

# **City of North Olmsted, Ohio**

**Comprehensive Annual Financial Report  
December 31, 2005**





**Auditor of State  
Betty Montgomery**

City Council  
City of North Olmsted  
5200 Dover Center Road  
North Olmsted, Ohio 44070

We have reviewed the *Independent Auditors' Report* of the City of North Olmsted, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2005 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

August 14, 2006

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# City of North Olmsted, Ohio

## Comprehensive Annual Financial Report For The Year Ended December 31, 2005

<b>Table of Contents</b>	<b>Page</b>
<b>I. Introductory Section</b>	
Title Page .....	i
Table of Contents .....	ii
Letter of Transmittal .....	vi
Organization Chart .....	xii
Principal City Officials .....	xiii
GFOA Certificate of Achievement .....	xiv
<b>II. Financial Section</b>	
Independent Auditors' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statements of Net Assets.....	13
Statement of Activities.....	14
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	16
Reconciliation of Total Governmental Fund Balances To Net Assets of Governmental Activities .....	18
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	22
Statement of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual General Fund .....	24
Statement of Fund Net Assets - Proprietary Funds .....	25
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds .....	26
Statement of Cash Flows - Proprietary Funds.....	27

# City of North Olmsted, Ohio

## Comprehensive Annual Financial Report For The Year Ended December 31, 2005

<b>Table of Contents</b>	<b>Page</b>
Statement of Fiduciary Assets and Liabilities - Agency Fund.....	29
Notes to the Basic Financial Statements .....	30
Combining Statements and Individual Fund Schedules:	
Combining Statements - Nonmajor Governmental Funds:	
Fund Descriptions .....	64
Combining Balance Sheet - Nonmajor Governmental Funds .....	67
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds .....	69
Combining Balance Sheet - Nonmajor Special Revenue Funds .....	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	74
Combining Balance Sheet - Nonmajor Debt Service Funds .....	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds.....	79
Combining Balance Sheet - Nonmajor Capital Projects Funds .....	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	81
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balances/Fund Equity Budget (Non-GAAP Basis) and Actual:	
Major Funds:	
General Fund .....	83
General Obligation Bond Retirement Fund.....	88
Fire Construction Fund.....	89
Non-Major Funds:	
Casualty Loss Fund .....	90
CDBG Fund.....	91
Alcohol Education Fund.....	92
Economic Development Fund .....	93
FEMA Grant Fund.....	94
Motor Vehicle License Fund .....	95
Recreation Fund.....	96
Clague Park Fund .....	97
Hotel/Motel Tax Fund .....	98

# City of North Olmsted, Ohio

## Comprehensive Annual Financial Report For The Year Ended December 31, 2005

<b>Table of Contents</b>	<b>Page</b>
Emergency Medical Services Fund .....	99
State Highway Fund .....	100
Street Maintenance Fund .....	101
Solid Waste Management Fund.....	102
Permanent Improvement Fund .....	103
Community Diversion Fund .....	104
Drug Enforcement Fund .....	105
Endowment and Grant Fund.....	106
Fire Pension Fund.....	107
Law Enforcement Fund .....	108
Stop Program Fund.....	109
Police Pension Fund .....	110
Senior Center Fund.....	111
Title III Fund .....	112
Library Bond Retirement Fund.....	113
Sewer Bond Retirement Fund.....	114
Special Assessment Bond Retirement Fund .....	115
Capital Improvement Project Fund.....	116
Library Construction Fund .....	118
Building and Land Acquisition and Improvement Fund .....	119
Issue II Fund .....	120
North Olmsted Municipal Bus Line Fund (NOMBL) .....	121
Springvale Golf Course and Ballroom Fund .....	122
Sewer Revenue Fund .....	123
Hospitalization Fund.....	124
 Financial Statement - Fiduciary Fund:	
Fund Description.....	125
Statement of Changes in Assets and Liabilities Deposits Fund.....	126
 <b>III. Statistical Section</b>	
Governmental Revenues by Source and Expenditures by Function - Last Three Years .....	129
Governmental Revenues by Source and Expenditures by Function - Last Ten Years .....	130
Property Tax Levies and Collections - Last Ten Years.....	132
Assessed Valuation and Estimated Actual Values of Taxable Property - Last Ten Years .....	134
Property Tax Rates - Direct and Overlapping Governments - Last Ten Years.....	135

# City of North Olmsted, Ohio

## Comprehensive Annual Financial Report For The Year Ended December 31, 2005

<b>Table of Contents</b>	<b>Page</b>
Special Assessment Billings and Collections - Last Ten Years .....	136
Computation of Legal Debt Margin .....	137
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita - Last Ten Years .....	138
Ratio of Annual Debt Principal Expenditures for General Bonded Debt to Total Governmental Expenditures - Last Ten Years .....	140
Computation of Direct and Overlapping General Obligation Bonded Debt .....	141
Demographic Statistics - Last Ten Years .....	142
Property Value, Construction and Financial Institution Deposits- Last Ten Years.....	144
Principal Taxpayers - Real Estate Tax .....	145
Principal Taxpayers - Tangible Personal Property Tax.....	146
Principal Taxpayers - Municipal Income Tax .....	147
Miscellaneous Statistics .....	148

# City of North Olmsted

5200 Dover Center Road • North Olmsted, Ohio 44070-3129

**Carrie B. Copfer, CPA**  
**Director of Finance**

**Department of Finance**

Phone: (440) 777-8000  
Fax: (440) 777-5774

June 15, 2006

Honorable Thomas E. O'Grady  
Citizens of North Olmsted, Ohio  
And Members of City Council

Ohio law (Ohio Administrative Code Section 117-2-03(B)) requires that all cities file annual audited financial reports prepared on a GAAP (Generally Accepted Accounting Principles) basis with the Auditor of State within six months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended December 31, 2005.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that the City 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.

Ciuni & Panichi, Inc. (Certified Public Accountants and Business Advisors), have issued an unqualified ("clean") opinion on the City of North Olmsted's financial statements for the year ended December 31, 2005. The Independent Auditors' 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. MD&A complement this letter of transmittal and should be read in conjunction with it.

## PROFILE OF THE GOVERNMENT

### Basic Information

North Olmsted was once a part of the Connecticut Western Reserve, claimed by the state of Connecticut. Investors bought land from the state, sight unseen, and went west to divide it up and sell it to settlers. Aaron Olmstead was one of the early landowners, but he never lived here. His son, Charles Olmstead, owned much of the land along Butternut Ridge and sold plots to the pioneer settlers beginning in 1815. In 1820 Charles Olmstead offered his father's library of 500 books to the community, then called Lenox, if they would change the name to Olmstead. They agreed, and the books, brought by oxcart from Connecticut, were used as a circulating library. The remaining 153 books are on display in the City's library. Over the course of the years, the "a" was omitted and the city became known as "North Olmsted."

In 1908 the residents voted to incorporate, becoming a village. In 1951 North Olmsted became a city because it had a population of over 5,000 people. The rapid growth was attributed to returning World War II veterans looking to provide a suburban living for their families. At one time the City was considered the fastest growing city in Ohio because it more than doubled in size from 1950 to 1960 and doubled again in 1970. Since the 1970 census, the population of North Olmsted has stayed relatively constant. The 2000 census was 34,113.

The City is a suburban community located in Cuyahoga County in Northeastern Ohio, approximately 13 miles southwest of the downtown area of the City of Cleveland and approximately 18 miles southeast of the City of Lorain. The City is served by diversified transportation facilities. There is immediate access to three State and U.S. highways and interstate highways I-80 (the Ohio Turnpike) and I-480, with access to interstate highways I-90 and I-71 within five miles of the City. The City is served by Cleveland Hopkins



International Airport, located within five miles of the City, and is adjacent to areas served by Conrail and Amtrak railroads.

The City of North Olmsted's primary government consists of all funds and departments, which are not legally separate from the City and provide a full range of services including:

- ◆ Police and Fire Protection
- ◆ Bus Service provided through North Olmsted Municipal Bus Line (NOMBL)
- ◆ Recreation Facility
- ◆ Parks and Recreational Activities
- ◆ 18 hole Golf Course and Ballroom
- ◆ WasteWater Treatment Plant Processing of Sanitary Sewage
- ◆ Planning and Zoning Committees
- ◆ Senior Center and Related Programs
- ◆ Local Human Services - ministering to youth, disabled, seniors and needy families
- ◆ Maintenance and Improvement of City Roads and Infrastructure
- ◆ Maintenance and Improvement of Storm and Sanitary Sewer Systems

The City of North Olmsted operates under and is governed by its Charter, first adopted by the voters in 1959. The Charter has been and may be amended by the voters from time to time. The City is also subject to some general laws applicable to all cities. Under the Ohio Constitution, the City may exercise all powers of local self-government, and police powers to the extent not in conflict with applicable general laws. The Charter provides for a mayor-council form of government.

Legislative authority is vested in a seven-member Council, of whom three members are at-large and four members are from wards, all elected to four-year terms. The Council sets compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the President of Council, elected specifically to that office by the voters for a four-year term. The President of Council has no vote except in the event of a tie. The Charter establishes certain administrative departments and the Council may establish divisions of those departments or additional departments and has exercised that authority.

The City's chief executive and administrative officer is the Mayor, elected by the voters specifically to that office for a four-year term. The other elected City officials are the Director of Finance and the Director of Law, each elected to a four-year term. All elected officials, except the Mayor and Director of Finance, serve part-time.

The Mayor has authority to appoint the directors of Public Safety, Public Service, Human Resources, Community Life Services, Planning and Economic Development, certain City employees and members of a number of City boards and commissions. The Mayor generally may remove, without the concurrence of Council and in accordance with civil service and collective bargaining agreement requirements, all officers and employees he has appointed, except that heads of departments and divisions created by the Charter may only be removed with the concurrence of two-thirds of the members of Council. The Mayor may not remove officers and employees of Council, Finance or the Law departments.

The Mayor may veto any legislation passed by Council. A veto may be overridden by a two-thirds vote of all members of Council.

### **Component Unit**

The North Olmsted Commission on Paratransit, Inc. (N.O.C.O.P.) has been presented as a discretely presented component unit of the primary government, based on the significant services and resources provided by the City. A complete discussion of the City's reporting entity is provided in Notes 1, 18 and 21 of the basic financial statements.

## **Budgetary Process**

A temporary appropriation resolution to control expenditures may be passed on or around January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. Appropriations by fund must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures and encumbrances may not exceed the appropriations at any level of control. Any revisions that alter the appropriations at the legal level of budgetary control must first be approved by City Council. Council may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources.

The City maintains budgetary control on a cash basis by department for salaries, other expenditures and debt service. Estimated expenditure amounts must be encumbered prior to the release of purchase orders to vendors or finalization of other contracts. Encumbrances that would exceed the available appropriation level are identified on an ongoing basis and are not approved or recorded until City Council authorizes additional appropriations or transfers. Unencumbered appropriations lapse at the end of each calendar year.

Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions. Appropriation amounts are as originally adopted, or as amended by City Council throughout the year by supplemental appropriations, which either reallocate or increase the original appropriated amounts. During the year, supplemental appropriation measures were legally enacted; however, none of these amendments were significant. The budgetary figures, which appear in the statement of budgetary comparisons, represent the original permanent appropriation and the final appropriations amounts, including all amendments and modifications.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Summary of Local Economy**

The City's unemployment rate has remained at 4.8% for the last two years while the State and nation's rates have declined by .3% and .4%, respectively. The local economy has recovered from the last few years, though it still lags the State and national economic recoveries. The State restructured its business tax structure to be more competitive. It will eliminate the personal property tax by 2009. The State will reimburse those lost taxes at a decreasing level through 2018.

The City is a suburban residential community and a commercial center for the western portion of the County and adjacent Lorain County. The City has actively promoted commercial, residential and light industrial development, and has established a City-wide community reinvestment area and participated in an enterprise zone within the County for that purpose, as hereinafter discussed in more detail.

The largest commercial development in the City includes the Westfield Shopping Mall and the adjacent Great Northern Shopping Center, together constituting a 2.0 million square foot retail complex with approximately 225 stores, professional and medical offices and restaurants; the Great Northern Corporate Center I, II and III, a 267,000 square foot executive office complex; and the Great Northern Technology Center, a 144,000 square foot office complex. All of this development is located adjacent to an interchange on interstate highway I-480. The properties have been developed in phases over the past 35 years, and the businesses located in them now provide employment for approximately 6,500 persons. The local economy has developed and redeveloped around this area.

The City is not dependent on a single revenue source or a single taxpayer which strengthens it during an economic downturn. The City Charter allows for 11.1 charter millage to be levied on property, which also is unique to cities. Additionally, the City, which currently offers residents 100% credit on up to two percent for taxes paid to their workplace city, can adjust that credit through an ordinance of Council. The City does not expect to do this, but it provides flexibility if necessary.

### **Relevant Financial Policies**

#### ***Internal Control***

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the government are protected from loss, theft or misuse and adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted

accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

All internal controls are designed within the above framework. Accordingly, we believe the City's system of internal controls is adequate to safeguard assets and provide reasonable assurance of proper recording of transactions.

### ***Basis of Accounting***

This is the third year the City has prepared financial statements following GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." GASB 34 creates basic financial statements for reporting the City's financial activities as follows:

*Government-wide financial statements* These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

*Fund financial statements* These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

*Statements of budgetary comparisons* These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

### ***Debt Administration***

The Debt Service fund accounts for the accumulation of resources for the payment of general long-term obligations. Revenue sources for these funds include receipts from property taxes and transfers from other funds consisting of income taxes, hotel/motel taxes, sewer user charges and golf user charges.

The Mayor and his administration prioritize capital projects for which borrowings are required. City Council approves such borrowings for these purposes. For the last four years, both the Administration and Council have been committed to borrowing for the prioritized list of current capital needs at an amount less than the City is retiring each year in general obligation debt so that each year the City's total general obligation debt is declining. This is a general policy with the Mayor's and City Council's consideration of the impact of voted tax issues and self-supporting enterprise fund debt.

In April of 2006, the City of North Olmsted received a rating increase to an A1 rating from Moody's Investor Service Inc. for limited tax and an Aa3 rating for unvoted tax. Fitch IBCA affirmed the City's A+ rating in April 2006.

### ***Cash Management***

All City cash is pooled for investment purposes in order to maximize yield while protecting principal through conservative investment choices. The City's investment policy designates what type of investments can be made and only permits investments that are in compliance with the Ohio Revised Code. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), eligible securities pledged by the financial institution as security for repayment, surety company bonds deposited with the treasurer by the financial institution or a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

The City plans for short and long term cash flow needs and attempts to match investment maturities accordingly. This is accomplished primarily with certificates of deposits, repurchase agreements, government securities, agency securities, mutual fund and sweep checking accounts.

**Risk Management**

The City is exposed to various risks of loss related to torts: theft, damage to or destruction of assets, errors and omissions, employee injuries and natural disasters. By maintaining comprehensive insurance coverage with private carriers, the City has addressed these various types of risk.

The City provides health, dental and vision insurance to its employees through a self-insurance plan. An employee committee reviews and selects the health plan provider. The City funds the insurance plan by contributing the expected cost for single and family coverage out of the fund from which the employee's compensation is paid. Employees contribute a portion of this expected cost on a pre-tax basis through payroll withholding. Resources are accumulated in the internal service fund to meet current and future claims. The City has reinsurance for claims in excess of \$75,000 per individual and \$2,735,363 in the aggregate for plan year 2005. Claims in excess of this aggregate are insured by private carriers. The City expects to assume no additional risks in the near future. The City contracts with a third party administrator to process the claims in accordance with the plan. The City also offered an Health Maintenance Organization (HMO) through the end of 2005 which the City paid a premium per month with no additional assumption of risk.

**Major Initiatives**

The City recognizes the need to promote and coordinate new development and redevelopment activity. The City completed a review and obtained approval (with significant community discussion and input) of an updated master plan to provide policies that will guide development of the remaining vacant land in the city and the revitalization and redevelopment of other areas. The Charter was amended by a vote of the people to revise various boards and commissions to streamline the development process. The zoning code is being reviewed to support this process also. A streetscaping plan for the City's commercial corridors has been written and in the process of being implemented.

The development of a plan for recreational facilities and programs is under way to improve the quality of life in the City and attract future residents and retain current ones.

The City is undertaking, in cooperation with the County and the adjacent City of Westlake, the construction of a four-lane, north-south street to connect interstate highways I-480 and I-90. The estimated cost of the project is \$18 million, and the City's \$1 million share of the cost is to be paid from a federal transportation grant obtained for that purpose. The City expects the project to spur commercial development and redevelopment in the adjacent area of the City and has a plan being developed to facilitate this.

A bond levy was passed in November 2004 to construct and equip a new fire station on the west end of the City to replace a 56 year old facility. Land was purchased and designs were developed in 2005 with construction to being in summer 2006.

## AWARDS AND ACKNOWLEDGEMENTS

### GFOA Certificate of Achievement

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 North Olmsted for its comprehensive annual financial report for the fiscal year ended December 31, 2004. This was the sixth year that the city has achieved this prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

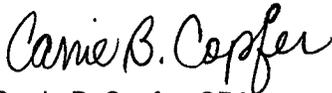
A Certificate of Achievement is valid for a period of one year only. The City of North Olmsted has received a Certificate of Achievement for the last six consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

### Acknowledgments

The 2005 Comprehensive Annual Financial Report was prepared by the Finance Department with cooperation from all city departments. We would like to express our appreciation to Ciuni & Panichi, Inc. for their guidance in the preparation of this report.

We would also like to thank the Mayor and members of City Council for supporting the preparation of this report, which expresses their commitment to financial integrity. In closing, we are grateful to the residents and taxpayers of the City of North Olmsted for entrusting us with the fiscal administration of their local government.

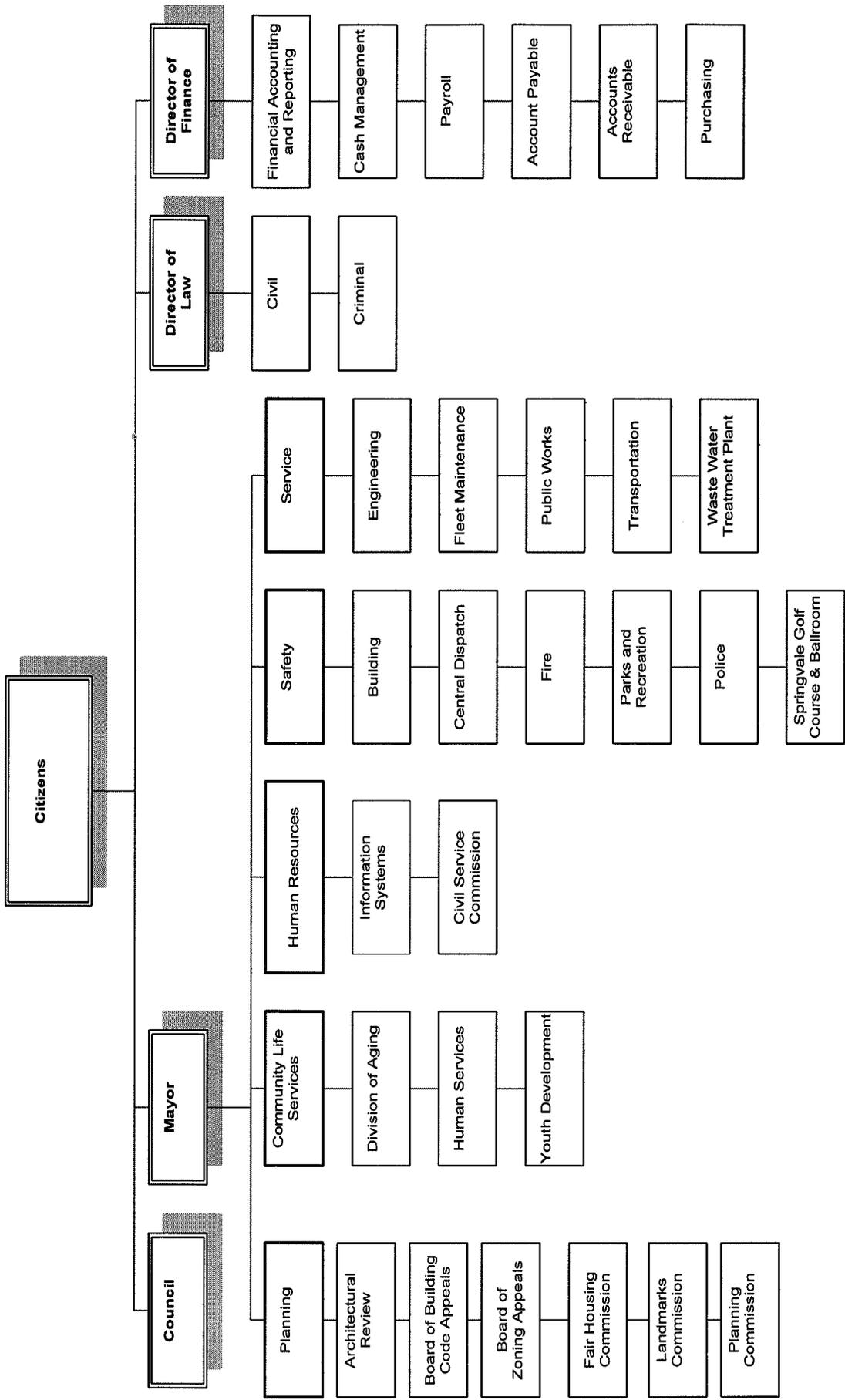
Respectfully submitted,



Carrie B. Copfer, CPA  
Director of Finance



Leslie A. Bruxvoort, CPA  
Assistant Director of Finance



# City of North Olmstead, Ohio

## Principal City Officials

**December 31, 2005**

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### Elected Officials

Thomas E. O'Grady .....	Mayor
James M. Dubelko.....	Director of Law
Carrie B. Copfer.....	Director of Finance
Kevin M. Kennedy .....	President of Council
Daniel J. Ryan .....	Council Ward 1
Paul R. Barker .....	Council Ward 2
George M. Nasher .....	Council Ward 3
Farrell Dean McKay.....	Council Ward 4
Michael R. Gareau, Jr.....	Council-At-Large
Ronald J. Tallon, Sr. ....	Council-At-Large
Paul D. Miller.....	Council-At-Large

### Appointed Officials

Cheryl Farver .....	Director of Human Resources
Duane Limpert .....	Director of Public Service
John Dailey .....	Director of Community Life Services
Thomas Terbrack .....	Director of Public Safety
Kimberly Wenger.....	Director of Planning

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of North Olmsted,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Carla E. Perry*

President

*Jeffrey R. Emer*

Executive Director

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## Independent Auditors' Report

Members of the City Council  
North Olmsted, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of North Olmsted, Ohio as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of North Olmsted, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of North Olmsted, Ohio, as of December 31, 2005, and the respective changes in financial position, and, where applicable, cash flows and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2005, the City of North Olmsted implemented GASB Statement No. 40, "Deposit and Investment Risk Disclosures", and GASB Statement No. 42 "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries".

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2006 on our consideration of the City of North Olmsted, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Members of the City Council  
North Olmsted, Ohio

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of North Olmsted, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Cini & Parichi, Inc.*

Cleveland, Ohio  
June 15, 2006

# City of North Olmsted

*Management's Discussion and Analysis (Unaudited)*

*For the Fiscal Year Ended December 31, 2005*

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The management's discussion and analysis of the City of North Olmsted's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2005. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

## **Financial Highlights**

Key financial highlights for 2005 are as follows:

- Total net assets are \$62,363,708 at December 31, 2005, which represents a 3.4 percent decrease from the prior year.
- Total invested in capital assets, net of related debt of \$50,716,262, represents 81.3 percent of total net assets in 2005.
- Total liabilities decreased by \$1,097,852 or 1.3 percent decrease from 2004 primarily from debt service payments.

## **Using This Comprehensive Annual Financial Report (CAFR)**

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

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

# City of North Olmsted

*Management's Discussion and Analysis (Unaudited)*

*For the Fiscal Year Ended December 31, 2005*

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## **Reporting the City of North Olmsted as a Whole**

### ***Statement of Net Assets and Statement of Activities***

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole considers all financial transactions and measures how the City did financially during fiscal year 2005. The *Statement of Net Assets* and the *Statement of Activities* include assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

The *Statement of Net Assets* and the *Statement of Activities* are divided into the following categories:

- Assets
- Liabilities
- Net Assets (Assets minus Liabilities)
- Program Revenue and Expenses
- General Revenues
- Net Assets Beginning of Year and Year's End

## **Reporting the City of North Olmsted's Most Significant Funds**

### ***Fund Financial Statements***

The presentation of the City's major funds begins on page 17. Fund financial reports provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds which account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of North Olmsted, the major governmental funds are the General Fund, General Obligation Bond Retirement Fund, and Fire Construction Fund, and the major enterprise funds are North Olmsted Municipal Bus Line (NOMBL) Fund, Springvale Golf Course and Ballroom Fund, and Sewer Revenue Fund.

## **City of North Olmsted**

*Management's Discussion and Analysis (Unaudited)*

*For the Fiscal Year Ended December 31, 2005*

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### **Governmental Funds**

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

### **Proprietary Funds**

The City of North Olmsted maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities. The City uses enterprise funds to account for the operations of its municipal bus line, golf course and ballroom and sanitary sewer plant and system. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains this type of fund for its self-insurance of health related employee benefits. Because this predominately affects governmental rather than business functions, it has been included within the governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found beginning on page 23 of this report.

### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources are not available to support the City's own programs. The City of North Olmsted has only one agency fund to report within the fiduciary fund category. Agency funds are reported on a full accrual basis and only present statements of assets and liabilities.

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

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 30 of this report.

### **Other Information**

In addition to the basic financial statements and the accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements, the combining statements referred to earlier in connection with nonmajor governmental funds are presented, as well as individual detailed budgetary comparisons for all funds. This information can be found starting on page 64 of this report.

**City of North Olmsted**  
*Management's Discussion and Analysis (Unaudited)*  
For the Fiscal Year Ended December 31, 2005

**The City of North Olmsted as a Whole**

The *Statement of Net Assets* looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2005 compared to 2004.

Table 1  
Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
<b>Assets</b>						
Current and Other Assets	\$ 31,582,956	\$ 29,818,961	\$ 2,206,255	\$ 2,866,123	\$ 33,789,211	\$ 32,685,084
Capital Assets, Net	<u>79,216,110</u>	<u>82,111,713</u>	<u>33,471,439</u>	<u>34,985,156</u>	<u>112,687,549</u>	<u>117,096,869</u>
<b>Total Assets</b>	<u>110,799,066</u>	<u>111,930,674</u>	<u>35,677,694</u>	<u>37,851,279</u>	<u>146,476,760</u>	<u>149,781,953</u>
<b>Liabilities</b>						
Current Liabilities	12,865,520	12,118,176	416,143	516,268	13,281,663	12,634,444
Long-term Liabilities	<u>50,475,940</u>	<u>50,921,774</u>	<u>20,355,449</u>	<u>21,654,686</u>	<u>70,831,389</u>	<u>72,576,460</u>
<b>Total Liabilities</b>	<u>63,341,460</u>	<u>63,039,950</u>	<u>20,771,592</u>	<u>22,170,954</u>	<u>84,113,052</u>	<u>85,210,904</u>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	36,706,457	38,944,202	14,009,805	14,330,592	50,716,262	53,274,794
Restricted	8,246,539	7,257,035	-	-	8,246,539	7,257,035
Unrestricted	<u>2,504,610</u>	<u>2,689,487</u>	<u>896,297</u>	<u>1,349,733</u>	<u>3,400,907</u>	<u>4,039,220</u>
<b>Total Net Assets</b>	<u>\$ 47,457,606</u>	<u>\$ 48,890,724</u>	<u>\$ 14,906,102</u>	<u>\$ 15,680,325</u>	<u>\$ 62,363,708</u>	<u>\$ 64,571,049</u>

## **City of North Olmsted**

*Management's Discussion and Analysis (Unaudited)*

*For the Fiscal Year Ended December 31, 2005*

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Net assets may serve over time as a useful indicator of a government's financial position. For the City of North Olmsted, total assets exceed total liabilities by \$62,363,708 as of December 31, 2005.

