City of North Olmsted, Ohio

Comprehensive Annual Financial Report
December 31, 2006

Issued by: Finance Department
Carrie B. Copfer, CPA, Director of Finance
Leslie A. Bruxvoort, CPA, Assistant Director of Finance

INTRODUCTORY SECTION

City of North Olmsted, Ohio

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City of North Olmsted

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Director of Finance

Department of Finance

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May 31, 2007

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, 2006.

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, 2006. 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, Emergency Medical Services and Fire Protection
- Parks and Recreational Activities and Facilities
- 18 hole Golf Course and Historic Ballroom
- Senior Center and Related Programs
- Local Human Services - ministering to youth, disabled, seniors and needy families
- Planning and Zoning Committees
- Building Code Enforcement
- Waste Water Treatment Plant Processing of Sanitary Sewage
- Maintenance and Improvement of City Roads and Infrastructure
- Maintenance and Improvement of Storm and Sanitary Sewer Systems
- Administrative and Legislative functions including Council, Law, Finance, Human Resources and Information Technology

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, 17 and 20 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 by 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 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. In 2006 the Westfield Group made a significant commitment to improving the mall and its outlying restaurants and other properties to keep its status of top performing mall complexes.

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 governmental-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. 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 $2,754,603 in the aggregate for plan year 2006. 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.

Major Initiatives
The City recognizes the need to promote and coordinate new development and redevelopment. In 2006 the Administration and Council created a position for an economic development consultant. As North Olmsted is mature and has little land to develop, redevelopment opportunities become all the more critical to provide a solid tax base to support the city services and be good neighbors to our residents for a long period of time. Using a consultant for these special projects and the building of an ongoing economic development program provides a more dynamic skill set available with our finite resources as we move forward to attract and retain new business to compliment our community.

The city in conjunction with the neighboring city of Westlake and the County is constructing a major four-lane, north-south street to connect the interstate highways of I-480 to I-90. This is a major economic development opportunity and the city hired Urban Design Center of Northeast Ohio to design the corridor plan to maximize this opportunity. Construction of the road project is to begin in spring 2006.

The voters approved a bond levy in November 2004 for a replacement fire station #2. After land acquisition and design work in 2005, construction began in the spring of 2006 with the occupancy to occur in June of 2007.

The City began an addition onto the city hall for a larger ADA compliant entranceway and council caucus room and clerk's office to better serve all residents. This will be completed in early 2007.

The City began a street rating program to prioritize streets to be repaired when monies are considered for such improvements. This survey will be updated annually so that the selection process will be depoliticized for street improvements.

The administration has continued to look at cost and service efficiencies to better serve the community. In late 2005 the voters approved a reorganization of recreation, including the Springvale Golf and Ballroom, under the newly renamed Department of Community Life Services. Additionally, the Engineering Division was reorganized to have an outside engineering firm as our city engineer. The Waste Water Division is currently under a rate and operational study by an independent consultant. The city is interested in being the most cost effective governmental organization to provide the best services to our taxpayer.

The City is in the final stages of an extensive recreational needs assessment and master plan study. This incorporated input from current recreational users, community residents and stakeholders in recreation. The city has several scenarios of various possibilities that range from a completely new facility to a renovation. The city is looking to partner with others to provide recreation for our residents in the most efficient and cost effective manner for the long term.

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, 2005. 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

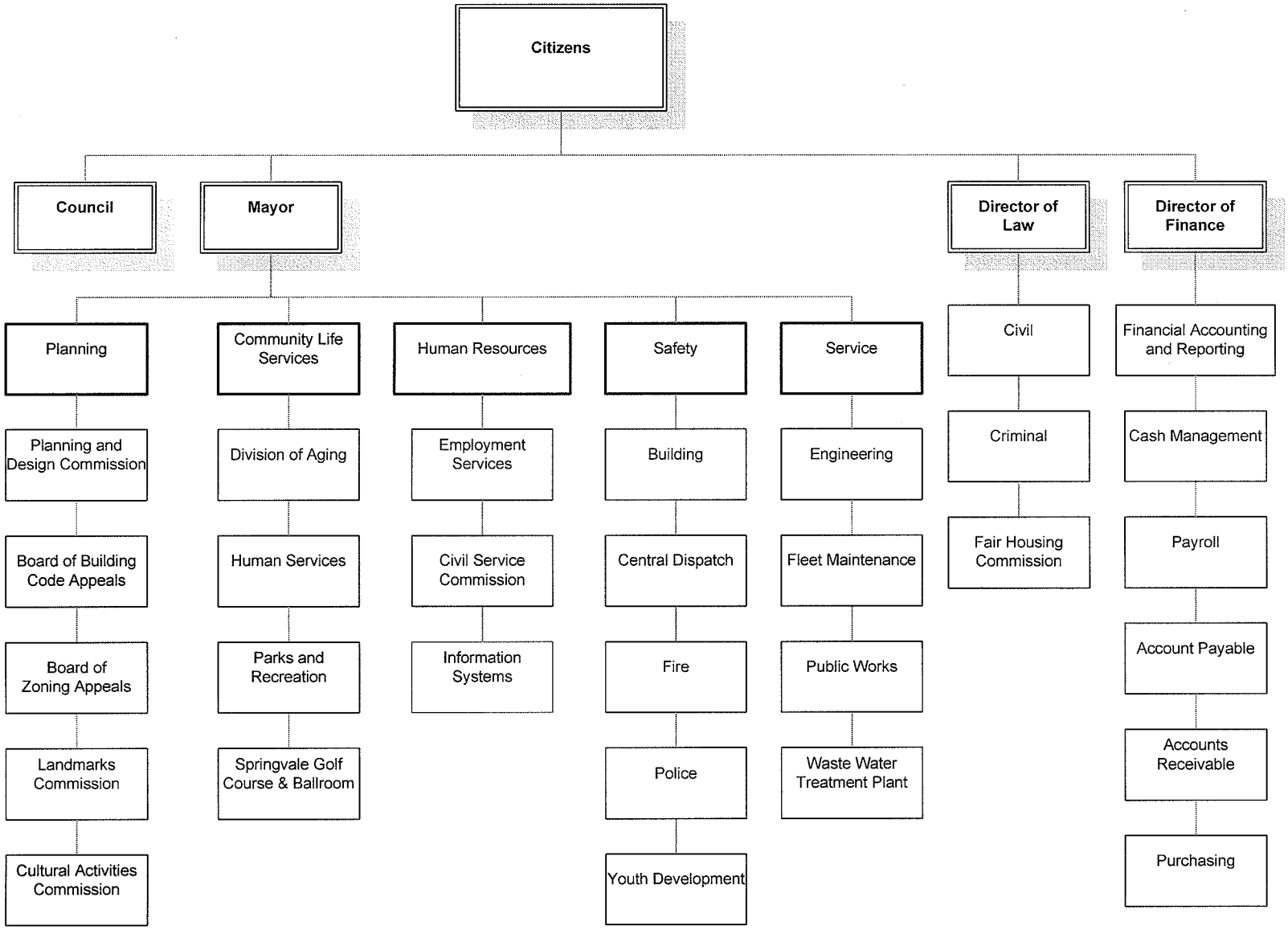
The 2006 Comprehensive Annual Financial Report was prepared by the Finance Department with cooperation from all city departments. We would like to express our appreciation to Ciuni & Panichi, Inc. for their guidance in the preparation of this report.

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


Citizens
Council
Mayor
Director of Law
Director of Finance
Planning
Planning and Design Commission
Board of Building Code Appeals
Board of Zoning Appeals
Landmarks Commission
Cultural Activities Commission
Community Life Services
Division of Aging
Human Services
Parks and Recreation
Springvale Golf Course & Ballroom
Human Resources
Employment Services
Civil Service Commission
Information Systems
Safety
Building
Central Dispatch
Fire
Police
Youth Development
Service
Engineering
Fleet Maintenance
Public Works
Waste Water Treatment Plant
Civil
Criminal
Fair Housing Commission
Financial Accounting and Reporting
Cash Management
Payroll
Account Payable
Accounts Receivable
Purchasing

City of North Olmstead, Ohio

Principal City Officials

December 31, 2006

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
Nicole Dailey Jones	Council Ward 3
Lawrence R. Orlowski	Council Ward 4
Michael R. Gareau, Jr.	Council-At-Large
Paul D. Miller	Council-At-Large
Ronald J. Tallon, Sr.	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, 2005

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.

President

Executive Director

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FINANCIAL SECTION

Ciuni & Panichi
CPAs and Business Advisors

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, 2006, 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'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, as of December 31, 2006, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Permanent Improvement Fund 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, 2006, the City of North Olmsted implemented GASB Statement No. 44, "Economic Condition Reporting", GASB Statement No. 46 "Net Assets Restricted by Enabling Legislation" and GASB Statement No. 47, "Accounting for Termination Benefits".

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2007 on our consideration of the City of North Olmsted'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.

C&P Advisors, LLC
Ciuni & Panichi, Inc.
Joel Strom Associates LLC
National Investor Services, Ltd.

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www.cp-advisors.com
A member of National Associated CPA Firms

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'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 and statistical sections 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.

Ciuni & Panichi, Inc.

Cleveland, Ohio
June 18, 2007

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, 2006. 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 2006 are as follows:

- Total net assets are $63,394,550 at December 31, 2006, which represents a 2.21 percent increase from the prior year.

- Total invested in capital assets, net of related debt of $51,802,586, represents 81.7 percent of total net assets in 2006.

- Total liabilities decreased by $2,071,624 or 2.45 percent decrease from 2005 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.

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 2006. 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 16. 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, Permanent Improvements 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.

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 26 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 31 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 67 of this report.

