\$ 14,979	\$ 67,546	\$ 3,483,886
-	-	-	-	-	142,483
-	-	-	45,457	-	45,457
<u>\$ 592,990</u>	<u>\$ 1,111,937</u>	<u>\$ 237,312</u>	<u>\$ 60,436</u>	<u>\$ 67,546</u>	<u>\$ 3,671,826</u>
\$ -	\$ -	\$ -	\$ -	\$ 41,487	\$ 41,487
-	-	-	71,430	-	91,430
-	-	-	71,430	41,487	132,917
-	-	-	45,457	-	66,281
-	-	-	45,457	-	66,281
592,990	-	237,312	-	-	854,018
-	1,111,937	-	-	-	1,112,137
-	-	-	-	26,059	1,582,924
-	-	-	(56,451)	-	(76,451)
<u>592,990</u>	<u>1,111,937</u>	<u>237,312</u>	<u>(56,451)</u>	<u>26,059</u>	<u>3,472,628</u>
<u>\$ 592,990</u>	<u>\$ 1,111,937</u>	<u>\$ 237,312</u>	<u>\$ 60,436</u>	<u>\$ 67,546</u>	<u>\$ 3,671,826</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, 2024

	Police/ Court Facility	Troy School Driveway	Bicycle Trails	Walker Rd. Widening
REVENUES				
Charges for Services	\$ 725,179	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-
Total Revenues	<u>725,179</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Capital Outlay	7,183	-	-	-
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>7,183</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	717,996	-	-	-
 Fund Balances (Deficits)- Beginning of Year	 838,869	 (20,000)	 200	 23,716
Fund Balances (Deficits) - End of Year	<u><u>\$ 1,556,865</u></u>	<u><u>\$ (20,000)</u></u>	<u><u>\$ 200</u></u>	<u><u>\$ 23,716</u></u>

Walker Rd Sewer/Lear Rd East	Titus- Pitts-Hill Ditch	Sidewalk/ Street Lighting	Cove Ave Improvement	ALPS Playground	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 725,179
1,969	-	-	10,857	-	12,826
<u>1,969</u>	<u>-</u>	<u>-</u>	<u>10,857</u>	<u>-</u>	<u>738,005</u>
300	-	-	417	-	717
-	-	-	-	160,920	168,103
-	-	-	1,017	-	1,017
<u>300</u>	<u>-</u>	<u>-</u>	<u>1,434</u>	<u>160,920</u>	<u>169,837</u>
1,669	-	-	9,423	(160,920)	568,168
591,321	1,111,937	237,312	(65,874)	186,979	2,904,460
<u>\$ 592,990</u>	<u>\$ 1,111,937</u>	<u>\$ 237,312</u>	<u>\$ (56,451)</u>	<u>\$ 26,059</u>	<u>\$ 3,472,628</u>

Fund Descriptions – Fiduciary Funds

Fiduciary Funds

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

Custodial Funds

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

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

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

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, 2024

	<u>ELT 2 MOR</u>	<u>Transfer</u>	<u>Municipal Court</u>	<u>LORCO</u>	<u>Total</u>
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 1,269	\$ 39,531	\$ -	\$ 40,800
Cash and Cash Equivalents with Fiscal Agent	4,853,498	-	-	186,672	5,040,170
Total Assets	<u>4,853,498</u>	<u>1,269</u>	<u>39,531</u>	<u>186,672</u>	<u>5,080,970</u>
LIABILITIES					
Due to External Parties	926,359	336	39,531	-	966,226
Due to Primary Government	-	-	-	5,186,176	5,186,176
Total Liabilities	<u>926,359</u>	<u>336</u>	<u>39,531</u>	<u>5,186,176</u>	<u>6,152,402</u>
NET POSITION					
Restricted For:					
Individuals, Organizations, and Other Governments	3,927,139	933	-	(4,999,504)	(1,071,432)
Total Net Position	<u>\$ 3,927,139</u>	<u>\$ 933</u>	<u>\$ -</u>	<u>\$ (4,999,504)</u>	<u>\$ (1,071,432)</u>

City of Avon Lake, Ohio
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2024

	ELT 2 MOR	Transfer	Municipal Court	LORCO	Total
ADDITIONS					
Interest	\$ 96,632	\$ -	\$ -	\$ 13,575	\$ 110,207
Amounts Received as Fiscal Agent	6,800,914	-	-	1,963,238	8,764,152
Fines and Forfeitures for Other Governments	-	7,545	272,521	-	280,066
Total Additions	6,897,546	7,545	272,521	1,976,813	9,154,425
DEDUCTIONS					
Distributions to Primary Government	-	-	-	1,650,120	1,650,120
Fines and Forfeitures Distributions to Other Governments	-	7,163	272,521	-	279,684
Distributions as Fiscal Agent	6,118,520	-	-	635,591	6,754,111
Total Deductions	6,118,520	7,163	272,521	2,285,711	8,683,915
Net Increase (Decrease) in Fiduciary Net Position	779,026	382	-	(308,898)	470,510
Net Position - Beginning of Year	3,148,113	551	-	(4,690,606)	(1,541,942)
Net Position - End of Year	\$ 3,927,139	\$ 933	\$ -	\$ (4,999,504)	\$ (1,071,432)

**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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 4,753,735	\$ 4,753,735	\$ 4,596,160	\$ (157,575)
Other Taxes	361,876	361,876	334,872	(27,004)
Intergovernmental	1,301,708	1,301,708	1,475,708	174,000
Interest	365,564	365,564	222,019	(143,545)
Fees, Licenses, and Permits	1,529,252	1,529,252	1,371,091	(158,161)
Fines and Forfeitures	221,254	221,254	240,634	19,380
Charges for Services	52,091	52,091	47,722	(4,369)
Rentals	95,222	95,222	82,592	(12,630)
Contributions and Donations	350	350	-	(350)
All Other Revenues	59,757	59,757	128,251	68,494
Total Revenues	8,740,809	8,740,809	8,499,049	(241,760)
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Personal Services	5,253,812	5,253,804	4,913,812	339,992
Other	434,796	439,269	432,033	7,236
Total Police	5,688,608	5,693,073	5,345,845	347,228
Fire				
Personal Services	3,735,058	3,720,180	3,649,079	71,101
Other	252,380	267,258	261,269	5,989
Total Fire	3,987,438	3,987,438	3,910,348	77,090
Total Security of Persons and Property	9,676,046	9,680,511	9,256,193	424,318
Community Development				
Building Inspection				
Personal Services	584,752	584,752	571,709	13,043
Other	59,177	59,177	50,087	9,090
Total Building Inspection	643,929	643,929	621,796	22,133
EEAB				
Other	5,250	5,250	823	4,427
Total EEAB	5,250	5,250	823	4,427
Total Community Development	649,179	649,179	622,619	26,560

(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, 2024
(Continued)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Transportation				
Service				
Personal Services	3,809,632	3,694,735	3,395,113	299,622
Other	1,691,310	1,819,502	1,499,041	320,461
Total Transportation	5,500,942	5,514,237	4,894,154	620,083
General Government				
Legislative - Council				
Personal Services	296,507	298,764	297,951	813
Other	36,454	44,062	41,421	2,641
Total Legislative - Council	332,961	342,826	339,372	3,454
Judicial - Court				
Personal Services	620,726	616,609	616,020	589
Other	95,019	107,649	101,973	5,676
Total Judicial - Court	715,745	724,258	717,993	6,265
Legal Counsel				
Personal Services	212,621	212,621	212,346	275
Other	75,222	84,912	79,861	5,051
Total Legal Counsel	287,843	297,533	292,207	5,326
Civil Service				
Personal Services	9,209	9,209	9,199	10
Other	24,283	24,283	10,634	13,649
Total Civil Service	33,492	33,492	19,833	13,659
Mayor				
Personal Services	925,185	881,338	849,738	31,600
Other	156,745	290,886	259,335	31,551
Total Mayor	1,081,930	1,172,224	1,109,073	63,151
Finance				
Personal Services	573,310	546,818	527,868	18,950
Other	365,231	391,723	377,583	14,140
Total Finance	938,541	938,541	905,451	33,090
Other General Government				
Other	1,877,564	2,177,617	2,135,958	41,659
Total General Government	5,268,076	5,686,491	5,519,887	166,604
Total Expenditures	21,094,243	21,530,418	20,292,853	1,237,565

(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, 2024
 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of Revenues Over (Under) Expenditures	(12,353,434)	(12,789,609)	(11,793,804)	995,805
Other Financing Sources (Uses)				
Sale of Capital Assets	2,332	2,332	785	(1,547)
Transfers In	13,000,000	13,000,000	13,000,000	-
Transfers Out	(1,047,000)	(1,047,000)	(872,000)	175,000
Total Other Financing Sources (Uses)	<u>11,955,332</u>	<u>11,955,332</u>	<u>12,128,785</u>	<u>173,453</u>
Net Change in Fund Balance	(398,102)	(834,277)	334,981	1,169,258
Fund Balance - Beginning of Year	502,506	502,506	502,506	-
Prior Year Encumbrances Appropriated	352,938	352,938	352,938	-
Fund Balance - End of Year	<u>\$ 457,342</u>	<u>\$ 21,167</u>	<u>\$ 1,190,425</u>	<u>\$ 1,169,258</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, 2024*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Municipal Income Taxes	\$ 3,000,000	\$ 3,000,000	\$ -
Intergovernmental	2,000,013	139,323	(1,860,690)
Interest	166,000	690,897	524,897
All Other Revenues	450,000	241,164	(208,836)
Total Revenues	<u>5,616,013</u>	<u>4,071,384</u>	<u>(1,544,629)</u>
Expenditures:			
Current:			
General Government			
Other	30,000	72	29,928
Total General Government	<u>30,000</u>	<u>72</u>	<u>29,928</u>
Capital Outlay:			
Capital Outlay	10,820,978	7,760,673	3,060,305
Total Expenditures	<u>10,850,978</u>	<u>7,760,745</u>	<u>3,090,233</u>
Excess of Revenues Over (Under) Expenditures	(5,234,965)	(3,689,361)	1,545,604
Other Financing Sources			
Sale of Capital Assets	-	(89,091)	(89,091)
Transfers In	1,255,401	150,000	(1,105,401)
Total Other Financing Sources	<u>1,255,401</u>	<u>60,909</u>	<u>(1,194,492)</u>
Net Change in Fund Balance	(3,979,564)	(3,628,452)	351,112
Fund Balance - Beginning of Year	8,952,115	8,952,115	-
Prior Year Encumbrances Appropriated	1,449,144	1,449,144	-
Fund Balance - End of Year	<u>\$ 6,421,695</u>	<u>\$ 6,772,807</u>	<u>\$ 351,112</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, 2024