The largest portion of the City's net assets (81.3 percent) reflects the investments in capital assets (land, construction in progress, buildings, improvements other than buildings, machinery and equipment, furniture and fixtures and infrastructure) less any related debt to acquire those assets that is still outstanding. These capital assets are used to provide services to the City's citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets for 2005 decreased by \$3,305,193 or 2.2 percent when compared to 2004. The decrease in total assets was due to accumulated depreciation on capital assets. The net affect of depreciation, additions and deletions on governmental activities decreased roads by \$3,193,769 and was offset by an increase in other capital assets, net of accumulated depreciation (buildings, improvements other than buildings, machinery and equipment, furniture and fixtures and bridges and culverts) of \$298,166. Business-type activities capital assets (buildings, improvements other than buildings, machinery and equipment, furniture and fixtures and storm sewer lines) decreased by \$1,513,717 which again is primarily attributed to the accumulated depreciation on capital assets of the sanitary sewer plant and system. The City's total liabilities decreased \$1,097,852 from 2004 to 2005. This is primarily from the annual debt service payment at a greater rate than the increase in short term liabilities and the bond anticipation notes outstanding. Therefore, total net assets decreased by \$2,207,341 from 2004 to 2005.

In order to further understand what makes up the changes in net assets for the current year, Table 2 provides further details regarding the results of activities for the current year.

**City of North Olmsted**  
*Management's Discussion and Analysis (Unaudited)*  
For the Fiscal Year Ended December 31, 2005

Table 2  
Changes in Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 4,436,915	\$ 3,907,557	\$ 8,405,362	\$ 11,464,532	\$ 12,842,277	\$ 15,372,089
Operating Grants and contributions	1,717,713	1,527,518	-	-	1,717,713	1,527,518
Capital Grants and contributions	<u>922,813</u>	<u>-</u>	<u>185,705</u>	<u>362,240</u>	<u>1,108,518</u>	<u>362,240</u>
Total Program Revenues	<u>7,077,441</u>	<u>5,435,075</u>	<u>8,591,067</u>	<u>11,826,772</u>	<u>15,668,508</u>	<u>17,261,847</u>
General Revenues						
Property Taxes and other local taxes	10,354,341	10,507,940	-	-	10,354,341	10,507,940
Municipal Income Taxes	12,159,878	12,491,922	-	-	12,159,878	12,491,922
Grants and Entitlements	3,102,792	3,088,546	-	-	3,102,792	3,088,546
Other	<u>661,299</u>	<u>272,046</u>	<u>-</u>	<u>67,789</u>	<u>661,299</u>	<u>339,835</u>
Total general revenues	<u>26,278,310</u>	<u>26,360,454</u>	<u>-</u>	<u>67,789</u>	<u>26,278,310</u>	<u>26,428,243</u>
Total Revenues	<u>33,355,751</u>	<u>31,795,529</u>	<u>8,591,067</u>	<u>11,894,561</u>	<u>41,946,818</u>	<u>43,690,090</u>
<b>Program Expenses</b>						
General Government	4,165,796	4,116,486	-	-	4,165,796	4,116,486
Security of persons and property	12,907,792	12,377,881	-	-	12,907,792	12,377,881
Public Health Services	546,222	531,247	-	-	546,222	531,247
Transportation	10,358,230	9,457,770	-	-	10,358,230	9,457,770
Basic Utility Services	1,645,096	1,631,509	-	-	1,645,096	1,631,509
Leisure Time Activities	2,594,345	2,867,536	-	-	2,594,345	2,827,536
Community Environment	24,843	21,727	-	-	24,843	21,727
Economic Development	202,149	141,206	-	-	202,149	141,206
Interest	2,344,396	2,213,332	-	-	2,344,396	2,213,332
NOMBL	-	-	984,208	4,714,687	984,208	4,714,687
Springvale	-	-	1,480,190	1,412,396	1,480,190	1,412,396
Sewer	-	-	<u>6,900,892</u>	<u>7,024,422</u>	<u>6,900,892</u>	<u>7,024,422</u>
Total program expenses	<u>34,788,869</u>	<u>33,358,694</u>	<u>9,365,290</u>	<u>13,151,505</u>	<u>44,154,159</u>	<u>46,510,199</u>
Decrease in net assets	(1,433,118)	(1,563,165)	(774,223)	(1,256,944)	(2,207,341)	(2,820,109)
Net assets, beginning of year	<u>48,890,724</u>	<u>50,453,889</u>	<u>15,680,325</u>	<u>16,937,269</u>	<u>64,571,049</u>	<u>67,391,158</u>
Net assets, end of year	\$ <u>47,457,606</u>	\$ <u>48,890,724</u>	\$ <u>14,906,102</u>	\$ <u>15,680,325</u>	\$ <u>62,363,708</u>	\$ <u>64,571,049</u>

## **City of North Olmsted**

*Management's Discussion and Analysis (Unaudited)*

*For the Fiscal Year Ended December 31, 2005*

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### **Governmental Activities**

Several revenue sources fund the City's governmental activities. Property and other local taxes contribute 31.3 percent; municipal income taxes contribute 36.8 percent, with the remaining 31.9 percent coming from other sources which include charges for services, grants and entitlements from other governmental entities. Total revenues increased approximately \$1,500,000 from 2004 to 2005. Charges for services increased by \$815,146 from a variety of sources – administrative fees, emergency medical services, hotel/motel taxes, police fines, etc. Increase in capital grants and contributions in 2005 is primarily due to one year grants received this fiscal year only. Other revenues increased by \$529,358 from increased investment earnings due to higher interest rates for 2005.

Overall, total program expenses increased by 3.4% over 2004. Despite increases in operating expenses such as wages, benefits, fuel, and utilities, controllable program expenses were efficiently utilized to offset the such increases where possible.

Security of Persons and Property represent 37.4 percent of program expenses. This includes the cost of the police, dispatch, fire and paramedic services. Program expenses increased by wage and benefit cost increases and utility costs.

Transportation expenses represent 29.1 percent of program expenses. This includes the cost of providing all public works services such as street and storm channel maintenance and improvement, snow removal and equipment maintenance. Program expenses increased over the prior year in transportation due to wage and benefit cost increases and fuel and utility costs.

Leisure Time Activities represent 7.5 percent of program expenses. This is the cost of operating the recreation center and recreational programs. Leisure time activities decreased by 9.5 percent due to necessary maintenance and repairs that occurred in 2004. Additionally, operations were streamlined saving on wages, benefits and outside services.

Interest and Fiscal Charges on debt service are 6.8 percent of program expenses. They increased by \$100,000 in 2005 as the cost of borrowing increased.

Basic Utility Services represents 4.7 percent of program expenses. This includes trash collection, recycling, leaf pick up and brush removal. These are funded from 15 percent of the income tax collection by a 1991 vote of the people. These 2005 program expenses stayed relatively constant to 2004 as were under multi-year contracts for those services.

### **Business Type Activities**

Charges for Services is the primary source of revenue for the municipal bus line (NOMBL), Springvale Golf Course and Ballroom (Springvale) and sewer operations. NOMBL was acquired by the Greater Cleveland Regional Transit Authority (GCRTA) in March 2005. Therefore, the decline in revenues and corresponding program expenses is primarily due to this.

## **City of North Olmsted**

*Management's Discussion and Analysis (Unaudited)*

*For the Fiscal Year Ended December 31, 2005*

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### **Financial Analysis of the City's Funds**

The City of North Olmsted uses fund accounting as mandated by governmental legal requirements. The importance of accounting and reporting using this method is to demonstrate compliance with these finance related requirements.

#### ***Governmental Funds***

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Information about the City's governmental funds begins on page 17. These funds are accounted for by using the modified accrual basis of accounting.

As of December 31, 2005, the City's governmental funds reported combined ending fund balances of \$15,414,812. Of that amount, \$14,945,798 constitutes unreserved fund balances, which is available for spending at the government's discretion. The \$469,014 remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchases of the prior period.

All governmental funds had total revenues of \$33,244,218 and expenditures of \$41,964,606, leaving a \$1,170,033 current year surplus, after consideration of \$9,890,421 in other financing sources.

The general fund is the most significant fund as it is the source for providing a significant portion of major governmental activities such as police, fire, service, legislative and administrative functions. In 2005, the general fund had total revenues of \$18,984,438 and expenditures of \$18,975,160 resulting in an increase in fund balance of \$15,150, after consideration of \$5,872 in other financing sources, for an ending general fund balance at December 31, 2005 of \$3,445,456. This represents 18.2 percent of the current year general fund expenditures. This is an encouraging comparison in a difficult economic climate that continues to exist in our region. Revenues ended approximately \$243,000 over last year's revenues while expenditures were approximately \$600,000 more than last year's expenditures.

#### ***General Fund Budgeting Highlights***

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. The City amended its general fund budget at various times throughout fiscal year 2005. All recommendations for budget amendments are initially presented to the Finance Committee of City Council for review before they are presented to the whole Council for Ordinance enactment on the change. Budgetary modifications between the legal level of control categories may only be made by resolution of the City Council. The City allows intra-department budget modifications if they are within the same legal level of control category. The general fund supports many of the City's major activities such as the police, fire and service departments, as well as most legislative and administrative activities. The general fund is monitored closely, looking for possible revenue shortfalls or potential overspending by individual departments.

**City of North Olmsted**  
*Management's Discussion and Analysis (Unaudited)*  
For the Fiscal Year Ended December 31, 2005

For the general fund, the original budgeted revenues were \$17,801,752. The final budgeted revenue amount was \$18,209,551. The City actually received \$19,222,242 in 2005. The excess came primarily from greater than anticipated revenues of \$400,000 in municipal income taxes, fines of \$64,000, and approximately \$388,000 of intergovernmental revenues. The original appropriations for the general fund were \$19,415,899. The final appropriations were \$19,602,224. The City had a \$1,619,399 variance when comparing the budgeted and actual unencumbered balance because the City historically budgets to expend nearly 100 percent of their available resources, when actually only 99.0 percent of available resources were expended in 2005. The City's actual expenditures ended \$585,603 below the final budgeted amount.

**Capital Assets and Debt Administration**

**Capital Assets**

	Governmental Activities		Business-Type Activities		Totals	
	2005	2004	2005	2004	2005	2004
Land	\$ 3,705,055	\$ 3,705,055	\$ 2,626,357	\$ 2,626,357	\$ 6,331,412	\$ 6,331,412
Construction in progress	843,140	134,465	-	-	843,140	134,465
Other non-depreciable assets	23,000	-	-	-	23,000	-
Land improvements	638,624	512,280	935,932	994,075	1,574,556	1,506,355
Buildings and improvements	13,540,166	14,076,943	8,742,147	9,235,827	22,282,313	23,312,770
Furniture and fixtures	184,121	218,350	-	-	184,121	218,350
Vehicles and equipment	2,038,380	1,952,972	13,743,096	14,425,617	15,781,476	16,378,589
Infrastructure	58,243,624	61,511,648	7,423,907	7,703,280	65,667,531	69,214,928
Total capital assets	\$ <u>79,216,110</u>	\$ <u>82,111,713</u>	\$ <u>33,471,439</u>	\$ <u>34,985,156</u>	\$ <u>112,687,549</u>	\$ <u>117,096,869</u>

Total capital assets net of depreciation of the City's governmental activities as of December 31, 2005, were \$79,216,110, which was \$2,895,603 lower than December 31, 2004. The most significant increase was in construction in progress of \$708,675 mainly for the construction of the fire station offset by a decrease in infrastructure (\$3,628,024) due to increased depreciation. Business type activities capital assets decreased by \$1,513,717 over 2004 which also allowed annual depreciation to exceed new capital additions from limiting capital purchases due to the uncertain economy potentially limiting revenue streams. For additional information see Note 8.

**Debt**

As of December 31, 2005, the City of North Olmsted had \$70,831,389 in total debt outstanding with \$8,102,045 due within one year.

	Governmental Activities		Business-Type Activities		Totals	
	2005	2004	2005	2004	2005	2004
General obligation bonds	\$ 35,635,000	\$ 39,115,000	\$ 17,440,000	\$ 18,435,000	\$ 53,075,000	\$ 57,550,000
Special assessment bonds	390,000	455,000	-	-	390,000	455,000
OWDA loan	-	-	712,161	759,721	712,161	759,721
OPWC loans	108,899	122,511	1,303,334	1,433,667	1,412,233	1,556,178
Police pension	106,825	109,117	-	-	106,825	109,117
Long-term notes	9,860,000	7,175,000	315,000	-	10,175,000	7,175,000
Compensated absences	4,359,462	3,945,146	578,815	1,000,122	4,938,277	4,945,268
Capital leases	15,754	-	6,139	26,176	21,893	26,176
Total	\$ <u>50,475,940</u>	\$ <u>50,921,774</u>	\$ <u>20,355,449</u>	\$ <u>21,654,686</u>	\$ <u>70,831,389</u>	\$ <u>72,576,460</u>

## **City of North Olmsted**

*Management's Discussion and Analysis (Unaudited)*

*For the Fiscal Year Ended December 31, 2005*

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The General Obligation Bonds are composed of many various purposes which include street and storm improvements, sanitary sewer improvements, equipment, computerization, golf course purchase and improvements, recreation center and parks improvements, city building improvements and new library construction. Many revenue sources assist in the payment of debt service. The Special Assessment Bonds are for the Industrial Parkway construction. The property owners pay for this bond which will be repaid in 2010.

The City has several OPWC and OWDA loans outstanding, however, the OPWC loans are no interest loans. The City also has \$9,860,000 in bond anticipation notes outstanding at December 31, 2005 for various purposes, the most notable being \$4,000,000 for the fire station 2 construction.

The State of Ohio statute limits the amount of general obligation debt a governmental entity may issue to 10.5 percent of the total assessed valuation. The City's overall legal debt margin was \$54,302,888 at December 31, 2005. This represents the aggregate principal amount of additional voted and unvoted debt which the City may issue without exceeding the limitation. This calculation does not take into account the City's ability to repay such debt levels within current resources.

Additional information concerning the City's debt can be found in Note 12 to the basic financial statements.

### **Economic Factors and Next Year's Budget**

The City of North Olmsted began to react in 2002 to the slowing economy, through attrition and layoffs and maintained its efforts through 2005. The City's 2006 budget includes the continued high costs of fuel, utilities, healthcare benefits and mandatory 4.5 percent wage increases. The revenues are budgeted similar to 2005 actual results, after any consideration to any operational changes as local and State economy have lagged behind the national economic recovery.

### **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends, or invests. If you have any questions about this report or need financial information, contact the Director of Finance, City of North Olmsted, 5200 Dover Center Road, North Olmsted, Ohio, 44070; telephone 440-777-8000 or e-mail at [finance@north-olmsted.com](mailto:finance@north-olmsted.com).

# City of North Olmsted, Ohio

## Statement of Net Assets

**December 31, 2005**

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit North Olmsted Commission on Paratransit, Inc.
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 13,178,741	\$ 1,673,985	\$ 14,852,726	\$ 47,805
Interest receivable	34,689	-	34,689	-
Accounts receivable	245,497	-	245,497	2,617
Internal balances	1,084,679	(1,084,679)	-	-
Intergovernmental receivable	2,809,213	1,386,984	4,196,197	16,786
Material and supplies inventory	309,587	152,997	462,584	-
Prepaid items	105,651	76,968	182,619	-
Municipal income taxes receivable	2,501,488	-	2,501,488	-
Taxes receivable - property and other	10,923,411	-	10,923,411	-
Special assessments receivable	390,000	-	390,000	-
Non-depreciable capital assets	4,571,195	2,626,357	7,197,552	-
Depreciable assets, net	<u>74,644,915</u>	<u>30,845,082</u>	<u>105,489,997</u>	-
Total assets	<u>110,799,066</u>	<u>35,677,694</u>	<u>146,476,760</u>	<u>67,208</u>
<b>Liabilities:</b>				
Accounts and contracts payable	797,233	188,780	986,013	5,606
Accrued salaries and benefits	38,229	28,740	66,969	-
Intergovernmental payable	812,934	102,018	914,952	12,029
Unearned revenue	10,501,746	-	10,501,746	-
Retainage payable	78,665	-	78,665	-
Accrued interest payable	347,401	96,605	444,006	-
Claims payable	289,312	-	289,312	-
Long term liabilities:				
Due within one year	6,566,842	1,535,203	8,102,045	-
Due in more than one year	<u>43,909,098</u>	<u>18,820,246</u>	<u>62,729,344</u>	-
Total liabilities	<u>63,341,460</u>	<u>20,771,592</u>	<u>84,113,052</u>	<u>17,635</u>
<b>Net assets:</b>				
Invested in capital assets, net of related debt	36,706,457	14,009,805	50,716,262	-
Restricted for:				
Debt service	3,324,549	-	3,324,549	-
Capital projects	1,990,031	-	1,990,031	-
Community development	64,885	-	64,885	-
Highways and streets	1,426,595	-	1,426,595	-
Public safety	630,793	-	630,793	-
Recreation	4,366	-	4,366	-
Other purposes	805,320	-	805,320	-
Unrestricted	<u>2,504,610</u>	<u>896,297</u>	<u>3,400,907</u>	<u>49,573</u>
Total net assets	<u>\$ 47,457,606</u>	<u>\$ 14,906,102</u>	<u>\$ 62,363,708</u>	<u>\$ 49,573</u>

The accompanying notes are an integral part of these financial statements.

# City of North Olmsted, Ohio

## Statement of Activities

### For The Year Ended December 31, 2005

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants Interest and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 4,165,796	\$ 2,112,111	\$ 134,699	\$ -
Security of persons and property	12,907,792	960,897	39,828	313,443
Public health and welfare	546,222	8,140	36,582	-
Transportation	10,358,230	261,165	1,393,585	609,370
Basic utility services	1,645,096	88,498	-	-
Leisure time activities	2,594,345	991,352	63,915	-
Community environment	24,843	-	21,601	-
Economic development	202,149	14,752	27,503	-
Interest	<u>2,344,396</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>34,788,869</u>	<u>4,436,915</u>	<u>1,717,713</u>	<u>922,813</u>
Business-Type Activities:				
NOMBL	984,208	1,191,441	-	-
Springvale golf course and ballroom	1,480,190	1,316,095	-	-
Sewer revenue	<u>6,900,892</u>	<u>5,897,826</u>	<u>-</u>	<u>185,705</u>
Total business – type activities	<u>9,365,290</u>	<u>8,405,362</u>	<u>-</u>	<u>185,705</u>
Total primary government	\$ <u>44,154,159</u>	\$ <u>12,842,277</u>	\$ <u>1,717,713</u>	\$ <u>1,108,518</u>
Component Unit				
North Olmsted Commission on Paratransit, Inc.	\$ <u>195,949</u>	\$ <u>29,132</u>	\$ <u>141,796</u>	\$ <u>6,100</u>

General revenues:  
 Property taxes and, levied for:  
   General purpose  
   Recreation  
   Fire pension  
   Police pension  
   Debt service  
 Municipal income taxes levied for:  
   General purposes  
   Solid waste management  
   Capital outlay  
 Grants and entitlements not restricted to specific programs  
 Investment income  
 Miscellaneous income  
 Total general revenues

Change in net assets

Net assets at beginning of year, restated

Net assets at end of year

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business Type Activities	Total	North Olmsted Commission on Paratransit, Inc.
\$ (1,918,986)	\$ -	\$ (1,918,986)	\$ -
(11,593,624)	-	(11,593,624)	-
(501,500)	-	(501,500)	-
(8,094,110)	-	(8,094,110)	-
(1,556,598)	-	(1,556,598)	-
(1,539,078)	-	(1,539,078)	-
(3,242)	-	(3,242)	-
(159,894)	-	(159,894)	-
<u>(2,344,396)</u>	<u>-</u>	<u>(2,344,396)</u>	<u>-</u>
<u>(27,711,428)</u>	<u>-</u>	<u>(27,711,428)</u>	<u>-</u>
-	207,233	207,233	-
-	(164,095)	(164,095)	-
<u>-</u>	<u>(817,361)</u>	<u>(817,361)</u>	<u>-</u>
<u>-</u>	<u>(774,223)</u>	<u>(774,223)</u>	<u>-</u>
<u>(27,711,428)</u>	<u>(774,223)</u>	<u>(28,485,651)</u>	<u>-</u>
-	-	-	(18,921)
5,356,290	-	5,356,290	-
908,724	-	908,724	-
227,200	-	227,200	-
227,200	-	227,200	-
3,634,927	-	3,634,927	-
8,493,516	-	8,493,516	-
1,833,181	-	1,833,181	-
1,833,181	-	1,833,181	-
3,102,792	-	3,102,792	-
596,488	-	596,488	-
<u>64,811</u>	<u>-</u>	<u>64,811</u>	<u>-</u>
<u>26,278,310</u>	<u>-</u>	<u>26,278,310</u>	<u>-</u>
(1,433,118)	(774,223)	(2,207,341)	(18,921)
<u>48,890,724</u>	<u>15,680,325</u>	<u>64,571,049</u>	<u>68,494</u>
\$ <u>47,457,606</u>	\$ <u>14,906,102</u>	\$ <u>62,363,708</u>	\$ <u>49,573</u>

# City of North Olmsted, Ohio

## Balance Sheet Governmental Funds

**December 31, 2005**

	<u>General</u>	<u>General Obligation Retirement</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 1,838,623	\$ 787,945
Income taxes receivable	1,751,030	-
Taxes receivable - property and other	5,494,500	2,706,251
Special assessments receivable	-	-
Due from other governments	1,548,583	143,529
Accounts receivable and other	156,393	1,800
Interfund receivable	263,666	1,379,126
Inventories and supplies	304,869	-
Prepaid items	80,166	-
Total assets	\$ <u>11,437,830</u>	\$ <u>5,018,651</u>
Liabilities and fund balances:		
Liabilities:		
Accounts and contracts payable	\$ 139,254	\$ -
Retainage payable	-	-
Accrued wages and benefits	32,520	-
Due to other governments	747,882	-
Interfund payable	-	-
Unearned revenue	<u>7,072,718</u>	<u>2,849,780</u>
Total liabilities	<u>7,992,374</u>	<u>2,849,780</u>
Fund balances:		
Reserved for encumbrances	42,139	-
Unreserved, reported in:		
General fund	3,403,317	-
Special revenue funds	-	-
Debt service fund	-	2,168,871
Capital projects fund	-	-
Total fund balances	<u>3,445,456</u>	<u>2,168,871</u>
Total liabilities and fund balances	\$ <u>11,437,830</u>	\$ <u>5,018,651</u>

The accompanying notes are an integral part of these financial statements.

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<u>Fire Construction</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 3,761,037	\$ 6,005,804	\$ 12,393,409
-	750,458	2,501,488
-	2,722,660	10,923,411
-	390,000	390,000
-	1,117,101	2,809,213
8,589	113,404	280,186
-	231	1,643,023
-	4,718	309,587
-	25,485	105,651
<u>\$ 3,769,626</u>	<u>\$ 11,129,861</u>	<u>\$ 31,355,968</u>
\$ 61,904	\$ 596,075	\$ 797,233
-	78,665	78,665
-	5,709	38,229
-	65,052	812,934
-	407,302	407,302
-	3,884,295	13,806,793
<u>61,904</u>	<u>5,037,098</u>	<u>15,941,156</u>
126,000	300,875	469,014
-	-	3,403,317
-	2,721,488	2,721,488
-	1,155,678	3,324,549
<u>3,581,722</u>	<u>1,914,722</u>	<u>5,496,444</u>
<u>3,707,722</u>	<u>6,092,763</u>	<u>15,414,812</u>
<u>\$ 3,769,626</u>	<u>\$ 11,129,861</u>	<u>\$ 31,355,968</u>

# City of North Olmsted, Ohio

## Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities

**December 31, 2005**

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Total governmental fund balances \$ 15,414,812

*Amounts reported for governmental activities in the Statement of Net Assets are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 79,216,110

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.

Property and other taxes	\$ 405,306	
Municipal income taxes	688,881	
Intergovernmental	1,743,375	
Special assessments	390,000	
Miscellaneous	<u>77,485</u>	
Total		3,305,047

In the Statement of Activities, interest is accrued on outstanding long-term obligations, whereas in governmental funds, an interest expenditure is reported when due. (347,401)

Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds.

Notes payable	(9,860,000)	
Loans payable	(108,899)	
Police past service cost	(106,825)	
General obligation bonds	(35,635,000)	
Special assessment bonds	(390,000)	
Capital leases	(15,754)	
Compensated absences	<u>(4,359,462)</u>	
Total		(50,475,940)

An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.

Net assets	496,020	
Internal balances	<u>(151,042)</u>	

*Net assets of governmental activities* \$ 47,457,606

The accompanying notes are an integral part of these financial statements

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# City of North Olmsted, Ohio

## Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds

**For The Year Ended December 31, 2005**

	<u>General</u>	<u>General Obligation Bond Retirement</u>
Revenues:		
Property and other local taxes	\$ 5,157,122	\$ 2,846,331
Municipal income taxes	8,617,571	-
Charges for services	1,164,217	-
Fines, licenses and permits	1,107,539	-
Intergovernmental	2,728,066	372,168
Special assessments	-	-
Interest	199,578	153,633
Miscellaneous income	10,345	-
Total revenues	<u>18,984,438</u>	<u>3,372,132</u>
Expenditures:		
Current:		
General government	3,134,032	-
Security of persons and property	11,556,912	-
Public health and welfare	562,272	-
Transportation	3,575,537	-
Basic utility services	-	-
Leisure time activities	-	-
Community environment	-	-
Economic development	146,407	-
Capital outlay	-	-
Debt service:		
Principal	-	8,238,612
Interest and fiscal charges	-	1,563,248
Total expenditures	<u>18,975,160</u>	<u>9,801,860</u>
Excess (deficiency) of revenues over expenditures	<u>9,278</u>	<u>(6,429,728)</u>
Other financing sources (uses):		
Sale of capital assets	11,105	-
Inception of capital lease	19,316	-
Transfers – in	50,316	1,716,014
Transfers – out	(74,865)	-
Issuance of notes	-	5,080,000
Total other financing sources (uses)	<u>5,872</u>	<u>6,796,014</u>
Net change in fund balances	15,150	366,286
Fund balances, beginning of year, restated	<u>3,430,306</u>	<u>1,802,585</u>
Fund balances, end of year	\$ <u><u>3,445,456</u></u>	\$ <u><u>2,168,871</u></u>

The accompanying notes are an integral part of these financial statements

<u>Fire Construction</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 2,516,377	\$ 10,519,830
-	3,693,244	12,310,815
-	1,320,885	2,485,102
-	348,835	1,456,374
-	2,467,801	5,568,035
-	65,000	65,000
138,537	104,740	596,488
80	232,149	242,574
<u>138,617</u>	<u>10,749,031</u>	<u>33,244,218</u>
-	217,266	3,351,298
430,895	1,180,698	13,168,505
-	53,093	615,365
-	3,915,235	7,490,772
-	1,648,006	1,648,006
-	2,606,439	2,606,439
-	23,772	23,772
-	28,968	175,375
-	3,832	3,832
-	2,495,000	10,733,612
-	584,382	2,147,630
<u>430,895</u>	<u>12,756,691</u>	<u>41,964,606</u>
<u>(292,278)</u>	<u>(2,007,660)</u>	<u>(8,720,388)</u>
-	-	11,105
-	-	19,316
-	301,632	2,067,962
-	(1,993,097)	(2,067,962)
<u>500,000</u>	<u>4,280,000</u>	<u>9,860,000</u>
<u>500,000</u>	<u>2,588,535</u>	<u>9,890,421</u>
207,722	580,875	1,170,033
<u>3,500,000</u>	<u>5,511,888</u>	<u>14,244,779</u>
\$ <u><u>3,707,722</u></u>	\$ <u><u>6,092,763</u></u>	\$ <u><u>15,414,812</u></u>

# City of North Olmsted, Ohio

## Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual - General Fund

### For The Year Ended December 31, 2005

Net change in fund balances - total governmental funds \$ 1,170,033

*Amounts reported for governmental activities in the Statement of  
Activities are different because:*

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

	\$ 4,101,983	
Capital outlay		
Depreciation expense	(6,332,898)	
Total		(2,230,915)

In the Statement of Activities, only the gain on the disposal of capital assets are reported, whereas, in the Governmental Funds, the proceeds from the disposal increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets.