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 2006 compared to 2005.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Assets						
Current and Other Assets	$ 33,079,091	$ 31,582,956	$ 1,898,147	$ 2,206,255	$ 34,977,238	$ 33,789,211
Capital Assets, Net	78,762,802	79,216,110	32,033,159	33,471,439	110,795,961	112,687,549
Total Assets	111,841,893	110,799,066	33,931,306	35,677,694	145,773,199	146,476,760
Liabilities						
Current Liabilities	13,639,798	12,865,520	369,869	416,143	14,009,667	13,281,663
Long-term Liabilities	48,990,075	50,813,161	19,378,907	20,355,449	68,368,982	70,168,610
Total Liabilities	62,629,873	63,678,681	19,748,776	20,771,592	82,378,649	84,450,273
Net Assets						
Invested in Capital Assets, Net of Related Debt	38,677,759	36,706,457	13,124,827	14,009,805	51,802,586	50,716,262
Restricted	9,206,196	8,246,539	-	-	9,206,196	8,246,539
Unrestricted	1,328,065	2,167,389	1,057,703	896,297	2,385,768	3,063,686
Total Net Assets	$ 49,212,020	$ 47,120,385	$ 14,182,530	$ 14,906,102	$ 63,394,550	$ 62,026,487

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 $63,394,550 as of December 31, 2006. At the end of the current year, the City of North Olmsted is able to report positive balances in all three categories of net assets, both for the government as a whole as well as for its separate governmental and business-type activities.

The largest portion of the City's net assets (81.7 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 2006 decreased by $703,561 or .5 percent when compared to 2005. 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 $2,191,476 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 $1,738,168. Business-type activities capital assets (buildings, improvements other than buildings, machinery and equipment, furniture and fixtures and storm sewer lines) decreased by $1,483,280 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 $2,071,624 from 2005 to 2006. This is primarily from the annual debt service payment at a greater rate than the increase in other liabilities. Therefore, total net assets increased by $1,368,063 from 2005 to 2006.

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.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues						
Program revenues						
Charges for services	$ 3,710,978	$ 4,436,915	$ 7,048,124	$ 8,405,362	$ 10,759,102	$ 12,842,277
Operating grants and contributions	1,802,858	1,717,713	-	-	1,802,858	1,717,713
Capital grants and contributions	3,013,935	922,813	471,157	185,705	3,485,092	1,108,518
Total program revenues	8,527,771	7,077,441	7,519,281	8,591,067	16,047,052	15,668,508
General revenues						
Property taxes and other local taxes	10,701,905	10,354,341	-	-	10,701,905	10,354,341
Municipal income taxes	14,164,807	12,159,878	-	-	14,164,807	12,159,878
Grants and entitlements	3,429,556	3,102,792	-	-	3,429,556	3,102,792
Other	960,480	661,299	-	-	960,480	661,299
Total general revenues	29,256,748	26,278,310	-	-	29,256,748	26,278,310
Total revenues	37,784,519	33,355,751	7,519,281	8,591,067	45,303,800	41,946,818
Program expenses						
General government	4,255,884	4,165,796	-	-	4,255,884	4,165,796
Security of persons and property	14,334,131	13,245,013	-	-	14,334,131	13,245,013
Public health services	549,892	546,222	-	-	549,892	546,222
Transportation	9,899,888	10,358,230	-	-	9,899,888	10,358,230
Basic utility services	1,678,150	1,645,096	-	-	1,678,150	1,645,096
Leisure time activities	2,479,209	2,594,345	-	-	2,479,209	2,594,345
Community environment	16,302	24,843	-	-	16,302	24,843
Economic development	156,942	202,149	-	-	156,942	202,149
Interest	2,320,133	2,344,396	-	-	2,320,133	2,344,396
NOMBL	-	-	42,057	984,208	42,057	984,208
Springvale	-	-	1,451,094	1,480,190	1,451,094	1,480,190
Sewer	-	-	6,752,055	6,900,892	6,752,055	6,900,892
Total program expenses	35,690,531	35,126,090	8,245,206	9,365,290	43,935,737	44,491,380
Change in net assets before transfers	2,093,988	(1,770,339)	(725,925)	(774,223)	1,368,063	(2,544,562)
Transfers	(2,353)	-	2,353	-	-	-
Change in net assets	2,091,635	(1,770,339)	(723,572)	(774,223)	1,368,063	(2,544,562)
Net assets, beginning of year, restated	47,120,385	48,890,724	14,906,102	15,680,325	62,026,487	64,571,049
Net assets, end of year	$ 49,212,020	$ 47,120,385	$ 14,182,530	$ 14,906,102	$ 63,394,550	$ 62,026,487

Governmental Activities

Several revenue sources fund the City's governmental activities. Property and other local taxes contribute 28.3 percent; municipal income taxes contribute 37.5 percent, with the remaining 34.2 percent coming from other sources which include charges for services, grants and entitlements from other governmental entities. Total revenues increased approximately $4,400,000 from 2005 to 2006. The increase of $2,091,122 in capital grants and contributions in 2006 is primarily due to OPWC and ODOT grants. Other revenues increased by $299,181 from increased investment earnings due to higher interest rates for 2006. Property tax revenue increased by $347,564, this was due to an increase in the appraised value done by the Auditor every six years. Income tax revenue increased $2,004,929 due to an increase in net profits filings as individual and withholdings stayed relatively constant.

Overall, total program expenses increased by 1.6 percent over 2005. Despite increases in operating expenses such as wages, benefits, fuel, and utilities, controllable program expenses were efficiently utilized to offset such increases where possible.

Security of persons and property represent 40.2 percent of program expenses. This includes the cost of the police, dispatch, fire and paramedic services. Program expenses increased primarily due to wage and benefit cost increases including excessive overtime costs in fire staffing as a result of numerous disability retirements and time constraints of the civil service requirements on hiring.

Transportation expenses represent 27.7 percent of program expenses. This includes the cost of providing all public works services such as street and storm channel maintenance and improvements, public property maintenance, snow removal and equipment maintenance. Program expenses decreased over the prior year in transportation due to a mild winter season in 2006, which created a decrease in the cost of snow removal.

Leisure time activities represent 6.9 percent of program expenses. This is the cost of operating the recreation center, recreational programs and programs provided to senior citizens. Leisure time activities decreased by 4.4 percent due to operations that were streamlined, which created savings on wages, benefits and outside services.

Interest and fiscal charges on debt service are 6.5 percent of program expenses. They remained relatively constant in 2006.

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 2006 program expenses stayed relatively constant to 2005 as the City is 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 acquisition.

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 16. These funds are accounted for by using the modified accrual basis of accounting.

As of December 31, 2006, the City's governmental funds reported combined ending fund balances of $15,105,930. Of that amount, $12,932,952 constitutes unreserved fund balances, which is available for spending at the government's discretion. The $2,181,978 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 $37,114,542 and expenditures of $49,539,186, leaving a $308,882 current year deficit, after consideration of $12,115,762 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 2006, the general fund had total revenues of $20,472,823 and expenditures of $20,256,976 resulting in an increase in fund balance of $173,111, after consideration of $42,736 in other financing uses, for an ending general fund balance at December 31, 2006 of $3,618,567. General fund revenues exceeded prior year revenues by approximately $1,488,000 and expenditures were approximately $1,282,000 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 2006. 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.

For the general fund, the original budgeted revenues and other financing sources were $18,891,975. The final budgeted revenues and other financing sources were $19,158,575. The City actually received

$20,303,351 in 2006. The excess came primarily from greater than anticipated revenues of $510,000 in municipal income taxes, $466,000 of intergovernmental revenues and investment income of approximately $200,000. The original appropriations for the general fund were $20,704,320. The final appropriations, including other financing uses, were $20,898,743. 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 2006. The City's actual expenditures ended $570,100 below the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

	Governmental Activities		Business-Type Activities		Totals	
	2006	2005	2006	2005	2006	2005
Land	$ 3,705,055	$ 3,705,055	$ 2,626,357	$ 2,626,357	$ 6,331,412	$ 6,331,412
Construction in progress	2,434,079	843,140	-	-	2,434,079	843,140
Other non-depreciable assets	23,000	23,000	-	-	23,000	23,000
Land improvements	588,351	638,624	877,789	935,932	1,466,140	1,574,556
Buildings and improvements	12,984,724	13,540,166	8,355,351	8,742,147	21,340,075	22,282,313
Furniture and fixtures	427,429	184,121	-	-	427,429	184,121
Vehicles and equipment	2,622,271	2,038,380	13,028,493	13,743,096	15,650,764	15,781,476
Infrastructure	55,977,893	58,243,624	7,145,169	7,423,907	63,123,062	65,667,531
Total capital assets	$ 78,762,802	$ 79,216,110	$ 32,033,159	$ 33,471,439	$ 110,795,961	$ 112,687,549

Total capital assets net of depreciation of the City's governmental activities as of December 31, 2006, were $78,762,802, which was $453,308 lower than December 31, 2005. The most significant increase was in construction in progress of $1,590,939 mainly for the construction of the fire station offset by a decrease in infrastructure ($2,265,731) due to depreciation expense. Business type activities capital assets decreased by $1,438,280 over 2005 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, 2006, the City of North Olmsted had $68,368,982 in total debt outstanding with $7,560,314 due within one year.

	Governmental Activities		Business-Type Activities		Totals	
	2006	2005	2006	2005	2006	2005
General obligation bonds	$ 43,600,143	$ 35,635,000	$ 16,945,688	$ 17,440,000	$ 60,545,831	$ 53,075,000
Special assessment bonds	320,000	390,000	-	-	320,000	390,000
OWDA loan	-	-	662,621	712,161	662,621	712,161
OPWC loans	95,288	108,899	1,173,000	1,303,334	1,268,288	1,412,233
Police pension	104,434	106,825	-	-	104,434	106,825
Long-term notes	-	9,860,000	-	315,000	-	10,175,000
Compensated absences	4,807,455	4,696,683	592,887	578,815	5,400,342	5,275,498
Capital leases	62,755	15,754	4,711	6,139	67,466	21,893
Total	$ 48,990,075	$ 50,813,161	$ 19,378,907	$ 20,355,449	$ 68,368,982	$ 71,168,610

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 and fire station 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 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 $54,817,637 at December 31, 2006. 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 2006. The City's 2007 budget includes the continued high costs of fuel, utilities, healthcare benefits and wage increases. The City considered restructuring where it made sense operationally. The revenues are budgeted similar to 2006 actual results, after consideration to any operational or legislative changes. The City's local economy has continued to lag behind the state and national economy. Some uncertainty exists as the six union contracts expire in 2007. The City is confident with its limited resources any wage increases will correspond to a reduction in wage and benefit costs and an increase in operational efficiencies.