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 1,586,100	\$ 1,624,166	\$ 38,066
All Other Revenues	-	786	786
Total Revenues	<u>1,586,100</u>	<u>1,624,952</u>	<u>38,852</u>
Expenditures:			
Current:			
Transportation			
Street Construction, Maintenance and Repair			
Personal Services	942,180	941,096	1,084
Other	1,049,160	450,839	598,321
Contractual Services	553,664	80,089	473,575
Total Expenditures	<u>2,545,004</u>	<u>1,472,024</u>	<u>1,072,980</u>
Excess of Revenues Over (Under) Expenditures	(958,904)	152,928	1,111,832
Other Financing Sources			
Transfers In	460,000	-	(460,000)
Total Other Financing Sources	<u>460,000</u>	<u>-</u>	<u>(460,000)</u>
Net Change in Fund Balance	(498,904)	152,928	651,832
Fund Balance - Beginning of Year	488,542	488,542	-
Prior Year Encumbrances Appropriated	93,325	93,325	-
Fund Balance - End of Year	<u>\$ 82,963</u>	<u>\$ 734,795</u>	<u>\$ 651,832</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, 2024*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 129,000	\$ 131,689	\$ 2,689
Total Revenues	<u>129,000</u>	<u>131,689</u>	<u>2,689</u>
Expenditures:			
Current:			
Transportation			
Street Construction, Maintenance and Repair			
Other	129,000	100,000	29,000
Total Expenditures	<u>129,000</u>	<u>100,000</u>	<u>29,000</u>
Net Change in Fund Balance	-	31,689	31,689
Fund Balance - Beginning of Year	200,638	200,638	-
Fund Balance - End of Year	<u>\$ 200,638</u>	<u>\$ 232,327</u>	<u>\$ 31,689</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, 2024

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Municipal Income Taxes	\$ 16,969,225	\$ 17,941,847	\$ 972,622
Total Revenues	<u>16,969,225</u>	<u>17,941,847</u>	<u>972,622</u>
Expenditures:			
Current:			
Security of Persons and Property:			
Police and Others:			
Other	392,705	392,705	-
Total Expenditures	<u>392,705</u>	<u>392,705</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	16,576,520	17,549,142	972,622
Other Financing (Uses)			
Transfers Out	(18,868,000)	(18,868,000)	-
Total Other Financing (Uses)	<u>(18,868,000)</u>	<u>(18,868,000)</u>	<u>-</u>
Net Change in Fund Balance	(2,291,480)	(1,318,858)	972,622
Fund Balance - Beginning of Year	2,716,920	2,716,920	-
Fund Balance - End of Year	<u>\$ 425,440</u>	<u>\$ 1,398,062</u>	<u>\$ 972,622</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, 2024*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 2,309,920	\$ 1,545,504	\$ (764,416)
Intergovernmental	194,000	195,589	1,589
Contributions and Donations	-	672	672
All Other Revenues	-	30,560	30,560
Total Revenues	<u>2,503,920</u>	<u>1,772,325</u>	<u>(731,595)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Fire			
Personal Services	1,854,920	1,852,075	2,845
Other	244,500	219,462	25,038
Total Expenditures	<u>2,099,420</u>	<u>2,071,537</u>	<u>27,883</u>
Excess of Revenues Over (Under) Expenditures	<u>404,500</u>	<u>(299,212)</u>	<u>(703,712)</u>
Other Financing Sources			
Sale of Capital Assets	-	20,000	20,000
Total Other Financing Sources	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Net Change in Fund Balance	404,500	(279,212)	(683,712)
Fund Balance - Beginning of Year	1,350,129	1,350,129	-
Prior Year Encumbrances Appropriated	14,389	14,389	-
Fund Balance - End of Year	<u>\$ 1,769,018</u>	<u>\$ 1,085,306</u>	<u>\$ (683,712)</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, 2024*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues	\$ -	\$ -	\$ -
Expenditures:			
Current:			
Public Health Services			
Other	50,000	44,478	5,522
Total Expenditures	50,000	44,478	5,522
Excess of Revenues Over (Under) Expenditures	(50,000)	(44,478)	5,522
Other Financing Sources			
Transfers In	50,000	50,000	-
Total Other Financing Sources	50,000	50,000	-
Net Change in Fund Balance	-	5,522	5,522
Fund Balance (Deficit) - Beginning of Year	6,396	6,396	-
Fund Balance - End of Year	\$ 6,396	\$ 11,918	\$ 5,522

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, 2024*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
All Other Revenues	\$ -	\$ 32	\$ 32
Total Revenues	<u>-</u>	<u>32</u>	<u>32</u>
Expenditures:			
Current:			
Transportation			
Service			
Personal Services	39,260	38,480	780
Other	1,700	338	1,362
Total Expenditures	<u>40,960</u>	<u>38,818</u>	<u>2,142</u>
Excess of Revenues Over (Under) Expenditures	(40,960)	(38,786)	2,174
Other Financing Sources			
Transfers In	41,000	41,000	-
Total Other Financing Sources	<u>41,000</u>	<u>41,000</u>	<u>-</u>
Net Change in Fund Balance	40	2,214	2,174
Fund Balance - Beginning of Year	1,032	1,032	-
Fund Balance - End of Year	<u>\$ 1,072</u>	<u>\$ 3,246</u>	<u>\$ 2,174</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, 2024*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Charges for Services	\$ 1,500	\$ 1,845	\$ 345
All Other Revenues	326	143	(183)
Total Revenues	<u>1,826</u>	<u>1,988</u>	<u>162</u>
Expenditures:			
Current:			
Leisure Time Activities			
Cable TV			
Personal Services	260,392	256,446	3,946
Other	78,346	65,879	12,467
Capital Outlay	17,052	18,627	(1,575)
Total Expenditures	<u>355,790</u>	<u>340,952</u>	<u>14,838</u>
Excess of Revenues Over (Under) Expenditures	(353,964)	(338,964)	15,000
Other Financing Sources			
Transfers In	344,000	346,000	2,000
Total Other Financing Sources	<u>344,000</u>	<u>346,000</u>	<u>2,000</u>
Net Change in Fund Balance	(9,964)	7,036	17,000
Fund Balance - Beginning of Year	261	261	-
Prior Year Encumbrances Appropriated	14,825	14,825	-
Fund Balance - End of Year	<u>\$ 5,122</u>	<u>\$ 22,122</u>	<u>\$ 17,000</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, 2024

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Fines and Forfeitures	\$ 600	\$ 75	\$ (525)
Total Revenues	<u>600</u>	<u>75</u>	<u>(525)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Other	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	600	75	(525)
Fund Balance - Beginning of Year	69,127	69,127	-
Fund Balance - End of Year	<u>\$ 69,727</u>	<u>\$ 69,202</u>	<u>\$ (525)</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, 2024

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Fines and Forfeitures	\$ 1,000	\$ 1,007	\$ 7
Total Revenues	<u>1,000</u>	<u>1,007</u>	<u>7</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police			
Other	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	1,000	1,007	7
Fund Balance - Beginning of Year	18,321	18,321	-
Fund Balance - End of Year	<u>\$ 19,321</u>	<u>\$ 19,328</u>	<u>\$ 7</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, 2024*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Fines and Forfeitures	\$ 10,000	\$ 10,307	\$ 307
Total Revenues	<u>10,000</u>	<u>10,307</u>	<u>307</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police			
Other	150	150	-
Total Expenditures	<u>150</u>	<u>150</u>	<u>-</u>
Net Change in Fund Balance	9,850	10,157	307
Fund Balance - Beginning of Year	93,022	93,022	-
Fund Balance - End of Year	<u>\$ 102,872</u>	<u>\$ 103,179</u>	<u>\$ 307</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, 2024

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Fines and Forfeitures	\$ 25,000	\$ 28,435	\$ 3,435
Total Revenues	<u>25,000</u>	<u>28,435</u>	<u>3,435</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police			
Other	70,000	23,786	46,214
Total Expenditures	<u>70,000</u>	<u>23,786</u>	<u>46,214</u>
Net Change in Fund Balance	(45,000)	4,649	49,649
Fund Balance - Beginning of Year	233,150	233,150	-
Fund Balance - End of Year	<u>\$ 188,150</u>	<u>\$ 237,799</u>	<u>\$ 49,649</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, 2024*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
All Other Revenues	\$ 142,000	\$ 155,957	\$ 13,957
Total Revenues	<u>142,000</u>	<u>155,957</u>	<u>13,957</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police			
Personal Services	309,158	309,103	55
Total Expenditures	<u>309,158</u>	<u>309,103</u>	<u>55</u>
Excess of Revenues Over (Under) Expenditures	(167,158)	(153,146)	14,012
Other Financing Sources			
Transfers In	156,460	150,000	(6,460)
Total Other Financing Sources	<u>156,460</u>	<u>150,000</u>	<u>(6,460)</u>
Net Change in Fund Balance	(10,698)	(3,146)	7,552
Fund Balance (Deficit) - Beginning of Year	4,441	4,441	-
Fund Balance - End of Year	<u><u>\$ (6,257)</u></u>	<u><u>\$ 1,295</u></u>	<u><u>\$ 7,552</u></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, 2024*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	432	432	-
Fund Balance - End of Year	<u><u>\$ 432</u></u>	<u><u>\$ 432</u></u>	<u><u>\$ -</u></u>

City of Avon Lake, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Board of Building Standards Fund For the Year Ended December 31, 2024

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Fees, Licenses, and Permits	\$ 35,000	\$ 34,068	\$ (932)
Total Revenues	<u>35,000</u>	<u>34,068</u>	<u>(932)</u>
Expenditures:			
Current:			
Community Environment			
Building Inspection			
Other	38,055	7,398	30,657
Total Expenditures	<u>38,055</u>	<u>7,398</u>	<u>30,657</u>
Net Change in Fund Balance	(3,055)	26,670	29,725
Fund Balance - Beginning of Year	31,634	31,634	-
Prior Year Encumbrances Appropriated	3,055	3,055	-
Fund Balance - End of Year	<u>\$ 31,634</u>	<u>\$ 61,359</u>	<u>\$ 29,725</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, 2024*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Fees, Licenses, and Permits	\$ 26,000	\$ -	\$ (26,000)
Contributions and Donations	22,500	12,239	(10,261)
Total Revenues	<u>48,500</u>	<u>12,239</u>	<u>(36,261)</u>
Expenditures:			
Current:			
Transportation			
Other	48,500	-	48,500
Total Expenditures	<u>48,500</u>	<u>-</u>	<u>48,500</u>
Net Change in Fund Balance	-	12,239	12,239
Fund Balance - Beginning of Year	284,859	284,859	-
Fund Balance - End of Year	<u>\$ 284,859</u>	<u>\$ 297,098</u>	<u>\$ 12,239</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, 2024*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
All Other Revenues	\$ 33,478	\$ 41,591	\$ 8,113
Revenues	<u>\$ 33,478</u>	<u>\$ 41,591</u>	<u>\$ 8,113</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police			
Other	33,478	-	33,478
Total Expenditures	<u>33,478</u>	<u>-</u>	<u>33,478</u>
Net Change in Fund Balance	-	41,591	41,591
Fund Balance - Beginning of Year	67,083	67,083	-
Fund Balance - End of Year	<u>\$ 67,083</u>	<u>\$ 108,674</u>	<u>\$ 41,591</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, 2024

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Fines and Forfeitures	\$ 69,000	\$ 26,783	\$ (42,217)
Total Revenues	<u>69,000</u>	<u>26,783</u>	<u>(42,217)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police			
Personal Services	79,478	67,849	11,629
Total Expenditures	<u>79,478</u>	<u>67,849</u>	<u>11,629</u>
Excess of Revenues Over (Under) Expenditures	<u>(10,478)</u>	<u>(41,066)</u>	<u>(30,588)</u>
Other Financing Sources			
Transfers In	-	30,000	30,000
Total Other Financing Sources	<u>-</u>	<u>30,000</u>	<u>30,000</u>
Net Change in Fund Balance	(10,478)	(11,066)	(588)
Fund Balance - Beginning of Year	11,362	11,362	-
Fund Balance - End of Year	<u>\$ 884</u>	<u>\$ 296</u>	<u>\$ (588)</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, 2024*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Fines and Forfeitures	\$ 10,081	\$ 9,307	\$ (774)
Total Revenues	<u>10,081</u>	<u>9,307</u>	<u>(774)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police			
Other	15,000	5,465	9,535
Total Expenditures	<u>15,000</u>	<u>5,465</u>	<u>9,535</u>
Net Change in Fund Balance	(4,919)	3,842	8,761
Fund Balance - Beginning of Year	154,355	154,355	-
Fund Balance - End of Year	<u>\$ 149,436</u>	<u>\$ 158,197</u>	<u>\$ 8,761</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, 2024