(664,688)

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

	(150,937)	
Municipal income taxes		
Property and other local taxes	(165,489)	
Miscellaneous	(5,371)	
Special assessments	(65,000)	
Intergovernmental	446,901	
Total		60,104

Issuance of notes is an other financing source in the funds, but increase long-term liabilities in the Statement of Net Assets

(9,860,000)

Other financing sources in the governmental funds that increase long-term liabilities in the Statement of Net Assets. These sources were attributed to the inception of capital leases

(19,316)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

	3,545,000	
Bond principal paid		
Loan principal paid	13,612	
Note principal paid	7,175,000	
Total		10,733,612

(Continued)

# City of North Olmsted, Ohio

## Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual - General Fund (continued)

### For The Year Ended December 31, 2005

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In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due. (196,766)

Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represents contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Capital lease payments	3,562	
Police past service costs	2,292	
Compensated absences	<u>(442,013)</u>	
Total		(436,159)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among governmental activities.

Change in net assets	13,794	
Internal balances	<u>(2,817)</u>	
Total		<u>10,977</u>

Change in net assets of governmental activities \$ (1,433,118)

# City of North Olmsted, Ohio

## Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual - General Fund (continued)

### For The Year Ended December 31, 2005

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal income tax	\$ 8,400,000	\$ 8,400,000	\$ 8,829,222	\$ 429,222
Property and other taxes	5,183,157	5,183,157	5,157,122	(26,035)
Charges for services	977,100	1,272,873	1,335,963	63,090
Licenses and permits	867,700	867,700	875,337	7,637
Fines and forfeitures	182,000	182,000	245,886	63,886
Intergovernmental	2,073,795	2,185,821	2,573,310	387,489
Investment income	100,000	100,000	177,275	77,275
Other	<u>18,000</u>	<u>18,000</u>	<u>28,127</u>	<u>10,127</u>
Total revenues	<u>17,801,752</u>	<u>18,209,551</u>	<u>19,222,242</u>	<u>1,012,691</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	4,086,614	4,066,702	3,745,255	321,447
Security of persons and property	11,508,344	11,586,736	11,429,010	157,726
Public health and welfare	556,553	572,129	560,193	11,936
Transportation	3,104,593	3,228,627	3,135,754	92,873
Total economic development	<u>159,795</u>	<u>148,030</u>	<u>146,409</u>	<u>1,621</u>
Total expenditures	<u>19,415,899</u>	<u>19,602,224</u>	<u>19,016,621</u>	<u>585,603</u>
Excess (deficiency) of revenues over expenditures	<u>(1,614,147)</u>	<u>(1,392,673)</u>	<u>205,621</u>	<u>1,598,294</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets	10,000	10,000	11,105	1,105
Transfers – in	85,316	50,316	50,316	-
Advances – in	-	35,000	25,000	(10,000)
Transfers – out	<u>(10,000)</u>	<u>(104,865)</u>	<u>(74,865)</u>	<u>30,000</u>
Total other financing sources (uses)	<u>85,316</u>	<u>(9,549)</u>	<u>11,556</u>	<u>21,105</u>
Net change in fund balance	(1,528,831)	(1,402,222)	217,177	1,619,399
Prior year encumbrances	381,788	381,788	381,788	-
Fund balance, beginning of year	<u>1,149,748</u>	<u>1,149,748</u>	<u>1,149,748</u>	<u>-</u>
Fund balance, end of year	\$ <u>2,705</u>	\$ <u>129,314</u>	\$ <u>1,748,713</u>	\$ <u>1,619,399</u>

The accompanying notes are an integral part of these financial statements

# City of North Olmsted, Ohio

## Statement of Fund Net Assets Proprietary Funds

**December 31, 2005**

	Business-Type Activities - Enterprise Funds				Governmental
	NOMBL	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Fund
<b>Assets:</b>					
Current assets:					
Equity in pooled cash and equivalents	\$ 667,852	\$ 4,549	\$ 1,001,584	\$ 1,673,985	\$ 785,332
Inventory and supplies	-	7,388	145,609	152,997	-
Accounts receivable and other	-	-	-	-	-
Due from other governments	-	-	1,386,984	1,386,984	-
Prepaid and deferred expenses	-	11,394	65,574	76,968	-
Total current assets	<u>667,852</u>	<u>23,331</u>	<u>2,599,751</u>	<u>3,290,934</u>	<u>785,332</u>
Noncurrent assets:					
Non-depreciable capital assets	372,084	2,254,273	-	2,626,357	-
Depreciable capital assets, net	-	3,559,627	27,285,455	30,845,082	-
Total noncurrent assets	<u>372,084</u>	<u>5,813,900</u>	<u>27,285,455</u>	<u>33,471,439</u>	<u>-</u>
Total assets	<u>1,039,936</u>	<u>5,837,231</u>	<u>29,885,206</u>	<u>36,762,373</u>	<u>785,332</u>
<b>Liabilities:</b>					
Current:					
Accounts and contracts payable	6,261	10,439	172,080	188,780	-
Accrued salaries, wages and benefits	-	712	28,028	28,740	-
Due to other governments	24,524	13,532	63,962	102,018	-
Interfund payable	-	1,137,711	98,010	1,235,721	-
Accrued interest payable	-	23,638	72,967	96,605	-
Claims payable	-	-	-	-	289,312
Accrued leave benefits	-	11,217	212,680	223,897	-
General obligation bond payable	-	255,000	785,000	1,040,000	-
OWDA loans payable	-	-	49,540	49,540	-
OPWC loans payable	-	-	130,338	130,338	-
Notes payable	-	-	90,000	90,000	-
Capital leases payable	-	-	1,428	1,428	-
Total current liabilities	<u>30,785</u>	<u>1,452,249</u>	<u>1,704,033</u>	<u>3,187,067</u>	<u>289,312</u>
Long-term liabilities:					
Accrued leave benefits	-	29,554	325,364	354,918	-
General obligation bonds payable	-	5,355,000	11,045,000	16,400,000	-
OWDA loans payable	-	-	662,621	662,621	-
OPWC loans payable	-	-	1,172,996	1,172,996	-
Notes payable	-	-	225,000	225,000	-
Capital leases payable	-	-	4,711	4,711	-
Total long-term liabilities	<u>-</u>	<u>5,384,554</u>	<u>13,435,692</u>	<u>18,820,246</u>	<u>-</u>
Total liabilities	<u>30,785</u>	<u>6,836,803</u>	<u>15,139,725</u>	<u>22,007,313</u>	<u>289,312</u>
<b>Net assets:</b>					
Invested in capital assets, net of related debt	372,084	203,900	13,433,821	14,009,805	-
Unrestricted (deficit)	<u>637,067</u>	<u>(1,203,472)</u>	<u>1,311,660</u>	<u>745,255</u>	<u>496,020</u>
Total net assets (deficit)	\$ <u>1,009,151</u>	\$ <u>(999,572)</u>	\$ <u>14,745,481</u>	14,755,060	\$ <u>496,020</u>

Net assets reported for business-type activities in the statement of net assets are different because they include accumulated overpayments to the internal service fund:

151,042  
Net assets business-type activities \$ 14,906,102

The accompanying notes are an integral part of these financial statements

# City of North Olmsted, Ohio

## Statement of Revenues, Expenses and Changes in Fund Net Assets Proprietary Funds

**For The Year Ended December 31, 2005**

	Business-Type Activities - Enterprise Funds				Governmental
	NOMBL	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Fund
Operating revenues:					
Charges for services	\$ <u>1,191,441</u>	\$ <u>1,316,095</u>	\$ <u>5,897,826</u>	\$ <u>8,405,362</u>	\$ <u>2,705,566</u>
Operating expenses:					
Personal services	767,584	482,619	2,606,525	3,856,728	-
Contractual services	152,963	267,070	1,529,383	1,949,416	-
Supplies and materials	37,993	238,309	461,196	737,498	-
Other operating	25,668	-	138,724	164,392	323,167
Claims	-	-	-	-	2,368,605
Depreciation	-	195,115	1,456,175	1,651,290	-
Total operating expenses	<u>984,208</u>	<u>1,183,113</u>	<u>6,192,003</u>	<u>8,359,324</u>	<u>2,691,772</u>
Operating income (loss)	<u>207,233</u>	<u>132,982</u>	<u>(294,177)</u>	<u>46,038</u>	<u>13,794</u>
Non-operating revenues (expenses):					
Interest and fiscal charges	-	(299,753)	(706,281)	(1,006,034)	-
Loss on sale of capital assets	-	-	(2,749)	(2,749)	-
Total non-operating revenues (expenses)	<u>-</u>	<u>(299,753)</u>	<u>(709,030)</u>	<u>(1,008,783)</u>	<u>-</u>
Income (loss) before contributions	207,233	(166,771)	(1,003,207)	(962,745)	13,794
Capital contributions	<u>-</u>	<u>-</u>	<u>185,705</u>	<u>185,705</u>	<u>-</u>
Change in net assets	207,233	(166,771)	(817,502)	(777,040)	13,794
Net assets (deficit), beginning of year	<u>801,918</u>	<u>(832,801)</u>	<u>15,562,983</u>		<u>482,226</u>
Net assets (deficit), end of year	\$ <u>1,009,151</u>	\$ <u>(999,572)</u>	\$ <u>14,745,481</u>		\$ <u>496,020</u>

Some amounts reported for business-type activities in the statement of activities are different because a portion of the net expense of the internal service fund is reported with business-type activities:

	<u>2,817</u>
Change in net assets business-type activities	\$ <u>(774,223)</u>

# City of North Olmsted, Ohio

## Statement of Cash Flows Proprietary Fund Types

**For The Year Ended December 31, 2005**

	Business-Type Activities - Enterprise Funds				Governmental
	NOMBL	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Fund
Cash flows from operating activities					
Receipts from customers and users	\$ 1,638,000	\$ 1,315,146	\$ 6,075,427	\$ 9,028,573	\$ 2,705,566
Receipts from interfund services provided	-	-	-	-	(323,167)
Cash paid to suppliers for materials and supplies	(191,655)	(301,942)	(1,872,443)	(2,366,040)	-
Cash payments for employee services and benefits	(1,359,314)	(471,779)	(2,569,155)	(4,400,248)	-
Cash paid for claims	-	-	-	-	(2,408,590)
Other operating expenses	(25,668)	-	(138,724)	(164,392)	-
Net cash provided by (used for) operating activities	<u>61,363</u>	<u>541,425</u>	<u>1,495,105</u>	<u>2,097,893</u>	<u>(26,191)</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	-	-	(140,321)	(140,321)	-
Tap-in fees	-	-	185,705	185,705	-
Capital lease down payment	-	-	7,527	7,527	-
Capital lease principal paid	-	(26,176)	1,388	(24,788)	-
Proceeds from capital debt	-	-	316,516	316,516	-
Loan principal paid – OPWC	-	-	(130,333)	(130,333)	-
Loan principal paid – OWDA	-	-	(47,560)	(47,560)	-
Bond principal paid	-	(245,000)	(750,000)	(995,000)	-
Interest paid	-	(296,198)	(704,741)	(1,000,939)	-
Net cash (used for) capital and related financing activities:	<u>-</u>	<u>(567,374)</u>	<u>(1,261,819)</u>	<u>(1,829,193)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	61,363	(25,949)	233,286	268,700	(26,191)
Cash and cash equivalents, beginning of year	<u>606,489</u>	<u>30,498</u>	<u>768,298</u>	<u>1,405,285</u>	<u>811,523</u>
Cash and cash equivalents, end of year	\$ <u>667,852</u>	\$ <u>4,549</u>	\$ <u>1,001,584</u>	\$ <u>1,673,985</u>	\$ <u>785,332</u>

(Continued)

The accompanying notes are an integral part of these financial statements

# City of North Olmsted, Ohio

## Statement of Cash Flows (continued) Proprietary Fund Types

### For The Year Ended December 31, 2005

	Business-Type Activities - Enterprise Funds				Governmental
	NOMBL	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Fund
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income(loss)	\$ 207,233	\$ 132,982	\$ (294,177)	\$ 46,038	\$ 13,794
Adjustments:					
Depreciation	-	195,115	1,456,175	1,651,290	-
Changes in net assets (increase) decrease and liabilities increase (decrease):					
Accounts receivable	263	-	-	263	-
Inventories and supplies	27,906	102	(14,437)	13,571	-
Due from other governments	446,589	-	231,151	677,740	-
Prepaid and deferred expenses	20,139	1,539	13,982	35,660	-
Accounts and contracts payable	(49,037)	761	54,797	6,521	-
Accrued salaries, wages, and benefits	(58,897)	141	(4,023)	(62,779)	-
Due to other governments	(66,710)	4,953	13,020	(48,737)	-
Due to other funds	-	199,633	-	199,633	-
Claims payable	-	-	-	-	(39,985)
Accrued leave benefits	(466,123)	6,199	38,617	(421,307)	-
Net cash provided by (used in) operating activities	\$ <u>61,363</u>	\$ <u>541,425</u>	\$ <u>1,495,105</u>	\$ <u>2,097,893</u>	\$ <u>(26,191)</u>

The accompanying notes are an integral part of these financial statements

**City of North Olmsted, Ohio**

Statement of Fiduciary Assets and Liabilities  
Agency Funds

**December 31, 2005**

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Assets:	
Equity in pooled cash and cash equivalents	\$ <u>339,554</u>
Liabilities:	
Accounts payable	\$ 18,201
Deposits held and due to others	<u>321,353</u>
Total liabilities	\$ <u>339,554</u>

# City of North Olmsted, Ohio

## Notes to Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 1: Description of the City and Reporting Entity**

The City of North Olmsted, Ohio, was chartered in 1959 under the laws of the State of Ohio. The City operates a Mayor-Council form of government.

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

The City of North Olmsted's primary government consists of all funds and departments which are not legally separate from the City. They include police and fire fighting forces, sewer services, a municipal bus line, a golf course, a street maintenance service, planning and zoning, and a staff to provide necessary support to these service providers.

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 which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes.

A discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize it is legally separated from the City.

North Olmsted Commission on Paratransit, Inc. (N.O.C.O.P.) provides transportation to the residents of the City of North Olmsted, the City of Olmsted Falls and Olmsted Township who are sixty years of age or older or disabled. N.O.C.O.P. was formed in 1992 and is governed by a Board of Trustees which consists of nine members. The following five members are automatic members of the Board of Trustees: The Mayor of the City of North Olmsted or designee, The Finance Director of the City of North Olmsted or designee, a designee from the Advisory Board for the Department of Human Resources of the City of North Olmsted, a member of the Finance Committee of the North Olmsted City Council as designated by the Chairman of the Committee and the President of the North Olmsted City Council. The remaining four members of the Board of Trustees are elected by the membership as provided in its by-laws. Fares are collected based on the destination and frequency that the service is used. The three communities also share costs or deficits on a prorated agreement based on each community's population. The current formula is as follows: the City of North Olmsted contributes 68.9 percent, the City of Olmsted Falls contributes 10.0 percent and Olmsted Township contributes 21.1 percent. N.O.C.O.P. operates on a fiscal year ending December 31. Complete financial statements for N.O.C.O.P. may be obtained by writing the North Olmsted Commission on Paratransit, Inc., 5200 Dover Center Road, North Olmsted, Ohio 44070.

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 1: Description of The City And Reporting Entity (continued)**

Information in the following notes to the basic financial statements is applicable to the primary government. Information relative to the component unit is presented in Note 21.

The City is associated with two jointly governed organizations, the West Shore Council of Governments and the Northeast Ohio Public Energy Council. These organizations are presented in Note 18 to the basic financial statements.

### **Note 2: Summary of Significant Accounting Policies**

The financial statements of the City of North Olmsted have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB pronouncements and interpretations issued after November 30, 1989, to its business-type activities and enterprise funds. The more 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 assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

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

The statement of net assets 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. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### **A. Basis of Presentation (continued)**

##### *Government-wide Financial Statements (continued)*

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

##### *Fund Financial Statements*

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. 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 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 liabilities is reported as fund balance. The following are the City's major governmental funds:

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***B. Fund Accounting (continued)***

##### *Governmental Funds (continued)*

*General Fund* - The general fund is the operating fund of the City and is used to account 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 of North Olmsted and/or the general laws of Ohio.

*General Obligation Bond Retirement Fund* - The general obligation bond retirement fund accounts for resources that are used for payment of principal and interest and fiscal charges on general obligation debt.

*Fire Construction Fund* - The fire construction fund accounts for financial resources designated to construct, furnish, equip and otherwise improve a fire station.

The other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose.

##### *Proprietary Funds*

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

*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 City's major enterprise funds are:

*North Olmsted Municipal Bus Line Fund (NOMBL)* - The NOMBL fund accounts for the revenues and expenses of the City-owned municipal bus line.

*Springvale Golf Course and Ballroom Fund* - The Springvale golf course and ballroom fund accounts for revenues and expenses of the City owned golf course and ballroom facility.

*Sewer Revenue Fund* - The sewer revenue fund accounts for the revenues and expenses of the sanitary sewer system and waste water treatment plant facilities.

*Internal Service Fund* - The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund accounts for a self-insurance program for employee medical, dental and vision benefits.

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***B. Fund Accounting (continued)***

##### *Fiduciary Funds*

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Agency funds are purely custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations. The City's agency fund accounts for deposits from contractors, developers and individuals to ensure compliance with City ordinances.

#### ***C. Measurement Focus***

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

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All non-fiduciary assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets. The Statement of Activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net assets.

##### *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 current liabilities 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 a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### *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; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

#### *Revenues - Exchange and Nonexchange Transactions*

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 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 the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

#### *Deferred Revenue*

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

Property taxes for which there is an enforceable legal claim as of December 31, 2005, but which were levied to finance year 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***D. Basis of Accounting (continued)***

##### *Expenses/Expenditures*

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

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

#### ***E. Budgetary Data***

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

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

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

#### ***F. Pooled Cash and Cash Equivalents***

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

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating certificates of deposit and repurchase agreements, which are reported at cost.

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***F. Pooled Cash and Cash Equivalents (continued)***

During 2005, investments were limited to repurchase agreements, non negotiable certificates of deposit, Victory United States Government Obligations Money Market Mutual Funds and Key Public Money Market Savings.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue for 2005 consisted of:

	Actual <u>Interest Credited</u>	From (To) Other <u>City Funds</u>
General	\$ 199,578	\$ 129,453
Special Revenue Funds:		
Endowment and Grant	30	(4,740)
Senior Center	633	(1,614)
Debt Service Funds:		
General Obligation Bond Retirement	153,633	124,254
Special Assessment Bond Retirement	50,432	46,745
Capital Project Funds:		
Library Construction	53,645	18,946
Fire Construction	138,537	(12,636)
All others	-	(300,408)
	<u>\$ 596,488</u>	<u>\$ -</u>

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

#### ***G. Materials and Supplies Inventory***

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

#### ***H. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2005 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***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. General capital assets are reported in the governmental activities column of the government-wide statement of net assets 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 assets and in the respective funds.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$ 5,000. 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.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings	30 years
Machinery and Equipment	2 to 15 years
Furniture and fixtures	10 to 15 years
Roads	20 to 30 years
Bridges and culverts	35 to 50 years
Storm sewer lines	20 years

The City's infrastructure consists of roads, bridges, culverts and storm sewer lines.

#### ***J. Interfund Balances***

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables". Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***K. Compensated Absences***

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year end taking into consideration any limits specified in the City's termination policy.

#### ***L. 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, compensated absences, and contractually required pension contributions 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 and long-term loans are recognized as a liability on the governmental fund financial statements when due.

#### ***M. Fund Balance Reserves***

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. Fund balance reserves have been established for encumbrances.

#### ***N. Net Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted 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 City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***O. 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 sewer services, golf and self-insurance programs. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

#### ***P. Contributions of Capital***

Contributions of capital in 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.

#### ***Q. 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.

#### ***R. 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.

#### ***S. Estimates***

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

#### ***U. Comparative Data/Reclassifications***

Prior year data presented in Management's Discussion and Analysis and the Statistical Section have been reclassified in order to be comparative and provide an understanding of the changes in financial position and operations. Certain reclassifications have been made to the 2004 financial statements in order to conform to the 2005 presentation.

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 3: Change in Accounting Principles and Restatement of Fund Balances**

For 2005, the City has implemented GASB Statement No. 40, "Deposit and Investment Risk Disclosures" and GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries", and GASB Technical Bulletin No. 2004-2, "Recognition of Pension and other Postemployment Benefit Expenditures/Expense and Liability by Cost-Sharing Employers."

GASB Statement No. 40 establishes disclosure requirements for investment credit risk, interest rate risk, deposit custodial risk and foreign currency risk.

GASB Statement No. 42 establishes accounting and financial reporting standards for impairment of capital assets and clarifies and establishes accounting requirements for insurance recoveries.

GASB Technical Bulletin No. 2004 – 2 addresses the amount that should be recognized as expenditures expense and as liability each period by employers participating in a cost-sharing multiple – employer pension and other postemployment benefit (OPEB) plans.

The implementation of GASB Statements No. 40 and No. 42 did not affect the presentation of the financial statements of the City. The implementation of GASB Technical Bulletin No. 2004-2 had the following effect on fund balances:

	<u>General</u>	<u>General Obligation Retirement</u>	<u>Fire Construction</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balance, December 31, 2004	\$ 3,821,174	\$ 1,802,585	\$ 3,500,000	\$ 5,511,888	\$ 14,635,647
Implementation of GASB Technical Bulletin 2004-2	<u>(390,868)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(390,868)</u>
Adjusting Fund Balance, December 31, 2004	\$ <u>3,430,306</u>	\$ <u>1,802,585</u>	\$ <u>3,500,000</u>	\$ <u>5,511,888</u>	\$ <u>14,244,779</u>

Understatement of accrued compensated absences had the following effect on net assets at December 31, 2004:

Net assets, December 31, 2004	\$ 49,152,456
Restatement of accrued compensated absences	<u>(261,732)</u>
Restated net assets, December 31, 2004	\$ <u>48,890,724</u>

### **Note 4: Fund Deficits**

Not apparent in the basic financial statements is a deficit fund balance of \$44,627 in the Special Revenue Recreation Fund. The Recreation Fund deficit is the result of reflecting expenditures in accordance with the modified accrual basis of accounting, which are larger than amounts recognized on the budget basis. The Springvale Golf Course and Ballroom Fund deficit of \$999,572 is the result of interfund loans which are used to finance the debt payments until resources are accumulated to repay the general obligation bond retirement debt service fund.

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 5: Budgetary Basis of Accounting**

While the City is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - 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 the GAAP basis are that:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (c) Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budget basis statements for the general fund.

<u>Net Change in Fund Balance</u>	
GAAP Basis	\$ 15,150
Net adjustment for revenue accruals	243,488
Net adjustment for expenditure accruals	48,449
Encumbrances	<u>(89,908)</u>
Budget basis	<u>\$ 217,177</u>

### **Note 6: Deposits and Investments**

#### **A. Legal Requirements**

State statutes classify monies held by the City into three categories.

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

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

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 6: Deposits and Investments (continued)**

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

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, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies can be invested in the following obligations:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) of this and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAROhio).

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 6: Deposits and Investments (continued)**

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 finance director or, if the securities are not represented by certificate, upon receipt of confirmation of transfer from the custodian.

#### ***B. Deposits***

*Custodial credit risk* is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of City funds shall be required to pledge as security for repayment of all public moneys.

At year-end, the carrying amount of the City's deposits was \$9,086,554 and the bank balance was \$9,790,306. Of the bank balance \$442,817 was covered by Federal depository insurance and \$9,347,489 was uninsured. Of the remaining bank balance, \$117,345 was collateralized with securities held by the pledging institution's agent in the City's name and \$9,230,144 was collateralized with securities held by the pledging institution's trust department, not in the City's name.

#### ***C. Investments***

Investments are reported at fair value. As of December 31, 2005, the city had the following investments:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Federal Home Loan Mortgage Corporation	\$ 2,942,366	94
Federal Home Loan Bank	<u>3,163,360</u>	<u>483</u>
Total Portfolio	\$ <u>6,105,726</u>	<u>577</u>

*Interest Rate Risk* arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk requiring that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The City investment policy also limits security purchases to those that mature five years unless specifically matched to a specific cash flow. To date, no investments have been purchased with a life greater than one year.

*Custodial Risk* for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 6: Deposits and Investments (continued)**

of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed.

*Credit Risk* is addressed by the City's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that portfolio be diversified both by types of investment and issuer. All investments of the city are registered and carry a rating AAA by Standard & Poor's.

*Concentration of Credit Risk* is defined by the Governmental Accounting Standards Board as five percent as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the City's allocation as of December 31, 2005:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Federal Home Loan Mortgage Corporation	48.19%
Federal Home Loan Bank	51.81

### **Note 7: Receivables**

Receivables at December 31, 2005, consisted primarily of municipal income taxes, property and other taxes, special assessments, accounts (billings for user charged services and court fines), and intergovernmental receivables arising from grants, entitlements and shared revenues.

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

Special assessments expected to be collected in more than one year amount to \$320,000 in the special assessment bond retirement fund.

#### **A. Property Taxes**

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2005 for real and public utility property taxes represents collections of the 2004 taxes. Property tax payments received during 2005 for tangible personal property (other than public utility property) are for 2005 taxes.

2005 real property taxes are levied after October 1, 2005, on the assessed value as of January 1, 2005, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2005 real property taxes are collected in and intended to finance 2006.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2005 public utility property taxes which became a lien December 31, 2004, are levied after October 1, 2005, and are collected in 2006 with real property taxes.

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 7: Receivables (continued)**

#### **A. Property Taxes (continued)**

2005 tangible personal property taxes are levied after October 1, 2004, on the values as of December 31, 2004. Collections are made in 2005. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent for inventory.

The full tax rate for all City operations for the year ended December 31, 2005, was \$13.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2005 property tax receipts were based as follows:

Real estate	
Residential/Agriculture	\$ 569,329,950
Commercial/Industrial/Mineral	237,578,290
Tangible personal property	
Public utility	14,685,560
General tangible personal property	<u>49,409,433</u>
Total valuation	\$ <u>871,003,233</u>

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

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of North Olmsted. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2005 and for which there is an enforceable legal claim. In the general fund; recreation, fire pension and police pension special revenue funds; and general obligation bond retirement, library bond retirement and sewer bond retirement debt service funds; the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2004 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

#### **B. Income Taxes**

The City levies and collects an income tax of 2 percent on all income earned within the City as well as income of residents earned outside the City. The City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly.

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 7: Receivables (continued)**

#### ***B. Income Taxes (continued)***

Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file an annual return.