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.

City of North Olmsted, Ohio

Statement of Net Assets

December 31, 2006

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	North Olmsted Commission on Paratransit, Inc.
Assets:				
Equity in pooled cash and cash equivalents	$ 12,896,747	$ 1,507,893	$ 14,404,640	$ 36,170
Interest receivable	41,055	-	41,055	-
Accounts receivable	157,739	-	157,739	6,222
Internal balances	1,335,449	(1,335,449)	-	-
Intergovernmental receivable	2,827,220	1,388,595	4,215,815	19,993
Materials and supplies inventory	317,893	135,140	453,033	-
Prepaid items	113,171	82,465	195,636	-
Municipal income taxes receivable	3,337,618	-	3,337,618	-
Taxes receivable - property and other	11,577,452	-	11,577,452	-
Special assessments receivable	320,000	-	320,000	-
Unamortized bond issuance costs	154,747	119,503	274,250	
Non-depreciable capital assets	6,162,134	2,626,357	8,788,491	-
Depreciable assets, net	72,600,668	29,406,802	102,007,470	-
Total assets	111,841,893	33,931,306	145,773,199	62,385
Liabilities:				
Accounts and contracts payable	824,043	154,038	978,081	900
Accrued salaries and benefits	38,091	32,012	70,103	1,394
Intergovernmental payable	866,305	101,280	967,585	8,992
Matured compensated absences	145,784	-	145,784	-
Unearned revenue	11,196,286	-	11,196,286	-
Retainage payable	100,180	-	100,180	-
Accrued interest payable	173,522	82,539	256,061	-
Claims payable	295,587	-	295,587	-
Long term liabilities:				
Due within one year	5,977,210	1,583,104	7,560,314	-
Due in more than one year	43,012,865	17,795,803	60,808,668	-
Total liabilities	62,629,873	19,748,776	82,378,649	11,286
Net assets:				
Invested in capital assets, net of related debt	38,677,759	13,124,827	51,802,586	-
Restricted for:				
Debt service	3,063,298	-	3,063,298	-
Capital projects	1,724,072	-	1,724,072	-
Community development	71,779	-	71,779	-
Highways and streets	2,587,209	-	2,587,209	-
Public safety	487,065	-	487,065	-
Recreation	51,999	-	51,999	-
Other purposes	1,220,774	-	1,220,774	-
Unrestricted	1,328,065	1,057,703	2,385,768	51,099
Total net assets	$ 49,212,020	$ 14,182,530	$ 63,394,550	$ 51,099

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, 2006

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants Interest and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 4,255,884	$ 1,377,673	$ 10,550	$ -
Security of persons and property	14,334,131	919,841	69,342	47,834
Public health and welfare	549,892	17,076	63,097	-
Transportation	9,899,888	234,374	1,576,013	2,966,101
Basic utility services	1,678,150	10,379	-	-
Leisure time activities	2,479,209	1,132,666	75,495	-
Community environment	16,302	-	8,361	-
Economic development	156,942	18,969	-	-
Interest and fiscal charges	2,320,133	-	-	-
Total governmental activities	35,690,531	3,710,978	1,802,858	3,013,935
Business-type activities:				
NOMBL	42,057	31,277	-	-
Springvale golf course and ballroom	1,451,094	1,311,244	-	-
Sewer revenue	6,752,055	5,705,603	-	471,157
Total business – type activities	8,245,206	7,048,124	-	471,157
Total primary government	$ 43,935,737	$ 10,759,102	$ 1,802,858	$ 3,485,092
Component Unit				
North Olmsted Commission on Paratransit, Inc.	$ 240,408	$ 45,066	$ 193,668	$ 3,200

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

Transfers
  - Total general revenues and transfers

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.
$ (2,867,661)	$ -	$ (2,867,661)	$ -
(13,297,114)	-	(13,297,114)	-
(469,719)	-	(469,719)	-
(5,123,400)	-	(5,123,400)	-
(1,667,771)	-	(1,667,771)	-
(1,271,048)	-	(1,271,048)	-
(7,941)		(7,941)	
(137,973)	-	(137,973)	-
(2,320,133)	-	(2,320,133)	-
(27,162,760)	-	(27,162,760)	-
-	(10,780)	(10,780)	-
-	(139,850)	(139,850)	-
-	(575,295)	(575,295)	-
-	(725,925)	(725,925)	-
(27,162,760)	(725,925)	(27,888,685)	-
-	-	-	1,526
5,540,417	-	5,540,417	-
938,463	-	938,463	-
234,587	-	234,587	-
234,588	-	234,588	-
3,753,850	-	3,753,850	-
9,708,699	-	9,708,699	-
2,229,843	-	2,229,843	-
2,226,265	-	2,226,265	-
3,429,556		3,429,556	-
917,948	-	917,948	-
42,532	-	42,532	-
29,256,748	-	29,256,748	-
(2,353)	2,353	-	-
29,254,395	2,353	29,256,748	-
2,091,635	(723,572)	1,368,063	1,526
47,120,385	14,906,102	62,026,487	49,573
$ 49,212,020	$ 14,182,530	$ 63,394,550	$ 51,099

City of North Olmsted, Ohio

Balance Sheet
Governmental Funds

December 31, 2006

	General	Permanent Improvements	General Obligation Retirement
Assets:			
Equity in pooled cash and cash equivalents	$ 1,971,985	$ 842,829	$ 218,017
Income taxes receivable	2,336,320	500,649	-
Taxes receivable - property and other	5,779,878	-	2,977,525
Special assessments receivable	-	-	-
Intergovernmental receivable	1,408,211	388,947	157,132
Interest receivable	1,986		14,820
Accounts receivable	67,055	-	-
Interfund receivable	306,483	-	1,208,969
Materials and supplies inventory	317,893	-	-
Prepaid items	85,883	-	-
Total assets	$ 12,275,694	$ 1,732,425	$ 4,576,463
Liabilities and fund balances:			
Liabilities:			
Accounts and contracts payable	$ 138,412	$ 30,351	$ -
Retainage payable	-	7,053	-
Accrued wages and benefits	26,094	-	-
Matured compensated absences	145,784	-	-
Intergovernmental payable	801,934	-	-
Interfund payable	-	-	-
Unearned revenue	7,544,903	557,599	3,134,657
Total liabilities	8,657,127	595,003	3,134,657
Fund balances:			
Reserved for encumbrances	64,773	74,875	-
Unreserved, reported in:			
General fund	3,553,794	-	-
Special revenue funds	-	1,062,547	-
Debt service funds	-	-	1,441,806
Capital projects funds	-	-	-
Total fund balances	3,618,567	1,137,422	1,441,806
Total liabilities and fund balances	$ 12,275,694	$ 1,732,425	$ 4,576,463

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

Fire Construction	Nonmajor Governmental Funds	Total Governmental Funds
$ 2,590,295	$ 6,444,093	$ 12,067,219
-	500,649	3,337,618
-	2,820,049	11,577,452
-	320,000	320,000
-	872,930	2,827,220
24,249	-	41,055
-	90,684	157,739
-	2,371	1,517,823
-	-	317,893
-	27,288	113,171
$ 2,614,544	$ 11,078,064	$ 32,277,190
$ 390,535	$ 264,745	$ 824,043
76,281	16,846	100,180
-	11,997	38,091
-	-	145,784
-	64,371	866,305
-	25,547	25,547
-	3,934,151	15,171,310
466,816	4,317,657	17,171,260
1,848,765	193,565	2,181,978
-	-	3,553,794
-	3,371,054	4,433,601
-	1,621,492	3,063,298
298,963	1,574,296	1,873,259
2,147,728	6,760,407	15,105,930
$ 2,614,544	$ 11,078,064	$ 32,277,190

City of North Olmsted, Ohio

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

December 31, 2006

Total governmental fund balances		$ 15,105,930
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.		78,762,802
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property and other taxes	$ 363,474	
Municipal income taxes	1,136,901	
Intergovernmental	2,088,648	
Special assessments	320,000	
Miscellaneous	66,001	
Total		3,975,024
In the Statement of Activities, interest is accrued on outstanding long-term obligations, whereas in governmental funds, an interest expenditure is reported when due.		(173,522)
In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditures is reported when bonds are issued.		154,747
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds.		
Loans payable	(95,288)	
Police past service cost	(104,434)	
General obligation bonds	(43,600,143)	
Special assessment bonds	(320,000)	
Capital leases	(62,755)	
Compensated absences	(4,807,455)	
Total		(48,990,075)
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		533,941
Internal balances		(156,827)
Net assets of governmental activities		$ 49,212,020

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, 2006

	General	Permanent Improvements	General Obligation Bond Retirement
Revenues:			
Property and other local taxes	$ 5,259,403	$ -	$ 2,590,462
Municipal income taxes	9,601,751	2,055,730	-
Charges for services	1,122,218	-	-
Fines, licenses and permits	1,088,351	-	-
Intergovernmental	2,971,173	1,161,407	294,617
Special assessments	-	-	-
Investment income	423,226	-	262,446
Miscellaneous income	6,701	-	-
Total revenues	20,472,823	3,217,137	3,147,525
Expenditures:			
Current:			
General government	3,858,464	-	-
Security of persons and property	13,186,513	-	-
Public health and welfare	479,857	-	-
Transportation	2,582,346	2,781,371	-
Basic utility services	-	-	-
Leisure time activities	(1,432)	-	-
Community environment	-	-	-
Economic development	141,818	-	-
Debt service:			
Principal	2,390	3,880,000	4,971,612
Interest and fiscal charges	7,020	100,273	1,512,906
Bond issuance costs	-	75,018	84,039
Total expenditures	20,256,976	6,836,662	6,568,557
Excess (deficiency) of revenues over expenditures	215,847	(3,619,525)	(3,421,032)
Other financing sources (uses):			
Sale of capital assets	19,110	-	-
Inception of capital leases	52,298	-	-
Transfers – in	25,000	-	1,323,558
Transfers – out	(139,144)	(1,243,468)	(350,474)
Long-term notes issued	-	500,000	-
General obligation bonds issued	-	4,955,018	10,719,982
Premium on bonds	-	-	193,434
Payment on refunded bond escrow agent	-	-	(9,192,533)
Total other financing sources (uses)	(42,736)	4,211,550	2,693,967
Net change in fund balances	173,111	592,025	(727,065)
Fund balances, beginning of year	3,445,456	545,397	2,168,871
Fund balances, end of year	$ 3,618,567	$ 1,137,422	$ 1,441,806