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 314,172	\$ 306,097	\$ (8,075)
Intergovernmental	39,383	40,099	716
Total Revenues	<u>353,555</u>	<u>346,196</u>	<u>(7,359)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police			
Personal Services	348,877	342,297	6,580
Other	4,678	4,678	-
Total Expenditures	<u>353,555</u>	<u>346,975</u>	<u>6,580</u>
Net Change in Fund Balance	-	(779)	(779)
Fund Balance - Beginning of Year	9,780	9,780	-
Fund Balance - End of Year	<u>\$ 9,780</u>	<u>\$ 9,001</u>	<u>\$ (779)</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, 2024*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 314,172	\$ 306,097	\$ (8,075)
Intergovernmental	39,383	40,099	716
Total Revenues	<u>353,555</u>	<u>346,196</u>	<u>(7,359)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Fire			
Personal Services	348,877	341,691	7,186
Other	4,678	4,678	-
Total Expenditures	<u>353,555</u>	<u>346,369</u>	<u>7,186</u>
Net Change in Fund Balance	-	(173)	(173)
Fund Balance - Beginning of Year	13,174	13,174	-
Fund Balance - End of Year	<u>\$ 13,174</u>	<u>\$ 13,001</u>	<u>\$ (173)</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, 2024

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Interest	\$ 4,765	\$ 6,108	\$ 1,343
Charges for Services	78,645	46,311	(32,334)
Total Revenues	<u>83,410</u>	<u>52,419</u>	<u>(30,991)</u>
Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	83,410	52,419	(30,991)
Fund Balance - Beginning of Year	347,234	347,234	-
Fund Balance - End of Year	<u><u>\$ 430,644</u></u>	<u><u>\$ 399,653</u></u>	<u><u>\$ (30,991)</u></u>

City of Avon Lake, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2024*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Rentals	\$ 115,800	\$ 129,426	\$ 13,626
Charges for Services	1,046,300	987,229	(59,071)
Contributions and Donations	20,000	15,075	(4,925)
All Other Revenues	940	12,773	11,833
Total Revenues	<u>1,183,040</u>	<u>1,144,503</u>	<u>(38,537)</u>
Expenditures:			
Current:			
Leisure Time Activities			
Personal Services	996,596	988,387	8,209
Other	965,893	916,756	49,137
Total Expenditures	<u>1,962,489</u>	<u>1,905,143</u>	<u>57,346</u>
Excess of Revenues Over (Under) Expenditures	(779,449)	(760,640)	18,809
Other Financing Sources			
Transfers In	618,000	723,000	105,000
Total Other Financing Sources	<u>618,000</u>	<u>723,000</u>	<u>105,000</u>
Net Change in Fund Balance	(161,449)	(37,640)	123,809
Fund Balance (Deficit) - Beginning of Year	2,131	2,131	-
Prior Year Encumbrances Appropriated	33,338	33,338	-
Fund Balance - End of Year	<u>\$ (125,980)</u>	<u>\$ (2,171)</u>	<u>\$ 123,809</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, 2024*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
All Other Revenues	\$ 26,000	\$ 53,119	\$ 27,119
Total Revenues	<u>26,000</u>	<u>53,119</u>	<u>27,119</u>
Expenditures:			
Current:			
General Government			
Other	26,000	-	26,000
Total Expenditures	<u>26,000</u>	<u>-</u>	<u>26,000</u>
Net Change in Fund Balance	-	53,119	53,119
Fund Balance - Beginning of Year	19,440	19,440	-
Fund Balance - End of Year	<u>\$ 19,440</u>	<u>\$ 72,559</u>	<u>\$ 53,119</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, 2024

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Total Revenues	-	-	-
Expenditures:			
Current:			
Community Environment			
Capital Outlay	1,663,202	1,663,202	-
Total Expenditures	1,663,202	1,663,202	-
Other Financing Sources			
Transfers In	402,200	-	(402,200)
Transfers Out	(407,199)	-	407,199
Total Other Financing Sources	(4,999)	-	4,999
Net Change in Fund Balance	(1,668,201)	(1,663,202)	4,999
Fund Balance - Beginning of Year	1,668,202	1,668,202	-
Fund Balance - End of Year	<u>\$ 1</u>	<u>\$ 5,000</u>	<u>\$ 4,999</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, 2024

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Contributions and Donations	\$ 25,000	\$ -	\$ (25,000)
Total Revenues	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Expenditures:			
Current:			
General Government			
Other	25,000	-	25,000
Total Expenditures	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	705	705	-
Fund Balance - End of Year	<u>\$ 705</u>	<u>\$ 705</u>	<u>\$ -</u>

City of Avon Lake, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Deposits Trust Fund For the Year Ended December 31, 2024

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Licenses and Permits	\$ 535	\$ -	\$ (535)
Total Revenues	<u>535</u>	<u>-</u>	<u>(535)</u>
Expenditures:			
Current:			
Community Environment			
Other	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	535	-	(535)
Fund Balance - Beginning of Year	70,265	70,265	-
Fund Balance - End of Year	<u>\$ 70,800</u>	<u>\$ 70,265</u>	<u>\$ (535)</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, 2024*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
All Other Revenues	\$ 745	\$ 986	\$ 241
Total Revenues	<u>745</u>	<u>986</u>	<u>241</u>
Expenditures:			
Current:			
General Government			
Other	69	69	-
Total Expenditures	<u>69</u>	<u>69</u>	<u>-</u>
Net Change in Fund Balance	676	917	241
Fund Balance - Beginning of Year	11,450	11,450	-
Fund Balance - End of Year	<u>\$ 12,126</u>	<u>\$ 12,367</u>	<u>\$ 241</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, 2024

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Interest	\$ 7,200	\$ -	\$ (7,200)
Total Revenues	<u>7,200</u>	<u>-</u>	<u>(7,200)</u>
Expenditures:			
General Government			
Mayor			
Other	4,901	4,901	-
Total General Government	<u>4,901</u>	<u>4,901</u>	<u>-</u>
Debt Service:			
Principal	1,469,809	1,469,809	-
Interest & Fiscal Charges	706,577	706,577	-
Total Expenditures	<u>2,181,287</u>	<u>2,181,287</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	(2,174,087)	(2,181,287)	(7,200)
Other Financing Sources			
Transfers In	2,250,000	2,250,000	-
Total Other Financing Sources	<u>2,250,000</u>	<u>2,250,000</u>	<u>-</u>
Net Change in Fund Balance	75,913	68,713	(7,200)
Fund Balance - Beginning of Year	707,028	707,028	-
Fund Balance - End of Year	<u>\$ 782,941</u>	<u>\$ 775,741</u>	<u>\$ (7,200)</u>

City of Avon Lake, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual General Bond Retirement (Voted) Fund For the Year Ended December 31, 2024

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 288,903	\$ 280,589	\$ (8,314)
Intergovernmental	36,800	36,758	(42)
Total Revenues	<u>325,703</u>	<u>317,347</u>	<u>(8,356)</u>
Expenditures:			
Current:			
General Government			
Other General Government			
Other	6,000	4,288	1,712
Debt Service:			
Principal	290,000	290,000	-
Interest & Fiscal Charges	46,050	46,050	-
Total Debt Service	336,050	336,050	-
Total Expenditures	<u>342,050</u>	<u>340,338</u>	<u>1,712</u>
Net Change in Fund Balance	(16,347)	(22,991)	(6,644)
Fund Balance- Beginning of Year	55,548	55,548	-
Fund Balance- End of Year	<u>\$ 39,201</u>	<u>\$ 32,557</u>	<u>(6,644)</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, 2024*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Interest	\$ 8,000	\$ -	\$ (8,000)
Special Assessments	1,100	-	(1,100)
Total Revenues	<u>9,100</u>	<u>-</u>	<u>(9,100)</u>
Expenditures:			
Current:			
General Government			
Other General Government			
Other	200	-	200
Debt Service:			
Principal	33,145	20,300	12,845
Interest & Fiscal Charges	5,898	2,599	3,299
Total Debt Service	39,043	22,899	16,144
Total Expenditures	<u>39,243</u>	<u>22,899</u>	<u>16,344</u>
Net Change in Fund Balance	(30,143)	(22,899)	7,244
Fund Balance - Beginning of Year	838,634	838,634	-
Fund Balance - End of Year	<u>\$ 808,491</u>	<u>\$ 815,735</u>	<u>\$ 7,244</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, 2024*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Charges for Services	\$ 669,000	\$ 686,725	\$ 17,725
Total Revenues	<u>669,000</u>	<u>686,725</u>	<u>17,725</u>
Expenditures:			
Current:			
Security of Persons and Property:			
Other	7,183	7,183	-
Total Expenditures	<u>7,183</u>	<u>7,183</u>	<u>-</u>
Net Change in Fund Balance	661,817	679,542	17,725
Fund Balance - Beginning of Year	748,481	748,481	-
Fund Balance - End of Year	<u>\$ 1,417,481</u>	<u>\$ 1,435,206</u>	<u>\$ 17,725</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, 2024*

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

City of Avon Lake, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Walker Road Widening Fund For the Year Ended December 31, 2024

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	23,716	23,716	-
Fund Balance - End of Year	<u><u>\$ 23,716</u></u>	<u><u>\$ 23,716</u></u>	<u><u>\$ -</u></u>

City of Avon Lake, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Walker Rd. Sewer/Lear Rd. East Fund For the Year Ended December 31, 2024

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Special Assessments	\$ -	\$ 1,969	\$ 1,969
Total Revenues	<u>-</u>	<u>1,969</u>	<u>1,969</u>
Expenditures:			
Current:			
General Government			
Other	300	300	-
Total Expenditures	<u>300</u>	<u>300</u>	<u>-</u>
Net Change in Fund Balance	(300)	1,669	1,969
Fund Balance - Beginning of Year	591,321	591,321	-
Fund Balance - End of Year	<u>\$ 591,021</u>	<u>\$ 592,990</u>	<u>\$ 1,969</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, 2024

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Uses			
Transfers Out	<u>(402,200)</u>	<u>-</u>	<u>402,200</u>
Total Other Financing Uses	<u>(402,200)</u>	<u>-</u>	<u>402,200</u>
Net Change in Fund Balance	(402,200)	-	402,200
Fund Balance - Beginning of Year	<u>1,111,937</u>	<u>1,111,937</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 709,737</u></u>	<u><u>\$ 1,111,937</u></u>	<u><u>\$ 402,200</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, 2024

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:	\$ -	\$ -	\$ -
Expenditures:			
Current:			
Transportation			
Other	4,225	-	4,225
Total Expenditures	<u>4,225</u>	<u>-</u>	<u>4,225</u>
Net Change in Fund Balance	(4,225)	-	4,225
Fund Balance - Beginning of Year	233,087	233,087	-
Prior Year Encumbrances Appropriated	4,225	4,225	-
Fund Balance - End of Year	<u>\$ 233,087</u>	<u>\$ 237,312</u>	<u>\$ 4,225</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, 2024