Income tax revenues are distributed by a 1991 vote of the people as follows: 70 percent to the General fund; 15 percent for solid waste management, recycling and disposal (Solid Waste Management fund); and 15 percent for maintaining and equipping streets, storm water drainage systems and other permanent improvements (including debt charges on obligations issued after 1990 for those purposes).

#### ***C. Intergovernmental Receivables***

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental activities	
Local government	\$ 759,565
Homestead and rollback	525,155
Gasoline tax	479,000
Estate tax	103,092
Permissive tax	111
Court fines	38,547
Auto registration	17,626
North Olmsted City School District	15,958
Cuyahoga County Reimbursement	47,502
City of Cleveland reimbursement	9,382
RTA	500,000
FEMA	285,788
Liquor fees	9,349
Miscellaneous	5,421
CDGB	10,069
Title III	<u>2,648</u>
Total governmental activities	<u>2,809,213</u>
Business-type activities	
Sewer charges	1,315,460
City of Fairview Park	<u>71,524</u>
Total business-type activities	<u>1,386,984</u>
Total	<u>\$ 4,196,197</u>

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## For The Year Ended December 31, 2005

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### Note 7: Receivables (continued)

#### C. Intergovernmental Receivables (continued)

The City financed sanitary sewer system improvements through the issuance of general obligation bonds and an OWDA loan. The sanitary sewer system provides sewer services for part of the City of Fairview Park. The City of Fairview Park has agreed to pay the City 5.24 percent of the debt retirement related to the improvement and a capital surcharge. An intergovernmental receivable of \$ 71,524 has been recorded on the statement of net assets.

### Note 8: Capital Assets

A summary of changes in capital assets during 2005 follows:

	<u>Balance</u> <u>12/31/04</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/05</u>
<b><u>Governmental Activities</u></b>				
Capital assets not being depreciated:				
Land	\$ 3,705,055	\$ -	\$ -	\$ 3,705,055
Art	-	23,000	-	23,000
Construction in progress	<u>134,465</u>	<u>708,675</u>	<u>-</u>	<u>843,140</u>
Total capital assets not being depreciated	<u>3,839,520</u>	<u>731,675</u>	<u>-</u>	<u>4,571,195</u>
Capital assets, being depreciated:				
Land improvements	770,495	172,309	-	942,804
Building and improvements	23,659,775	64,852	-	23,724,627
Furniture and fixtures	385,967	-	-	385,967
Vehicles and equipment	7,913,899	530,280	(117,253)	8,326,926
Infrastructure:				
Roads	121,837,186	2,602,867	(1,287,731)	123,152,322
Bridges and culverts	<u>3,101,565</u>	<u>-</u>	<u>-</u>	<u>3,101,565</u>
Total capital assets, being depreciated	<u>157,668,887</u>	<u>3,370,308</u>	<u>(1,404,984)</u>	<u>159,634,211</u>
Less accumulated depreciation:				
Land improvements	(258,215)	(45,965)	-	(304,180)
Buildings and improvements	(9,582,832)	(601,629)	-	(10,184,461)
Furniture and fixtures	(167,617)	(34,229)	-	(201,846)
Vehicles and equipment	(5,960,927)	(435,021)	107,402	(6,288,546)
Infrastructure:				
Roads	(62,278,375)	(5,141,799)	632,894	(66,787,280)
Bridges and culverts	<u>(1,148,728)</u>	<u>(74,255)</u>	<u>-</u>	<u>(1,222,983)</u>
Total accumulated depreciation	<u>(79,396,694)</u>	<u>(6,332,898)</u>	<u>740,296</u>	<u>(84,989,296)</u>
Total capital assets, being depreciated, net	<u>78,272,193</u>	<u>(2,962,590)</u>	<u>(664,688)</u>	<u>74,644,915</u>
Total governmental capital assets, net	\$ <u>82,111,713</u>	\$ <u>(2,230,915)</u>	\$ <u>(664,688)</u>	\$ <u>79,216,110</u>

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## For The Year Ended December 31, 2005

### Note 8: Capital Assets (continued)

	<u>Balance</u> <u>12/31/04</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/05</u>
<u>Business-type Activities</u>				
Capital assets not being depreciated:				
Land	\$ <u>2,626,357</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,626,357</u>
Capital assets, being depreciated:				
Land improvements	1,170,155	-	-	1,170,155
Buildings and improvements	23,144,665	-	-	23,144,665
Furniture and fixtures	23,058	-	-	23,058
Vehicles and equipment	34,572,254	153,203	(27,191)	34,698,266
Sanitary sewer lines	<u>14,064,897</u>	<u>-</u>	<u>-</u>	<u>14,064,897</u>
Total capital assets, being depreciated	<u>72,975,029</u>	<u>153,203</u>	<u>(27,191)</u>	<u>73,101,041</u>
Less accumulated depreciation:				
Land improvements	(176,080)	(58,143)	-	(234,223)
Buildings and improvements	(13,945,623)	(456,895)	-	(14,402,518)
Furniture and fixtures	(23,058)	-	-	(23,058)
Vehicles and equipment	(20,109,852)	(869,761)	24,443	(20,955,170)
Sanitary sewer lines	<u>(6,361,617)</u>	<u>(279,373)</u>	<u>-</u>	<u>(6,640,990)</u>
Total accumulated depreciation	<u>(40,616,230)</u>	<u>(1,664,172)</u>	<u>24,443</u>	<u>(42,255,959)</u>
Total capital assets, being depreciated, net	<u>32,358,799</u>	<u>(1,510,969)</u>	<u>(2,748)</u>	<u>30,845,082</u>
Total business – type capital assets, net	\$ <u>34,985,156</u>	\$ <u>(1,510,969)</u>	\$ <u>(2,748)</u>	\$ <u>33,471,439</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 307,030
Security of persons and property	390,360
Transportation	5,353,071
Leisure time activities	<u>282,437</u>
Total	\$ <u>6,332,898</u>

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 9: Defined Benefit Pension Plans**

#### ***A Ohio Public Employees Retirement System***

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. The City's contribution rate for pension benefits for 2005 was 13.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$868,705, \$905,483, and \$906,771 respectively; 85 percent has been contributed for 2005 and 100 percent for 2004 and 2003. Contributions to the member-directed plan for 2005 were \$2,277 made by the City of North Olmsted and \$1,428 made by the plan members.

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

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

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 9: Defined Benefit Pension Plans (continued)**

#### ***B. Ohio Police and Fire Pension Fund (continued)***

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 19.5 percent for police officers and 24 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the Fund for police and firefighters were \$433,315 and \$499,112 for the year ended 2005, \$249,513 and \$286,103 for the year ended December 31, 2004, and \$236,149 and \$315,836 for the year ended December 31, 2003. The full amount has been contributed for 2004 and 2003. 71 percent for police and 73 percent for firefighters has been contributed for 2005 with the remainder being reported as a liability.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2005, the unfunded liability of the City was \$106,825 payable in semi-annual payments through the year 2031. This is an accounting liability of the City which will not vary. The liability is reported as "long-term liabilities" in the governmental activities column on the statement of net assets.

### **Note 10: Postemployment Benefits**

#### ***A. Ohio Public Employees Retirement System***

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

OPERS provides retirement, disability, survivor and post-retirement health care benefits to qualifying members of both the Traditional and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-retirement health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor recipients is available. The health care coverage provided by the Retirement System is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority requiring employers to fund post-retirement health care through their contributions to OPERS. The 2005 employer contribution rate was 13.55 percent of covered payroll; 4.0 percent was the portion that was used to fund health care.

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 10: Postemployment Benefits (continued)**

#### ***A. Ohio Public Employees Retirement System (continued)***

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8.0 percent. An annual increase of 4.0 percent, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increase, over and above the 4.0 percent base increase, were assumed to range from 0.50 percent to 6.3 percent. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1 percent to 6 percent for the next eight years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4 percent (the projected wage inflation rate).

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

At December 31, 2005, the number of active contributing participants in the Traditional and Combined Plans totaled 376,109. The number of active contributing participants for both plans used in the December 31, 2004, actuarial valuation was 376,109. The City's actual contributions for 2005, which were used to fund postemployment benefits, were \$363,851. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfounded actuarially accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retirement Medical Account that can be used to fund future health care expenses.

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

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

## City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

### **For The Year Ended December 31, 2005**

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#### **Note 10: Postemployment Benefits (continued)**

##### ***B. Ohio Police and Fire Pension Fund (continued)***

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2003. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2005 that were used to fund postemployment benefits were \$285,283 for police and \$238,129 for firefighters. The OP&F's total health care expense for the year ended December 31, 2004, (the latest information available) was \$102,173,796, which was net of member contributions of \$55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004, was 13,812 for police and 10,528 for firefighters.

#### **Note 11: 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. By maintaining comprehensive insurance coverage with private carriers, the City has addressed these various types of risk. There were no reductions in insurance coverage from the previous year. Settled claims have not exceeded this commercial coverage in any of the past three years.

The City provides health, dental and vision insurance to its employees through a self-insurance plan. The City pays the monthly premium for the self-insurance plan. The City contracts with a third party administrator to direct this program. During 2005, self-insurance was in effect for claims up to \$75,000 per covered individual and \$2,735,363 in aggregate. This aggregate includes both medical and drug coverage. Claims in excess of this aggregated are insured by private carriers.

The claims liability of \$289,312 as estimated by the third party administrator and reported in the Hospitalization internal service fund at December 31, 2005, is based on the requirements of GASB Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 11: Risk Management (continued)**

Changes in the funds claims liability amount in 2005 and 2004 were as follows:

	<u>2005</u>	<u>2004</u>
Unpaid claims, beginning of year	\$ 329,297	\$ 277,978
Incurred claims	2,368,605	2,524,958
Claims payments	<u>(2,408,590)</u>	<u>(2,473,639)</u>
Unpaid claims, end of year	<u>\$ 289,312</u>	<u>\$ 329,297</u>

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

### **Note 12: Long-Term Obligations**

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

	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
<u>Governmental activities</u>				
Municipal building	1985	2005	9.25%	\$ 3,050,000
Waste water treatment plant	1985	2005	9.25	4,000,000
Various purpose, series 1996	1996	2016	3.70-6.20	21,655,000
Various purpose, series 2000	2000	2020	4.50-5.375	5,650,000
Library improvements	2001	2020	3.15-5.5	10,750,000
Various purpose, series 2001	2001	2021	3.3-5.125	2,305,000
Refunding	2001	2012	3.15-5.0	7,652,000
Special assessment bonds				
Industrial Park Road	1990	2010	6.0-7.25	1,010,000
OPWC street loan	1994	2014	0	272,240
Long-term bond anticipation notes				
Capital improvements	2004	2005	1.55	3,675,000
Capital improvements	2004	2005	2.70	3,500,000
Capital improvements	2005	2006	3.15-3.75	9,860,000
Police pension	1968	2031	4.25	272,250
<u>Business-type activities</u>				
General obligation bonds				
Various purpose, series 1996	1996	2021	3.7-6.2	20,550,000
Various purpose, series 2000	2000	2020	4.5-5.375	1,195,000
Golf course improvements	2001	2021	3.3-5.125	2,500,000
OWDA sanitary sewer loan	1997	2017	4.12	1,060,795
OPWC sanitary sewer loan	1994	2014	0	272,250
Long – term bond anticipation notes				
Capital improvements	2005	2006	3.15	315,000

# City of North Olmsted, Ohio

## Notes to Basic Financial Statements (continued)

### For The Year Ended December 31, 2005

#### Note 12: Long-Term Obligations (continued)

Changes in long-term obligations during the year ended December 31, 2005, consisted of the following:

	Balance 12/31/04	Increase	Decrease	Balance 12/31/05	Amounts Due in One Year
<b>Governmental activities</b>					
General obligation bonds:					
Municipal building	\$ 155,000	\$ -	\$ 155,000	\$ -	\$ -
Waste water treatment plant	200,000	-	200,000	-	-
Various purpose, series 1996	17,155,000	-	1,455,000	15,700,000	1,655,000
Various purpose, series 2000	4,020,000	-	475,000	3,545,000	495,000
Library improvements	9,580,000	-	415,000	9,165,000	430,000
Various purpose, series 2001	1,955,000	-	130,000	1,825,000	135,000
Refunding	6,050,000	-	650,000	5,400,000	700,000
Total general obligation bonds	<u>39,115,000</u>	<u>-</u>	<u>3,480,000</u>	<u>35,635,000</u>	<u>3,415,000</u>
Special assessment bonds:					
Industrial Park Road	455,000	-	65,000	390,000	70,000
OPWC street loan	122,511	-	13,612	108,899	13,612
Police pension liability	109,117	-	2,292	106,825	2,391
Long – term notes	7,175,000	9,860,000	7,175,000	9,860,000	1,300,000
Capital leases	-	19,316	3,562	15,754	3,664
Compensated absences payable	3,945,146	951,711	537,395	4,359,462	1,762,175
Total governmental activities	\$ <u>50,921,774</u>	\$ <u>10,831,027</u>	\$ <u>11,276,861</u>	\$ <u>50,475,940</u>	\$ <u>6,566,842</u>
<b>Business – type activities</b>					
General obligation bonds:					
Various purpose, series 1996	\$ 15,200,000	\$ -	\$ 840,000	\$ 14,360,000	\$ 880,000
Various purpose, series 2000	985,000	-	65,000	920,000	65,000
Golf course improvements	2,250,000	-	90,000	2,160,000	95,000
Total general obligation bonds	<u>18,435,000</u>	<u>-</u>	<u>995,000</u>	<u>17,440,000</u>	<u>1,040,000</u>
OWDA sanitary sewer loan	759,721	-	47,560	712,161	49,540
OPWC sanitary sewer loan	1,433,667	-	130,333	1,303,334	130,338
Long – term notes	-	315,000	-	315,000	90,000
Compensated absences payable	1,000,122	186,337	607,644	578,815	223,897
Capital lease obligations payable	26,176	7,526	27,564	6,139	1,428
Total business – type activities	\$ <u>21,654,686</u>	\$ <u>508,863</u>	\$ <u>1,808,101</u>	\$ <u>20,355,449</u>	\$ <u>1,535,203</u>

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## For The Year Ended December 31, 2005

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### Note 12: Long-Term Obligations (continued)

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. General obligation bonds are to be repaid from both voted and unvoted general property taxes levied on all taxable property located within the City, sewer user charges and golf fees. Tax monies will be received in and the debt will be retired from the general obligation bond, library bond retirement and sewer bond retirement debt service funds.

Special assessment bonds are payable from the proceeds of assessments against the specific property owners who primarily benefited from the project. Special assessment monies will be received in and the debt will be retired from the special assessment special revenue fund. In the event that property owners fail to make their special assessment payments, the City is responsible for providing the resources to meet the annual principal and interest payments.

Compensated absences will be paid from the general fund, recreation special revenue fund, and the NOMBL, Springvale golf course and ballroom and sewer revenue enterprise funds. The Police pension liability is paid from the general fund. The intergovernmental payable is paid from the hotel/motel special revenue fund. The OWDA and OPWC loans liability are payable semiannually from the general obligation bond and sewer bond debt service funds. The OPWC loans are interest free.

In prior years, the City defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's general purpose financial statements. At December 31, 2005, \$ 5,300,000 of bonds outstanding are considered to be defeased.

The City's overall legal debt margin was \$54,302,888 at December 31, 2005. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2005, are as follows:

Year	Governmental Activities					
	General Obligation Bonds		Special Assessments		OPWC Loans	
	Principal	Interest	Principal	Interest	Principal	
2006	\$ 3,415,000	\$ 1,800,823	\$ 70,000	\$ 28,275	\$ 13,612	
2007	3,130,000	1,646,026	70,000	23,200	13,612	
2008	3,205,000	1,499,420	75,000	18,125	13,613	
2009	3,310,000	1,337,906	85,000	12,688	13,613	
2010	3,410,000	1,170,639	90,000	6,525	13,613	
2011-2015	13,055,000	3,502,260	-	-	40,836	
2016-2020	6,070,000	807,881	-	-	-	
2021-2025	40,000	2,050	-	-	-	
Totals	\$ <u>35,635,000</u>	\$ <u>11,767,005</u>	\$ <u>390,000</u>	\$ <u>88,813</u>	\$ <u>108,899</u>	

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## For The Year Ended December 31, 2005

### Note 12: Long-Term Obligations (continued)

Year	Governmental Activities				Total	
	Police Pension		Long-Term Notes		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 2,390	\$ 4,515	\$ 1,300,000	\$ 25,883	\$ 13,361,003	\$ 1,859,496
2007	2,493	4,412	8,560,000	284,708	3,216,106	1,958,346
2008	2,600	4,305	-	-	3,296,213	1,521,850
2009	2,712	4,193	-	-	3,411,324	1,354,787
2010	2,828	4,077	-	-	3,516,440	1,181,241
2011-2015	16,072	18,455	-	-	13,111,908	3,520,715
2016-2020	19,833	15,694	-	-	6,089,833	823,575
2021-2025	24,475	10,052	-	-	64,475	12,102
2026-2030	30,202	4,325	-	-	30,202	4,325
2031	3,220	68	-	-	3,220	68
Totals	\$ <u>106,825</u>	\$ <u>70,096</u>	\$ <u>9,860,000</u>	\$ <u>310,591</u>	\$ <u>46,100,724</u>	\$ <u>12,236,505</u>

Year	Business-Type Activities					
	General Obligation Bonds		OWDA Loans		Long-Term Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 1,040,000	\$ 920,255	\$ 49,540	\$ 28,836	\$ 90,000	\$ 826
2007	1,090,000	869,970	51,602	26,774	225,000	9,096
2008	1,160,000	815,824	53,750	24,626	-	-
2009	1,220,000	747,414	55,987	22,389	-	-
2010	1,280,000	675,248	58,317	20,058	-	-
2011-2015	7,420,000	2,239,976	330,084	61,795	-	-
2016-2020	3,735,000	573,344	112,881	4,682	-	-
2021-2025	495,000	24,988	-	-	-	-
Totals	\$ <u>17,440,000</u>	\$ <u>6,867,019</u>	\$ <u>712,161</u>	\$ <u>189,160</u>	\$ <u>315,000</u>	\$ <u>9,922</u>

Year	Business-Type Activities		Total	
	OPWC Loans	Business-Type Activities	Principal	Interest
	Principal	Principal	Interest	
2006	\$ 130,338	\$ 1,309,878	\$ 949,917	
2007	130,334	1,496,936	905,840	
2008	130,334	1,344,084	840,450	
2009	130,334	1,406,321	769,803	
2010	130,333	1,468,650	695,306	
2011-2015	651,661	8,401,745	2,301,771	
2016-2020	-	3,847,881	578,026	
2021-2025	-	495,000	24,988	
Totals	\$ <u>1,303,334</u>	\$ <u>19,770,495</u>	\$ <u>7,066,101</u>	

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 13: Operating Leases**

The City is obligated under certain leases accounted for as operating leases. The total cost for leases in 2005 was \$26,864. The following is a schedule by year of future minimum lease payments required operating leases that have initial or remaining noncancellable lease terms in excess of one year as of December 31, 2005.

<u>Year ending December 31,</u>	<u>Amount</u>
2006	\$ 12,709
2007	479
Total minimum payments	\$ <u>13,188</u>

### **Note 14: Capital Leases**

The City entered into lease agreement for several copiers. The City's lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases". Capital lease payments have been reclassified and are reflected as debt service expenses in the basic financial statements. These expenditures are reflected as capital outlay expenditures on a budgetary basis. Capital assets acquired by lease have been originally capitalized as machinery and equipment in the amount of \$26,842. Accumulated depreciation as of December 31, 2005 for machinery and equipment was \$2,684, leaving a current book value of \$24,148 for machinery and equipment.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2005.

<u>Year</u>	<u>Payments</u>	<u>Business- Type</u>
2006	\$ 4,404	\$ 1,716
2007	4,404	1,716
2008	4,404	1,716
2009	<u>4,276</u>	<u>1,667</u>
Total minimum lease payments	17,488	6,815
Less: amount representing interest	<u>(1,734)</u>	<u>(676)</u>
Present value of minimum lease payments	\$ <u>15,754</u>	\$ <u>6,139</u>

### **Note 15: Compensated Absences**

Vacation leave is earned at rates which vary depending upon length of service and standard work week. City employees are paid for earned, unused vacation leave at the time of termination of employment if the employee has acquired at least one year of service to the City.

Sick leave is earned at the rate of 10 hours for each month worked. Each employee upon retirement is paid for a portion of the employee's earned unused sick leave balances, from 600 hours to 1,500 hours, depending upon the union contract upon termination with the City.

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## For The Year Ended December 31, 2005

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### Note 16: Construction and Other Significant Commitments

At December 31, 2005, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
Street and storm improvements	\$ 2,614,778	\$ 2,453,685	\$ 161,093
Street lighting	84,842	75,715	9,127
Recreation master plan	44,450	-	44,450
Fire station arch/engineering	200,000	74,000	126,000
Equipment	241,174	102,546	138,628
Finance computerization	286,209	234,359	51,850
Building improvements	<u>62,329</u>	<u>29,040</u>	<u>33,289</u>
Total	<u>\$ 3,533,782</u>	<u>\$ 2,969,345</u>	<u>\$ 564,437</u>

### Note 17: Interfund Transfers and Balances

Interfund transfers for the year ended December 31, 2005 consisted of the following:

	Transferred from:		
	General Fund	Nonmajor Governmental Funds	Total
Transferred to:			
General Fund	\$ -	\$ 50,316	\$ 50,316
Recreation Fund	57,022	-	57,022
Permanent Improvement	-	116,581	116,581
CDBG Fund	775	-	775
FEMA Fund	-	34,827	34,827
General Obligation Bond Retirement	-	1,716,014	1,716,014
Capital Improvement	<u>17,068</u>	<u>75,359</u>	<u>92,427</u>
	<u>\$ 74,865</u>	<u>\$ 1,993,097</u>	<u>\$ 2,067,962</u>

The transfers to the General Obligation Bond Retirement Fund were made for the payment of debt. The transfers to the CDBG Fund, FEMA Fund, Permanent Improvement Fund and Recreation Fund were to help pay operating and capital expenses.

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

### **Note 17: Interfund Transfers and Balances (continued)**

As of December 31, 2005, interfund balances were as follows:

	Due from:			Total
	Nonmajor Governmental Funds	Springvale Course and Ballroom Fund	Sewer Fund	
Due to:				
General Fund	\$ 10,000	\$ 155,656	\$ 98,010	\$ 263,666
General Obligation Bond Retirement Fund	397,071	982,055	-	1,379,126
Non – major Governmental Funds	231	-	-	231
	\$ 407,302	\$ 1,137,711	\$ 98,010	\$ 1,643,023

The General Obligation Bond Retirement Debt Service Fund loaned the Permanent Improvement Street and Storm Special Revenue Fund and Springvale Golf Course and Ballroom Enterprise Fund additional resources to meet the debt service requirements for the year. The General Fund loaned the Sewer Revenue Enterprise Fund operating monies that will be paid back in future years. The Endowment Grant Special Revenue Fund provided the Law Enforcement Special Revenue Fund with resources to help pay for operating costs. The loan from the General Fund to the Community Development Grant Fund was to help pay operating expenses.

### **Note 18: Jointly Governed Organizations**

#### **A. West Shore Council Of Governments**

The West Shore Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The Board is comprised of one member from each of the six participating entities. The Board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the Board. Each city's degree of control is limited to its representation on the Board. In 2005, the City contributed \$71,757. Complete financial information can be obtained from the City of Bay Village 350 Dover Center Road, Bay Village, Ohio 44140.

The Council has established two subsidiary organizations, the West Shore Hazardous Materials Committee ("HAZ MAT") which provides hazardous material protection and assistance, and the West Shore Enforcement Bureau which provides extra assistance to cities in the form of a Swat Team.

#### **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 and natural gas. NOPEC is currently comprised of over 100 communities who have been authorized by ballot to purchase electricity and natural gas on behalf of their citizens. The intent of NOPEC is to provide electricity and natural gas at the lowest possible rates while at the same time insuring stability in

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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

prices by entering into long-term contracts with suppliers to provide electricity and natural gas to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of North Olmsted did not contribute to NOPEC during 2004. Financial information can be obtained by contacting the Board Chairman, 1615 Clark Avenue, Cleveland, Ohio, 44109.

### **Note 19: Contingent Liabilities**

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

### **Note 20: Subsequent Events**

#### ***A. General Obligation Bonds***

On May 3, 2006, the City retired \$10,175,000, in general obligation bond anticipation notes and issued \$11,775,000 in new general obligation capital improvement bonds to mature in the years 2006 through 20021, and interest rates between 3.75 and 4.5 percent.

<u>Bond Issuance</u>	<u>Authorized</u>
Fire station improvement bonds	\$ 4,000,000
Capital improvement bonds	1,920,000
Street improvement bonds	3,960,000
Fire equipment bonds	560,000
Sewer improvement bonds	345,000
Computer acquisition bonds	360,000
Equipment acquisition bonds	<u>630,000</u>
Total	<u>\$ 11,775,000</u>

In 2006, the City issued \$26,440,000 in general obligation refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of various general obligation bonds. The general obligation refunding bonds are to mature in the years 2017 and 2020 and have interest rates between 4 and 5.25 percent.

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 20: Subsequent Events (continued)**

#### ***B. Discontinued Operations***

The Greater Cleveland Regional Transit Authority (GCRTA) sought to acquire NOMBL. On March 15, 2005, the aforementioned acquisition was approved by City Council. Effective March 20, 2005 operations were relinquished to GCRTA.

### **Note 21: Component Unit**

#### ***A. Summary of Significant Accounting Policies***

*Nature of Organization* - North Olmsted Commission on Paratransit, Inc. (N.O.C.O.P.) is a non-profit corporation that provides transportation to residents of the City of North Olmsted, the City of Olmsted Falls and Olmsted Township who are 60 years of age or older or disabled. The N.O.C.O.P. is primarily funded by fares collected based on the destination and frequency that the service is used. The three communities also share costs or deficits on a prorated arrangement based on each community's population. The current formula is as follows: the City of North Olmsted contributes 68.9 percent, the City of Olmsted Falls contributes 10.0 percent and Olmsted Township contributes 21.1 percent.

The N.O.C.O.P. is exempt under Internal Revenue Code Section 501(c) (3) from Federal income tax. It is also currently exempt from Federal unemployment tax and Ohio franchise, personal property, and sales taxes. The payroll of the N.O.C.O.P. is subject to social security (FICA) coverage due to the Social Security Amendments of 1983.

*Financial Statement Presentation* - The N.O.C.O.P. has prepared financial statements in conformity with general accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The N.O.C.O.P. also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements.

*Classification of Net Assets* - Unrestricted net assets are comprised of amounts upon which donors have placed no restriction on expenditure of these assets themselves or their investment income.

Temporarily restricted net assets and investment income generated by these assets comprise those amounts the expenditure of which has been restricted by donors for use during a specific time period or for a particular purpose. When such a restriction expires; that is, when a stipulated time restriction ends or a program restriction is accomplished, temporarily restricted net assets are released to unrestricted net assets and are reported in the statement of activities and changes in net assets.

Permanently restricted net assets comprise those assets contributed to the N.O.C.O.P. by donors who have indicated an intention that the assets are to remain in perpetuity as permanent endowments of the N.O.C.O.P. Investment income generated by these assets is reported as unrestricted or temporarily restricted, depending upon whether the donors have limited the expenditure of income to a particular purpose or purposes or have

# City of North Olmsted, Ohio

Notes to Basic Financial Statements (continued)

## **For The Year Ended December 31, 2005**

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### **Note 21: Component Unit (continued)**

#### **A. Summary of Significant Accounting Policies (continued)**

indicated that such income is to be available for the general purposes of the N.O.C.O.P. At December 31, 2005, all of the assets of the N.O.C.O.P. are unrestricted.