The accompanying notes are an integral part of these financial statements

Fire Construction	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ 2,893,872	$ 10,743,737
-	2,059,308	13,716,789
-	1,308,073	2,430,291
-	238,497	1,326,848
-	3,304,408	7,731,605
-	70,000	70,000
172,918	59,358	917,948
-	170,623	177,324
172,918	10,104,139	37,114,542
-	306,552	4,165,016
1,732,912	1,359,839	16,279,264
-	63,618	543,475
-	2,399,402	7,763,119
-	1,690,898	1,690,898
-	2,264,816	2,263,384
-	15,029	15,029
-	13,352	155,170
-	5,155,000	14,009,002
-	704,960	2,325,159
-	170,613	329,670
1,732,912	14,144,079	49,539,186
(1,559,994)	(4,039,940)	(12,424,644)
-	1,010	20,120
-	11,484	63,782
-	510,068	1,858,626
-	(127,893)	(1,860,979)
-	-	500,000
-	11,555,000	27,230,000
-	465,193	658,627
-	(7,161,881)	(16,354,414)
-	5,252,981	12,115,762
(1,559,994)	1,213,041	(308,882)
3,707,722	5,547,366	15,414,812
$ 2,147,728	$ 6,760,407	$ 15,105,930

City of North Olmsted, Ohio

Reconciliation of the Statement of Revenues Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities

For The Year Ended December 31, 2006

Net change in fund balances - total governmental funds		$ (308,882)
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.		
Capital outlay	$ 6,899,071	
Depreciation expense	(6,492,118)	
Total		406,953
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.		(860,261)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Municipal income taxes	448,018	
Property and other local taxes	(41,832)	
Charges for services	(11,484)	
Special assessments	(70,000)	
Intergovernmental	345,275	
Total		669,977
Issuance of notes is an other financing source in the funds, but increase long-term liabilities in the Statement of Net Assets		(500,000)
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		(63,782)
Other financing sources in the governmental funds increase long-term liabilities in the Statement of Net Assets.		
General obligation bonds issued	(27,230,000)	
Premium on bonds issued	(658,627)	
Total		(27,888,627)

(Continued)

City of North Olmsted, Ohio

Reconciliation of the Statement of Revenues Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities (continued)

For The Year Ended December 31, 2006

Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		
General obligation bonds	19,348,000	
Special assessment bonds	70,000	
OPWC street loan	13,611	
Police pension liability	2,391	
Long – term notes	10,360,000	
Capital leases	16,781	
Loss on refunding	569,414	
Total		30,380,197
In the Statement of Activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued.		165,481
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Accrued interest on bonds	173,879	
Amortization of premium	43,103	
Amortization of loss on refunding	(37,033)	
Amortization of issuance costs	(10,734)	
Total		169,215
Some expenses reported in the Statement of Activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(110,772)
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	37,921	
Internal balances	(5,785)	
Total		32,136
Change in net assets of governmental activities		$ 2,091,635

The accompanying notes are an integral part of these financial statements

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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Municipal income taxes	$ 8,820,000	$ 8,820,000	$ 9,330,073	$ 510,073
Property and other taxes	5,351,942	5,351,942	5,259,403	(92,539)
Charges for services	1,250,500	1,247,500	1,282,497	34,997
Licenses and permits	875,275	925,275	972,944	47,669
Fines and forfeitures	232,000	232,000	191,032	(40,968)
Intergovernmental revenue	2,123,258	2,289,258	2,755,544	466,286
Investment income	190,000	243,600	443,580	199,980
Other revenue	19,000	19,000	24,168	5,168
Total revenues	18,861,975	19,128,575	20,259,241	1,130,666
Expenditures:				
Current:				
General government	4,059,589	4,053,027	3,884,714	168,313
Security of persons and property	12,740,338	12,804,803	12,564,649	240,154
Public health and welfare	518,362	519,054	485,847	33,207
Transportation	3,230,132	3,232,826	3,111,133	121,693
Economic development	155,899	149,889	143,156	6,733
Total expenditures	20,704,320	20,759,599	20,189,499	570,100
Excess (deficiency) of revenues over expenditures	(1,842,345)	(1,631,024)	69,742	1,700,766
Other financing sources (uses):				
Sales of capital assets	5,000	5,000	19,110	14,110
Transfers - in	25,000	25,000	25,000	-
Transfers - out	-	(139,144)	(139,144)	-
Total other financing sources (uses)	30,000	(109,144)	(95,034)	14,110
Net change in fund balance	(1,812,345)	(1,740,168)	(25,292)	1,714,876
Prior year encumbrances	89,909	89,909	89,909	-
Fund balance, beginning of year	1,748,713	1,748,713	1,748,713	-
Fund balance, end of year	$ 26,277	$ 98,454	$ 1,813,330	$ 1,714,876

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

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

For The Year Ended December 31, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Municipal income taxes	$ 1,885,000	$ 1,885,000	$ 1,997,512	$ 112,512
Intergovernmental revenue	1,767,036	1,767,036	20,036	(1,747,000)
Total revenues	3,652,036	3,652,036	2,017,548	(1,634,488)
Expenditures:				
Current:				
Transportation	3,931,062	3,961,768	2,056,664	1,905,104
Debt service:				
Principal	3,880,000	3,880,000	3,880,000	-
Interest	100,273	100,273	100,273	-
Issue fees	75,018	75,018	75,018	-
Total expenditures	7,986,353	8,017,059	6,111,955	1,905,104
Excess (deficiency) of revenues over expenditures	(4,334,317)	(4,365,023)	(4,094,407)	270,616
Other Financing sources (uses):				
Issuance of notes	500,000	500,000	500,000	-
Issuance of bonds	4,955,018	4,955,018	4,955,018	-
Advances - out	-	(397,071)	(397,071)	-
Transfers - out	(1,640,539)	(1,243,468)	(1,243,468)	-
Total other financing sources (uses)	3,814,479	3,814,479	3,814,479	-
Net change in fund balance	(519,838)	(550,544)	(279,928)	270,616
Prior year encumbrances	535,710	535,710	535,710	-
Fund balance, beginning of year	446,438	446,438	446,438	-
Fund balance, end of year	$ 462,310	$ 431,604	$ 702,220	$ 270,616

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, 2006

	Business-Type Activities - Enterprise Funds				Governmental Activities
	NOMBL	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Fund
Assets:					
Current assets:					
Equity in pooled cash and equivalents	$ 626,505	$ 15,787	$ 865,601	$ 1,507,893	$ 829,528
Intergovernmental receivable	-	-	1,388,595	1,388,595	-
Materials and supplies inventory	-	8,589	126,551	135,140	-
Prepaid items	-	12,250	70,215	82,465	-
Total current assets	626,505	36,626	2,450,962	3,114,093	829,528
Noncurrent assets:					
Unamortized bond issuance costs	-	49,615	69,888	119,503	-
Non-depreciable capital assets	372,084	2,254,273	-	2,626,357	-
Depreciable capital assets, net	-	3,383,051	26,023,751	29,406,802	-
Total noncurrent assets	372,084	5,686,939	26,093,639	32,152,662	-
Total assets	998,589	5,723,565	28,544,601	35,266,755	829,528
Liabilities:					
Current:					
Accounts and contracts payable	-	13,545	140,493	154,038	-
Accrued salaries, wages and benefits	-	1,738	30,274	32,012	-
Due to other governments	218	13,775	87,287	101,280	-
Interfund payable	-	1,370,511	121,765	1,492,276	-
Accrued interest payable	-	20,951	61,588	82,539	-
Claims payable	-	-	-	-	295,587
Accrued leave benefits	-	16,454	218,206	234,660	-
General obligation bond payable	-	285,000	880,000	1,165,000	-
OWDA loans payable	-	-	51,602	51,602	-
OPWC loans payable	-	-	130,337	130,337	-
Capital leases payable	-	-	1,505	1,505	-
Total current liabilities	218	1,721,974	1,723,057	3,445,249	295,587
Long-term liabilities:					
Accrued leave benefits	-	31,458	326,769	358,227	-
General obligation bonds payable	-	5,109,928	10,670,760	15,780,688	-
OWDA loans payable	-	-	611,019	611,019	-
OPWC loans payable	-	-	1,042,663	1,042,663	-
Capital leases payable	-	-	3,206	3,206	-
Total long-term liabilities	-	5,141,386	12,654,417	17,795,803	-
Total liabilities	218	6,863,360	14,377,474	21,241,052	295,587
Net assets:					
Invested in capital assets, net of related debt	372,084	107,324	12,645,419	13,124,827	-
Unrestricted (deficit)	626,287	(1,247,119)	1,521,708	900,876	533,941
Total net assets (deficit)	$ 998,371	$ (1,139,795)	$ 14,167,127	14,025,703	$ 533,941

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: 156,827

Net assets business-type activities $ 14,182,530

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, 2006

	Business-Type Activities - Enterprise Funds				Governmental Activities
	NOMBL	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Fund
Operating revenues:					
Charges for services	$ 31,277	$ 1,311,244	$ 5,705,603	$ 7,048,124	$ 2,904,753
Operating expenses:					
Salaries	8,018	361,597	1,892,630	2,262,245	-
Benefits	375	110,401	784,956	895,732	-
Contractual services	20,506	270,157	1,526,264	1,816,927	-
Supplies and materials	-	244,149	449,504	693,653	-
Other operating	13,158	-	-	13,158	388,462
Claims	-	-	-	-	2,478,370
Depreciation	-	195,076	1,456,784	1,651,860	-
Total operating expenses	42,057	1,181,380	6,110,138	7,333,575	2,866,832
Operating income (loss)	(10,780)	129,864	(404,535)	(285,451)	37,921
Non-operating revenues (expenses):					
Interest and fiscal charges	-	(270,087)	(647,329)	(917,416)	-
Income (loss) before contributions and transfers	(10,780)	(140,223)	(1,051,864)	(1,202,867)	37,921
Capital contributions	-	-	471,157	471,157	-
Transfers – in	-	-	2,353	2,353	-
Change in net assets	(10,780)	(140,223)	(578,354)	(729,357)	37,921
Net assets (deficit), beginning of year	1,009,151	(999,572)	14,745,481		496,020
Net assets (deficit), end of year	$ 998,371	$ (1,139,795)	$ 14,167,127		$ 533,941