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Special Assessments	\$ -	\$ 10,857	\$ 10,857
Total Revenues	-	10,857	10,857
Expenditures:			
Current:			
Public Works			
Other	418	417	1
Total Expenditures	418	417	1
Net Change in Fund Balance	(418)	10,440	10,858
Fund Balance - Beginning of Year	55,641	55,641	-
Fund Balance - End of Year	\$ 55,223	\$ 66,081	\$ 10,858

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, 2024

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Total Revenues	\$ -	\$ -	\$ -
Expenditures:			
Capital Outlay:			
Other	1,000,000	207,749	792,251
Total Expenditures	1,000,000	207,749	792,251
Excess of Revenues Over (Under) Expenditures	(1,000,000)	(207,749)	792,251
Other Financing Sources			
Transfers In	815,000	-	(815,000)
Total Other Financing Sources	815,000	-	(815,000)
Net Change in Fund Balance	(185,000)	(207,749)	(22,749)
Fund Balance - Beginning of Year	185,175	185,175	-
Prior Year Encumbrances Appropriated	1,804	1,804	-
Fund Balance - End of Year	\$ 1,979	\$ (20,770)	\$ (22,749)

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STATISTICAL SECTION



City of Avon Lake, Ohio

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2-S15
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources, property taxes and municipal income taxes.	S16-S22
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S24-S29
Economic and Demographic Information	
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S30-S33
Operating Information	
These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S34-S38

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

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

	2024	2023	2022
<u>Governmental Activities</u>			
Net Investment in Capital Assets	\$ 48,901,040	\$ 47,363,712	\$ 47,335,212
Restricted	10,066,936	8,393,528	9,039,191
Unrestricted	(9,209,117)	(5,492,123)	(5,020,825)
Total Governmental Activities Net Position	<u>\$ 49,758,859</u>	<u>\$ 50,265,117</u>	<u>\$ 51,353,578</u>
<u>Business Type - Activities</u>			
Net Investment in Capital Assets	\$ 60,458,349	\$ 56,871,256	\$ 52,370,282
Restricted	252,148	57,317	-
Unrestricted	41,512,981	23,909,415	24,186,106
Total Business-Type Activities Net Position	<u>\$ 102,223,478</u>	<u>\$ 80,837,988</u>	<u>\$ 76,556,388</u>
<u>Primary Government</u>			
Net Investment in Capital Assets	\$ 109,359,389	\$ 104,234,968	\$ 99,705,494
Restricted	10,319,084	8,450,845	9,039,191
Unrestricted	32,303,864	18,417,292	19,165,281
Total Primary Government Net Position	<u>\$ 151,982,337</u>	<u>\$ 131,103,105</u>	<u>\$ 127,909,966</u>

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

2021	2020	2019	2018	2017 (1)	2016	2015
\$ 47,954,460	\$ 43,649,736	\$ 41,911,671	\$ 42,910,011	\$ 40,084,385	\$ 44,792,875	\$ 47,819,200
10,044,828	10,208,592	9,450,107	12,190,510	11,788,817	8,808,675	8,126,696
(11,745,946)	(16,017,463)	(13,851,128)	(26,178,517)	(22,086,580)	(8,228,818)	(10,251,230)
<u>\$ 46,253,342</u>	<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>
\$ 52,741,345	\$ 52,123,767	\$ 49,468,981	\$ 47,469,992	\$ 47,110,023	\$ 44,246,451	\$ 50,834,571
-	-	-	-	-	-	-
20,169,879	12,826,136	9,312,111	7,967,187	5,212,866	7,049,592	117,369
<u>\$ 72,911,224</u>	<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>
\$ 100,695,805	\$ 95,773,503	\$ 91,380,652	\$ 90,380,003	\$ 87,194,408	\$ 89,039,326	\$ 98,653,771
10,044,828	10,208,592	9,450,107	12,190,510	11,788,817	8,808,675	8,126,696
8,423,933	(3,191,327)	(4,539,017)	(18,211,330)	(16,873,714)	(1,179,226)	(10,133,861)
<u>\$ 119,164,566</u>	<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>

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

	2024	2023	2022
<u>Program Revenues</u>			
Governmental Activities:			
Charges for Services:			
Security of Persons and Property	\$ 804,377	\$ 733,777	\$ 708,354
Leisure Time Activities	1,204,959	1,091,603	1,011,927
Community Environment	672,712	1,238,734	524,690
Basic Utility Services	-	-	-
Transportation	-	-	-
General Government	501,639	305,914	313,877
Subtotal - Charges for Services	<u>3,183,687</u>	<u>3,370,028</u>	<u>2,558,848</u>
Operating Grants and Contributions:			
Security of Persons and Property	232,715	298,632	59,191
Leisure Time Activities	15,075	19,530	34,109
Community Environment	12,239	67,421	1,233
Basic Utility Services	-	-	-
Transportation	1,709,891	1,715,460	1,675,960
General Government	1,643,038	197,151	533,736
Subtotal - Operating Grants and Contributions	<u>3,612,958</u>	<u>2,298,194</u>	<u>2,304,229</u>
Capital Grants and Contributions:			
Security of Persons and Property	82,330	509,540	805,184
Leisure Time Activities	-	-	7,011
Community Environment	-	150,510	429,490
Transportation	563,404	185,000	610,407
General Government	-	87,000	-
Subtotal - Capital Grants and Contributions	<u>645,734</u>	<u>932,050</u>	<u>1,852,092</u>
Total Governmental Activities Program Revenues	<u>7,442,379</u>	<u>6,600,272</u>	<u>6,715,169</u>
<u>Business-Type Activities</u>			
Charges for Services:			
Water	16,661,259	15,230,257	16,310,410
Sewer	12,834,036	10,407,262	9,775,341
Operating Grants and Contributions:			
Water	108,371	165,482	89,315
Sewer	-	45,000	-
Capital Grants and Contributions			
Water	-	-	-
Sewer	-	-	-
Total Business-Type Activities Program Revenues	<u>29,603,666</u>	<u>25,848,001</u>	<u>26,175,066</u>
Total Primary Government Program Revenues	<u>\$ 37,046,045</u>	<u>\$ 32,448,273</u>	<u>\$ 32,890,235</u>

2021	2020	2019	2018	2017	2016	2015
\$ 661,737	\$ 453,571	\$ 677,959	\$ 553,486	\$ 610,426	\$ 545,414	\$ 460,031
825,105	305,974	762,797	772,868	781,478	646,179	495,657
389,415	4,832	3,781	2,840	3,152	8,325	11,515
27	-	-	-	-	-	-
-	-	188,098	221,287	199,964	246,147	206,922
301,738	739,149	477,718	426,452	459,499	1,086,256	743,508
<u>2,178,022</u>	<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>
259,229	1,484,882	135,633	92,944	64,582	4,260	54,107
42,217	9,885	39,673	54,268	24,500	1,890	21,618
150,000	109,001	-	-	-	-	11,768
7,364	-	-	-	-	-	-
1,774,194	1,664,554	1,603,905	1,207,049	1,509,818	1,106,175	974,559
2,275	600	320,410	44,706	20,316	56,396	7,282
<u>2,235,279</u>	<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>
-	-	-	-	-	-	-
65,109	-	-	-	-	-	-
-	-	-	-	-	-	-
3,675,881	-	536,270	2,017,170	762,187	55,400	-
-	41,000	-	-	-	-	-
<u>3,740,990</u>	<u>41,000</u>	<u>536,270</u>	<u>2,017,170</u>	<u>762,187</u>	<u>55,400</u>	<u>-</u>
<u>8,154,291</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>
15,100,270	16,448,066	14,455,666	13,690,745	13,322,903	12,343,359	11,300,714
9,631,326	8,744,282	7,835,749	7,017,943	6,441,710	5,666,281	5,515,053
35,574	127,073	217,249	261,737	282,043	305,784	230,280
-	-	-	-	-	-	322,352
-	-	308,250	1,036,250	156,400	66,360	-
-	49,089	84,400	607,600	175,977	66,650	-
<u>24,767,170</u>	<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>\$ 32,921,461</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>

(Continued)

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

	2024	2023	2022
<u>Expenses</u>			
Governmental Activities:			
Security of Persons and Property	\$ 14,344,100	\$ 13,908,850	\$ 10,838,731
Public Health	3,168	88,011	-
Leisure Time Activities	2,559,123	2,424,668	1,746,202
Community Environment	653,476	613,959	423,478
Transportation	11,306,889	12,352,849	13,020,043
General Government	7,412,050	5,386,074	4,307,919
Interest & Fiscal Charges	846,084	882,378	600,015
Total Governmental Activities Expenses	37,124,890	35,656,789	30,936,388
<u>Business-Type Activities</u>			
Water	13,724,319	12,957,078	12,075,086
Sewer	9,379,989	9,470,870	8,316,218
Total Business-Type Activities Expenses	23,104,308	22,427,948	20,391,304
Total Primary Government Program Expenses	60,229,198	58,084,737	51,327,692
<u>Net (Expense)/Revenue</u>			
Governmental Activities	(29,682,511)	(29,056,517)	(24,221,219)
Business-Type Activities	6,499,358	3,420,053	5,783,762
Total Primary Government Net Expense	(23,183,153)	(25,636,464)	(18,437,457)

2021	2020	2019	2018	2017	2016	2015
\$ 10,943,878	\$ 11,196,697	\$ 1,151,587	\$ 11,330,517	\$ 10,372,536	\$ 10,039,529	\$ 9,003,214
-	-	-	-	-	5,546	29,823
1,443,906	1,450,787	2,071,149	1,979,149	1,776,435	1,302,035	1,153,093
434,731	710,895	687,950	580,475	553,662	524,453	459,925
6,073,064	8,377,882	8,366,486	7,461,591	9,078,916	7,536,427	6,739,622
3,060,873	4,364,779	4,656,345	4,272,344	3,777,011	3,414,524	3,515,818
564,005	612,256	953,438	375,664	470,588	424,664	488,696
<u>22,520,457</u>	<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>
9,607,546	11,705,141	12,588,737	11,778,764	10,024,654	10,400,178	12,176,431
7,108,238	8,349,728	7,406,292	8,156,152	7,194,231	7,742,785	7,079,585
<u>16,715,784</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>39,236,241</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>
(14,366,166)	(21,899,848)	(13,140,711)	(20,606,670)	(21,593,226)	(19,490,736)	(18,403,224)
8,051,386	5,313,641	2,906,285	2,679,359	3,160,148	305,471	(1,887,617)
<u>(6,314,780)</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>

(Continued)