*Accounts and Intergovernmental Receivables* - Accounts and intergovernmental receivables are derived from fares and services within the three communities. At December 31, 2005, accounts receivable were reported at \$2,617 and intergovernmental receivables were reported at \$16,786.

*Vehicles* - It is the N.O.C.O.P.'s policy to capitalize expenditures in excess of \$1,000 with an estimated life of more than one year. Vehicles accounts are stated at cost or donated value and are being depreciated using the straight-line method over their estimated useful lives of four years. When sold, retired, or otherwise disposed of, the related cost and accumulated depreciation are removed from the applicable accounts and any gain or loss resulting there from is included in the statement of activities. Routine maintenance, repairs and renewals are charged to operating cost and expenses as incurred. Vehicle additions and expenditures which materially increase values or extend useful lives are capitalized.

During the year ended December 31, 2005, depreciation expense was \$11,226. A summary of the component unit's capital assets at December 31, 2005, follows:

Capital assets being depreciated:

Vehicles	\$	89,811
Less accumulated depreciation		<u>(89,811)</u>
Net	\$	<u><u>-</u></u>

*Use of Estimates* - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **B. Cash Equivalents and Cash on Hand**

At year end the carrying amount of the N.O.C.O.P.'s deposits were \$47,705 and the bank balance was \$52,073, all of which was covered by the Federal Deposit Insurance Coverage (FDIC).

At year end, the N.O.C.O.P. had \$100 in undeposited cash on hand which is included on the statement of net assets of the City as part of "Equity in Pooled Cash and Cash Equivalents".

# City of North Olmsted, Ohio

Combining Statements  
Non-Major Governmental Funds

## **For The Year Ended December 31, 2005**

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### ***Nonmajor Special Revenue Funds***

To account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes.

***Casualty Loss Fund*** - Accounts for resources designated to pay for property damages that are not covered by insurance.

***Community Development Block Grant Fund (CDBG)*** - Accounts for block grants received and grant reimbursement expenditures.

***Alcohol Education Fund*** - Accounts for court fees obtained from DUI cases and approved alcohol education related expenditures.

***Economic Development Fund*** - Accounts for the revenues generated from annual fees paid by new development agreements through tax abatement and community reinvestment incentives and expenditures in promoting economic development and compliance.

***FEMA Grant Fund*** - Accounts for revenues received from the federal government and expenditures as prescribed under the Federal Emergency Management Agency's Assistance to Firefighters Grant Program.

***Motor Vehicle License Fund*** - Accounts for the additional motor vehicle registration fees designated for maintenance and repair of streets within the City.

***Recreation Fund*** - Accounts for real and personal property taxes and program revenues and expenditures for the operation and maintenance of recreation programs, services, parks and the recreation center facility.

***Clague Park Fund*** - Accounts for the receipt of a sale of land proceeds and Clague Park wireless communication tower upfront proceeds and the expenditures related to revitalizing and improving Clague Park.

***Hotel/Motel Tax Fund*** - Accounts for the three percent Hotel/Motel Tax Levy and emergency medical service nonresident ambulance receipts. Expenditures are restricted to safety equipment and up to 15% for capital improvements or building maintenance for safety use.

***Emergency Medical Services Fund*** - Accounts for 25% of the resident emergency medical service's receipts. Expenditures are restricted to capital improvements for the Fire Division of the Department of Public Safety.

***State Highway Fund*** - Accounts for the portion of the State gasoline tax and motor vehicle registration fees designated for maintenance and repair of State highways within the City.

***Street Maintenance Fund*** - Accounts for the portion of State gasoline tax and motor vehicle registration fees designated for maintenance and repair of streets within the City.

## City of North Olmsted, Ohio

Combining Statements  
Non-Major Governmental Funds

### **For The Year Ended December 31, 2005**

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#### *Nonmajor Special Revenue Funds (continued)*

***Solid Waste Management Fund*** - Accounts for 15% of the municipal income tax receipts and expenditures associated with tax collection, solid waste removal, and costs of recycling services provided to residents.

***Permanent Improvement Fund*** - Accounts for 15% of the municipal income tax receipts and expenditures for the permanent improvement of streets and the storm sewer system.

***Community Diversion Fund*** - Accounts for the federal grant receipts, County and local program fees and expenditures related to the youth community diversion program contracted with the County juvenile court system.

***Drug Enforcement Fund*** - Accounts for fines and forfeitures from drug court cases and expenditures for use in drug enforcement.

***Endowment and Grant Fund*** - Accounts for donations restricted for a specific purpose and expenditures for those specific restricted uses.

***Fire Pension Fund*** - Accounts for property taxes levied for the payment of current employer contributions for fire disability and pension benefits.

***Law Enforcement Fund*** - Accounts for other monies seized from criminals by law enforcement officers or the sale of contraband in the course of their work restricted for expenditures that would enhance the police services.

***Stop Program Fund*** - Accounts for fines on traffic violations restricted to paying overtime wages and benefits to officers issuing tickets under this program.

***Police Pension Fund*** - Accounts for property taxes levied for the payment of current employer contributions for police disability and pension benefits.

***Senior Center Fund*** - Accounts for the daily operations of the senior center and its programs and the services provided on a cost reimbursement basis to senior citizens.

***Title III Fund*** - Accounts for the hot lunch program which provides lunch to senior citizens on a cost reimbursement basis.

# City of North Olmsted, Ohio

Combining Statements  
Non-Major Governmental Funds

## **For The Year Ended December 31, 2005**

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### *Nonmajor Debt Service Funds*

**Library Bond Retirement Fund** - Accounts for resources restricted to pay the principal, interest and related fiscal charges on the library bonded debt.

**Sewer Bond Retirement Fund** - Accounts for resources restricted to pay the principal interest and related fiscal charges on pre-1987 sanitary sewer improvements.

**Special Assessment Bond Retirement Fund** - Accounts for the collected taxes levied by special assessment where specified improvements were levied to specific taxpayers and expenditures to pay the related applicable debt payments and the costs associated with collection and payment.

**Fire Station Bond Retirement Fund** – Accounts for resources restricted to pay the principal, interest and related fiscal charges on the fire station funded debt.

### *Nonmajor Capital Projects Funds*

**Capital Improvements Fund** - Accounts for resources allocated for specific major capital improvements and the related expenditures.

**Library Construction Fund** - Accounts for financial resources designated to construct a free and public library and related expenditures.

**Building and Land Acquisition and Improvement Fund** – Accounts for financial resources for acquiring real property, constructing improvements, including additions to buildings, upon lands owned by the City, or for substantially rehabilitating or renovating existing City-owned buildings.

**Issue II Fund** – Accounts for Issue II grant monies received and the related expenditures paid directly to the contractors on our behalf.

# City of North Olmsted, Ohio

## Combining Balance Sheet Non-Major Governmental Funds

**December 31, 2005**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 2,888,579	\$ 1,155,678	\$ 1,961,547	\$ 6,005,804
Income taxes receivable	750,458	-	-	750,458
Taxes receivable – property and other	1,492,533	1,230,127	-	2,722,660
Special assessments receivable	-	390,000	-	390,000
Due from other governments	1,004,356	65,241	47,504	1,117,101
Accounts receivable and other	111,444	-	1,960	113,404
Interfund receivable	231	-	-	231
Inventories and supplies	4,718	-	-	4,718
Prepaid items	25,485	-	-	25,485
Total assets	<u>\$ 6,277,804</u>	<u>\$ 2,841,046</u>	<u>\$ 2,011,011</u>	<u>\$ 11,129,861</u>
<b>Liabilities and fund balances:</b>				
<b>Liabilities:</b>				
Accounts and contracts payable	\$ 578,927	\$ -	\$ 17,148	\$ 596,075
Retainage payable	74,833	-	3,832	78,665
Accrued wages and benefits	5,709	-	-	5,709
Due to other governments	65,052	-	-	65,052
Interfund payables	407,302	-	-	407,302
Unearned revenue	2,198,927	1,685,368	-	3,884,295
Total liabilities	<u>3,330,750</u>	<u>1,685,368</u>	<u>20,980</u>	<u>5,037,098</u>
<b>Fund balances:</b>				
Reserved for encumbrances	225,566	-	75,309	300,875
Unreserved, reported in:				
Special revenue funds	2,721,488	-	-	2,721,488
Debt service fund	-	1,155,678	-	1,155,678
Capital projects funds	-	-	1,914,722	1,914,722
Total fund balances	<u>2,947,054</u>	<u>1,155,678</u>	<u>1,990,031</u>	<u>6,092,763</u>
Total liabilities and fund balances	<u>\$ 6,277,804</u>	<u>\$ 2,841,046</u>	<u>\$ 2,011,011</u>	<u>\$ 11,129,861</u>

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# City of North Olmsted, Ohio

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds

**For the Year Ended December 31, 2005**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property and other taxes	\$ 1,668,053	\$ 848,324	\$ -	\$ 2,516,377
Municipal income taxes	3,693,244	-	-	3,693,244
Charges for services	1,320,885	-	-	1,320,885
Fines, licenses and permits	347,135	-	1,700	348,835
Intergovernmental	2,054,723	141,421	299,160	2,467,801
Special assessments	-	65,000	-	65,000
Interest	663	50,432	53,645	104,740
Miscellaneous	<u>157,142</u>	<u>-</u>	<u>47,504</u>	<u>232,149</u>
Total revenues	<u>9,241,845</u>	<u>1,105,177</u>	<u>402,009</u>	<u>10,749,031</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	58,429	-	158,837	217,266
Security of persons and property	1,180,698	-	-	1,180,698
Public health and welfare	53,093	-	-	53,093
Transportation	3,728,955	-	186,280	3,915,235
Basic utility services	1,648,006	-	-	1,648,006
Leisure time activities	2,420,164	-	186,275	2,606,439
Community environment	22,372	-	1,400	23,772
Economic development	28,968	-	-	28,968
Capital outlay	-	-	3,832	3,832
<b>Debt service:</b>				
Principal	1,815,000	680,000	-	2,495,000
Interest and fiscal charges	<u>47,288</u>	<u>536,334</u>	<u>760</u>	<u>584,382</u>
Total expenditures	<u>11,002,973</u>	<u>1,216,334</u>	<u>537,384</u>	<u>12,756,691</u>
Excess (deficiency) of revenues over expenditures	<u>(1,761,128)</u>	<u>(111,157)</u>	<u>(135,375)</u>	<u>(2,007,660)</u>
<b>Other financing sources (uses):</b>				
Transfers – in	209,205	-	92,427	301,632
Transfers – out	(1,993,097)	-	-	(1,993,097)
Issuance of notes	<u>3,940,000</u>	<u>-</u>	<u>340,000</u>	<u>4,280,000</u>
Total other financing sources (uses)	<u>2,156,108</u>	<u>-</u>	<u>432,427</u>	<u>2,588,535</u>
Net change in fund balances	394,980	(111,157)	297,052	580,875
Fund balances, beginning of year	<u>2,552,074</u>	<u>1,266,835</u>	<u>1,692,979</u>	<u>5,511,888</u>
Fund balances, end of year	\$ <u>2,947,054</u>	\$ <u>1,155,678</u>	\$ <u>1,990,031</u>	\$ <u>6,092,763</u>

# City of North Olmsted, Ohio

## Combining Balance Sheet Non-Major Special Revenue Funds

**December 31, 2005**

	<u>Casualty Loss</u>	<u>CDBG</u>	<u>Alcohol Education</u>	<u>Economic Development</u>	<u>FEMA</u>
Assets:					
Equity in pooled cash and cash equivalents	\$ 49,488	\$ 1,983	\$ 7,914	\$ 59,061	\$ 62,650
Income taxes receivable	-	-	-	-	-
Taxes receivable – property and other	-	-	-	-	-
Due from other governments	-	10,069	92	-	285,788
Accounts receivable and other	10,354	-	-	-	-
Interfund receivables	-	-	-	-	-
Inventory and supplies	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total current assets	<u>\$ 59,842</u>	<u>\$ 12,052</u>	<u>\$ 8,006</u>	<u>\$ 59,061</u>	<u>\$ 348,438</u>
Liabilities and fund balances:					
Liabilities:					
Accounts and contracts payable	\$ 31,716	\$ -	\$ -	\$ 6,600	\$ 839
Retainage payable	-	-	-	-	-
Accrued wages and benefits	-	-	-	-	-
Due to other governments	13,031	-	-	-	-
Interfund payables	-	10,000	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>44,747</u>	<u>10,000</u>	<u>-</u>	<u>6,600</u>	<u>839</u>
Fund balances:					
Reserved for encumbrances	-	-	-	-	29,888
Unreserved (deficit)	<u>15,095</u>	<u>2,052</u>	<u>8,006</u>	<u>52,461</u>	<u>317,711</u>
Total fund balances (deficit)	<u>15,095</u>	<u>2,052</u>	<u>8,006</u>	<u>52,461</u>	<u>347,599</u>
Total liabilities and fund balances	<u>\$ 59,842</u>	<u>\$ 12,052</u>	<u>\$ 8,006</u>	<u>\$ 59,061</u>	<u>\$ 348,438</u>

<u>Motor Vehicle License Tax</u>	<u>Recreation</u>	<u>Clague Park</u>	<u>Hotel/Motel Tax</u>	<u>Emergency Medical Services</u>	<u>State Highway</u>	<u>Street Maintenance</u>
\$ 27,525	\$ 75,698	\$ 3,065	\$ 120,479	\$ 2,773	\$ 174,777	\$ 467,874
-	-	-	-	-	-	-
-	984,083	-	16,360	-	-	-
109,000	52,193	-	-	-	37,322	459,303
-	-	-	100,267	-	-	-
-	-	-	-	-	-	-
-	4,718	-	-	-	-	-
-	25,485	-	-	-	-	-
<u>\$ 136,525</u>	<u>\$ 1,142,177</u>	<u>\$ 3,065</u>	<u>\$ 237,106</u>	<u>\$ 2,773</u>	<u>\$ 212,099</u>	<u>\$ 927,177</u>
\$ -	\$ 110,610	\$ -	\$ 14,877	\$ -	\$ -	\$ 24,645
-	-	-	-	-	-	-
-	5,293	-	-	-	-	-
-	34,625	-	-	-	-	9,642
-	-	-	-	-	-	-
<u>72,377</u>	<u>1,036,276</u>	<u>-</u>	<u>77,485</u>	<u>-</u>	<u>21,670</u>	<u>266,269</u>
<u>72,377</u>	<u>1,186,804</u>	<u>-</u>	<u>92,362</u>	<u>-</u>	<u>21,670</u>	<u>300,556</u>
4,500	5,908	-	10,611	-	-	2,600
<u>59,648</u>	<u>(50,535)</u>	<u>3,065</u>	<u>134,133</u>	<u>2,773</u>	<u>190,429</u>	<u>624,021</u>
<u>64,148</u>	<u>(44,627)</u>	<u>3,065</u>	<u>144,744</u>	<u>2,773</u>	<u>190,429</u>	<u>626,621</u>
<u>\$ 136,525</u>	<u>\$ 1,142,177</u>	<u>\$ 3,065</u>	<u>\$ 237,106</u>	<u>\$ 2,773</u>	<u>\$ 212,099</u>	<u>\$ 927,177</u>

(Continued)

# City of North Olmsted, Ohio

## Combining Balance Sheet Non-Major Special Revenue Funds (continued)

**December 31, 2005**

	Solid Waste Management	Permanent Improvement	Community Diversion	Drug Enforcement	Endowment and Grant
Assets:					
Equity in pooled cash and cash equivalents	\$ 542,795	\$ 982,148	\$ 11,730	\$ 2,869	\$ 117,663
Income taxes receivable	375,229	375,229	-	-	-
Taxes receivable – property and other	-	-	-	-	-
Due from other governments	-	-	-	-	-
Accounts receivable and other	-	-	-	-	311
Interfund receivables	-	-	-	-	231
Inventory and supplies	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total current assets	<u>\$ 918,024</u>	<u>\$ 1,357,377</u>	<u>\$ 11,730</u>	<u>\$ 2,869</u>	<u>\$ 118,205</u>
Liabilities and fund balances:					
Liabilities:					
Accounts and contracts payable	\$ 146,361	\$ 236,744	\$ 525	\$ -	\$ 985
Retainage payable	-	74,833	-	-	-
Accrued wages and benefits	-	-	178	-	-
Due to other governments	1,925	-	655	-	-
Interfund payables	-	397,071	-	-	-
Unearned revenue	103,332	103,332	-	-	-
Total liabilities	<u>251,618</u>	<u>811,980</u>	<u>1,358</u>	<u>-</u>	<u>985</u>
Fund balances:					
Reserved for encumbrances	11,532	157,099	-	-	1,005
Unreserved (deficit)	654,874	388,298	10,372	2,869	116,215
Total fund balances (deficit)	<u>666,406</u>	<u>545,397</u>	<u>10,372</u>	<u>2,869</u>	<u>117,220</u>
Total liabilities and fund balances	<u>\$ 918,024</u>	<u>\$ 1,357,377</u>	<u>\$ 11,730</u>	<u>\$ 2,869</u>	<u>\$ 118,205</u>

<u>Fire Pension</u>	<u>Law Enforcement</u>	<u>Stop Program</u>	<u>Police Pension</u>	<u>Senior Center</u>	<u>Title III</u>	<u>Total</u>
\$ 1,820	\$ 62,477	\$ 44,891	\$ 1,821	\$ 47,541	\$ 19,537	\$ 2,888,579
-	-	-	-	-	-	750,458
246,045	-	-	246,045	-	-	1,492,533
13,048	-	21,845	13,048	-	2,648	1,004,356
-	-	-	-	432	80	111,444
-	-	-	-	-	-	231
-	-	-	-	-	-	4,718
-	-	-	-	-	-	25,485
<u>\$ 260,913</u>	<u>\$ 62,477</u>	<u>\$ 66,736</u>	<u>\$ 260,914</u>	<u>\$ 47,973</u>	<u>\$ 22,265</u>	<u>\$ 6,277,804</u>
\$ -	\$ -	\$ 2,980	\$ -	\$ 2,045	\$ -	\$ 578,927
-	-	-	-	-	-	74,833
-	-	-	-	-	238	5,709
-	-	4,841	-	-	333	65,052
-	231	-	-	-	-	407,302
<u>259,093</u>	<u>-</u>	<u>-</u>	<u>259,093</u>	<u>-</u>	<u>-</u>	<u>2,198,927</u>
<u>259,093</u>	<u>231</u>	<u>7,821</u>	<u>259,093</u>	<u>2,045</u>	<u>571</u>	<u>3,330,750</u>
-	1,000	-	-	200	1,223	225,566
<u>1,820</u>	<u>61,246</u>	<u>58,915</u>	<u>1,821</u>	<u>45,728</u>	<u>20,471</u>	<u>2,721,488</u>
<u>1,820</u>	<u>62,246</u>	<u>58,915</u>	<u>1,821</u>	<u>45,928</u>	<u>21,694</u>	<u>2,947,054</u>
<u>\$ 260,913</u>	<u>\$ 62,477</u>	<u>\$ 66,736</u>	<u>\$ 260,914</u>	<u>\$ 47,973</u>	<u>\$ 22,265</u>	<u>\$ 6,277,804</u>

# City of North Olmsted, Ohio

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds

**For the Year Ended December 31, 2005**

	Casualty Loss	CDBG	Alcohol Education	Economic Development	FEMA
<b>Revenues:</b>					
Property and other local taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	-	-	-	-	-
Charges for services	34,801	-	-	9,100	-
Fines, licenses and permits	-	-	3,423	-	-
Intergovernmental	-	47,104	-	-	313,443
Interest	-	-	-	-	-
Miscellaneous	10,354	2,000	-	5,652	-
Total revenues	<u>45,155</u>	<u>49,104</u>	<u>3,423</u>	<u>14,752</u>	<u>313,443</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	54,879	-	-	-	-
Security of persons and property	15,282	-	866	-	2,428
Public health and welfare	-	-	-	-	-
Transportation	17,337	-	-	-	-
Basic utility services	-	-	-	-	-
Leisure time activities	-	-	-	-	-
Community environment	-	22,372	-	-	-
Economic development	-	8,968	-	20,000	-
<b>Debt service:</b>					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>87,498</u>	<u>31,340</u>	<u>866</u>	<u>20,000</u>	<u>2,428</u>
Excess (deficiency) of revenues over expenditures	<u>(42,343)</u>	<u>17,764</u>	<u>2,557</u>	<u>(5,248)</u>	<u>311,015</u>
<b>Other financing sources (uses):</b>					
Transfers – in	-	775	-	-	34,827
Transfers – out	-	-	-	(9,834)	-
Issuance of notes	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>775</u>	<u>-</u>	<u>(9,834)</u>	<u>34,827</u>
Net change in fund balance	(42,343)	18,539	2,557	(15,082)	345,842
Fund balances (deficit), beginning of year	<u>57,438</u>	<u>(16,487)</u>	<u>5,449</u>	<u>67,543</u>	<u>1,757</u>
Fund balances (deficit), end of year	\$ <u>15,095</u>	\$ <u>2,052</u>	\$ <u>8,006</u>	\$ <u>52,461</u>	\$ <u>347,599</u>

<u>Motor Vehicle License Tax</u>	<u>Recreation</u>	<u>Clague Park</u>	<u>Hotel/Motel Tax</u>	<u>Emergency Medical Services</u>	<u>State Highway</u>	<u>Street Maintenance</u>
\$ -	\$ 923,664	\$ -	\$ 282,558	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	1,082,062	-	129,010	-	-	-
-	-	-	-	-	-	-
223,640	121,306	-	-	-	90,624	1,132,297
-	-	-	-	-	-	-
-	38,796	-	-	-	-	-
<u>223,640</u>	<u>2,165,828</u>	<u>-</u>	<u>411,568</u>	<u>-</u>	<u>90,624</u>	<u>1,132,297</u>
-	-	-	-	-	-	-
-	-	-	238,660	-	-	-
-	-	-	-	-	-	-
271,915	-	-	-	-	62,420	890,233
-	-	-	-	-	-	-
-	2,277,279	18,200	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	650,000	-	-	-
-	-	-	10,075	-	-	-
<u>271,915</u>	<u>2,277,279</u>	<u>18,200</u>	<u>898,735</u>	<u>-</u>	<u>62,420</u>	<u>890,233</u>
<u>(48,275)</u>	<u>(111,451)</u>	<u>(18,200)</u>	<u>(487,167)</u>	<u>-</u>	<u>28,204</u>	<u>242,064</u>
-	57,022	-	-	-	-	-
-	(77,541)	-	(54,206)	-	-	-
-	-	-	550,000	-	-	-
-	(20,519)	-	495,794	-	-	-
(48,275)	(131,970)	(18,200)	8,627	-	28,204	242,064
<u>112,423</u>	<u>87,343</u>	<u>21,265</u>	<u>136,117</u>	<u>2,773</u>	<u>162,225</u>	<u>384,557</u>
\$ <u>64,148</u>	\$ <u>(44,627)</u>	\$ <u>3,065</u>	\$ <u>144,744</u>	\$ <u>2,773</u>	\$ <u>190,429</u>	\$ <u>626,621</u>

(Continued)

# City of North Olmsted, Ohio

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds (continued)

### For the Year Ended December 31, 2005

	Solid Waste Management	Permanent Improvement	Community Diversion	Drug Enforcement	Endowment and Grant
Revenues:					
Property and other local taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	1,846,622	1,846,622	-	-	-
Charges for services	-	1,440	8,478	-	-
Fines, licenses and permits	-	-	-	755	-
Intergovernmental	13,441	13,441	15,000	-	-
Interest	-	-	-	-	30
Miscellaneous	-	-	-	-	95,050
Total revenues	<u>1,860,063</u>	<u>1,861,503</u>	<u>23,478</u>	<u>755</u>	<u>95,080</u>
Expenditures:					
Current:					
General government	-	-	-	-	3,550
Security of persons and property	-	-	-	1,786	19,930
Public health and welfare	-	-	31,107	-	1,032
Transportation	-	2,487,050	-	-	-
Basic utility services	1,648,006	-	-	-	-
Leisure time activities	-	-	-	-	68,132
Community environment	-	-	-	-	-
Economic development	-	-	-	-	-
Debt service:					
Principal	-	1,165,000	-	-	-
Interest and fiscal charges	-	37,213	-	-	-
Total expenditures	<u>1,648,006</u>	<u>3,689,263</u>	<u>31,107</u>	<u>1,786</u>	<u>92,644</u>
Excess (deficiency) of revenues over expenditures	<u>212,057</u>	<u>(1,827,760)</u>	<u>(7,629)</u>	<u>(1,031)</u>	<u>2,436</u>
Other financing sources (uses):					
Transfers – in	-	116,581	-	-	-
Transfers – out	(170,690)	(1,619,094)	-	-	-
Issuance of notes	-	3,390,000	-	-	-
Total other financing sources (uses)	<u>(170,690)</u>	<u>1,887,487</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	41,367	59,727	(7,629)	(1,031)	2,436
Fund balances (deficit), beginning of year	<u>625,039</u>	<u>485,670</u>	<u>18,001</u>	<u>3,900</u>	<u>114,784</u>
Fund balances (deficit), end of year	\$ <u>666,406</u>	\$ <u>545,397</u>	\$ <u>10,372</u>	\$ <u>2,869</u>	\$ <u>117,220</u>

<u>Fire Pension</u>	<u>Law Enforcement</u>	<u>Stop Program</u>	<u>Police Pension</u>	<u>Senior Center</u>	<u>Title III</u>	<u>Total</u>
\$ 230,915	\$ -	\$ -	\$ 230,916	\$ -	\$ -	\$ 1,668,053
-	-	-	-	-	-	3,693,244
-	-	-	-	47,669	8,325	1,320,885
30,326	150	339,807	30,326	3,000	-	347,135
-	-	-	-	-	23,775	2,054,723
-	-	-	-	633	-	663
-	-	-	-	5,290	-	157,142
<u>261,241</u>	<u>150</u>	<u>339,807</u>	<u>261,242</u>	<u>56,592</u>	<u>32,100</u>	<u>9,241,845</u>
-	-	-	-	-	-	58,429
262,810	621	375,505	262,810	-	-	1,180,698
-	-	-	-	-	20,954	53,093
-	-	-	-	-	-	3,728,955
-	-	-	-	-	-	1,648,006
-	-	-	-	56,553	-	2,420,164
-	-	-	-	-	-	22,372
-	-	-	-	-	-	28,968
-	-	-	-	-	-	1,815,000
-	-	-	-	-	-	47,288
<u>262,810</u>	<u>621</u>	<u>375,505</u>	<u>262,810</u>	<u>56,553</u>	<u>20,954</u>	<u>11,002,973</u>
<u>(1,569)</u>	<u>(471)</u>	<u>(35,698)</u>	<u>(1,568)</u>	<u>39</u>	<u>11,146</u>	<u>(1,761,128)</u>
-	-	-	-	-	-	209,205
-	-	(40,482)	-	(11,250)	(10,000)	(1,993,097)
-	-	-	-	-	-	3,940,000
-	-	<u>(40,482)</u>	-	<u>(11,250)</u>	<u>(10,000)</u>	<u>2,156,108</u>
(1,569)	(471)	(76,180)	(1,568)	(11,211)	1,146	394,980
<u>3,389</u>	<u>62,717</u>	<u>135,095</u>	<u>3,389</u>	<u>57,139</u>	<u>20,548</u>	<u>2,552,074</u>
\$ <u>1,820</u>	\$ <u>62,246</u>	\$ <u>58,915</u>	\$ <u>1,821</u>	\$ <u>45,928</u>	\$ <u>21,694</u>	\$ <u>2,947,054</u>