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:	5,785
Change in net assets business-type activities	$ (723,572)

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Cash Flows
Proprietary Fund Types

For The Year Ended December 31, 2006

	Business-Type Activities - Enterprise Funds				Governmental Activities
	NOMBL	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Fund
Cash flows from operating activities					
Receipts from customers and users	$ 31,277	$ 1,311,268	$ 5,703,994	$ 7,046,539	$ 2,904,753
Receipts from interfund services provided	-	-	-	-	(388,462)
Cash payments for goods and services	(26,768)	(37,202)	(1,335,070)	(1,399,040)	-
Cash paid to suppliers for materials and supplies	-	(243,434)	(460,559)	(703,993)	-
Cash payments for employee services and benefits	(32,698)	(463,432)	(2,651,248)	(3,147,378)	-
Cash paid for claims	-	-	-	-	(2,472,095)
Other operating expenses	(13,158)	-	(191,147)	(204,305)	-
Net cash provided by (used for) operating activities	(41,347)	567,200	1,065,970	1,591,823	44,196
Cash flows from capital and related financing activities:					
Acquisition of capital assets	-	(18,500)	(195,080)	(213,580)	-
Tap-in fees	-	-	471,157	471,157	-
Capital leases principal paid	-	-	(1,428)	(1,428)	-
Interest paid on capital leases	-	-	(288)	(288)	-
Proceeds from general obligation bonds	-	3,992,000	6,983,000	10,975,000	-
Premium from general obligation bonds	-	84,670	138,564	223,234	-
Note principal paid	-	-	(315,000)	(315,000)	-
Loan principal paid – OPWC	-	-	(130,334)	(130,334)	-
Loan principal paid – OWDA	-	-	(49,540)	(49,540)	-
General obligation bonds principal paid	-	(277,000)	(815,000)	(1,092,000)	-
Payment to refunded bond escrow agent	-	(4,023,747)	(6,584,954)	(10,608,701)	-
Bond issuance costs	-	(52,923)	(74,547)	(127,470)	-
Interest paid	-	(260,462)	(628,503)	(888,965)	-
Net cash used for capital and related financing activities:	-	(555,962)	(1,201,953)	(1,757,915)	-
Net increase (decrease) in cash and cash equivalents	(41,347)	11,238	(135,983)	(166,092)	44,196
Cash and cash equivalents, beginning of year	667,852	4,549	1,001,584	1,673,985	785,332
Cash and cash equivalents, end of year	$ 626,505	$ 15,787	$ 865,601	$ 1,507,893	$ 829,528

(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, 2006

	Business-Type Activities - Enterprise Funds				Governmental Activities
	NOMBL	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	$ (10,780)	$ 129,864	$ (404,535)	$ (285,451)	$ 37,921
Adjustments:					
Depreciation	-	195,076	1,456,784	1,651,860	-
(Increase) decrease in assets and increase (decrease) in liabilities:					
Materials and supplies inventory	-	(1,201)	19,058	17,857	-
Intergovernmental receivable	-	-	(1,611)	(1,611)	-
Prepaid items	-	(856)	(4,641)	(5,497)	-
Accounts and contracts payable	(6,261)	3,107	(31,587)	(34,741)	-
Accrued salaries and benefits	-	1,026	2,246	3,272	-
Intergovernmental payable	(24,306)	243	23,325	(738)	-
Interfund payable	-	232,800	-	232,800	-
Claims payable	-	-	-		6,275
Accrued leave benefits	-	7,141	6,931	14,072	-
Net cash provided by (used in) operating activities	$ (41,347)	$ 567,200	$ 1,065,970	$ 1,591,823	$ 44,196

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Fiduciary Assets and Liabilities
Agency Fund

December 31, 2006

Assets:		
Equity in pooled cash and cash equivalents	$	464,688
Liabilities:		
Accounts payable	$	3,200
Deposits held and due to others		461,488
Total liabilities	$	464,688

The accompanying notes are an integral part of these financial statements

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.

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 20.

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 17 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.

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:

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.

Permanent Improvements Fund – The permanent improvements fund accounts for 15 percent of the municipal income tax receipts and expenditures for the permanent improvement of streets and the storm sewer system.

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.

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.

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, 2006, but which were levied to finance year 2007 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.

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 category level (salaries, benefits, materials and supplies, contractual services, capital outlay, etc). 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.

Note 2: Summary of Significant Accounting Policies (continued)

F. Pooled Cash and Cash Equivalents (continued)

During 2006, investments were limited to repurchase agreements, non negotiable certificates of deposit, United States Government Obligations, Money Market Savings accounts and federally backed agency securities.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue for 2006 consisted of:

	Actual Interest Credited	From (To) Other City Funds
General	$ 443,580	$ 331,707
Special Revenue Funds:		
Endowment and Grant	43	(7,548)
Senior Center	1,036	(1,718)
Debt Service Funds:		
General Obligation Bond Retirement	249,426	219,894
Capital Project Funds:		
Library Construction	31,191	(21,525)
Fire Construction	157,259	(29,200)
All others	-	(491,610)
	$ 882,535	$ -

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 expended/expensed when used. Inventory consists of expendable supplies.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2006 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.

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:

Description	Estimated Lives
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.

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 government-wide statement of net assets reports $9,206,196 of restricted net assets, none of which is restricted by enabling legislation. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

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. Bond Issuance Costs

Bond issuance costs for underwriting fees and bond insurance for the various purpose general obligation bonds are being amortized using the straight-line method over the life of the bonds on the government-wide statements and in the City's enterprise funds. The straight-line method of amortization is not materially different from the effective-interest method.

Q. Deferred Loss on Refunding

The difference between the reacquisition price (funds required to refund the old debt) of various refunding bonds and the net carrying amount of the old debt, the deferred amount (loss) on refunding, is being amortized as a component of interest expense. This accounting loss is amortized over the remaining life of the new debt and is presented net of general obligation bonds payable on the statement of net assets.

R. Bond Premiums

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an increase of the face amount of the general obligation bonds payable. On fund financial statements, bond premiums are receipted in the year the bonds are issued.

S. 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.

T. 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.

Note 2: Summary of Significant Accounting Policies (continued)

U. 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.

V. 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.

W. 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 2005 financial statements in order to conform to the 2006 presentation.

Note 3: Change in Accounting Principles and Restatement of Net Assets

A. Change in Accounting Principles

For fiscal year 2006, the City implemented GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section", GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation" and GASB Statement No. 47, "Accounting for Termination Benefits". GASB Statement No. 44 improves the understandability and usefulness of the information that the State and local governments present as supplementary information in the statistical section. GASB Statement No. 46 clarifies when net assets should be restricted based on enabling legislation. GASB Statement No. 47 provides guidance to governmental employers for measuring, recognizing, and reporting liabilities and expenses/expenditures related to all termination benefits without limitation as to the period of time during which the benefits are offered.

The implementation of GASB Statements No. 46 and No. 47 did not affect the presentation of the financial statements of the City.

B. Restatement of Net Assets

Understatement of accrued compensated absences had the following effect on net assets at December 31, 2005:

Net assets, December 31, 2005	$ 47,457,606
Restatement of accrued compensated absences	(337,221)
Restated net assets, December 31, 2005	$ 47,120,385

Note 4: Accountability and Compliance

A. Accountability

The Springvale Golf Course and Ballroom Fund deficit of $1,139,795 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.

B. Compliance

The following fund had final appropriations in excess of the final estimated resources plus available balances for 2006, contrary to Ohio Revised Code, Section 5705.39:

	Estimated Resources	Appropriations	Excess
Debt service funds:			
General obligation bond retirement	$ 9,156,598	$ 18,272,528	$ 9,115,930
Library bond retirement	1,414,084	8,058,155	6,644,071
Enterprise funds:			
Springvale golf course and ballroom	1,399,763	10,583,652	9,183,889
Sewer revenue	7,220,428	13,792,483	6,572,055

Although these budgetary violations were not corrected by year end, management has indicated that in the future if and when the City has a bond refunding transaction, the certificate of estimated resources will be properly adjusted to reflect the receipt of the monies from the sale of the refunding bonds by the bond trustee that is used to pay off the refunded debt when it is due.

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).

Note 5: Budgetary Basis of Accounting (continued)

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

Net Change in Fund Balance	General	Permanent Improvements
GAAP basis	$ 173,111	$ 592,025
Increase (decrease) due to:		
Revenue accruals	(265,880)	(1,199,589)
Expenditure accruals	226,132	468,245
Outstanding encumbrances	(158,655)	(140,609)
Budget basis	$ (25,292)	$ (279,928)

Note 6: Deposits and Investments

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.

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.

Note 6: Deposits and Investments (continued)

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.

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.

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.

Note 6: Deposits and Investments (continued)

Deposits (continued)

At year-end, the carrying amount of the City's deposits was $13,415,640 and the bank balance was $13,938,328. Of the bank balance $544,464 was covered by Federal depository insurance and $13,393,864 was uninsured and collateralized with securities held by the pledging institution's trust department, not in the City's name.

Investments

Investments are reported at fair value. As of December 31, 2006, the city had the following investment:

	Fair Value	Weighted Average Maturity (Days)
Federal National Mortgage Association	$ 1,453,688	158

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 of an outside party. The securities underlying the repurchase agreements are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that requires securities shall be delivered into the custody of the finance director or governing board or an agent designated by the finance director or governing board. 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.

Note 6: Deposits and Investments (continued)

Investments (continued)

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board 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, 2006:

Investment Issuer	Percentage of Investments
Federal National Mortgage Association	100%

Note 7: Receivables

Receivables at December 31, 2006, 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 $250,000 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 2006 for real and public utility property taxes represents collections of the 2005 taxes. Property tax payments received during 2006 for tangible personal property (other than public utility property) are for 2006 taxes.