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

	2024	2023	2022
<u>General Revenues and Other Changes in Net Position</u>			
Governmental Activities			
Property and Other Taxes Levied For:			
General Purposes	\$ 4,613,968	\$ 5,263,988	\$ 4,948,133
Debt Service Purpose	280,185	301,746	282,481
Other Purposes	2,158,566	2,305,366	2,138,653
Municipal Income Taxes Levied For:			
General Purposes	18,965,339	17,112,354	18,004,000
Grants and Entitlements not Restricted to			
Specific Programs	1,527,920	1,565,150	1,539,418
Investment Income	1,027,708	967,946	(623,619)
Gain on Sale of Capital Assets	20,785	162,586	68,359
All Other Revenues	963,524	288,920	595,126
Transfers	-	-	-
Total Governmental	<u>29,557,995</u>	<u>27,968,056</u>	<u>26,952,551</u>
Business-Type Activities			
Investment Income	731,777	340,332	196,653
All Other Revenues	947,069	521,215	642,015
Transfers	-	-	-
Total Business-Type Activities	<u>1,678,846</u>	<u>861,547</u>	<u>838,668</u>
Total Primary Government General Revenues and Other Changes in Net Position	<u>31,236,841</u>	<u>28,829,603</u>	<u>27,791,219</u>
<u>Change in Net Position</u>			
Governmental Activities	(124,516)	(1,088,461)	2,731,332
Business-Type Activities	8,178,204	4,281,600	6,622,430
Total Primary Government Change in Net Position	<u>\$ 8,053,688</u>	<u>\$ 3,193,139</u>	<u>\$ 9,353,762</u>

2021	2020	2019	2018	2017	2016	2015
\$ 4,656,564	\$ 4,526,103	\$ 4,524,175	\$ 3,595,471	\$ 4,109,532	\$ 3,988,090	\$ 3,393,633
296,829	293,675	301,864	288,506	292,413	321,191	292,499
2,144,102	2,055,303	2,049,383	1,883,814	1,911,587	1,994,500	1,805,298
13,346,755	12,809,267	12,851,527	11,890,667	11,305,374	11,667,821	10,232,789
1,432,719	1,270,864	1,277,192	1,152,476	1,116,923	895,131	1,505,059
(120,051)	427,663	508,868	292,217	197,265	189,676	133,216
334	18,929	25,444	2,617	1,591	23,080	27,905
475,270	828,259	190,904	636,284	461,349	89,313	131,530
546,121	-	-	-	-	-	-
<u>22,778,643</u>	<u>22,230,063</u>	<u>21,729,357</u>	<u>19,742,052</u>	<u>19,396,034</u>	<u>19,168,802</u>	<u>17,521,929</u>
43,887	212,436	206,463	93,443	3,240	(775)	9,911
412,169	642,734	231,165	341,488	251,821	39,407	158,471
(546,121)	-	-	-	-	-	-
<u>(90,065)</u>	<u>855,170</u>	<u>437,628</u>	<u>434,931</u>	<u>255,061</u>	<u>38,632</u>	<u>168,382</u>
<u>22,688,578</u>	<u>23,085,233</u>	<u>22,166,985</u>	<u>20,176,983</u>	<u>19,651,095</u>	<u>19,207,434</u>	<u>17,690,311</u>
8,412,477	330,215	8,588,646	(864,618)	(2,197,192)	(321,934)	(881,295)
7,961,321	6,168,811	3,343,913	3,114,290	3,415,209	344,103	(1,719,235)
<u>\$ 16,373,798</u>	<u>\$ 6,499,026</u>	<u>\$ 11,932,559</u>	<u>\$ 2,249,672</u>	<u>\$ 1,218,017</u>	<u>\$ 22,169</u>	<u>\$ (2,600,530)</u>

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

	2024	2023	2022	2021
<u>General Fund</u>				
Nonspendable	\$ 212,049	\$ 136,904	\$ 193,788	\$ 208,572
Committed	18,508	0	62,554	86,307
Assigned	1,498,716	1,959,545	371,546	684,094
Unassigned	3,003,039	3,829,224	1,714,291	1,565,161
Total General Fund	<u>4,732,312</u>	<u>5,925,673</u>	<u>2,342,179</u>	<u>2,544,134</u>
<u>All Other Governmental Funds</u>				
Nonspendable	490,607	441,850	154,709	157,039
Restricted	6,549,305	5,905,570	7,608,883	8,438,413
Committed	12,166,094	12,498,289	13,566,119	10,634,803
Assigned	1,582,924	1,025,848	316,402	328,104
Unassigned (Deficit)	(76,994)	(85,874)	(102,649)	(123,545)
Total All Other Governmental Funds	<u>20,711,936</u>	<u>19,785,683</u>	<u>21,543,464</u>	<u>19,434,814</u>
Total Governmental Funds	<u>\$ 25,444,248</u>	<u>\$ 25,711,356</u>	<u>\$ 23,885,643</u>	<u>\$ 21,978,948</u>

2020	2019	2018	2017	2016	2015
\$ 235,364	\$ 155,322	\$ 141,347	\$ 118,833	\$ 70,880	\$ 67,966
96,482	330,097	351,169	429,429	442,006	261,380
300,416	177,192	60,618	288,322	920,391	1,216,648
2,383,988	2,125,878	1,313,191	1,110,473	1,040,308	1,220,231
3,016,250	2,788,489	1,866,325	1,947,057	2,473,585	2,766,225
470,449	531,618	380,096	102,405	151,595	296,051
8,088,292	7,558,647	6,393,727	5,689,588	6,114,011	5,408,042
9,435,261	10,104,856	8,414,997	10,370,333	8,536,885	5,702,131
333,265	87,418	87,418	87,418	87,418	87,418
(134,303)	(173,131)	(6,639,437)	(6,966,288)	(6,807,634)	(4,276,494)
18,192,964	18,109,408	8,636,801	9,283,456	8,082,275	7,217,148
\$ 21,209,214	\$ 20,897,897	\$ 10,503,126	\$ 11,230,513	\$ 10,555,860	\$ 9,983,373

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

	2024	2023	2022
<u>Revenues</u>			
Property and Other Taxes	\$ 7,348,195	\$ 7,770,850	\$ 7,381,242
Municipal Income Taxes	18,681,878	17,107,120	17,789,607
Intergovernmental	5,962,023	4,830,725	4,554,267
Interest	1,027,708	990,679	(623,619)
Fees, Licenses and Permits	672,712	1,238,734	532,690
Fines and Forfeitures	364,507	295,117	283,246
Rentals	212,018	194,173	213,555
Charges for Services	1,808,286	1,692,452	1,535,800
Contributions and Donations	27,986	172,401	39,920
Special Assessments	12,826	31,333	229,646
Lease	8,600	9,348	7,011
All Other Revenues	620,736	229,290	591,497
Total Revenues	36,747,475	34,562,222	32,534,862
<u>Expenditures</u>			
Current:			
Security of Persons and Property	12,454,230	12,068,110	11,057,900
Public Health Services	-	-	-
Leisure Time Activities	2,280,143	2,033,127	1,763,399
Community Environment	632,240	574,709	562,971
Transportation	6,189,128	6,883,960	6,202,596
General Government	6,650,406	4,632,174	4,448,774
Capital Outlay	8,464,505	7,332,754	9,529,510
Debt Service:			
Principal Retirement	2,012,323	1,733,831	1,720,152
Interest and Fiscal Charges	724,522	735,663	591,506
Bond Issuance Costs	-	163,625	-
Total Expenditures	39,407,497	36,157,953	35,876,808
Excess of Revenues Over (Under) Expenditures	(2,660,022)	(1,595,731)	(3,341,946)

2021	2020	2019	2018	2017	2016	2015
\$ 7,140,967	\$ 6,859,658	\$ 6,874,935	\$ 6,154,376	\$ 6,329,612	\$ 6,280,195	\$ 5,542,344
13,687,237	12,383,810	12,763,965	11,775,124	11,191,207	12,343,455	10,537,547
3,978,660	4,338,585	3,155,191	2,412,554	2,614,311	2,144,101	2,677,043
(120,048)	427,663	508,868	292,217	197,265	189,676	133,216
349,701	264,135	251,006	320,828	316,657	421,148	292,465
334,797	295,808	366,913	328,608	376,244	357,291	391,869
-	-	-	-	-	-	-
1,290,451	872,812	1,288,428	1,229,239	1,729,626	1,732,212	1,095,404
150,315	52,846	46,046	83,536	45,617	4,550	10,209
219,315	220,722	224,594	228,025	236,923	339,961	330,281
-	-	-	-	-	-	-
635,154	1,095,748	327,462	359,581	443,768	89,313	131,530
<u>27,666,549</u>	<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>
10,879,853	9,907,382	9,549,104	9,394,471	9,182,784	8,526,874	8,580,683
-	-	-	13,317	-	77,920	81,250
1,622,355	1,031,640	1,427,973	1,528,769	1,295,348	943,592	834,646
661,852	651,403	531,816	510,854	485,603	481,223	474,261
5,651,522	4,858,916	4,080,465	4,152,369	4,391,691	4,504,531	4,079,694
3,581,102	3,617,155	3,646,641	3,601,142	3,091,800	2,873,869	3,083,760
2,706,601	4,293,788	6,878,916	8,950,165	11,049,269	4,453,527	3,673,188
1,333,261	1,825,001	1,120,543	1,049,566	1,176,908	1,807,539	1,104,432
566,592	622,192	757,016	401,123	402,100	237,478	330,506
-	-	240,549	11,500	63,899	25,468	83,453
<u>27,003,138</u>	<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>663,411</u>	<u>4,310</u>	<u>(2,425,615)</u>	<u>(6,429,188)</u>	<u>(7,658,172)</u>	<u>(30,119)</u>	<u>(1,183,965)</u>

(Continued)

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

	2024	2023	2022
<u>Other Financing Sources (Uses)</u>			
Premium on Bond Issuance	-	-	-
Payment to Refunded Bond Escrow Account	-	-	-
Transfers In	435,000	4,415,885	160,000
Transfers Out	(435,000)	(4,415,885)	(160,000)
Sale of Capital Assets	20,785	162,586	68,359
Premium on Debt Issued	-	158,759	-
Issuance of Financed Purchases	871,024	357,338	
Bond Proceeds	-	2,185,000	3,500,000
Loan Proceeds	24,531	557,761	1,680,282
Issuance of Subscriptions and Leases	1,476,574	-	-
Total Other Financing Sources (Uses)	<u>2,392,914</u>	<u>3,421,444</u>	<u>5,248,641</u>
 Net Change in Fund Balances	 <u><u>\$ (267,108)</u></u>	 <u><u>\$ 1,825,713</u></u>	 <u><u>\$ 1,906,695</u></u>
 Debt Service as a Percentage of Noncapital Expenditures	 8.33%	 7.37%	 7.30%

2021	2020	2019	2018	2017	2016	2015
-	-	160,745	-	-	-	-
-	-	-	-	-	-	(3,234,044)
435,000	3,215,539	1,939,121	2,893,838	10,426,368	3,294,701	5,307,197
(435,000)	(3,215,539)	(1,939,121)	(2,893,838)	(10,426,368)	(3,294,701)	(5,307,197)
334	50,744	25,444	12,376	1,591	23,736	27,905
-	-	-	-	-	-	344,216
105,989	-	-	-	329,484	-	-
-	-	9,360,000	-	-	-	2,964,998
-	256,263	3,274,197	5,689,425	8,001,750	578,870	-
-	-	-	-	-	-	-
106,323	307,007	12,820,386	5,701,801	8,332,825	602,606	103,075
<u>\$ 769,734</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>
7.93%	10.55%	8.33%	6.80%	7.13%	10.13%	7.45%

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
2024	\$ 1,012,814,720	\$ 112,405,660	\$3,214,915,371	\$ 59,151,120	\$67,217,182
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

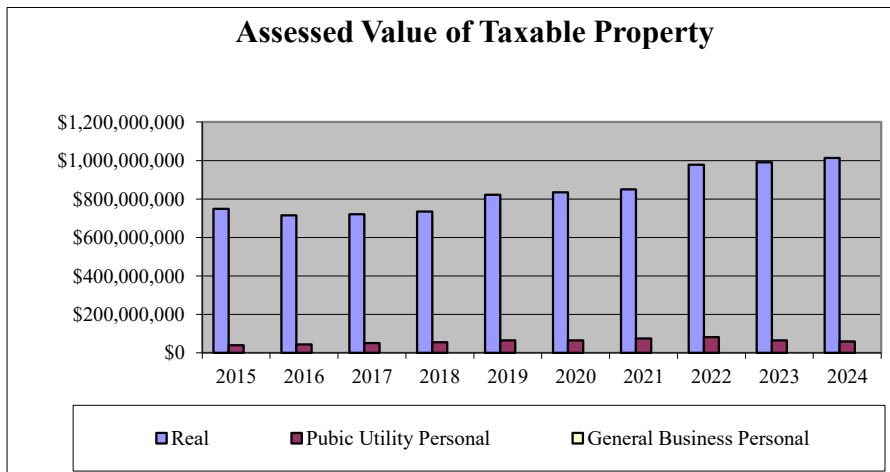
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. 23 percent for inventories.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed.