# City of North Olmsted, Ohio

## Combining Balance Sheet Non-Major Debt Service Funds

**December 31, 2005**

	Library Bond <u>Retirement</u>	Sewer Bond <u>Retirement</u>	Special Assessment Bond <u>Retirement</u>	Fire Station Bond <u>Retirement</u>	<u>Total</u>
Assets:					
Equity in pooled cash and cash equivalents	\$ 453,704	\$ 606,200	\$ 95,774	\$ -	\$ 1,155,678
Taxes receivable – property and other	902,133	-	-	327,994	1,230,127
Special assessments receivable	-	-	390,000	-	390,000
Due from governments	<u>47,843</u>	<u>-</u>	<u>-</u>	<u>17,398</u>	<u>65,241</u>
Total assets	<u>\$ 1,403,680</u>	<u>\$ 606,200</u>	<u>\$ 485,774</u>	<u>\$ 345,392</u>	<u>\$ 2,841,046</u>
Liabilities and fund balances:					
Liabilities:					
Unearned revenue	\$ 949,976	\$ -	\$ 390,000	\$ 345,392	\$ 1,685,368
Fund balances:					
Unreserved	<u>453,704</u>	<u>606,200</u>	<u>95,774</u>	<u>-</u>	<u>1,155,678</u>
Total liabilities and fund balances	<u>\$ 1,403,680</u>	<u>\$ 606,200</u>	<u>\$ 485,774</u>	<u>\$ 345,392</u>	<u>\$ 2,841,046</u>

# City of North Olmsted, Ohio

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Debt Service Funds

**For the Year Ended December 31, 2005**

	Library Bond Retirement	Sewer Bond Retirement	Special Assessment Bond Retirement	Fire Station Bond Retirement	Total
<b>Revenues:</b>					
Property and other local taxes	\$ 848,324	\$ -	\$ -	\$ -	\$ 848,324
Intergovernmental	110,645	30,776	-	-	141,421
Special assessments	-	-	65,000	-	65,000
Interest	-	-	50,432	-	50,432
Total revenues	<u>958,969</u>	<u>30,776</u>	<u>115,432</u>	<u>-</u>	<u>1,105,177</u>
<b>Expenditures:</b>					
Debt service:					
Principal	415,000	200,000	65,000	-	680,000
Interest and fiscal charges	480,841	19,500	35,993	-	536,334
Total expenditures	<u>895,841</u>	<u>219,500</u>	<u>100,993</u>	<u>-</u>	<u>1,216,334</u>
Net change in fund balances	63,128	(188,724)	14,439	-	(111,157)
Fund balances, beginning of year	<u>390,576</u>	<u>794,924</u>	<u>81,335</u>	<u>-</u>	<u>1,266,835</u>
Fund balances, end of year.	\$ <u>453,704</u>	\$ <u>606,200</u>	\$ <u>95,774</u>	\$ <u>-</u>	\$ <u>1,155,678</u>

# City of North Olmsted, Ohio

## Combining Balance Sheet Non-Major Capital Projects Funds

**December 31, 2005**

	<u>Capital Improvements</u>	<u>Library Construction</u>	<u>Building and Land Acquisition and Improvement</u>	<u>Issue II</u>	<u>Total</u>
<b>Assets:</b>					
Equity in pooled cash and cash equivalents	\$ 357,335	\$ 858,469	\$ 549,375	\$ 196,368	\$ 1,961,547
Due from governments	-	47,504	-	-	47,504
Accrued interest receivable	-	1,960	-	-	1,960
Total assets	<u>\$ 357,335</u>	<u>\$ 907,933</u>	<u>\$ 549,375</u>	<u>\$ 196,368</u>	<u>\$ 2,011,011</u>
<b>Liabilities and fund balances:</b>					
<b>Liabilities:</b>					
Accounts and contracts payable	\$ 9,788	\$ -	\$ 7,360	\$ -	\$ 17,148
Retainage payable	<u>3,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,832</u>
Total liabilities	<u>13,620</u>	<u>-</u>	<u>7,360</u>	<u>-</u>	<u>20,980</u>
<b>Fund balances:</b>					
Reserved for encumbrances	66,149	1,800	7,360	-	75,309
Unreserved	<u>277,566</u>	<u>906,133</u>	<u>534,655</u>	<u>196,368</u>	<u>1,914,722</u>
Total fund balances	<u>343,715</u>	<u>907,933</u>	<u>542,015</u>	<u>196,368</u>	<u>1,990,031</u>
Total liabilities and fund balances	<u>\$ 357,335</u>	<u>\$ 907,933</u>	<u>\$ 549,375</u>	<u>\$ 196,368</u>	<u>\$ 2,011,011</u>

# City of North Olmsted, Ohio

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Capital Projects Funds

**For the Year Ended December 31, 2005**

	Capital <u>Improvements</u>	Library <u>Construction</u>	Building and Land Acquisition and <u>Improvement</u>	<u>Issue II</u>	<u>Total</u>
<b>Revenues:</b>					
Licenses and permits	\$ 1,700	\$ -	\$ -	\$ -	\$ 1,700
Intergovernmental	-	-	-	299,160	299,160
Interest	-	53,645	-	-	53,645
Miscellaneous	-	47,504	-	-	47,504
Total revenues	<u>1,700</u>	<u>101,149</u>	<u>-</u>	<u>299,160</u>	<u>402,009</u>
<b>Expenditures:</b>					
Current:					
General government	151,477	-	7,360	-	158,837
Transportation	83,488	-	-	102,792	186,280
Leisure time activities	186,275	-	-	-	186,275
Community environment	-	1,400	-	-	1,400
Capital outlay	3,832	-	-	-	3,832
Debt service:					
Interest and fiscal charges	760	-	-	-	760
Total expenditures	<u>425,832</u>	<u>1,400</u>	<u>7,360</u>	<u>102,792</u>	<u>537,384</u>
Excess (deficiency) of revenues over expenditures	<u>(424,132)</u>	<u>99,749</u>	<u>(7,360)</u>	<u>196,368</u>	<u>(135,375)</u>
<b>Other financing sources (uses):</b>					
Transfers – in	92,427	-	-	-	92,427
Issuance of notes	340,000	-	-	-	340,000
Total other financing sources (uses)	<u>432,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>432,427</u>
Net change in fund balances	8,295	99,749	(7,360)	196,368	297,052
Fund balances, beginning of year	<u>335,420</u>	<u>808,184</u>	<u>549,375</u>	<u>-</u>	<u>1,692,979</u>
Fund balances, end of year	\$ <u>343,715</u>	\$ <u>907,933</u>	\$ <u>542,015</u>	\$ <u>196,368</u>	\$ <u>1,990,031</u>

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

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual - General Fund

### For the Year Ended December 31, 2005

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Tax	\$ 8,400,000	\$ 8,400,000	\$ 8,829,222	\$ 429,222
Property and Other Taxes	5,183,157	5,183,157	5,157,122	(26,035)
Charges for Services	977,100	1,272,873	1,335,963	63,090
Licenses and Permits	867,700	867,700	875,337	7,637
Fines and Forfeitures	182,000	182,000	245,886	63,886
Intergovernmental	2,073,795	2,185,821	2,573,310	387,489
Investment Income	100,000	100,000	177,275	77,275
Other	<u>18,000</u>	<u>18,000</u>	<u>28,127</u>	<u>10,127</u>
Total Revenues	<u>17,801,752</u>	<u>18,209,551</u>	<u>19,222,242</u>	<u>1,012,691</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government - Legislative and Executive</b>				
<b>Council</b>				
Salaries	137,494	136,134	136,127	7
Benefits	36,880	38,240	38,001	239
Materials and Supplies	620	969	894	75
Contractual Services	11,400	10,851	10,512	339
Capital Outlay	<u>-</u>	<u>200</u>	<u>183</u>	<u>17</u>
Total Council	<u>186,394</u>	<u>186,394</u>	<u>185,717</u>	<u>677</u>
<b>Mayor</b>				
Salaries	155,401	155,751	155,628	123
Benefits	39,327	41,680	41,572	108
Materials and Supplies	24,320	24,620	24,297	323
Contractual Services	<u>22,905</u>	<u>29,995</u>	<u>28,559</u>	<u>1,436</u>
Total Mayor	<u>241,953</u>	<u>252,046</u>	<u>250,056</u>	<u>1,990</u>
<b>Finance Department</b>				
Salaries	317,683	308,070	307,311	759
Benefits	109,861	108,935	108,742	193
Materials and Supplies	8,512	17,512	14,865	2,647
Contractual Services	941,635	924,395	690,593	233,802
Other	<u>21,351</u>	<u>27,351</u>	<u>8,280</u>	<u>19,071</u>
Total Finance Department	<u>1,399,042</u>	<u>1,386,263</u>	<u>1,129,791</u>	<u>256,472</u>

(Continued)

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual - General Fund (continued)

### For the Year Ended December 31, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Law Department				
Salaries	243,557	229,898	229,379	519
Benefits	82,004	80,004	79,376	628
Materials and Supplies	900	900	707	193
Contractual Services	<u>47,009</u>	<u>72,867</u>	<u>57,797</u>	<u>15,070</u>
Total Law Department	<u>373,470</u>	<u>383,669</u>	<u>367,259</u>	<u>16,410</u>
Information Systems				
Salaries	39,442	36,442	34,435	2,007
Benefits	11,597	10,097	10,037	60
Materials and Supplies	5,200	5,200	4,816	384
Contractual Services	44,000	32,200	25,750	6,450
Capital Outlay	<u>2,716</u>	<u>2,716</u>	<u>2,716</u>	<u>-</u>
Total Data Processing	<u>102,955</u>	<u>86,655</u>	<u>77,754</u>	<u>8,901</u>
Department of Human Resources				
Salaries	144,939	143,939	143,492	447
Benefits	48,021	51,871	51,950	(79)
Materials and Supplies	2,100	1,330	762	568
Contractual Services	<u>122,066</u>	<u>125,704</u>	<u>122,901</u>	<u>2,803</u>
Total Department of Human Resources	<u>317,126</u>	<u>322,844</u>	<u>319,105</u>	<u>3,739</u>
Civil Service Department				
Salaries	2,000	441	93	348
Benefits	374	74	1	73
Materials and Supplies	500	-	-	-
Contractual Services	<u>10,984</u>	<u>11,843</u>	<u>11,267</u>	<u>576</u>
Total Civil Service Department	<u>13,858</u>	<u>12,358</u>	<u>11,361</u>	<u>997</u>
Boards and Commissions				
Salaries	41,023	41,023	40,332	691
Benefits	21,520	20,220	20,012	208
Materials and Supplies	3,975	1,722	1,044	678
Contractual Services	<u>2,905</u>	<u>5,405</u>	<u>1,515</u>	<u>3,890</u>
Total Boards and Commissions	<u>69,423</u>	<u>68,370</u>	<u>62,903</u>	<u>5,467</u>

(Continued)

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual - General Fund (continued)

### For the Year Ended December 31, 2005

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Building Department</b>				
Salaries	555,499	541,855	537,252	4,603
Benefits	201,374	209,574	205,912	3,662
Materials and Supplies	10,855	14,355	12,781	1,574
Contractual Services	<u>85,660</u>	<u>73,360</u>	<u>61,418</u>	<u>11,942</u>
Total Building Department	<u>853,388</u>	<u>839,144</u>	<u>817,363</u>	<u>21,781</u>
<b>Engineering Department</b>				
Salaries	296,346	293,177	290,852	2,325
Benefits	119,956	106,956	106,847	109
Materials and Supplies	2,485	6,469	5,752	717
Contractual Services	<u>110,218</u>	<u>122,357</u>	<u>120,495</u>	<u>1,862</u>
Total Engineering Department	<u>529,005</u>	<u>528,959</u>	<u>523,946</u>	<u>5,013</u>
<b>Government – Legislative And Executive</b>				
	<u>4,086,614</u>	<u>4,066,702</u>	<u>3,745,255</u>	<u>321,447</u>
<b>Security of Persons and Property</b>				
<b>Safety Director</b>				
Salaries	126,199	118,367	116,811	1,556
Benefits	40,092	31,092	29,144	1,948
Materials and Supplies	570	2,920	842	2,078
Contractual Services	<u>3,520</u>	<u>16,002</u>	<u>15,602</u>	<u>400</u>
Total Safety Director	<u>170,381</u>	<u>168,381</u>	<u>162,399</u>	<u>5,982</u>
<b>Fire Department</b>				
Salaries	3,317,756	3,282,256	3,247,621	34,635
Benefits	1,203,055	1,184,758	1,180,131	4,627
Materials and Supplies	43,179	53,448	53,269	179
Contractual Services	227,010	310,219	281,957	28,262
Capital Outlay	<u>-</u>	<u>3,261</u>	<u>3,261</u>	<u>-</u>
Total Fire Department	<u>4,791,000</u>	<u>4,833,942</u>	<u>4,766,239</u>	<u>67,703</u>
<b>Central Dispatch</b>				
Salaries	418,671	415,071	413,478	1,593
Benefits	145,524	143,824	139,337	4,487
Materials and Supplies	<u>3,200</u>	<u>3,200</u>	<u>174</u>	<u>3,026</u>
Total Central Dispatch	<u>567,395</u>	<u>562,095</u>	<u>552,989</u>	<u>9,106</u>

(Continued)

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual - General Fund (continued)

### For the Year Ended December 31, 2005

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Police Department				
Salaries	4,167,700	4,165,200	4,136,632	28,568
Benefits	1,377,559	1,399,809	1,392,977	6,832
Materials and Supplies	124,880	147,880	139,550	8,330
Contractual Services	307,429	307,429	276,224	31,205
Capital Outlay	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total Police Department	<u>5,979,568</u>	<u>6,022,318</u>	<u>5,947,383</u>	<u>74,935</u>
Total Security of Persons and Property	<u>11,508,344</u>	<u>11,586,736</u>	<u>11,429,010</u>	<u>157,726</u>
Public Health and Welfare				
Department of Community Life Services				
Salaries	333,633	334,133	332,931	1,202
Benefits	80,320	90,570	90,355	215
Materials and Supplies	4,900	3,900	2,070	1,830
Contractual Services	133,200	139,026	134,837	4,189
Capital Outlay	<u>4,500</u>	<u>4,500</u>	<u>-</u>	<u>4,500</u>
Total Department of Community Life Services	<u>556,553</u>	<u>572,129</u>	<u>560,193</u>	<u>11,936</u>
Transportation				
Service Director				
Salaries	103,914	114,514	114,295	219
Benefits	37,063	33,563	33,341	222
Materials and Supplies	9,837	500	-	500
Contractual Services	<u>497,550</u>	<u>474,235</u>	<u>468,488</u>	<u>5,747</u>
Total Service Director	<u>648,364</u>	<u>622,812</u>	<u>616,124</u>	<u>6,688</u>
Service Department				
Salaries	809,636	864,636	862,414	2,222
Benefits	469,490	477,720	477,020	700
Materials and Supplies	138,714	66,058	61,705	4,353
Contractual Services	213,502	233,274	208,923	24,351
Capital Outlay	<u>550</u>	<u>550</u>	<u>372</u>	<u>178</u>
Total Service Department	<u>1,631,892</u>	<u>1,642,238</u>	<u>1,610,434</u>	<u>31,804</u>
Fleet Maintenance Department				
Salaries	361,309	370,730	367,496	3,234
Benefits	147,325	154,125	154,049	76
Materials and Supplies	293,703	430,764	379,693	51,071
Contractual Services	<u>22,000</u>	<u>7,958</u>	<u>7,958</u>	<u>-</u>
Total Fleet Maintenance	<u>824,337</u>	<u>963,577</u>	<u>909,196</u>	<u>54,381</u>
Total Transportation	<u>3,104,593</u>	<u>3,228,627</u>	<u>3,135,754</u>	<u>92,873</u>

(Continued)

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual - General Fund (continued)

### For the Year Ended December 31, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Economic Development				
Planning Department				
Salaries	100,542	97,923	97,503	420
Benefits	32,708	33,308	33,181	127
Materials and Supplies	950	1,204	1,185	19
Contractual Services	<u>25,595</u>	<u>15,595</u>	<u>14,540</u>	<u>1,055</u>
Total Economic Development	<u>159,795</u>	<u>148,030</u>	<u>146,409</u>	<u>1,621</u>
Total Expenditures	<u>19,415,899</u>	<u>19,602,224</u>	<u>19,016,621</u>	<u>585,603</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,614,147)</u>	<u>(1,392,673)</u>	<u>205,621</u>	<u>1,598,294</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	10,000	10,000	11,105	1,105
Transfers – In	85,316	50,316	50,316	-
Advances – In	-	35,000	25,000	(10,000)
Transfers – Out	<u>(10,000)</u>	<u>(104,865)</u>	<u>(74,865)</u>	<u>30,000</u>
Total Other Financing Sources (Uses)	<u>85,316</u>	<u>(9,549)</u>	<u>11,556</u>	<u>21,105</u>
Net Change in Fund Balance	(1,528,831)	(1,402,222)	217,177	1,619,399
Prior Year Encumbrances	381,788	381,788	381,788	-
Fund Balance, Beginning of Year	<u>1,149,748</u>	<u>1,149,748</u>	<u>1,149,748</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>2,705</u>	\$ <u>129,314</u>	\$ <u>1,748,713</u>	\$ <u>1,619,399</u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual - General Obligation Bond Retirement Fund

### For the Year Ended December 31, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 2,862,341	\$ 2,862,341	\$ 2,846,332	\$ (16,009)
Intergovernmental Revenue	329,885	329,885	372,167	42,282
Investment Income	<u>70,000</u>	<u>70,000</u>	<u>151,832</u>	<u>81,832</u>
Total Revenues	<u>3,262,226</u>	<u>3,262,226</u>	<u>3,370,331</u>	<u>108,105</u>
Expenditures:				
Debt Service:				
Principal	9,250,816	9,411,506	9,411,506	-
Interest and Fiscal Charges	<u>2,732,211</u>	<u>2,571,521</u>	<u>2,571,155</u>	<u>366</u>
Total Debt Service	<u>11,983,027</u>	<u>11,983,027</u>	<u>11,982,661</u>	<u>366</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(8,720,801)</u>	<u>(8,720,801)</u>	<u>(8,612,330)</u>	<u>108,471</u>
Other Financing Sources (Uses):				
Issuance of Notes	5,070,000	5,070,000	5,088,621	18,621
Transfers - In	<u>3,688,852</u>	<u>3,688,852</u>	<u>3,688,562</u>	<u>(290)</u>
Total Other Financing Sources (Uses)	<u>8,758,852</u>	<u>8,758,852</u>	<u>8,777,183</u>	<u>18,331</u>
Net Change in Fund Balance	38,051	38,051	164,853	126,802
Fund Balance, Beginning of Year	<u>623,092</u>	<u>623,092</u>	<u>623,092</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>661,143</u></u>	\$ <u><u>661,143</u></u>	\$ <u><u>787,945</u></u>	\$ <u><u>126,802</u></u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Fire Construction Fund

### For the Year Ended December 31, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ -	\$ -	\$ 81	\$ 81
Investment Income	<u>70,000</u>	<u>70,000</u>	<u>129,947</u>	<u>59,947</u>
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>130,028</u>	<u>60,028</u>
Expenditures:				
Current:				
Security Of Persons and Property				
Fire Department				
Contractual Services	25,600	271,514	207,495	64,019
Capital Outlay	-	346,752	346,662	90
Other	<u>-</u>	<u>2,334</u>	<u>2,334</u>	<u>-</u>
Total Expenditures	<u>25,600</u>	<u>620,600</u>	<u>556,491</u>	<u>64,109</u>
Excess (Deficiency) of Revenues Over Expenditures	44,400	(550,600)	(426,463)	124,137
Other Financing Sources (Uses):				
Note Proceeds	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net Change in Fund Balance	544,400	(50,600)	73,537	124,137
Fund Balance, Beginning of Year	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>4,044,400</u></u>	\$ <u><u>3,449,400</u></u>	\$ <u><u>3,573,537</u></u>	\$ <u><u>124,137</u></u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual - Casualty Loss Fund

### For the Year Ended December 31, 2005

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for Services	\$ <u>35,000</u>	\$ <u>35,000</u>	\$ <u>34,802</u>	\$ <u>(198)</u>
Expenditures:				
Current:				
General Government-Legislative and Executive				
Department of Human Resources				
Contractual Services	<u>91,734</u>	<u>91,734</u>	<u>42,752</u>	<u>48,982</u>
Excess (Deficiency) of Revenues Over Expenditures	(56,734)	(56,734)	(7,950)	48,784
Other Financing Sources (Uses):				
Transfers – In	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
Net Change in Fund Balance	(26,734)	(26,734)	(7,950)	18,784
Prior Year Encumbrances	11,934	11,934	11,934	-
Fund Balance, Beginning of Year	<u>45,504</u>	<u>45,504</u>	<u>45,504</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>30,704</u></u>	\$ <u><u>30,704</u></u>	\$ <u><u>49,488</u></u>	\$ <u><u>18,784</u></u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual - CDBG Fund

### For the Year Ended December 31, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ 53,125	\$ 53,125	\$ 39,265	\$ (13,860)
Other Revenue	-	2,000	2,000	-
Total Revenues	<u>53,125</u>	<u>55,125</u>	<u>41,265</u>	<u>(13,860)</u>
Expenditures:				
Current:				
Public Health and Welfare Planning Department				
Salaries	-	775	607	168
Contractual Services	<u>41,953</u>	<u>46,453</u>	<u>40,778</u>	<u>5,675</u>
Total Expenditures	<u>41,953</u>	<u>47,228</u>	<u>41,385</u>	<u>5,843</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>11,172</u>	<u>7,897</u>	<u>(120)</u>	<u>(8,017)</u>
Other Financing Sources (Uses):				
Transfers – In	-	775	775	-
Advances – Out	-	(35,000)	(25,000)	10,000
Transfers – Out	<u>(35,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(35,000)</u>	<u>(34,225)</u>	<u>(24,225)</u>	<u>10,000</u>
Net Change in Fund Balance	(23,828)	(26,328)	(24,345)	1,983
Prior Year Encumbrances	8,634	8,634	8,634	-
Fund Balance, Beginning of Year	<u>17,694</u>	<u>17,694</u>	<u>17,694</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>2,500</u>	\$ <u>-</u>	\$ <u>1,983</u>	\$ <u>1,983</u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual - Alcohol Education Fund

**For the Year Ended December 31, 2005**

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	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and Forfeitures	\$ <u>3,000</u>	\$ <u>3,000</u>	\$ <u>3,331</u>	\$ <u>331</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police Department				
Materials and Supplies	<u>5,449</u>	<u>5,449</u>	<u>866</u>	<u>4,583</u>
Net Change in Fund Balance	(2,449)	(2,449)	2,465	4,914
Fund Balance, Beginning of Year	<u>5,449</u>	<u>5,449</u>	<u>5,449</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>3,000</u></u>	\$ <u><u>3,000</u></u>	\$ <u><u>7,914</u></u>	\$ <u><u>4,914</u></u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual - Economic Development Fund

**For the Year Ended December 31, 2005**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 4,500	\$ 4,500	\$ 9,100	\$ 4,600
Other	<u>-</u>	<u>-</u>	<u>5,652</u>	<u>5,652</u>
Total Revenues	<u>4,500</u>	<u>4,500</u>	<u>14,752</u>	<u>10,252</u>
Expenditures:				
Current:				
Economic Development Planning Department Contractual Services	<u>25,000</u>	<u>28,000</u>	<u>20,000</u>	<u>8,000</u>
Excess (Deficiency) of Revenues Over Expenditures	(20,500)	(23,500)	(5,248)	18,252
Other Financing Sources (Uses):				
Transfers – Out	<u>(9,834)</u>	<u>(9,834)</u>	<u>(9,834)</u>	<u>-</u>
Net Change in Fund Balance	(30,334)	(33,334)	(15,082)	18,252
Prior Year Encumbrances	15,000	15,000	15,000	-
Fund Balance, Beginning of Year	<u>52,543</u>	<u>52,543</u>	<u>52,543</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>37,209</u>	\$ <u>34,209</u>	\$ <u>52,461</u>	\$ <u>18,252</u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual - FEMA Grant Fund

### For the Year Ended December 31, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ 351,428	\$ 351,428	\$ 27,655	\$ (323,773)
Expenditures:				
Current:				
Security of Persons and Property				
Fire Department				
Contractual Services	2,010	2,068	2,068	-
Capital Outlay	388,012	387,954	32,258	355,696
Total Expenditures	390,022	390,022	34,326	355,696
Excess (Deficiency) of Revenues Over Expenditures	(38,594)	(38,594)	(6,671)	31,923
Other Financing Sources (Uses):				
Transfers – In	34,827	34,827	34,827	-
Net Change in Fund Balance	(3,767)	(3,767)	28,156	31,923
Prior Year Encumbrances	2,010	2,010	2,010	-
Fund Balance, Beginning of Year	1,757	1,757	1,757	-
Fund Balance, End of Year	\$ -	\$ -	\$ 31,923	\$ 31,923

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual - Motor Vehicle License Fund

### For the Year Ended December 31, 2005

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental Revenue	\$ <u>223,000</u>	\$ <u>223,000</u>	\$ <u>220,855</u>	\$ <u>(2,145)</u>
Expenditures:				
Current:				
Transportation				
Department of Public Service				
Salaries	66,000	68,000	68,000	-
Benefits	9,900	9,900	9,871	29
Materials and Supplies	159,500	147,500	129,850	17,650
Contractual Services	<u>68,000</u>	<u>78,000</u>	<u>71,074</u>	<u>6,926</u>
Total Expenditures	<u>303,400</u>	<u>303,400</u>	<u>278,795</u>	<u>24,605</u>
Net Change in Fund Balance	(80,400)	(80,400)	(57,940)	22,460
Prior Year Encumbrances	4,500	4,500	4,500	-
Fund Balance, Beginning of Year	<u>76,466</u>	<u>76,466</u>	<u>76,466</u>	-
Fund Balance, End of Year	\$ <u><u>566</u></u>	\$ <u><u>566</u></u>	\$ <u><u>23,026</u></u>	\$ <u><u>22,460</u></u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual - Recreation Fund

### For the Year Ended December 31, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property and Other Taxes	\$ 928,327	\$ 928,326	\$ 923,664	\$ (4,662)
Charges for Services	1,101,630	1,125,665	1,082,061	(43,604)
Intergovernmental Revenue	109,362	109,362	121,307	11,945
Other	<u>16,095</u>	<u>16,095</u>	<u>38,796</u>	<u>22,701</u>
Total revenues	<u>2,155,414</u>	<u>2,179,448</u>	<u>2,165,828</u>	<u>(13,620)</u>
<b>Expenditures:</b>				
Current:				
Leisure Time Activities				
Recreation Department				
Salaries	914,919	877,159	875,243	1,916
Benefits	305,032	285,863	283,373	2,490
Materials and Supplies	139,156	169,315	159,366	9,949
Contractual Services	751,646	854,047	835,332	18,715
Capital Outlay	<u>60,000</u>	<u>39,500</u>	<u>38,309</u>	<u>1,191</u>
Total Expenditures	<u>2,170,753</u>	<u>2,225,884</u>	<u>2,191,623</u>	<u>34,261</u>
Excess (Deficiency) of Revenues Over Expenditures	(15,339)	(46,436)	(25,795)	20,641
<b>Other Financing Sources (Uses):</b>				
Transfers – In	-	57,022	57,022	-
Transfers – Out	<u>(77,541)</u>	<u>(77,541)</u>	<u>(77,541)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(77,541)</u>	<u>(20,519)</u>	<u>(20,519)</u>	<u>-</u>
Net Change in Fund Balance	(92,880)	(66,955)	(46,314)	20,641
Prior Year Encumbrances	31,302	31,302	31,302	-
Fund Balance, Beginning of Year	<u>61,580</u>	<u>61,580</u>	<u>61,580</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>2</u></u>	\$ <u><u>25,927</u></u>	\$ <u><u>46,568</u></u>	\$ <u><u>20,641</u></u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual - Clague Park Fund