2006 real property taxes are levied after October 1, 2006, on the assessed value as of January 1, 2006, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2006 real property taxes are collected in and intended to finance 2007.

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. 2006 public utility property taxes which became a lien December 31, 2005, are levied after October 1, 2006, and are collected in 2007 with real property taxes.

Tangible personal property used in business (except for public utilities) is currently assessed for *ad valorem* taxation purposes at 25 percent of its true value. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2006 is 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

Note 7: Receivables (continued)

A. Property Taxes (continued)

2006 tangible personal property taxes are levied after October 1, 2005, on the values as of December 31, 2005. Collections are made in 2006. 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, 2006, was $13.30 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2006 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		49,409,433
Total valuation	$	871,003,233

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 statue 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, 2006 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 fire station bond retirement debt service funds; the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2006 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. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file an annual return.

Note 7: Receivables (continued)

B. Income Taxes (continued)

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:

		Amount
Governmental activities		
Local government	$	798,670
Homestead and rollback		517,821
Gasoline tax		536,000
Estate tax		122,466
CAT tax reimbursement		35,530
Public utility reimbursement		55,686
Permissive tax		11,897
Court fines		16,825
Auto registration		15,531
North Olmsted City School District		15,108
Cuyahoga County grant		387,064
RTA		250,000
Liquor fees		2,542
Miscellaneous		5,676
OPWC grant		52,500
Prisoner care reimbursement		3,904
Total governmental activities		2,827,220
Business-type activities		
Sewer charges		1,305,133
City of Fairview Park		83,462
Total business-type activities		1,388,595
Total	$	4,215,815

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 $83,462 has been recorded on the statement of net assets.

Note 8: Capital Assets

A summary of changes in capital assets during 2006 follows:

	Balance 12/31/05	Additions	Disposals	Balance 12/31/06
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 3,705,055	$ -	$ -	$ 3,705,055
Art	23,000	-	-	23,000
Construction in progress	843,140	2,099,248	(508,309)	2,434,079
Total capital assets not being depreciated	4,571,195	2,099,248	(508,309)	6,162,134
Capital assets, being depreciated:				
Land improvements	942,804	-	-	942,804
Building and improvements	23,724,627	50,131	-	23,774,758
Furniture and fixtures	385,967	309,388	-	695,355
Vehicles and equipment	8,326,926	1,057,726	(296,064)	9,088,588
Infrastructure:				
Roads	123,152,322	3,890,887	(2,068,604)	124,974,605
Bridges and culverts	3,101,565	-	-	3,101,565
Total capital assets, being depreciated	159,634,211	5,308,132	(2,364,668)	162,577,675
Less accumulated depreciation:				
Land improvements	(304,180)	(50,273)	-	(354,453)
Buildings and improvements	(10,184,461)	(605,573)	-	(10,790,034)
Furniture and fixtures	(201,846)	(66,080)	-	(267,926)
Vehicles and equipment	(6,288,546)	(457,319)	279,548	(6,466,317)
Infrastructure:				
Roads	(66,787,280)	(5,238,618)	1,224,859	(70,801,039)
Bridges and culverts	(1,222,983)	(74,255)	-	(1,297,238)
Total accumulated depreciation	(84,989,296)	(6,492,118)	1,504,407	(89,977,007)
Total capital assets, being depreciated, net	74,644,915	(1,183,986)	(860,261)	72,600,668
Total governmental capital assets, net	$ 79,216,110	$ 915,262	$ (1,368,570)	$ 78,762,802

Note 8: Capital Assets (continued)

	Balance 12/31/05	Additions	Disposals	Balance 12/31/06
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 2,626,357	$ -	$ -	$ 2,626,357
Capital assets, being depreciated:				
Land improvements	1,170,155	-	-	1,170,155
Buildings and improvements	23,144,665	57,588	-	23,202,253
Furniture and fixtures	23,058	-	-	23,058
Vehicles and equipment	34,698,266	155,992	(72,017)	34,782,241
Sanitary sewer lines	14,064,897	-	-	14,064,897
Total capital assets, being depreciated	73,101,041	213,580	(72,017)	73,242,604
Less accumulated depreciation:				
Land improvements	(234,223)	(58,143)	-	(292,366)
Buildings and improvements	(14,402,518)	(444,384)	-	(14,846,902)
Furniture and fixtures	(23,058)	-	-	(23,058)
Vehicles and equipment	(20,955,170)	(870,595)	72,017	(21,753,748)
Sanitary sewer lines	(6,640,990)	(278,738)	-	(6,919,728)
Total accumulated depreciation	(42,255,959)	(1,651,860)	72,017	(43,835,802)
Total capital assets, being depreciated, net	30,845,082	(1,438,280)	-	29,406,802
Total business – type capital assets, net	$ 33,471,439	$ (1,438,280)	$ -	$ 32,033,159

Depreciation expense was charged to governmental functions as follows:

General government	$ 333,228
Security of persons and property	406,970
Transportation	5,461,231
Leisure time activities	290,689
Total	$ 6,492,118

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) 222-5601 or (800) 222-7377.

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9.0 percent of their annual covered salaries. The City's contribution rate for pension benefits for 2006 was 13.70 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 16.93 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, 2006, 2005, and 2004 were $769,226, $868,705, and $905,483 respectively; 85 percent has been contributed for 2006 and 100 percent for 2005 and 2004. Contributions to the member-directed plan for 2005 were $2,718 made by the City of North Olmsted and $1,785 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.

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 19.50 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 $453,211 and $527,483 for the year ended 2006, $433,315 and $499,112 for the year ended December 31, 2005, and $249,513 and $286,103 for the year ended December 31, 2004. The full amount has been contributed for 2005 and 2004. 73 percent for police and 73 percent for firefighters has been contributed for 2006 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, 2006, the unfunded liability of the City was $104,434 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 2006 employer contribution rate was 13.70 percent of covered payroll; 4.5 percent was the portion that was used to fund health care.

Note 10: Postemployment Benefits (continued)

A. Ohio Public Employees Retirement System (continued)

Benefits are advance-funded using the individual entry age normal actuarial cost method. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.50 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 increases, over and above the 4.0 percent base increase, were assumed to range from 0.50 percent to 6.30 percent. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.50 percent to 6.00 percent for the next nine years. In subsequent years (10 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, not to exceed a 12.00 percent corridor.

At December 31, 2006, the number of active contributing participants in the Traditional and Combined Plans totaled 369,214. The number of active contributing participants for both plans used in the December 31, 2005, actuarial valuation was 358,804. The City's actual contributions for 2006, which were used to fund postemployment benefits, were $376,308. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were $11.1 billion. The actuarially accrued liability and the unfounded actuarially accrued liability were $31.3 billion and $20.2 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. OPERS took additional actions to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

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.

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 19.50 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 2006 that were used to fund postemployment benefits were $298,383 for police and $251,665 for firefighters. The OP&F's total health care expense for the year ended December 31, 2005, (the latest information available) was $108,039,449, which was net of member contributions of $55,271,881. The number of OP&F participants eligible to receive health care benefits as of December 31, 2005, was 13,922 for police and 10,537 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 2006, 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 $295,587 as estimated by the third party administrator and reported in the Hospitalization internal service fund at December 31, 2006, 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.

Note 11: Risk Management (continued)

Changes in the funds claims liability amount in 2006 and 2005 were as follows:

	2006	2005
Unpaid claims, beginning of year	$ 289,312	$ 329,297
Incurred claims	2,478,370	2,368,605
Claims payments	(2,472,095)	(2,408,590)
Unpaid claims, end of year	$ 295,587	$ 289,312

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:

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
Governmental activities:				
General obligation bonds				
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	3.30-5.125	2,305,000
Refunding, series 2001	2001	2012	3.15-5.0	7,652,000
Various purpose refunding, series 2006	2006	2021	4.00-4.25	9,120,000
Library improvements refunding	2006	2020	4.00-5.25	6,795,000
Fire station improvement bonds	2006	2025	4.00-4.25	3,990,000
Capital improvements bonds	2006	2021	4.00-4.375	7,325,000
Special assessment bonds - Industrial Park Road	1990	2010	6.00-7.25	1,010,000
OPWC street loan	1994	2014	0	272,240
Long-term bond anticipation notes	2005	2006	3.15-3.75	9,860,000
Police pension	1968	2031	4.25	272,250
Business-type activities:				
General obligation bonds				
Various purpose, series 1996	1996	2021	3.70-6.20	20,550,000
Various purpose, series 2000	2000	2020	4.50-5.375	1,195,000
Golf course improvements	2001	2021	3.30-5.125	2,500,000
Various purpose and golf course improvements refunding, series 2006	2006	2021	4.00-4.25	10,525,000
Capital improvement bonds	2006	2021	4.00-4.375	450,000
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	2005	2006	3.15	315,000

Note 12: Long-Term Obligations (continued)

Changes in long-term obligations during the year ended December 31, 2006, consisted of the following:

	Restated Balance 12/31/05	Increase	Decrease	Balance 12/31/06	Amounts Due in One Year
Governmental activities:					
General obligation bonds:					
Various purpose bonds 1996	$ 15,700,000	$ -	$ 8,990,000	$ 6,710,000	$ 1,285,000
Various purpose bonds 2000	3,545,000	-	1,330,000	2,215,000	520,000
Various purpose bonds 2001	1,825,000	-	935,000	890,000	135,000
Various purpose bonds refunding	-	9,120,000	43,000	9,077,000	19,000
Premium on various purpose bonds	-	193,434	12,090	181,344	-
Loss on refunding	-	(222,532)	(13,908)	(208,624)	-
Total various purpose bonds	21,070,000	9,090,902	11,296,182	18,864,720	1,959,000
Library improvements	9,165,000	-	7,245,000	1,920,000	450,000
Library improvements refunding	-	6,795,000	25,000	6,770,000	5,000
Premium on library improvements bonds	-	465,193	31,013	434,180	-
Loss on refunding	-	(346,882)	(23,125)	(323,757)	-
Total library improvements bonds	9,165,000	6,913,311	7,277,888	8,800,423	455,000
Refunding 2001	5,400,000	-	700,000	4,700,000	740,000
Capital improvements bonds	-	7,325,000	-	7,325,000	721,000
Fire station improvement bonds	-	3,990,000	80,000	3,910,000	140,000
Total general obligation bonds	35,635,000	27,319,213	19,354,070	43,600,143	4,015,000
Special assessment bonds:					
Industrial Park Road	390,000	-	70,000	320,000	70,000
OPWC street loan	108,899	-	13,611	95,288	13,614
Police pension liability	106,825	-	2,391	104,434	2,493
Long – term notes	9,860,000	500,000	10,360,000	-	-
Capital leases	15,754	63,782	16,781	62,755	19,825
Compensated absences payable	4,696,683	985,955	875,183	4,807,455	1,856,278
Total governmental activities	$ 50,813,161	$ 28,868,950	$ 30,692,036	$ 48,990,075	$ 5,977,210
Business – type activities:					
General obligation bonds:					
Various purpose bonds 1996	$ 14,360,000	$ -	$ 9,165,000	$ 5,195,000	$ 920,000
Various purpose bonds 2000	920,000	-	625,000	295,000	70,000
Golf course improvements	2,160,000	-	1,505,000	655,000	100,000
Various purpose and golf course improvements bonds refunding	-	10,525,000	52,000	10,473,000	26,000
Unamortized premium	-	223,234	13,952	209,282	-
Unamortized loss	-	(353,700)	(22,106)	(331,594)	-
Total various purpose and golf course improvements bonds	17,440,000	10,394,534	11,338,846	16,495,688	1,116,000
Capital improvement bonds	-	450,000	-	450,000	49,000
Total general obligation bonds	17,440,000	10,844,534	11,338,846	16,945,688	1,165,000
OWDA sanitary sewer loan	712,161	-	49,540	662,621	51,602
OPWC sanitary sewer loan	1,303,334	-	130,334	1,173,000	130,337
Long – term notes	315,000	-	315,000	-	-
Capital leases	6,139	-	1,428	4,711	1,505
Compensated absences payable	578,815	190,374	176,302	592,887	234,660
Total business – type activities	$ 20,355,449	$ 11,034,908	$ 12,011,450	$ 19,378,907	$ 1,583,104

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 are generally 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.

On June 13, 2006, the City issued $6,795,000 in general obligation bonds for the purpose of refunding a portion of library improvement general obligation bonds in order to take advantage of lower interest rates. An analysis of the information follows:

	2001 Library Improvements
Outstanding at December 31, 2005	$ 9,165,000
Amount refunded	(6,815,000)
Principal payment on non-refunded portion	(430,000)
Outstanding at December 31, 2006	$ 1,920,000

The bonds were sold at a premium of $465,193. Proceeds of $7,161,882 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the library improvement general obligation bonds. As a result, $6,815,000 of these bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the City's financial statements.

The City decreased its total debt service payments by $259,527 as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old and new debt service payments) of $198,197.

Note 12: Long-Term Obligations (continued)

On June 13, 2006, the City issued $9,120,000 for the purpose of refunding various general obligation issues in order to take advantage of lower interest rates. An analysis of the improvement follows:

	1996 Various Purpose	2000 Various Purpose	2001 Various Purpose
Outstanding at December 31, 2005	$ 15,700,000	$ 3,545,000	$ 1,825,000
Amount refunded	(7,335,000)	(835,000)	(800,000)
Principal payment on non-refunded portion	(1,655,000)	(495,000)	(135,000)
Outstanding at December 31, 2006	$ 6,710,000	$ 2,215,000	$ 890,000

The bonds were sold at a premium of $193,434. Proceeds of $9,192,533 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the library improvement general obligation bonds. As a result, $8,970,000 of these bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the City's financial statements.

The City decreased its total debt service payments by $445,628 as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old and new debt service payments) of $355,063.

On June 13, 2006, the City issued $10,525,000 for the purpose of refunding various general obligation and golf course improvements issues in order to take advantage of lower interest rates. An analysis of the improvement follows:

	1996 Various Purpose	2000 Various Purpose	2001 Golf Course Improvements
Outstanding at December 31, 2005	$ 14,360,000	$ 920,000	$ 2,160,000
Amount refunded	(8,285,000)	(560,000)	(1,410,000)
Principal payment on non-refunded portion	(880,000)	(65,000)	(95,000)
Outstanding at December 31, 2006	$ 5,195,000	$ 295,000	$ 655,000

The bonds were sold at a premium of $223,234. Proceeds of $10,608,701 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the library improvement general obligation bonds. As a result, $10,255,000 of these bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the City's financial statements.

The City decreased its total debt service payments by $364,604 as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old and new debt service payments) of $290,506.

Note 12: Long-Term Obligations (continued)

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, 2006, $4,655,000 of bonds outstanding are considered to be defeased.

The City's overall legal debt margin was $54,871,637 at December 31, 2006. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2006, are as follows:

	Governmental Activities				
	General Obligation Bonds		Special Assessments		OPWC Loans
Year	Principal	Interest	Principal	Interest	Principal
2007	$ 4,015,000	$ 2,044,718	$ 70,000	$ 23,200	$ 13,614
2008	4,131,000	1,864,518	75,000	18,125	13,613
2009	4,270,500	1,667,840	85,000	12,688	13,613
2010	4,259,500	1,462,153	90,000	3,263	13,613
2011	3,829,000	1,252,013	-	-	13,613
2012-2016	15,921,000	3,865,297	-	-	27,222
2017-2021	5,961,000	497,629	-	-	-
2022-2025	1,130,000	56,500	-	-	-
Totals	$ 43,517,000	$ 12,710,668	$ 320,000	$ 57,276	$ 95,288

	Governmental Activities		Total	
	Police Pension		Governmental Activities	
Year	Principal	Interest	Principal	Interest
2007	$ 2,493	$ 4,412	$ 4,101,107	$ 2,072,330
2008	2,600	4,305	4,222,213	1,886,948
2009	2,712	4,193	4,371,825	1,684,721
2010	2,828	4,077	4,365,941	1,469,493
2011	2,950	3,956	3,845,563	1,255,969
2012-2016	16,763	17,765	15,964,985	3,883,062
2017-2021	20,685	13,842	5,981,685	511,471
2022-2026	25,526	9,001	1,155,526	65,501
2027-2031	27,877	3,031	27,877	3,031
Totals	$ 104,434	$ 64,582	$ 44,036,722	$ 12,832,526

	Business-Type Activities			
	General Obligation Bonds		OWDA Loans	
Year	Principal	Interest	Principal	Interest
2007	$ 1,165,000	$ 826,665	$ 51,602	$ 26,774
2008	1,234,000	769,642	53,750	24,626
2009	1,304,500	698,395	55,987	22,389
2010	1,375,500	622,847	58,317	20,058
2011	1,386,000	542,800	60,745	17,631
2012-2016	8,104,000	1,639,871	343,823	45,356
2017-2021	2,499,000	320,892	38,397	791
Totals	$ 17,068,000	$ 5,421,112	$ 662,621	$ 157,625

Note 12: Long-Term Obligations (continued)

Year	Business-Type Activities OPWC Loans Principal	Total Business-Type Activities Principal	Total Business-Type Activities Interest
2007	$ 130,337	$ 1,346,939	$ 853,439
2008	130,334	1,418,084	794,268
2009	130,334	1,490,821	720,783
2010	130,333	1,564,150	642,906
2011	130,333	1,577,078	560,431
2012-2016	521,329	8,969,152	1,685,227
2017-2021	-	2,537,397	321,683
Totals	$ 1,173,000	$ 18,903,621	$ 5,578,737

Note 13: 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 $96,673. Accumulated depreciation as of December 31, 2006 for machinery and equipment was $9,864, leaving a current book value of $86,809 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, 2006.

Year	Governmental Activities	Business-Type
2007	$ 22,860	$ 1,716
2008	22,860	1,716
2009	22,732	1,667
Total minimum lease payments	68,452	5,099
Less: amount representing interest	(5,697)	(388)
Present value of minimum lease payments	$ 62,755	$ 4,711

Note 14: 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.

Note 15: Construction and Other Significant Commitments

At December 31, 2006, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
Street improvements	$ 400,000	$ -	$ 400,000
Sewer rate study	69,750	21,505	48,245
Fire station #2	3,665,641	1,767,710	1,897,931
Building improvements	370,786	233,096	137,690
Total	$ 4,506,177	$ 2,022,311	$ 2,483,866

Note 16: Interfund Transfers and Balances

Interfund transfers for the year ended December 31, 2006 consisted of the following:

	Transfer From				
Transfer to:	General Fund	Permanent Improvements Fund	General Obligation Bond Retirement Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ -	$ -	$ 25,000	$ 25,000
General Obligation Bond Retirement Fund	-	1,243,468	-	80,090	1,323,558
Nonmajor Governmental Funds	139,144	-	348,121	22,803	510,068
Sewer Revenue Fund	-	-	2,353	-	2,353
	$ 139,144	$ 1,243,468	$ 350,474	$ 127,893	$ 1,860,979

The transfers to the General Obligation Bond Retirement Fund and Fire Station Bond Retirement Fund were made for the payment of debt. The transfers to the Causality Loss Fund, CDBG Fund and Fair Capacity Housing Fund and were to help pay operating and capital expenses. The transfer from the Economic Development Fund to the General Fund was made to reimburse the General Fund for the wages required to meet the reporting and compliance requirements for the TIRC and CRA agreements. The transfer from the STOP Fund to the General Fund was made to reimburse the General Fund for the prosecutor's wages, which were needed to collect on citations issued through the STOP program.

Note 16: Interfund Transfers and Balances (continued)

As of December 31, 2006, interfund balances were as follows:

	Due from:			
	Nonmajor Governmental Funds	Springvale Course and Ballroom Fund	Sewer Fund	Total
Due to:				
General Fund	$ 18,828	$ 165,890	$ 121,765	$ 306,483
General Obligation Bond Retirement Fund	4,348	1,204,621	-	1,208,969
Non – Major Governmental Funds	2,371	-	-	2,371
	$ 25,547	$ 1,370,511	$ 121,765	$ 1,517,823

The General Obligation Bond Retirement Debt Service Fund loaned the 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 loan from the General Fund to the Community Development Grant Fund was to help pay operating expenses. Corporate Activity Tax receipts from the State of Ohio were not receipted properly. This was corrected in January 2007 and an interfund receivable and payable were created in the financial statements in order to properly reflect intergovernmental revenue for 2006.