Source: Lorain County Auditor

Total		Ratio	Direct Tax Rate
Assessed Value	Estimated Actual Value		
\$ 1,184,371,500	\$3,282,132,553	36.09%	\$ 7.98
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



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

	Collection Year 2024	Collection Year 2023	Collection Year 2022	Collection Year 2021
<u>Unvoted Millage</u>				
General	\$ 3.60	\$ 3.60	\$ 3.60	\$ 3.60
Fireman's Fund	0.30	0.30	0.30	0.30
Police Pension	0.30	0.30	0.30	0.30
Total Unvoted Millage	4.20	4.20	4.20	4.20
<u>Voted Millage</u>				
2000 Charter Current Expense	1.50	1.50	1.50	1.50
2008 Bond	0.28	0.28	0.28	0.32
2012 Ambulance & EMS	2.00	2.00	2.00	2.00
Total Voted Millage	3.78	3.78	3.78	3.82
Total Millage	\$ 7.98	\$ 7.98	\$ 7.98	\$ 8.02
<u>Overlapping Rates by Taxing District</u>				
City of Avon Lake				
Residential/Agricultural Effective Rate	\$ 6.7672	\$ 6.7847	\$ 6.7847	\$ 7.1513
Commercial/Industrial and Public Utility Effective Rate	7.4791	7.3942	7.3942	7.5074
General Business and Public Utility Personal Property	7.9750	7.9800	7.9800	8.0200
Avon Lake School District				
Residential/Agricultural Effective Rate	36.8247	36.8234	36.7199	38.8743
Commercial/Industrial and Public Utility Effective Rate	47.7264	46.9092	45.8223	49.5525
General Business and Public Utility Personal Property	67.0940	67.0900	66.9850	69.0710
Lorain County				
Residential/Agricultural Effective Rate	12.4373	11.8625	11.7989	13.6306
Commercial/Industrial and Public Utility Effective Rate	14.1775	13.4813	13.4016	13.7821
General Business and Public Utility Personal Property	16.0770	15.4270	15.3020	15.5820
Special Taxing Districts (1)				
Residential/Agricultural Effective Rate	4.0486	4.0597	4.0660	4.3801
Commercial/Industrial and Public Utility Effective Rate	4.4211	4.3444	4.2577	4.4272
General Business and Public Utility Personal Property	5.2500	5.2500	5.2500	5.2500

Source: Lorain County Auditor

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

Collection Year 2020	Collection Year 2019	Collection Year 2018	Collection Year 2017	Collection Year 2016	Collection Year 2015
\$ 3.60	\$ 3.60	\$ 3.60	\$ 3.60	\$ 3.60	\$ 3.60
0.30	0.30	0.30	0.30	0.30	0.30
0.30	0.30	0.30	0.30	0.30	0.30
4.20	4.20	4.20	4.20	4.20	4.20
1.50	1.50	1.50	1.50	1.50	1.50
0.33	0.34	0.38	0.38	0.40	0.42
2.00	2.00	2.00	2.00	2.00	2.00
3.83	3.84	3.88	3.88	3.90	3.92
\$ 8.03	\$ 8.04	\$ 8.08	\$ 8.08	\$ 8.10	\$ 8.12
\$ 7.1642	\$ 7.1781	\$ 7.4858	\$ 7.4944	\$ 7.5170	\$ 7.7490
7.5281	8.0800	8.0800	7.9870	7.9640	7.9884
8.0300	8.0400	8.0800	8.0800	8.1000	8.1200
39.0469	39.2148	43.0180	43.1994	43.4947	46.6387
49.8200	49.7422	57.4012	54.9694	54.8818	56.7991
69.2430	69.4100	72.2800	72.6900	72.6900	74.5700
13.1644	13.1882	14.1817	14.2006	14.3715	14.0857
13.2344	13.0638	14.4874	14.4165	13.7749	13.7749
15.0820	15.0820	15.0820	15.0820	15.0820	14.4820
4.3887	4.3969	4.8128	4.8266	4.8283	5.1100
4.4252	4.3767	4.8943	4.8377	4.7883	4.7956
5.2500	5.2500	5.2500	5.2500	5.2500	5.2500

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

Year	Current Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections to Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Current Tax Levy
2024	\$ 7,938,980	\$ 7,034,447	88.61%	\$ 54,168	7,088,615	89.29%	\$ 124,551	1.57%
2023	8,372,766	7,424,196	88.67%	57,906	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%

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
 2024 and 2015

2024		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
American Transmission Systems Inc	\$ 40,476,280	3.42 %
Cleveland Electric Illuminating Co	14,493,790	1.22 %
HRKT4 30SA LLC	7,710,500	0.65 %
Somerset OH Owner 1 LLC	5,804,930	0.49 %
Ford Motor Company	5,306,540	0.45 %
Lumin Avon Lake LLC	5,241,100	0.44 %
Towne Care Center LLC	5,034,010	0.43 %
Echo Avon Lake LLC	5,013,360	0.42 %
Columbia Gas of Ohio Inc.	4,247,250	0.36 %
Avon Lake Environmental Redevelopment Group LLC	4,200,000	0.35 %
Total	\$ 97,527,760	8.23 %
Total Assessed Valuation	\$ 1,184,371,500	
2015		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Orion Power Midwest LP	\$ 77,281,420	9.81 %
Ford Motor Company	9,945,200	1.26 %
Cleveland Electric	9,493,430	1.21 %
American Transmission Systems Inc	4,504,920	0.57 %
Geon Co	4,084,290	0.52 %
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	14.88 %
Total Assessed Valuation	\$ 787,761,430	

Source: Lorain County Auditor

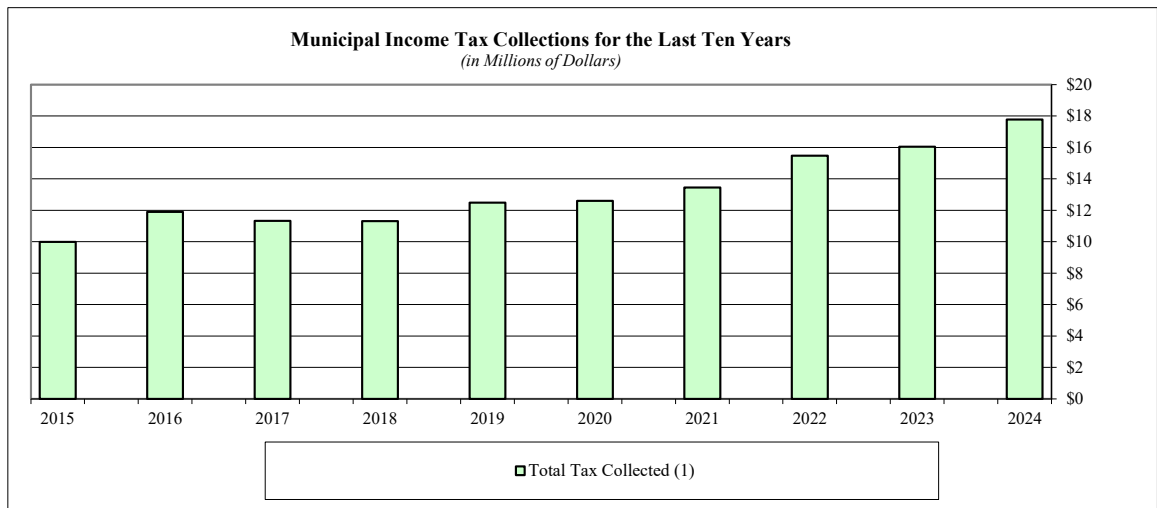
(1) The amounts presented represent the assessed values upon which 2024 and 2015 collections were based.

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

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected (1)</u>
2024	1.50%	\$ 17,780,225
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

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

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





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

Year	Governmental Activities						
	General Obligation Bonds (1)	Special Assessment Bonds	OWDA Loans	OPWC Loans	Notes Payable	Financed Purchases	Other Debt
2024	\$ 13,659,400	\$ -	\$ 16,071,156	\$ 118,838	\$ -	\$ 1,202,069	\$ 1,216,831
2023	14,908,554	-	16,364,286	104,738	-	567,069	-
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

(1) Amounts include associated premiums

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

Business-Type Activities								
General Obligation Bonds (1)	Financed Purchases/ Capital Leases	OWDA Loans	Other Debt	Mortgage Revenue Bond	Total Debt	Percentage of Personal Income	Per Capita	
\$ 6,328,492	\$ 557,883	\$ 116,334,897	\$ 468,303	\$ -	\$ 155,957,869	13.65%	\$ 6,187	
6,886,042	686,770	114,599,138	-	603,186	154,719,783	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	

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

<u>Year</u>	<u>Population (1)</u>		<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Net Bonded Debt (3)</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Net Bonded Debt Per Capita</u>
2024	25,206	(a)	\$3,282,132,553	\$21,271,684	0.65 %	\$844
2023	25,206	(a)	3,256,740,800	22,554,572	0.69 %	895
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

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, 2024*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Avon Lake			
General Obligation Bonds, net	\$13,659,400	100.00%	\$ 13,659,400
OPWC Loan	118,838	100.00%	118,838
OWDA Loan	16,071,156	100.00%	16,071,156
Financed Purchases	<u>1,202,069</u>	100.00%	<u>1,202,069</u>
Total Direct Debt	<u>31,051,463</u>		<u>31,051,463</u>
Overlapping			
Avon Lake City School District (2)	31,435,139	100.00%	31,435,139
Lorain County (3)	<u>58,285,000</u>	16.60%	<u>9,675,310</u>
Total Overlapping Debt	<u>89,720,139</u>		<u>41,110,449</u>
Total	<u><u>\$ 120,771,602</u></u>		<u><u>\$ 72,161,912</u></u>

Source: Lorain County Auditor

- (1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.
(2) Debt outstanding as of June 30, 2024
(3) Debt outstanding as of December 31, 2024 (latest information available)