### For the Year Ended December 31, 2005

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Leisure Time Activities				
Recreation Department				
Capital Outlay	\$ <u>21,265</u>	\$ <u>21,265</u>	\$ <u>18,200</u>	\$ <u>3,065</u>
Net Change in Fund Balance	(21,265)	(21,265)	(18,200)	3,065
Prior Year Encumbrances	18,200	18,200	18,200	-
Fund Balance, Beginning of Year	<u>3,065</u>	<u>3,065</u>	<u>3,065</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>3,065</u></u>	\$ <u><u>3,065</u></u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual - Hotel/Motel Tax Fund

**For the Year Ended December 31, 2005**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property and Other Taxes	\$ 250,000	\$ 250,000	\$ 282,164	\$ 32,164
Charges for Services	<u>100,000</u>	<u>100,000</u>	<u>130,097</u>	<u>30,097</u>
Total Revenues	<u>350,000</u>	<u>350,000</u>	<u>412,261</u>	<u>62,261</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Security of Persons and Property				
Fire Department				
Contractual Services	12,000	17,590	14,410	3,180
Capital Outlay	<u>38,258</u>	<u>47,721</u>	<u>43,592</u>	<u>4,129</u>
Total Fire Department	<u>50,258</u>	<u>65,311</u>	<u>58,002</u>	<u>7,309</u>
Police Department				
Materials and Supplies	10,400	25,600	25,403	197
Contractual Services	15,000	-	-	-
Capital Outlay	<u>222,659</u>	<u>207,460</u>	<u>181,912</u>	<u>25,548</u>
Total Police Department	<u>248,059</u>	<u>233,060</u>	<u>207,315</u>	<u>25,745</u>
Total Security of Persons and Property	<u>298,317</u>	<u>298,371</u>	<u>265,317</u>	<u>33,054</u>
Debt Service:				
Principal	650,000	650,000	650,000	-
Interest and Fiscal Charges	<u>12,075</u>	<u>12,075</u>	<u>11,975</u>	<u>100</u>
Total Debt Service	<u>662,075</u>	<u>662,075</u>	<u>661,975</u>	<u>100</u>
Total Expenditures	<u>960,392</u>	<u>960,446</u>	<u>927,292</u>	<u>33,154</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(610,392)</u>	<u>(610,446)</u>	<u>(515,031)</u>	<u>95,415</u>
<b>Other Financing Sources (Uses):</b>				
Issuance of Notes	550,000	550,000	551,900	1,900
Transfers – Out	<u>(54,260)</u>	<u>(54,206)</u>	<u>(54,206)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>495,740</u>	<u>495,794</u>	<u>497,694</u>	<u>1,900</u>
Net Change in Fund Balances	(114,652)	(114,652)	(17,337)	97,315
Prior Year Encumbrances	70,370	70,370	70,370	-
Fund Balance, Beginning of Year	<u>45,036</u>	<u>45,036</u>	<u>45,036</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>754</u>	\$ <u>754</u>	\$ <u>98,069</u>	\$ <u>97,315</u>

**City of North Olmsted, Ohio**

Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget (Non-GAAP Basis) and Actual – Emergency Medical Services Fund

**For the Year Ended December 31, 2005**

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund Balance, Beginning of Year	\$ <u>2,773</u>	\$ <u>2,773</u>	\$ <u>2,773</u>	\$ <u>-</u>
Fund Balance, End of Year	\$ <u><u>2,773</u></u>	\$ <u><u>2,773</u></u>	\$ <u><u>2,773</u></u>	\$ <u><u>-</u></u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – State Highway Fund

### For the Year Ended December 31, 2005

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental Revenue	\$ <u>79,500</u>	\$ <u>79,500</u>	\$ <u>87,862</u>	\$ <u>8,362</u>
Expenditures:				
Current:				
Transportation				
Service Department				
Materials and Supplies	<u>63,000</u>	<u>63,000</u>	<u>62,420</u>	<u>580</u>
Net Change in Fund Balance	16,500	16,500	25,442	8,942
Fund Balance, Beginning of Year	<u>149,335</u>	<u>149,335</u>	<u>149,335</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>165,835</u></u>	\$ <u><u>165,835</u></u>	\$ <u><u>174,777</u></u>	\$ <u><u>8,942</u></u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Street Maintenance Fund

**For the Year Ended December 31, 2005**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ 987,000	\$ 987,000	\$ 1,083,628	\$ 96,628
Expenditures:				
Current:				
Transportation				
Service Department				
Salaries	367,000	440,534	373,236	67,298
Benefits	55,050	55,050	41,762	13,288
Materials and Supplies	425,950	312,578	302,176	10,402
Contractual Services	45,600	70,600	70,000	600
Capital Outlay	-	169,838	169,341	497
Total Expenditures	893,600	1,048,600	956,515	92,085
Net Change in Fund Balance	93,400	(61,600)	127,113	188,713
Prior Year Encumbrances	93,550	93,550	93,550	-
Fund Balance, Beginning of Year	217,111	217,111	217,111	-
Fund Balance, End of Year	\$ 404,061	\$ 249,061	\$ 437,774	\$ 188,713

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Solid Waste and Recycling Fund

**For the Year Ended December 31, 2005**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal Income Tax	\$ 1,800,000	\$ 1,800,000	\$ 1,891,976	\$ 91,976
Intergovernmental Revenue	-	-	13,441	13,441
Total Revenues	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,905,417</u>	<u>105,417</u>
Expenditures:				
Current:				
Basic Utility Services				
Service Department				
Salaries	101,880	101,880	77,929	23,951
Benefits	15,282	15,282	11,689	3,593
Contractual Services	<u>1,553,003</u>	<u>1,578,006</u>	<u>1,568,816</u>	<u>9,190</u>
Total Expenditures	<u>1,670,165</u>	<u>1,695,168</u>	<u>1,658,434</u>	<u>36,734</u>
Excess (Deficiency) of Revenues Over Expenditures	129,835	104,832	246,983	142,151
Other Financing Sources (Uses):				
Transfers – Out	-	(170,690)	(170,690)	-
Net Change in Balance	129,835	(65,858)	76,293	142,151
Prior Year Encumbrances	300	300	300	-
Fund Balance, Beginning of Year	<u>307,949</u>	<u>307,949</u>	<u>307,949</u>	-
Fund Balance, End of Year	\$ <u>438,084</u>	\$ <u>242,391</u>	\$ <u>384,542</u>	\$ <u>142,151</u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Permanent Improvement Fund

### For the Year Ended December 31, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal Income Taxes	\$ 1,800,000	\$ 1,800,000	\$ 1,891,976	\$ 91,976
Intergovernmental Revenue	-	-	14,632	14,632
Other	-	-	1,440	1,440
Total Revenues	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,908,048</u>	<u>108,048</u>
Expenditures:				
Current:				
Transportation				
Service				
Contractual Services	52,245	52,245	53,228	(983)
Capital Outlay	<u>291,017</u>	<u>2,852,964</u>	<u>2,782,707</u>	<u>70,257</u>
Total Transportation	<u>343,262</u>	<u>2,905,209</u>	<u>2,835,935</u>	<u>69,274</u>
Debt Service:				
Principal	1,165,000	1,165,000	1,165,000	-
Interest	19,453	19,453	19,453	-
Issue Fees	<u>5,000</u>	<u>19,274</u>	<u>19,083</u>	<u>191</u>
Total Debt Service	<u>1,189,453</u>	<u>1,203,727</u>	<u>1,203,536</u>	<u>191</u>
Total Expenditures	<u>1,532,715</u>	<u>4,108,936</u>	<u>4,039,471</u>	<u>69,465</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>267,285</u>	<u>(2,308,936)</u>	<u>(2,131,423)</u>	<u>177,513</u>
Other Financing Sources (Uses):				
Issuance of Notes	1,065,000	3,379,150	3,391,323	12,173
Transfers – In	-	116,581	116,581	-
Transfers – Out	<u>(1,619,094)</u>	<u>(1,619,094)</u>	<u>(1,619,094)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(554,094)</u>	<u>1,876,637</u>	<u>1,888,810</u>	<u>12,173</u>
Net Change in Fund Balance	(286,809)	(432,299)	(242,613)	189,686
Prior Year Encumbrances	291,017	291,017	291,017	-
Fund Balance, Beginning of Year	<u>398,034</u>	<u>398,034</u>	<u>398,034</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>402,242</u></u>	\$ <u><u>256,752</u></u>	\$ <u><u>446,438</u></u>	\$ <u><u>189,686</u></u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Community Diversion Fund

### For the Year Ended December 31, 2005

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for Services	\$ <u>21,650</u>	\$ <u>21,650</u>	\$ <u>23,478</u>	\$ <u>1,828</u>
Expenditures:				
Current:				
Public Health and Welfare				
Department of Community Life Services				
Salaries	21,079	20,479	18,492	1,987
Benefits	2,996	2,996	2,419	577
Materials and Supplies	1,100	950	493	457
Contractual Services	6,250	7,541	6,161	1,380
Capital Outlay	<u>2,750</u>	<u>2,209</u>	<u>2,209</u>	<u>-</u>
Total Expenditures	<u>34,175</u>	<u>34,175</u>	<u>29,774</u>	<u>4,401</u>
Net Change in Balance	(12,525)	(12,525)	(6,296)	6,229
Fund Balance, Beginning of Year	<u>18,026</u>	<u>18,026</u>	<u>18,026</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>5,501</u></u>	\$ <u><u>5,501</u></u>	\$ <u><u>11,730</u></u>	\$ <u><u>6,229</u></u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Drug Enforcement Fund

**For the Year Ended December 31, 2005**

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	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and Forfeitures	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>          755</u>	\$ <u>          755</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police Department				
Materials and Supplies	2,000	2,000	-	2,000
Other	<u>          1,900</u>	<u>          1,900</u>	<u>          1,786</u>	<u>          114</u>
Total Expenditures	<u>          3,900</u>	<u>          3,900</u>	<u>          1,786</u>	<u>          2,114</u>
Net Change in Balance	(3,900)	(3,900)	(1,031)	2,869
Fund Balance, Beginning of Year	<u>          3,900</u>	<u>          3,900</u>	<u>          3,900</u>	<u>                  -</u>
Fund Balance, End of Year	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>          2,869</u>	\$ <u>          2,869</u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Endowment and Grant Fund

### For the Year Ended December 31, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment Income	\$ -	\$ -	\$ 31	\$ 31
Other	<u>100,000</u>	<u>100,000</u>	<u>98,442</u>	<u>(1,558)</u>
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>98,473</u>	<u>(1,527)</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police Department				
Materials and Supplies	<u>20,000</u>	<u>20,000</u>	<u>19,930</u>	<u>70</u>
Leisure Time Activities				
Parks and Recreation				
Materials and Supplies	63,140	68,685	59,952	8,733
Contractual Services	5,500	4,705	2,387	2,318
Capital Outlay	<u>2,000</u>	<u>6,950</u>	<u>6,937</u>	<u>13</u>
Total Parks and Recreation	<u>70,640</u>	<u>80,340</u>	<u>69,276</u>	<u>11,064</u>
Senior Services				
Contractual Services	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Leisure Time Activities	<u>80,640</u>	<u>80,340</u>	<u>69,276</u>	<u>11,064</u>
Public Health and Welfare				
Department of Community Services				
Materials and Supplies	<u>300</u>	<u>25,300</u>	<u>4,755</u>	<u>20,545</u>
Total Expenditures	<u>100,940</u>	<u>125,640</u>	<u>93,961</u>	<u>31,679</u>
Net Change in Balance	(940)	(25,640)	4,512	30,152
Prior Year Encumbrances	940	940	940	-
Fund Balance, Beginning of Year	<u>110,506</u>	<u>110,506</u>	<u>110,506</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>110,506</u></u>	\$ <u><u>85,806</u></u>	\$ <u><u>115,958</u></u>	\$ <u><u>30,152</u></u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Fire Pension Fund

### For the Year Ended December 31, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 232,082	\$ 232,082	\$ 230,916	\$ (1,166)
Intergovernmental Revenue	<u>27,339</u>	<u>27,339</u>	<u>30,325</u>	<u>2,986</u>
Total Revenues	<u>259,421</u>	<u>259,421</u>	<u>261,241</u>	<u>1,820</u>
Expenditures:				
Current:				
Security of Persons and Property Fire Department Benefits	<u>262,810</u>	<u>262,810</u>	<u>262,810</u>	<u>-</u>
Net Change in Balance	(3,389)	(3,389)	(1,569)	1,820
Fund Balance, Beginning of Year	<u>3,389</u>	<u>3,389</u>	<u>3,389</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>1,820</u></u>	\$ <u><u>1,820</u></u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Law Enforcement Fund

### For the Year Ended December 31, 2005

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and Forfeitures	\$ <u>5,000</u>	\$ <u>5,000</u>	\$ <u>150</u>	\$ <u>(4,850)</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police Department				
Materials and Supplies	10,000	10,000	1,621	8,379
Contractual Services	52,000	52,000	-	52,000
Capital Outlay	<u>948</u>	<u>948</u>	<u>-</u>	<u>948</u>
Total Expenditures	<u>62,948</u>	<u>62,948</u>	<u>1,621</u>	<u>61,327</u>
Net Change in Balance	(57,948)	(57,948)	(1,471)	56,477
Fund Balance, Beginning of Year	<u>62,948</u>	<u>62,948</u>	<u>62,948</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>5,000</u></u>	\$ <u><u>5,000</u></u>	\$ <u><u>61,477</u></u>	\$ <u><u>56,477</u></u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Stop Program Fund

### For the Year Ended December 31, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeiture	\$ 250,000	\$ 315,000	\$ 339,083	\$ 24,083
Expenditures:				
Current:				
Security of Persons and Property				
Police Department				
Salaries	192,500	202,500	197,345	5,155
Benefits	57,500	47,500	42,759	4,741
Materials and Supplies	-	1,000	966	34
Contractual Services	-	9,110	9,075	35
Capital Outlay	-	125,890	120,409	5,481
Total Expenditures	250,000	386,000	370,554	15,446
Excess (deficiency) of Revenues Over Expenditures	-	(71,000)	(31,471)	39,529
Other Financing Sources (Uses):				
Transfers – Out	(40,482)	(40,482)	(40,482)	-
Net Change in Balance	(40,482)	(111,482)	(71,953)	39,529
Fund Balance, Beginning of Year	113,974	113,974	113,974	-
Fund Balance, End of Year	\$ 73,492	\$ 2,492	\$ 42,021	\$ 39,529

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Police Pension Fund

### For the Year Ended December 31, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 232,082	\$ 232,082	\$ 230,916	\$ (1,166)
Intergovernmental Revenue	<u>27,339</u>	<u>27,339</u>	<u>30,326</u>	<u>2,987</u>
Total Revenues	<u>259,421</u>	<u>259,421</u>	<u>261,242</u>	<u>1,821</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police Department				
Benefits	<u>262,810</u>	<u>262,810</u>	<u>262,810</u>	<u>-</u>
Net Change in Balance	(3,389)	(3,389)	(1,568)	1,821
Fund Balance, Beginning of Year	<u>3,389</u>	<u>3,389</u>	<u>3,389</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>1,821</u></u>	\$ <u><u>1,821</u></u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Senior Center Fund

**For the Year Ended December 31, 2005**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 31,400	\$ 52,424	\$ 47,237	\$ (5,187)
Fines and Forfeitures	2,500	2,500	3,000	500
Investment Income	450	450	633	183
Other Revenue	<u>3,500</u>	<u>3,500</u>	<u>5,290</u>	<u>1,790</u>
Total Revenues	<u>37,850</u>	<u>58,874</u>	<u>56,160</u>	<u>(2,714)</u>
Expenditures:				
Current:				
Leisure Time Activities				
Department of Community Life Services				
Materials and Supplies	13,050	13,050	7,961	5,089
Contractual Services	<u>28,300</u>	<u>57,524</u>	<u>51,981</u>	<u>5,543</u>
Total Expenditures	<u>41,350</u>	<u>70,574</u>	<u>59,942</u>	<u>10,632</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,500)	(11,700)	(3,782)	7,918
Other Financing Sources (Uses):				
Transfers – Out	<u>(10,000)</u>	<u>(11,250)</u>	<u>(11,250)</u>	<u>-</u>
Net Change in Balance	(13,500)	(22,950)	(15,032)	7,918
Prior Year Encumbrances	3,500	3,500	3,500	-
Fund Balance, Beginning of Year	<u>56,873</u>	<u>56,873</u>	<u>56,873</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>46,873</u>	\$ <u>37,423</u>	\$ <u>45,341</u>	\$ <u>7,918</u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Title III Fund

### For the Year Ended December 31, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 7,500	\$ 7,500	\$ 8,245	\$ 745
Intergovernmental Revenue	<u>15,000</u>	<u>15,000</u>	<u>10,531</u>	<u>(4,469)</u>
Total Revenues	<u>22,500</u>	<u>22,500</u>	<u>18,776</u>	<u>(3,724)</u>
Expenditures:				
Current:				
Public Health and Welfare				
Department of Community Life				
Services				
Salaries	19,298	19,298	6,456	12,842
Benefits	2,915	2,915	2,432	483
Materials and Supplies	<u>3,000</u>	<u>4,000</u>	<u>1,223</u>	<u>2,777</u>
Total Expenditures	<u>25,213</u>	<u>26,213</u>	<u>10,111</u>	<u>16,102</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,713)	(3,713)	8,665	12,378
Other Financing Sources (Uses):				
Transfers – Out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net Change in Balance	(12,713)	(13,713)	(1,335)	12,378
Fund Balance, Beginning of Year	<u>19,649</u>	<u>19,649</u>	<u>19,649</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>6,936</u></u>	\$ <u><u>5,936</u></u>	\$ <u><u>18,314</u></u>	\$ <u><u>12,378</u></u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Library Bond Retirement Fund

### For the Year Ended December 31, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 850,966	\$ 850,966	\$ 848,323	\$ (2,643)
Intergovernmental Revenue	<u>98,074</u>	<u>98,074</u>	<u>110,646</u>	<u>12,572</u>
Total Revenues	<u>949,040</u>	<u>949,040</u>	<u>958,969</u>	<u>9,929</u>
Expenditures:				
Debt Service:				
Principal	415,000	415,000	415,000	-
Interest and Fiscal Charges	<u>482,251</u>	<u>482,251</u>	<u>480,841</u>	<u>1,410</u>
Total Expenditures	<u>897,251</u>	<u>897,251</u>	<u>895,841</u>	<u>1,410</u>
Net Changes in Balance	51,789	51,789	63,128	11,339
Fund Balance, Beginning of Year	<u>390,576</u>	<u>390,576</u>	<u>390,576</u>	-
Fund Balance, End of Year	\$ <u><u>442,365</u></u>	\$ <u><u>442,365</u></u>	\$ <u><u>453,704</u></u>	\$ <u><u>11,339</u></u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Sewer Bond Retirement Fund

### For the Year Ended December 31, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 88,497	\$ 88,498	\$ 88,498	\$ -
Expenditures:				
Debt Service:				
Principal	200,000	200,000	200,000	-
Interest and Fiscal Charges	18,500	19,500	19,500	-
Total Expenditures	218,500	219,500	219,500	-
Net Change in Balance	(130,003)	(131,002)	(131,002)	-
Fund Balance, Beginning of Year	737,202	737,202	737,202	-
Fund Balance, End of Year	\$ 607,199	\$ 606,200	\$ 606,200	\$ -

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Special Assessment Bond Retirement Fund

### For the Year Ended December 31, 2005

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special Assessments	\$ <u>99,125</u>	\$ <u>99,125</u>	\$ <u>115,432</u>	\$ <u>16,307</u>
Expenditures:				
Current:				
General Government-Legislative and Executive Finance				
Contractual Services	<u>2,000</u>	<u>2,000</u>	<u>1,115</u>	<u>885</u>
Debt Service:				
Principal	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
Interest and Fiscal Charges	<u>39,125</u>	<u>39,125</u>	<u>34,878</u>	<u>4,247</u>
Total Debt Service	<u>104,125</u>	<u>104,125</u>	<u>99,878</u>	<u>4,247</u>
Total Expenditures	<u>106,125</u>	<u>106,125</u>	<u>100,993</u>	<u>5,132</u>
Net Change in Balance	(7,000)	(7,000)	14,439	21,439
Fund Balance, Beginning of Year	<u>81,335</u>	<u>81,335</u>	<u>81,335</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>74,335</u></u>	\$ <u><u>74,335</u></u>	\$ <u><u>95,774</u></u>	\$ <u><u>21,439</u></u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Capital Improvement Fund

**For the Year Ended December 31, 2005**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ -	\$ -	\$ 1,700	\$ 1,700
Expenditures:				
Current:				
General Government-Legislative and Executive Finance				
Capital Outlay	298,788	298,788	203,327	95,461
Information Systems				
Capital Outlay	-	109,755	83,488	26,267
Public Service Director				
Capital Outlay	-	55,745	15,926	39,819
Total General Government- Legislative and Executive	298,788	464,288	302,741	161,547
Leisure Time Activities				
Parks and Recreation				
Capital Outlay	-	247,164	185,356	61,808
Department of Community Life Services				
Capital Outlay	30,000	38,318	38,318	-
Total Leisure Time Activities	30,000	285,482	223,674	61,808
Debt Service:				
Interest and Fiscal Charge	-	1,445	760	685
Total Expenditures	328,788	751,215	527,175	224,040
Excess (Deficiency) of Revenues Over Expenditures	(328,788)	(751,215)	(525,475)	225,740
Other Financing Sources (Uses):				
Issuance of Notes	-	360,000	360,760	760
Transfers – In	30,000	92,427	92,427	-
Transfers – Out	(45,346)	(45,346)	-	45,346
Total Other Financing Sources (Uses)	(15,346)	407,081	453,187	46,106

(Continued)

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Capital Improvement Fund (Continued)

### For the Year Ended December 31, 2005

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	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Net Change in Fund Balance	(344,134)	(344,134)	(72,288)	271,846
Prior Year Encumbrances	166,310	166,310	166,310	-
Fund Balance, Beginning of Year	<u>183,544</u>	<u>183,544</u>	<u>183,544</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>5,720</u>	\$ <u>5,720</u>	\$ <u>277,566</u>	\$ <u>271,846</u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Library Construction Fund

### For the Year Ended December 31, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment Income	\$ 15,000	\$ 15,000	\$ 51,685	\$ 36,685
Expenditures:				
Current:				
General Government-Legislative and Executive				
Engineering Department				
Contractual Services	40,404	40,404	-	40,404
Capital Outlay	<u>767,779</u>	<u>767,779</u>	<u>3,200</u>	<u>764,579</u>
Total Expenditures	<u>808,183</u>	<u>808,183</u>	<u>3,200</u>	<u>804,983</u>
Net Change in Balance	(793,183)	(793,183)	48,485	841,668
Prior Year Encumbrances	55,399	55,399	55,399	-
Fund Balance, Beginning of Year	<u>752,785</u>	<u>752,785</u>	<u>752,785</u>	-
Fund Balance, End of Year	\$ <u>15,001</u>	\$ <u>15,001</u>	\$ <u>856,669</u>	\$ <u>841,668</u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual - Building and Land Acquisition Fund

### For the Year Ended December 31, 2005

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
General Government-Legislative and Executive Engineering Department Contractual Services	\$ <u>          -</u>	\$ <u>      14,720</u>	\$ <u>      14,720</u>	\$ <u>          -</u>
Net Changes in Fund Balance	-	(14,720)	(14,720)	-
Fund Balance, Beginning of Year	<u>      549,375</u>	<u>      549,375</u>	<u>      549,375</u>	<u>          -</u>
Fund Balance, End of Year	\$ <u>      549,375</u>	\$ <u>      534,655</u>	\$ <u>      534,655</u>	\$ <u>          -</u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Issue II Fund

### For the Year Ended December 31, 2005

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental Revenue	\$ <u>-</u>	\$ <u>152,792</u>	\$ <u>299,160</u>	\$ <u>146,368</u>
Expenditures:				
Current:				
Transportation				
Engineering Department				
Capital Outlay	<u>-</u>	<u>152,792</u>	<u>102,792</u>	<u>50,000</u>
Net Change in Fund Balance	-	-	196,368	196,368
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>196,368</u></u>	\$ <u><u>196,368</u></u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – NOMBL

### For the Year Ended December 31, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ <u>5,171,091</u>	\$ <u>5,171,091</u>	\$ <u>1,638,000</u>	\$ <u>(3,533,091)</u>
Expenses:				
Bus Line				
Salaries	3,281,400	3,281,400	958,904	2,322,496
Benefits	1,264,344	1,264,344	400,412	863,932
Materials and Supplies	147,200	147,200	15,896	131,304
Contractual Services	506,245	485,245	175,757	309,488
Other	<u>13,600</u>	<u>34,600</u>	<u>25,668</u>	<u>8,932</u>
Total Expenses	<u>5,212,789</u>	<u>5,212,789</u>	<u>1,576,637</u>	<u>3,636,152</u>
Excess (Deficiency) of Revenues Over Expenses	(41,698)	(41,698)	61,363	103,061
Other Financing Sources (Uses):				
Transfers – Out	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>	<u>1,000</u>
Net Change in Fund Balance	(42,698)	(42,698)	61,363	104,061
Prior Year Encumbrances	19,595	19,595	19,595	-
Fund Balance, Beginning of Year	<u>586,894</u>	<u>586,894</u>	<u>586,894</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>563,791</u></u>	\$ <u><u>563,791</u></u>	\$ <u><u>667,852</u></u>	\$ <u><u>104,061</u></u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual - Springvale Golf Course and Ballroom Fund

### For the Year Ended December 31, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services	\$ 1,428,289	\$ 1,375,289	\$ 1,221,890	\$ (153,399)
Other Revenue	-	-	93,257	93,257
Total Revenues	<u>1,428,289</u>	<u>1,375,289</u>	<u>1,315,147</u>	<u>(60,142)</u>
<b>Expenses:</b>				
Golf Course and Ballroom				
Salaries	425,083	392,847	374,452	18,395
Benefits	116,616	104,288	97,326	6,962
Materials and Supplies	268,217	256,281	241,378	14,903
Contractual Services	274,913	303,913	290,147	13,766
Capital Outlay	<u>40,682</u>	<u>15,182</u>	-	<u>15,182</u>
Total Expenses	<u>1,125,511</u>	<u>1,072,511</u>	<u>1,003,303</u>	<u>69,208</u>
Excess (Deficiency) of Revenues Over Expenses	<u>302,778</u>	<u>302,778</u>	<u>311,844</u>	<u>9,066</u>
<b>Other Financing Sources (Uses):</b>				
Transfers – In	7,306	7,306	-	(7,306)
Transfers – Out	<u>(340,580)</u>	<u>(340,580)</u>	<u>(340,580)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(333,274)</u>	<u>(333,274)</u>	<u>(340,580)</u>	<u>(7,306)</u>
Net Change in Fund Balance	(30,496)	(30,496)	(28,736)	1,760
Prior Year Encumbrances	7,693	7,693	7,693	-
Fund Balance, Beginning of Year	<u>22,806</u>	<u>22,806</u>	<u>22,806</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>3</u></u>	\$ <u><u>3</u></u>	\$ <u><u>1,763</u></u>	\$ <u><u>1,760</u></u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Sewer Revenue Fund

### For the Year Ended December 31, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services	\$ 5,832,122	\$ 5,908,717	\$ 6,075,428	\$ 166,711
Tap – in Fees	-	-	185,705	185,705
Total Revenues	<u>5,832,122</u>	<u>5,908,717</u>	<u>6,261,133</u>	<u>352,416</u>
<b>Expenses:</b>				
<b>Sewer</b>				
Salaries	1,896,103	1,896,103	1,882,702	13,401
Benefits	749,362	701,342	686,453	14,889
Materials and Supplies	642,212	642,212	537,813	104,399
Contractual Services	1,491,417	1,692,314	1,601,734	90,580
Capital Outlay	77,699	357,769	190,146	167,623
<b>Debt Service:</b>				
Interest and Fiscal Charges	-	1,280	666	614
Total Expenses	<u>4,856,793</u>	<u>5,291,020</u>	<u>4,899,514</u>	<u>391,506</u>
Excess (Deficiency) of Revenues Over Expenses	<u>975,329</u>	<u>617,697</u>	<u>1,361,619</u>	<u>743,922</u>
<b>Other Financing Sources (Uses):</b>				
Note Proceeds	-	315,850	316,516	666
Transfers – Out	<u>(1,631,968)</u>	<u>(1,631,968)</u>	<u>(1,631,968)</u>	-
Total Other Financing Sources (Uses)	<u>(1,631,968)</u>	<u>(1,316,118)</u>	<u>(1,315,452)</u>	<u>666</u>
Net Change in Fund Balance	(656,639)	(698,421)	46,167	744,588
Prior Year Encumbrances	160,370	160,370	160,370	-
Fund Balance, Beginning of Year	<u>607,928</u>	<u>607,928</u>	<u>607,928</u>	-
Fund Balance, End of Year	\$ <u>111,659</u>	\$ <u>69,877</u>	\$ <u>814,465</u>	\$ <u>744,588</u>

# City of North Olmsted, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual – Hospitalization Fund

### For the Year Ended December 31, 2005

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for Services	\$ <u>3,554,826</u>	\$ <u>3,554,826</u>	\$ <u>2,705,567</u>	\$ <u>(849,259)</u>
Expenses:				
Claims	<u>3,806,474</u>	<u>3,806,474</u>	<u>2,733,634</u>	<u>1,072,840</u>
Net Change in Fund Balances	(251,648)	(251,648)	(28,067)	223,581
Fund Balance, Beginning of Year	<u>811,523</u>	<u>811,523</u>	<u>811,523</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>559,875</u></u>	\$ <u><u>559,875</u></u>	\$ <u><u>783,456</u></u>	\$ <u><u>223,581</u></u>

# City of North Olmsted, Ohio

## Fund Descriptions

**For the Year Ended December 31, 2005**

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### *Fiduciary Funds*

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

### *Agency Fund*

**Deposits Fund** - Accounts for deposits held by the City from contractors, developers and individuals to ensure compliance with City ordinances. These monies net of inspection charges are returned when the work is properly completed.