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

	2024	2023	2022	2021
Total Assessed Property Value	<u>\$ 1,184,371,500</u>	<u>\$ 1,178,515,890</u>	<u>\$ 1,178,515,890</u>	<u>\$ 1,038,636,290</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>124,359,008</u>	<u>123,744,168</u>	<u>123,744,168</u>	<u>109,056,810</u>
Debt Outstanding:				
General Obligation Bonds	\$13,659,400	\$14,908,554	\$13,611,011	\$11,204,289
General Obligation Bonds - Enterprise	6,328,492	6,886,042	7,433,592	7,971,142
Special Assessment Bonds	0	0	0	0
Notes Payable	0	0	0	0
OPWC Loans	118,838	104,738	105,956	132,272
OWDA Loans	16,071,156	16,364,286	16,308,197	17,885,362
OWDA Loans - Enterprise	116,334,897	114,599,138	119,099,334	117,732,545
Mortgage Revenue Bonds	0	603,186	1,249,564	1,885,942
Total Gross Indebtedness	<u>152,512,783</u>	<u>153,465,944</u>	<u>157,807,654</u>	<u>156,811,552</u>
Less:				
General Obligation Bonds - Enterprise	(6,328,492)	(6,886,042)	(7,433,592)	(7,971,142)
Special Assessment Bonds	0	0	0	0
OPWC Loans	(118,838)	(104,738)	(105,956)	(132,272)
OWDA Loans	(16,071,156)	(16,364,286)	(16,308,197)	(17,885,362)
OWDA Loans - Enterprise	(116,334,897)	(114,599,138)	(119,099,334)	(117,732,545)
Mortgage Revenue Bonds	0	(603,186)	(1,249,564)	(1,885,942)
General Obligation Bond Retirement Fund Balance	1,283,792	759,976	279,096	315,848
Total Net Debt Applicable to Debt Limit	<u>14,943,192</u>	<u>15,668,530</u>	<u>13,890,107</u>	<u>11,520,137</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$ 109,415,816</u>	<u>\$ 108,075,638</u>	<u>\$ 109,854,061</u>	<u>\$ 97,536,673</u>
Legal Debt Margin as a Percentage of the Debt Limit	87.98%	87.34%	88.78%	89.44%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$ 65,140,433</u>	<u>\$ 64,818,374</u>	<u>\$ 64,818,374</u>	<u>\$ 57,124,996</u>
Total Gross Indebtedness	\$ 152,512,783	\$ 153,465,944	\$ 157,807,654	\$ 156,811,552
Less:				
General Obligation Bonds - Enterprise	(6,328,492)	(6,886,042)	(7,433,592)	(7,971,142)
Special Assessment Bonds	0	0	0	0
OPWC Loans	(118,838)	(104,738)	(105,956)	(132,272)
OWDA Loans	(16,071,156)	(16,364,286)	(16,308,197)	(17,885,362)
OWDA Loans - Enterprise	(116,334,897)	(114,599,138)	(119,099,334)	(117,732,545)
Mortgage Revenue Bonds	0	(603,186)	(1,249,564)	(1,885,942)
General Obligation Bond Retirement Fund Balance	1,283,792	759,976	279,096	315,848
Net Debt Within 5 ½ % Limitations	<u>14,943,192</u>	<u>15,668,530</u>	<u>13,890,107</u>	<u>11,520,137</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$ 50,197,241</u>	<u>\$ 49,149,844</u>	<u>\$ 50,928,267</u>	<u>\$ 45,604,859</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	77.06%	75.83%	78.57%	79.83%

Source: City Financial Records

2020	2019	2018	2017	2016	2015
\$ 1,014,574,310	\$ 1,002,320,500	\$ 882,384,760	\$ 866,801,580	\$ 849,549,850	\$ 787,761,430
106,530,303	105,243,653	92,650,400	91,014,166	89,202,734	82,714,950
\$ 12,022,567	\$ 13,198,553	\$ 4,327,799	\$ 5,121,540	\$ 5,925,733	\$ 6,745,040
8,503,692	9,021,242	2,361,342	2,579,327	2,792,312	3,005,297
0	225,417	445,834	659,522	867,458	1,147,817
0	0	7,793,616	8,303,351	14,435,160	5,879,628
149,372	155,830	168,747	181,664	162,499	175,416
18,344,795	18,492,868	15,398,377	8,709,698	782,318	226,302
122,234,936	124,272,340	121,442,001	108,833,549	75,706,390	49,041,258
2,507,320	3,113,698	3,720,076	3,876,454	3,982,832	4,274,210
163,762,682	168,479,948	155,657,792	138,265,105	104,654,702	70,494,968
(8,503,692)	(9,021,242)	(2,361,342)	(2,579,327)	(2,792,312)	(3,005,297)
0	(225,417)	(445,834)	(659,522)	(867,458)	(1,147,817)
(149,372)	(155,830)	(168,747)	(181,664)	(162,499)	(175,416)
(18,344,795)	(18,492,868)	(15,398,377)	(8,709,698)	(782,318)	(226,302)
(122,234,936)	(124,272,340)	(121,442,001)	(108,833,549)	(75,706,390)	(49,041,258)
(2,507,320)	(3,113,698)	(3,720,076)	(3,876,454)	(3,982,832)	(4,274,210)
239,065	(649,684)	0	0	0	0
12,261,632	12,548,869	12,121,415	13,424,891	20,360,893	12,624,668
\$ 94,268,671	\$ 92,694,784	\$ 80,528,985	\$ 77,589,275	\$ 68,841,841	\$ 70,090,282
88.49%	88.08%	86.92%	85.25%	77.17%	84.74%
\$ 55,801,587	\$ 55,127,628	\$ 48,531,162	\$ 47,674,087	\$ 46,725,242	\$ 43,326,879
\$ 163,762,682	\$ 168,479,948	\$ 155,657,792	\$ 138,265,105	\$ 104,654,702	\$ 70,494,968
(8,503,692)	(9,021,242)	(2,361,342)	(2,579,327)	(2,792,312)	(3,005,297)
0	(225,417)	(445,834)	(659,522)	(867,458)	(1,147,817)
(149,372)	(155,830)	(168,747)	(181,664)	(162,499)	(175,416)
(18,344,795)	(18,492,868)	(15,398,377)	(8,709,698)	(782,318)	(226,302)
(122,234,936)	(124,272,340)	(121,442,001)	(108,833,549)	(75,706,390)	(49,041,258)
(2,507,320)	(3,113,698)	(3,720,076)	(3,876,454)	(3,982,832)	(4,274,210)
239,065	(649,684)	0	0	0	0
12,261,632	12,548,869	12,121,415	13,424,891	20,360,893	12,624,668
\$ 43,539,955	\$ 42,578,759	\$ 36,409,747	\$ 34,249,196	\$ 26,364,349	\$ 30,702,211
78.03%	77.24%	75.02%	71.84%	56.42%	70.86%

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)
2024	25,206	(a)	\$1,142,285,508	\$45,318	\$83,018	44.7
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

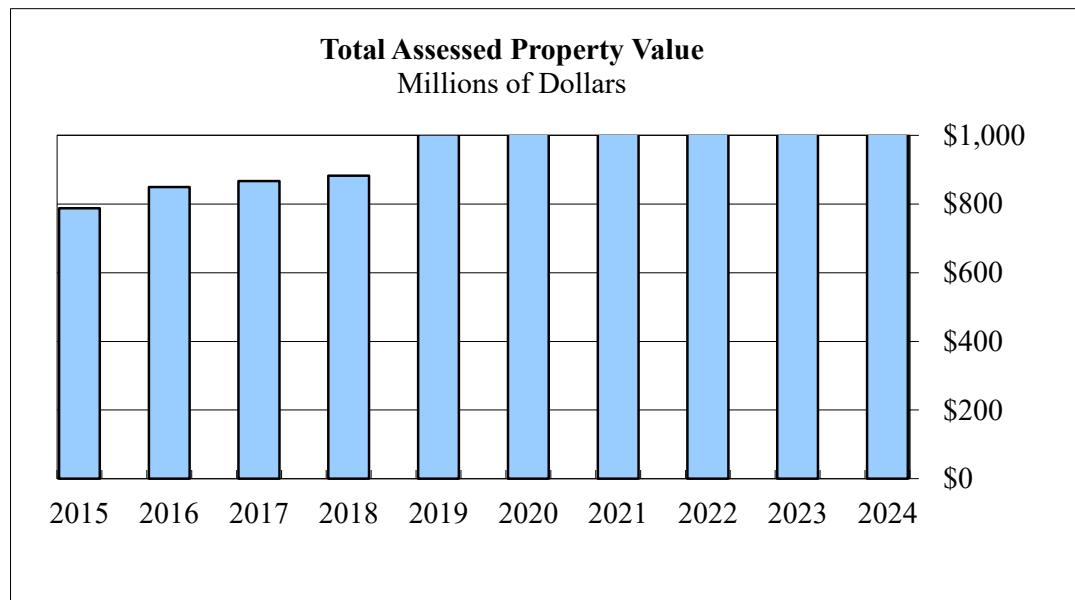
(1) Source: U. S. Census,(a) 2020 (b) 2010

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

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

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

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



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%	3,641	4.0%	\$389,300	\$ 1,184,371,500
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



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

2024	
Employer	Number of Employees
Ford Motor Company	2,018
Avon Lake City Schools	720
Avient Corporation	640
Grace Management Services	455
City of Avon Lake	444
NVA Avon Lake Management LLC	281
Lubrizol Advances Materials	247
The Cleveland Clinic Foundation	243
Discount Drug Mart, Inc.	185
Hinkley Lighting	175
Total	5,408
Total Estimated Employment within the City	10,961

2015	
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
Total	5,037
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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government										
Council	5.5	5.5	5.5	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Finance	4.0	4.0	4.0	4.5	5.5	5.5	5.5	5.5	5.5	6.5
Law	1.5	1.5	2.5	3.0	3.0	3.0	3.0	3.0	3.0	2.5
Administration	4.5	3.5	3.5	3.5	2.5	2.5	2.5	2.5	2.5	3.0
Engineer	2.0	6.0	8.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Court	12.0	10.5	10.0	10.0	10.0	10.0	10.0	10.0	10.0	8.5
Security of Persons and Property										
Police	34.0	37.0	33.5	30.0	30.0	29.0	30.0	32.5	29.0	31.0
Police - Dispatchers/Office/Other	13.5	13.0	13.5	16.0	16.0	16.0	16.0	8.0	16.0	15.5
Police - Animal Wardens	1.0	1.0	1.0	-	-	-	-	1.0	-	0.5
Fire	36.0	36.0	33.0	30.0	30.0	30.0	30.0	28.0	28.0	28.0
Fire - Secretary - Other	2.0	2.0	2.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0
Leisure Time Activities										
Recreation	21.5	24.5	26.0	12.0	12.0	30.5	30.5	30.5	30.5	13.5
Municipal Pool	46.5	43.5	37.0	44.0	-	42.5	42.5	42.5	42.5	46.5
Cable Television	3.5	3.5	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.5
Community Environment										
Building	5.0	5.0	4.5	4.5	4.5	4.5	4.5	4.5	4.5	5.0
Economic Development	3.5	3.5	2.5	2.0	1.0	1.0	1.0	1.5	1.5	0.5
Transportation										
Service	33.0	33.0	32.0	28.5	28.5	28.5	28.5	28.5	28.5	28.0
Streets	8.0	8.0	6.0	10.5	9.5	9.5	9.5	9.5	9.5	11.0
Basic Utility Services										
Water	22.0	19.5	19.5	33.5	33.5	33.5	33.5	33.5	33.5	22.0
Sewer	23.0	23.5	23.5	21.5	21.5	21.5	21.5	21.5	21.5	28.0
Totals:	<u>282.0</u>	<u>284.0</u>	<u>271.0</u>	<u>271.0</u>	<u>225.0</u>	<u>285.0</u>	<u>286.0</u>	<u>279.0</u>	<u>282.5</u>	<u>267.0</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	2024	2023	2022
General Government			
<i>Council and Clerk</i>			
Number of Ordinances Introduced	175	176	179
Number of Resolutions Introduced	21	38	21
<i>Finance Department</i>			
Number of checks issued	5,266	5,385	4,998
Amount of checks issued	\$ 35,887,701	\$ 34,971,645	\$ 37,266,016
Community Environment			
<i>Building Department Indicators</i>			
Construction Permits Issued	1,189	2,187	2,368
Estimated Value of Construction	\$ 109,517,343	\$ 98,900,115	\$ 90,454,249
Amount of Revenue generated from permits	\$ 413,690	\$ 449,522	\$ 400,200
Number of contract registrations issued (A)	932	893	938
Annual Apartment/Rooming House License Fees (B)	0	0	20
Revenue generated from above (A, B)	\$ 93,200	\$ 89,800	\$ 130,808
Security of Persons & Property			
<i>Police</i>			
Total Calls for Services	11,994	11,724	12,697
Number of traffic citations issued	561	508	448
Number of parking citations issued	24	40	63
Number of criminal arrests	216	127	177
Number of accident reports completed	206	269	197
Part 1 Offenses (major offenses)	99	91	104
Animal Warden service calls responded to per annual report	406	429	563
DUI Arrests	42	30	31
Prisoners	138	150	111
Prisoner meal costs	\$ -	\$ -	\$ -
Property damage accidents	96	139	162
Fatalities from Motor Vehicle Accidents	1	1	0
<i>Fire</i>			
Fire Calls	50	48	57
Overpressure, Overhear (no fire)	1	2	1
Rescue & EMS Incident	2,417	2,393	2,270
Hazardous Condition (no fire)	140	86	97
Service Call	294	315	330
Good Intent Call	283	236	214
False Alarm & False Call	273	252	305
Severe Weather & Natural Disaster	26	1	0
Special Incident Type	2	1	0
Miscellaneous Calls	0	0	5
Total Calls	3,334	3,334	3,279
Number of times Mutual Aid given to Fire and EMS	114	78	115
Number of times Mutual Aid received for Fire and EMS	46	47	46

2021	2020	2019	2018	2017	2016	2015
157	107	120	176	203	168	158
25	25	14	13	10	10	14
4,860	4,944	5,677	5,722	5,606	4,480	5,420
\$ 23,936,707	\$ 29,508,823	\$ 30,737,249	\$ 38,387,867	\$ 39,864,957	\$ 29,424,779	\$ 31,395,228
2,293	2,166	2,135	2,168	2,191	1,902	1,888
\$ 59,772,107	\$ 50,781,517	\$ 59,357,352	\$ 48,835,557	\$ 50,731,789	\$ 67,569,737	\$ 41,058,238
\$ 314,677	\$ 319,484	\$ 300,875	\$ 286,872	\$ 286,228	\$ 421,266	\$ 302,660
868	723	770	742	871	660	754
0	0	0	0	0	0	0
\$ 72,930	\$ 72,930	\$ 77,600	\$ 74,575	\$ 87,100	\$ 66,300	\$ 75,700
9,363	8,764	10,129	10,364	11,657	11,651	14,571
337	185	375	301	362	642	777
28	56	80	93	160	208	263
168	152	170	171	159	182	144
183	212	303	298	317	257	276
104	0	99	107	184	196	158
417	412	491	482	n/a	n/a	62
33	26	33	22	24	39	46
128	123	183	196	191	245	68
\$ -	\$ -	\$ -	\$ 35	\$ 62	\$ 176	\$ 468
121	211	281	271	57	63	59
1	0	1	0	0	0	0
43	63	57	52	66	48	54
1	1	2	1	1	2	4
1,999	1,736	1,769	1,837	1,728	1,602	1,650
109	81	97	115	97	88	94
458	490	453	357	363	296	327
178	175	188	157	137	163	129
247	240	262	296	239	214	173
3	2	3	4	5	0	3
1	3	2	2	0	0	5
0	0	0	0	0	0	0
3,045	2,791	2,833	2,821	2,636	2,413	2,439
86	70	59	85	56	79	62
33	43	50	64	73	67	54

(Continued)

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

Function/Program	2024	2023	2022
Leisure Time Activities			
<i>Recreation</i>			
Pool:			
Total Attendance	33,945	34,482	0
Total Admission Income	\$ 68,538	\$ 68,200	\$ -
Total Pass Sales	\$ 162,464	856	0
Total Pool Parties	53	64	0
Total Pool Party Income	\$ 3,550.00	\$ 3,200	\$ -
Other Recreation Programs:			
Total Income from Sport related Programs	\$ 311,628	\$ 305,475	\$ 177,103
Total Income from Non-Sport related Programs	\$ 18,022	\$ 159,020	\$ 15,304
Total Income from Food Programs	\$ 2,937	\$ 73,977	\$ 11,994
Total Income from Youth & Family related Programs	\$ 269,210	\$ 25,904	\$ 8,733
Rental of Facilities:	\$ -	\$ -	\$ -
Total Income from Pavilion Rentals	\$ 7,125	\$ 10,125	\$ 6,125
Total Income from Lake House Rentals	\$ 28,650	\$ 60,100	\$ 24,457
<i>Communication/Technology</i>			
Bulletin Boards	-	251	243
Program Hours	582 hr 42 min	560.25	479.5
Community Producers	26	22	12
Facebook Post Requests	417	581	444
Website Post Requets	223	388	152
Media Duplication	236	93	19
Series:			
Public	18	15	15
Government	8	7	7
One Time/Specials:			
Public	24	4	2
Government	22	30	13
Studio Tours	1	1	-
Public Editor Used	1	-	-
Water			
Water rates per 1000 gallons, 1st 50,000 gallons of water used (2)	\$ 2.16	\$ 2.08	\$ 2.08
Total accounts within Avon Lake	9,230	9,025	8,853
Bulk customers outside of Avon Lake	7	7	7
Total water sales (billions of gallons)	7,586.443	7,092.000	7,962.000
Average daily production (millions of gallons)	21	19	22
Total miles of water line in Avon Lake	139	139	136
Total water revenues from within Avon Lake	\$ 1,631,197	\$ 1,845,551	\$ 2,319,038
Total water revenues from bulk customers outside of Avon Lake	\$ 11,449,458	\$ 11,565,673	\$ 10,746,078
Sewer			
Wastewater rates per 1000 gallons	\$ 7.45	\$ 7.30	\$ 7.30
Total accounts within Avon Lake	8,964	8,974	8,719
Bulk customers outside of Avon Lake	1	1	2
Total flow of wastewater treatment plant (billions of gallons)	1,624.250	2,100,000.000	2,000.000
Average daily flow (millions of gallons per day)	5	6	5
Tons of dry sludge removed	3,000	3,403	3,241
Total miles of sanitary and combined sewer in Avon Lake	115	115	104
Total wastewater pumping stations in Avon Lake	5	5	5
Total wastewater revenues from within Avon Lake	\$ 7,018,683	\$ 6,329,665	\$ 6,878,282
Total wastewater revenues from bulk customers outside of Avon Lake	\$ 1,587,433	\$ 1,520,637	\$ 978,602

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

	2021	2020	2019	2018	2017	2016	2015
	0	0	36,245	35,808	37,155	41,528	35,761
\$	-	\$ -	\$ 77,202	\$ 72,755	\$ 70,620	\$ 74,294	\$ 164,271
	0	0	114,881	122,012	125,234	93,205	1,143
	0	0	12	29	12	12	0
\$	-	\$ -	\$ 1,800	\$ 1,450	\$ 1,600	\$ 1,800	\$ 1,950
\$	177,103	\$ 177,103	\$ 194,459	\$ 205,941	\$ 301,000	\$ 135,915	\$ 101,348
\$	15,304	\$ 15,304	\$ 107,300	\$ 111,615	\$ 70,000	\$ 110,867	\$ 20,194
\$	11,994	\$ 11,994	\$ 78,761	\$ 75,503	\$ 79,380	\$ 77,267	\$ 66,530
\$	8,733	\$ 8,733	\$ 12,806	\$ 15,734	\$ 11,000	\$ 7,341	\$ 6,141
\$	-	\$ -					
\$	6,125	\$ 6,125	\$ 8,995	\$ 8,650	\$ 3,000	\$ 8,115	\$ 8,225
\$	24,457	\$ 24,457	\$ 48,227	\$ 60,479	\$ 47,700	\$ 32,170	\$ 18,708
	243	243	337	393	452	334	406
	479.5	479.5	1332	\$457	413	397h 0m	388h 56m
	12	12	11	11	17	15	24
	444	444	267	324	n/a	n/a	n/a
	152	152	238	261	n/a	n/a	n/a
	19	19	90	115	n/a	n/a	n/a
	15	15	11	14	15	15	16
	7	7	7	7	9	8	8
	2	2	9	19	33	27	8
	13	13	38	26	25	33	57
	-	-	1	1	8	2	1
	-	-	23	23	34	28	25
\$	2.08	\$ 2.08	\$ 2.00	\$ 1.92	\$ 1.85	\$ 1.78	\$ 1.73
	8,853	8,853	8,805	8,793	8,590	8,855	8,355
	7	7	7	7	7	7	7
	7,962.000	7,962.000	7,536.000	7.394	7.678	7.428	7.020
	22	22	21	21	21.0	20	20
	136	136	136	136	136	134	134
\$	2,319,038	\$ 2,319,038	\$ 2,208,608	\$ 2,304,718	\$ 2,121,284	\$ 2,237,628	\$ 1,437,738
\$	10,746,078	\$ 10,746,078	\$ 9,244,025	\$ 8,796,372	\$ 8,583,127	\$ 8,083,827	\$ 8,712,715
\$	7.30	\$ 7.30	\$ 6.35	\$ 5.52	\$ 4.80	\$ 4.17	\$ 3.63
	8,719	8,719	8,572	8,538	8,355	8,269	8,186
	2	2	2	2	2	2	2
	2,000.000	2,000.000	2.000	2.000	1.800	1.700	1.678
	5	5	5	5	5	5	5
	3,241	3,241	3,178	3,134	3,313	3,266	3,311
	104	104	104	104	104	103	103
	5	5	5	5	5	5	5
\$	6,878,282	\$ 6,878,282	\$ 5,895,904	\$ 4,951,874	\$ 3,874,132	\$ 3,604,454	\$ 3,047,574
\$	978,602	\$ 978,602	\$ 1,170,658	\$ 908,684	\$ 699,787	\$ 587,422	\$ 502,313

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

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government										
Administrative Building	1	1	1	1	1	1	1	1	1	1
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	31	32	27	34	34	33	33	26	32	31
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	14	12	12	14	13	13	13	13	13	15
Personal Water Craft (PWC)	2	2	2	2	2	2	2	2	2	2
Recreation										
Number of Parks	15	15	14	14	14	14	14	14	14	14
Parks (in acres)	220	220	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	14	11	11	11	11
Pool	1	1	1	1	1	1	1	1	1	1
Transportation										
Streets (miles)	112	112	126	126	117	117	117	117	117	117
Water										
Water Lines (miles)	139	139	148	145	136	136	136	134	134	134
Sewer and Storm Sewer										
Sanitary Sewers (miles)	115	115	114	112	103	103	103	103	103	103
Storm Sewers (miles)	145	145	90	88	88	88	88	88	88	88

Source: City's Department records



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 11/25/2025

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

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