# City of North Olmsted, Ohio

## Statement of Changes in Assets and Liabilities Deposits Funds

### **For the Year Ended December 31, 2005**

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	<u>Beginning Balance 12/31/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 12/31/05</u>
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$ <u>343,309</u>	\$ <u>205,384</u>	\$ <u>209,139</u>	\$ <u>339,554</u>
<b>Liabilities</b>				
Accounts payable	\$ 61,390	\$ 18,201	\$ 61,390	\$ 18,201
Deposits held and due to others	<u>281,919</u>	<u>187,183</u>	<u>147,749</u>	<u>321,353</u>
Total liabilities	\$ <u>343,309</u>	\$ <u>205,384</u>	\$ <u>209,139</u>	\$ <u>339,554</u>

## **STATISTICAL SECTION**

The following statistical tables reflect social and economic data, financial trends and fiscal capacity of the City.

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## City of North Olmsted, Ohio

### Governmental Revenues by Source and Expenditures by Function (1)

#### Last Three Years

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Program revenues:			
Charges for services	\$ 4,436,915	\$ 3,907,557	\$ 3,830,522
Operating grants and contributions	1,717,713	1,527,518	1,381,604
Capital grants and contributions	922,813	-	1,979,290
General revenues:			
Property taxes	10,354,341	10,507,940	10,238,732
Municipal income taxes	12,159,878	12,491,922	10,927,745
Grants and entitlements not restricted to			
Specific programs	3,102,792	3,088,546	2,906,433
Investment earnings	596,488	272,046	249,576
Miscellaneous income	<u>64,811</u>	<u>-</u>	<u>43,411</u>
Total	<u>\$ 33,355,751</u>	<u>\$ 31,795,529</u>	<u>\$ 31,557,313</u>
Expenses:			
General government	4,165,796	4,116,486	4,537,200
Security of persons and property	12,907,792	12,377,881	12,210,303
Public health and welfare	546,222	531,247	437,691
Transportation	10,358,230	9,457,770	9,155,956
Basic utility services	1,645,096	1,631,509	1,681,386
Leisure time activities	2,594,345	2,867,536	2,447,232
Community environment	24,843	21,727	-
Economic Development	202,149	141,206	-
Interest	<u>2,344,396</u>	<u>2,213,332</u>	<u>2,354,210</u>
Total	<u>\$ 34,788,869</u>	<u>\$ 33,358,694</u>	<u>\$ 32,823,978</u>

Source: City financial records

(1) Information is based on full accrual.

## City of North Olmsted, Ohio

### Governmental Revenues by Source and Expenditures by Function (1)

#### Last Ten Years

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Revenues:</b>				
Property and other local taxes	\$ 10,519,830	\$ 10,476,303	\$ 10,000,703	\$ 10,154,593
Municipal income taxes	12,310,815	12,416,225	11,658,413	11,328,050
Charges for services	2,485,102	1,930,702	2,002,103	2,073,941
Fines, licenses and permits	1,456,374	1,754,093	1,786,733	1,413,825
Intergovernmental	5,568,035	4,787,581	6,310,281	5,676,442
Special assessments	65,000	60,000	55,000	116,813
Interest	596,488	240,155	295,832	363,807
Miscellaneous	<u>242,574</u>	<u>247,967</u>	<u>180,826</u>	<u>359,093</u>
<b>Total</b>	<b>\$ <u>33,244,218</u></b>	<b>\$ <u>31,913,026</u></b>	<b>\$ <u>32,289,891</u></b>	<b>\$ <u>31,486,564</u></b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	\$ 3,351,298	\$ 4,674,713	\$ 4,263,938	\$ 4,367,055
Security of persons and property	13,168,505	12,474,301	11,604,760	11,685,896
Public health and welfare	2,930,407	471,376	442,111	453,113
Transportation	5,175,730	4,990,147	5,311,916	5,213,922
Basic utility services	1,648,006	1,579,709	1,681,386	1,607,984
Leisure time activities	2,606,439	2,653,198	2,212,675	2,161,359
Community environment	23,772	2,387,735	-	-
Economic development and assistance	175,375	-	-	218,058
Other	-	-	-	-
Capital outlay	3,832	-	6,348,743	1,453,736
<b>Debt service:</b>				
Principal	10,733,612	5,933,612	5,007,897	3,342,539
Interest and fiscal charges	<u>2,147,630</u>	<u>2,229,548</u>	<u>2,378,765</u>	<u>2,552,217</u>
<b>Total</b>	<b>\$ <u>41,964,606</u></b>	<b>\$ <u>37,394,339</u></b>	<b>\$ <u>39,252,765</u></b>	<b>\$ <u>33,055,879</u></b>

Source: City financial records

(1) Information is based on modified accrual.

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
\$	10,114,983	\$ 8,607,246	\$ 8,553,667	\$ 8,387,454	\$ 7,401,978	\$ 7,141,571
	11,121,341	10,858,123	10,257,028	9,727,638	9,873,472	8,901,309
	2,075,553	2,110,397	2,181,071	1,446,834	1,433,967	1,699,465
	1,295,674	1,086,160	987,412	1,001,668	1,044,192	866,634
	5,003,181	5,439,266	5,894,652	4,069,646	4,123,610	4,180,347
	102,808	91,734	114,918	89,072	94,145	97,682
	937,639	684,382	531,677	449,501	492,611	560,489
	<u>318,536</u>	<u>611,119</u>	<u>276,078</u>	<u>1,438,229</u>	<u>1,227,410</u>	<u>1,091,904</u>
\$	<u>30,969,715</u>	<u>29,488,927</u>	<u>28,796,503</u>	<u>26,610,042</u>	<u>25,691,385</u>	<u>24,539,401</u>
\$	4,100,839	\$ 4,991,317	\$ 6,440,737	\$ 5,834,093	\$ 5,250,428	\$ 5,081,750
	11,046,278	9,776,330	7,788,275	7,779,038	688,008	6,812,790
	471,538	103,558	111,916	107,449	109,212	108,130
	6,473,806	5,970,202	4,288,298	5,006,208	6,741,225	6,711,400
	1,603,503	1,591,668	1,609,739	1,338,580	1,354,865	1,253,643
	2,087,516	2,063,492	1,961,903	1,907,376	1,816,349	1,657,952
	-	-	-	-	-	89,752
	180,354	100,606	5,257	326,925	10,028	15,935
	-	3,256	45,103	-	-	-
	3,421,177	1,064,788	878,425	1,682,255	415,840	5,224,128
	2,982,456	2,219,605	2,009,107	1,896,763	1,389,891	1,434,489
	<u>2,757,715</u>	<u>2,317,332</u>	<u>2,334,693</u>	<u>2,263,476</u>	<u>2,952,518</u>	<u>2,030,087</u>
\$	<u>35,125,182</u>	<u>30,202,154</u>	<u>27,473,453</u>	<u>28,142,163</u>	<u>26,928,364</u>	<u>30,420,029</u>

# City of North Olmsted, Ohio

## Property Tax Levies and Collections

### Last Ten Years

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<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections To Tax Levy</u>	<u>Delinquent Tax Collections</u>
2005	\$ 10,876,753	\$ 10,520,394	96.73%	\$ 330,560
2004	10,952,774	10,489,902	95.77	346,897
2003	10,460,345	10,098,354	96.54	235,467
2002	10,454,645	10,057,703	96.20	331,751
2001	10,477,350	10,135,765	96.74	256,101
2000	8,767,921	8,462,625	96.52	211,462
1999	8,679,306	8,446,005	97.31	226,139
1998	8,508,575	8,293,734	97.48	180,357
1997	7,886,005	7,767,759	98.50	121,655
1996	7,665,505	7,594,056	99.07	108,957

Source: Cuyahoga County, Ohio; County Auditor

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

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	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage Delinquent Taxes to Total Tax Levy</u>
\$	10,850,954	99.76%	\$ 405,306	3.7%
	10,836,799	98.94	570,796	5.2
	10,333,821	98.79	537,927	5.1
	10,389,454	99.38	463,462	4.4
	10,391,866	99.18	534,176	5.1
	8,674,087	98.93	468,359	5.3
	8,672,144	99.92	457,866	5.3
	8,474,091	99.59	445,126	5.2
	7,889,414	100.04	417,893	5.3
	7,703,013	100.49	283,731	3.7

# City of North Olmsted, Ohio

## Assessed Valuation and Estimated Actual Values of Taxable Property

### Last Ten Years

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<u>Year</u>	<u>Real Property</u>	<u>Public Utility Property</u>	<u>Tangible Personal Property</u>	<u>Total</u>	<u>Estimated True Values of Taxable Property</u>	<u>Ratio</u>
2005	\$ 806,908,240	\$ 14,685,560	\$ 49,409,433	\$ 871,003,233	\$ 2,536,963,872	34.33%
2004	802,181,840	15,808,350	47,369,486	865,359,676	2,497,568,891	34.65
2003	751,348,000	16,129,090	46,312,966	813,790,056	2,366,397,805	34.39
2002	748,692,910	17,173,070	50,671,362	816,537,342	2,361,322,900	34.58
2001	745,461,810	20,789,070	48,393,017	814,643,897	2,347,086,896	34.71
2000	668,471,450	22,399,090	45,819,672	736,690,212	2,118,650,627	34.77
1999	659,211,490	24,629,710	46,864,374	730,705,574	2,098,907,203	34.81
1998	649,920,820	23,804,710	45,200,585	718,926,115	2,064,769,776	34.82
1997	591,673,740	24,522,540	42,771,806	658,968,086	1,889,450,147	34.88
1996	573,675,650	25,111,460	39,343,895	638,131,005	1,824,984,616	34.97

## City of North Olmsted, Ohio

Property Tax Rates - Direct and Overlapping Governments  
(Per \$1,000 of Assessed Valuation)

### Last Ten Years

#### City of North Olmsted

<u>Year</u>	<u>General Operating</u>	<u>Debt Retirement</u>		<u>Recreation</u>	<u>Police and Fire Pension</u>	<u>Total</u>	<u>School District</u>	<u>Cuyahoga County (1)</u>	<u>Polaris Vocational School</u>	<u>Total</u>
2005	\$ 6.70	\$ 4.80	\$ -	\$ 1.20	\$ 0.60	\$ 13.30	\$ 77.00	\$ 20.30	\$ 2.40	\$ 113.00
2004	6.70	4.80	-	1.20	0.60	13.30	77.00	18.30	2.40	111.00
2003	7.00	4.10	0.70	1.20	0.60	13.60	77.00	17.60	2.40	110.60
2002	7.00	4.10	0.70	1.20	0.60	13.60	77.00	17.60	2.40	110.60
2001	7.00	4.10	0.80	1.20	0.60	13.70	69.10	17.60	2.40	102.80
2000	7.00	3.00	0.90	1.20	0.60	12.70	69.10	16.70	2.40	100.90
1999	7.00	3.00	0.90	1.20	0.60	12.70	69.10	16.70	2.40	100.90
1998	7.05	2.95	0.90	1.20	0.60	12.70	69.10	18.00	2.40	102.20
1997	7.50	2.50	1.00	1.20	0.60	12.80	69.10	18.00	2.40	102.30
1996	7.35	2.65	1.00	1.20	0.60	12.80	69.10	18.00	2.50	102.40

(a) Includes Metroparks and Library Millage

SOURCE: Cuyahoga County Auditor

## City of North Olmsted, Ohio

### Special Assessment Billings and Collections (1)

#### Last Ten Years

<u>Year</u>	<u>Current Assessments Levied</u>	<u>Current Assessments Collected (2)</u>	<u>Percentage of Current Assessments Collected to Levy</u>	<u>Total Outstanding Delinquent</u>
2005	\$ 99,072	\$ 99,072	100.00%	\$ 739
2004	105,002	90,889	86.56	18,791
2003	103,456	55,000	53.16	14,449
2002	98,567	91,987	93.32	16,062
2001	102,672	86,502	84.25	33,390
2000	109,122	86,778	79.52	31,325
1999	123,051	115,454	93.83	9,866
1998	112,984	92,852	82.18	22,113
1997	105,545	95,083	90.09	10,464
1996	111,097	99,027	89.14	6,563

Source: Cuyahoga County, Ohio; County Auditor

- (1) These figures represent only amounts certified to and collected by the Cuyahoga County Auditor and do not include prepayments paid directly to the City.
- (2) Current special assessments collected after 2002 do not include interest, only principal.

# City of North Olmsted, Ohio

## Computation of Legal Debt Margin

### Last Ten Years

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Assessed Valuation	\$ <u>871,003,233</u>
Overall Debt Limitation – 10-1/2% of assessed valuation	<u>91,455,339</u>
Outstanding Debt:	
General Obligation Bonded Debt	53,465,000
General Obligation Bond Anticipation Notes	10,175,000
Less: Amount Available in Debt Service Fund	<u>3,324,549</u>
Total Outstanding Debt	<u>60,315,451</u>
Less Exemptions:	
Bonds and notes issued in anticipation of levy for special assessments	390,000
General obligation bonds and notes that are considered self-supporting	12,145,000
Securities issued to pay final judgments and settlements	104,000
Securities to extent authorizing legislation contains covenants to appropriate, levy and collect municipal income taxes	<u>10,524,000</u>
Total Exemptions	<u>23,163,000</u>
Net Debt Within 10-1/2% Limitation	<u>37,152,451</u>
Overall Debt Margin	\$ <u>54,302,888</u>
Unvoted Debt Limitation 5-1/2% of Assessed Value	\$ 47,905,178
Amount of principal of unvoted bonds and notes subject to 5-1/2%	<u>23,987,451</u>
Unvoted Debt Margin	\$ <u>23,917,727</u>

SOURCE: Cuyahoga County Auditor and City Financial Records

## City of North Olmsted, Ohio

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

### Last Ten Years

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<u>Year</u>	<u>Population</u>		<u>Assessed (2) Value</u>		<u>Gross (3) Bonded Debt</u>		<u>Debt Service Monies Available</u>
2005	34,113	b \$	871,003,233	\$	53,075,000	\$	2,168,871
2004	34,113	b	865,359,676		57,550,000		1,802,585
2003	34,113	b	813,790,056		61,615,000		1,369,838
2002	34,113	b	816,537,342		65,420,000		1,625,402
2001	34,113	b	814,643,897		69,230,000		1,876,456
2000	34,113	b	736,690,212		56,345,000		1,199,962
1999	34,204	a	730,705,574		52,030,000		648,329
1998	34,204	a	718,926,115		54,450,000		306,178
1997	34,204	a	658,968,086		56,715,000		147,003
1996	34,204	a	638,131,005		58,745,000		873,138

(1) Source: U.S. Bureau of Census, Census of Population

(a) 1990 Federal Census

(b) 2000 Federal Census

(2) Source: Cuyahoga County Auditor

(3) Includes all general obligation bonded debt

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	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Valuation</u>		<u>Net Bonded Debt Per Capita</u>
\$	50,906,129	5.85%	\$	1,492.28
	55,747,415	6.44		1,634.20
	60,245,162	7.40		1,766.05
	63,794,598	7.81		1,870.10
	67,353,544	8.27		1,974.42
	55,145,038	7.49		1,616.54
	51,381,671	7.03		1,502.21
	54,143,822	7.53		1,582.97
	56,567,997	8.58		1,653.84
	57,871,862	9.07		1,691.96

## City of North Olmsted, Ohio

### Ratio of Annual Debt Principal Expenditures For General Bonded Debt to Total Governmental Expenditures

#### Last Ten Years

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<u>Year</u>	<u>Debt (1) Principal</u>	<u>Total Governmental Expenditures</u>	<u>Ratio of Debt Service to Total Governmental Expenditures</u>
2005	\$ 3,480,000	\$ 41,964,606	8.29%
2004	3,115,000	37,394,339	8.33
2003	2,900,000	39,252,191	7.39
2002	3,810,000	33,055,879	11.53
2001 (1)	10,295,000	35,125,182	29.31
2000	2,530,000	30,202,154	8.38
1999	2,420,000	27,473,453	8.81
1998	2,265,000	28,142,163	8.05
1997	2,030,000	26,928,364	7.54
1996	1,160,000	30,420,029	3.81

Source: City financial records

(1) 2001 includes \$7,420,000 in advance refunding debt payment

## City of North Olmsted, Ohio

### Computation of Direct and Overlapping General Obligation Bonded Debt

#### Last Ten Years

<u>Jurisdiction</u>		<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City of North Olmsted</u>
Direct				
City of North Olmsted (1)	\$	<u>53,075,000</u>	<u>100.00%</u>	\$ <u>53,075,000</u>
Overlapping				
North Olmsted School District		797,000	100.00	797,000
Cuyahoga County		231,365,971	2.60	6,015,515
Greater Cleveland Regional Transit Authority		<u>139,790,000</u>	2.60	<u>3,634,540</u>
Total Overlapping Debt		<u>371,952,971</u>		<u>10,447,055</u>
Total	\$	<u>425,027,971</u>		\$ <u>63,522,055</u>

Source: Cuyahoga County, Ohio; County Auditor

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation. The debt outstanding includes general obligation bonds and note debt.

# City of North Olmsted, Ohio

## Demographic Statistics

### Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Employed in County</u>	<u>Employed in Primary Metropolitan Statistical Area (2)</u>	<u>Unemployment Rate (2)</u>			
				<u>County</u>	<u>Area</u>	<u>State</u>	<u>US</u>
2005	34,113 b	629,000	1,031,400	5.9%	5.7%	5.8%	5.1%
2004	34,113 b	637,400	1,035,900	6.2	5.9	6.1	5.5
2003	34,113 b	629,600	1,051,600	6.8	6.7	6.1	6.0
2002	34,113 b	624,900	1,040,300	6.7	6.5	5.7	5.8
2001	34,113 b	648,300	1,073,900	4.6	4.6	4.3	4.8
2000	34,113 b	649,500	1,075,900	4.6	4.4	4.1	4.0
1999	34,204 a	670,000	1,100,000	4.5	4.4	4.3	4.5
1998	34,204 a	670,000	1,100,000	4.5	4.4	4.3	4.5
1997	34,204 a	660,800	1,061,600	4.8	4.8	4.6	5.0
1996	34,204 a	655,700	1,046,900	5.1	5.2	4.9	5.4
1995	34,204 a	644,100	1,036,600	4.9	5.1	4.8	5.6

(1) Source: U.S. Census, Census of population

(a) 1990 Federal Census

(b) 2000 Federal Census

(2) Ohio Department of Jobs and Family Services, U.S. Department of Labor and Bureau of Labor Statistics

(3) Source: North Olmsted Board of Education

(4) Cuyahoga County, Ohio; County Auditor

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Average Residential Sale Price

<u>School (2)</u> <u>Enrollment</u>		<u>City (4)</u>		<u>County (4)</u>
4,577	\$	147,488	\$	155,420
4,556		146,554		146,229
4,468		188,169		148,104
4,663		181,896		230,581
4,714		135,726		197,800
4,863		132,600		128,848
4,983		135,100		125,570
4,985		126,300		127,304
4,951		120,900		113,100
5,056		119,700		108,152

## City of North Olmsted, Ohio

### Property Value, Construction and Financial Institution Deposits

#### Last Ten Years

<u>Year</u>	<u>Total Assessed Valuation (1)</u>	<u>Value of Building Permits Issued (2)</u>			<u>Domestic Bank Deposits in the County (3) (in thousands)</u>
		<u>Agriculture Residential</u>	<u>Commercial Industrial</u>	<u>Total</u>	
2005	\$ 871,003,233	\$ 14,570,772	\$ 14,709,091	\$ 29,279,863	\$ 109,071,512
2004	865,358,676	11,042,021	19,197,115	30,239,136	101,838,959
2003	813,790,056	11,488,253	20,052,718	31,540,971	97,238,973
2002	816,537,342	10,773,613	40,522,225	51,295,838	95,761,917
2001	814,643,897	10,960,168	9,675,166	20,635,334	63,893,769
2000	736,690,212	12,898,254	11,922,857	24,821,111	61,942,764
1999	730,705,574	17,868,981	17,090,778	34,959,759	57,816,942
1998	718,926,115	18,811,709	31,876,717	50,688,426	58,904,596
1997	658,968,086	14,482,863	21,582,756	36,065,619	53,941,971(4)
1996	538,131,005	11,680,525	10,380,000	22,060,825	27,068,211
1995	632,107,767	9,545,000	10,800,000	20,345,000	22,458,573

(1)Cuyahoga County, Ohio; County Auditor

(2)Source: City of North Olmsted Building Department Annual Reports

(3)Source: Federal Reserve Bank of Cleveland

(4)Large increase in deposits due to KeyBank becoming a single charter in 1997.

## City of North Olmsted, Ohio

Principal Taxpayers  
Real Estate Tax

**December 31, 2005**

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<u>Taxpayer</u>	<u>Real Property Assessed Valuation (1)</u>	<u>Percentage of Total Assessed Valuation</u>
Great Northern Partnership	\$ 23,068,675	2.86%
DDRMOT Great Northern LTD	21,056,035	2.06
Higbee Company	6,213,025	0.77
Butternut Ridge Apt. LLC	5,642,875	0.70
Water Tower Square LTD Partnership	4,790,660	0.59
B & G Properties LTD Partnership	4,762,625	0.59
WEA Great Northern Mall LLC	4,305,805	0.53
Walmart	3,603,495	0.45
Sears Roebuck Co.	3,514,980	0.44
Tech Park Association Co.	<u>3,021,655</u>	<u>0.37</u>
	\$ <u>79,979,830</u>	<u>9.91%</u>
Total Assessed Valuation	\$ <u>806,908,240</u>	

(1) Assessed valuation based on the valuation of property taxes collected in 2004 and a review of the 10 largest parcels for the City. Total valuation listed for each taxpayer does not include all parcels owned by that taxpayer in the County.

Source: Cuyahoga County Auditor

## City of North Olmsted, Ohio

### Principal Taxpayers Tangible Personal Property Tax

**December 31, 2005**

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<u>Taxpayer</u>	<u>Tangible Personal Property Assessed Valuation (1)</u>	<u>Percentage of Total Assessed Valuation</u>
Mercantile Stores	\$ 4,330,180	8.76%
Moen Inc.	2,536,920	5.13
Walmart	1,787,790	3.62
Riser Foods Company	1,635,380	3.31
May Department Stores Company	1,630,180	3.30
Great Northern Dodge Inc.	1,445,210	2.92
Sears Roebuck and Co.	1,334,540	2.70
Chrysler Jeep of North Olmstead	1,327,300	2.69
Sunnyside Cars Inc.	1,120,240	2.27
Nissan of North Olmsted LLC	<u>1,078,900</u>	<u>2.18</u>
	\$ <u>18,226,640</u>	<u>36.88 %</u>
Total Assessed Valuation	\$ <u>49,409,433</u>	

(1) Assessed valuation based on the valuation of property for taxes collected in 2004 and a review of the 10 largest parcels for the City. Total valuation listed for each taxpayer does not include all parcels owned by that taxpayer in the County.

Source: Cuyahoga County Auditor

## City of North Olmsted, Ohio

Principal Taxpayer  
Municipal Income Tax

**December 31, 2005**

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Taxpayer

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Dillards Department Stores  
Factory Mutual Insurance  
GMAC – GM Payroll Services  
Heartland Employment Services, Inc.  
Moen Incorporated  
City of North Olmsted  
North Olmsted City School District  
Riser Foods Company  
Sunnyside Cars, Inc.  
Wal Mart

Source: Regional Income Tax Agency based on payroll withholding, displayed in alphabetical order.

## City of North Olmsted, Ohio

Principal Taxpayer  
Municipal Income Tax

### December 31, 2005

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Date of Incorporation as a Village	1908
Date of Incorporation as a City	1951
Form of Government	Charter: Mayor/Council
Area square miles	11.9
Number of Housing Units (2000 Census)	14,059
Fire Protection:	
Number of Stations	2
Number of Sworn in Fireman and Officers	45
Number of Emergency Responses	3,290
Police Protection:	
Number of Stations	1
Number of Sworn Policeman and Officers	57
Number of Criminal Arrests	2,249
Number of Traffic Violations	15,616
Number of Parking Violations	2,476
Number of Full Time Employees	254
Number of Part Time and Temporary Employees	265
Streets:	
Miles of Streets	145
Number of Street Lights	2,362
Municipal Water Utilities	City of Cleveland Services
Sewers:	
Miles of Sanitary Sewers	175
Miles of Storm Sewers	151
Building Permits Issued	1,444
Estimated Valuation of Permits Issued	\$ 29,279,863
Parks and Recreation:	
Acreage Owned by City for Recreation	104
Recreation Center Facility	1
Senior Center Facility	1
Number of Parks	4

**Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Members of the City Council  
North Olmsted, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of North Olmsted (the "City"), as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 15, 2006, wherein we noted the City adopted *Government Accounting Standards Board Statement No. 40 and 42*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

Members of the City Council  
North Olmsted, Ohio

This report is intended solely for the information and use of management, City Council, finance committee, Auditor of State's Office and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Cini & Parichi, Inc.*

Cleveland, Ohio  
June 15, 2006



**Auditor of State  
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

**CITY OF NORTH OLMSTED**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 24, 2006**