Note 17: 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 2006, the City contributed $66,854. 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

Note 17: Jointly Governed Organizations (continued)

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 18: 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 19: Subsequent Events

On April 4, 2007, the City issued $1,560,000 in capital improvement and equipment notes for the purposes of improving certain designated City streets and acquiring and installing telecommunications equipment related software. The capital improvement and equipment notes are to mature in April 2008 have an interest rate of 3.9 percent.

On May 9, 2007, the City issued $112,000 in capital improvement bonds for the purpose of purchasing equipment and making improvements at the Springvale Golf Course and Ballroom.

Note 20: 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.

Note 20: Component Unit (continued)

A. Summary of Significant Accounting Policies (continued)

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 indicated that such income is to be available for the general purposes of the N.O.C.O.P. At December 31, 2006, 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, 2006, accounts receivable were reported at $6,222 and intergovernmental receivables were reported at $19,993.

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.

Note 20: Component Unit (continued)

A. Summary of Significant Accounting Policies (continued)

A summary of the component unit's capital assets at December 31, 2006, follows:

Capital assets being depreciated:

Vehicles	$	89,811
Less accumulated depreciation		(89,811)
Net	$	-

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 $36,070 and the bank balance was $40,513, 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, 2006

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 Tax 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.

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.

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.

Fair Capacity Housing Fund - Accounts for revenue and expenditures related to the Housing and Urban Development (HUD) Fair Capacity Housing Grant.

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, 2006

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, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	$ 3,014,827	$ 1,637,039	$ 1,792,227	$ 6,444,093
Income taxes receivable	500,649	-	-	500,649
Taxes receivable – property and other	1,593,995	1,226,054	-	2,820,049
Special assessments receivable	-	320,000	-	320,000
Intergovernmental receivable	759,229	61,201	52,500	872,930
Accounts receivable	90,684	-	-	90,684
Interfund receivable	2,371	-	-	2,371
Prepaid items	27,288	-	-	27,288
Total assets	$ 5,989,043	$ 3,244,294	$ 1,844,727	$ 11,078,064
Liabilities and fund balances:				
Liabilities:				
Accounts and contracts payable	$ 160,936	$ -	$ 103,809	$ 264,745
Retainage payable	-	-	16,846	16,846
Accrued wages and benefits	11,997	-	-	11,997
Intergovernmental payable	64,371	-	-	64,371
Interfund payable	10,000	15,547	-	25,547
Unearned revenue	2,326,896	1,607,255	-	3,934,151
Total liabilities	2,574,200	1,622,802	120,655	4,317,657
Fund balances:				
Reserved for encumbrances	43,789	-	149,776	193,565
Unreserved, reported in:				
Special revenue funds	3,371,054	-	-	3,371,054
Debt service funds	-	1,621,492	-	1,621,492
Capital projects funds	-	-	1,574,296	1,574,296
Total fund balances	3,414,843	1,621,492	1,724,072	6,760,407
Total liabilities and fund balances	$ 5,989,043	$ 3,244,294	$ 1,844,727	$ 11,078,064

City of North Olmsted, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds

For the Year Ended December 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and other local taxes	$ 1,716,404	$ 1,177,468	$ -	$ 2,893,872
Municipal income taxes	2,059,308	-	-	2,059,308
Charges for services	1,308,073	-	-	1,308,073
Fines, licenses and permits	236,947	-	1,550	238,497
Intergovernmental	1,739,970	126,772	1,437,666	3,304,408
Special assessments	-	70,000	-	70,000
Investment income	1,079	29,049	29,230	59,358
Miscellaneous income	170,623	-	-	170,623
Total revenues	7,232,404	1,403,289	1,468,446	10,104,139
Expenditures:				
Current:				
General government	57,864	-	248,688	306,552
Security of persons and property	1,297,401	-	62,438	1,359,839
Public health and welfare	63,618	-	-	63,618
Transportation	940,222	-	1,459,180	2,399,402
Basic utility services	1,690,898	-	-	1,690,898
Leisure time activities	2,223,653	-	41,163	2,264,816
Community environment	-	-	15,029	15,029
Economic development	13,352	-	-	13,352
Debt service:				
Principal	550,000	4,605,000	-	5,155,000
Interest and fiscal charges	16,665	688,295	-	704,960
Bond issuance costs	10,000	150,613	10,000	170,613
Total expenditures	6,863,673	5,443,908	1,836,498	14,144,079
Excess (deficiency) of revenues over expenditures	368,731	(4,040,619)	(368,052)	(4,039,940)
Other financing sources (uses):				
Sale of capital assets	1,010	-	-	1,010
Inception of capital leases	11,484	-	-	11,484
Transfers – in	154,508	348,121	7,439	510,068
Transfers – out	(82,547)	-	(45,346)	(127,893)
General obligation bonds issued	560,000	10,855,000	140,000	11,555,000
Premium on bonds	-	465,193	-	465,193
Payment on refunded bond escrow agent	-	(7,161,881)	-	(7,161,881)
Total other financing sources (uses)	644,455	4,506,433	102,093	5,252,981
Net change in fund balances	1,013,186	465,814	(265,959)	1,213,041
Fund balances, beginning of year	2,401,657	1,155,678	1,990,031	5,547,366
Fund balances, end of year	$ 3,414,843	$ 1,621,492	$ 1,724,072	$ 6,760,407

City of North Olmsted, Ohio

Combining Balance Sheet
Non-Major Special Revenue Funds

December 31, 2006

	Casualty Loss	CDBG	Alcohol Education	Economic Development	FEMA
Assets:					
Equity in pooled cash and cash equivalents	$ 37,700	$ 16,797	$ 10,099	$ 63,125	$ 7,848
Income taxes receivable	-	-	-	-	-
Taxes receivable – property and other	-	-	-	-	-
Intergovernmental receivable	-	-	160	-	-
Accounts receivable	428	-	-	-	-
Interfund receivable	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	$ 38,128	$ 16,797	$ 10,259	$ 63,125	$ 7,848
Liabilities and fund balances:					
Liabilities:					
Accounts and contracts payable	$ 16	$ 3,352	$ -	$ -	$ -
Accrued wages and benefits	-	-	-	-	-
Due to other governments	-	-	-	-	-
Interfund payable	-	10,000	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	16	13,352	-	-	-
Fund balances:					
Reserved for encumbrances	-	-	-	18,070	-
Unreserved (deficit)	38,112	3,445	10,259	45,055	7,848
Total fund balances	38,112	3,445	10,259	63,125	7,848
Total liabilities and fund balances	$ 38,128	$ 16,797	$ 10,259	$ 63,125	$ 7,848

Motor Vehicle License Tax	Recreation	Clague Park	Hotel/ Motel Tax	Emergency Medical Services	State Highway	Street Maintenance
$ 177,129	$ 92,984	$ 3,065	$ 268,394	$ 2,773	$ 255,558	$ 886,239
-	-	-	-	-	-	-
-	1,050,883	-	17,694	-	-	-
111,000	55,713	-	-	-	41,165	510,372
-	-	-	90,088	-	-	-
-	1,581	-	-	-	-	-
-	27,288	-	-	-	-	-
$ 288,129	$ 1,228,449	$ 3,065	$ 376,176	$ 2,773	$ 296,723	$ 1,396,611
$ 70,291	$ 71,656	$ -	$ 1,047	$ -	$ 9,604	$ 1,674
-	6,319	-	-	-	-	5,267
-	38,741	-	-	-	-	14,350
-	-	-	-	-	-	-
75,308	1,106,596	-	66,001	-	26,438	328,744
145,599	1,223,312	-	67,048	-	36,042	350,035
4,500	14,826	-	120	-	-	5,548
138,030	(9,689)	3,065	309,008	2,773	260,681	1,041,028
142,530	5,137	3,065	309,128	2,773	260,681	1,046,576
$ 288,129	$ 1,228,449	$ 3,065	$ 376,176	$ 2,773	$ 296,723	$ 1,396,611

(Continued)

City of North Olmsted, Ohio

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

December 31, 2006

	Solid Waste Management	Community Diversion	Drug Enforcement	Endowment and Grant	Fair Capacity Housing
Assets:					
Equity in pooled cash and cash equivalents	$ 727,531	$ 6,253	$ 5,365	$ 140,893	$ 96,239
Income taxes receivable	500,649	-	-	-	-
Taxes receivable – property and other	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Accounts receivable	-	-	-	168	-
Interfund receivable	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	$ 1,228,180	$ 6,253	$ 5,365	$ 141,061	$ 96,239
Liabilities and fund balances:					
Liabilities:					
Accounts and contracts payable	$ 450	$ 149	$ -	$ -	$ 200
Accrued wages and benefits	-	184	-	-	-
Intergovernmental payable	2,343	711	-	-	712
Interfund payable	-	-	-	-	-
Unearned revenue	170,535	-	-	-	-
Total liabilities	173,328	1,044	-	-	912
Fund balances:					
Reserved for encumbrances	-	60	-	515	-
Unreserved (deficit)	1,054,852	5,149	5,365	140,546	95,327
Total fund balances	1,054,852	5,209	5,365	141,061	95,327
Total liabilities and fund balances	$ 1,228,180	$ 6,253	$ 5,365	$ 141,061	$ 96,239

Fire Pension	Law Enforcement	Stop Program	Police Pension	Senior Center	Title III	Total
$ -	$ 61,842	$ 86,918	$ -	$ 46,294	$ 21,781	$ 3,014,827
-	-	-	-	-	-	500,649
262,709	-	-	262,709	-	-	1,593,995
13,928	-	9,177	13,928	-	3,786	759,229
-	-	-	-	-	-	90,684
395	-	-	395	-	-	2,371
-	-	-	-	-	-	27,288
$ 277,032	$ 61,842	$ 96,095	$ 277,032	$ 46,294	$ 25,567	$ 5,989,043
$ -	$ -	$ -	$ -	$ 2,497	$ -	$ 160,936
-	-	-	-	-	227	11,997
-	-	7,035	-	-	479	64,371
-	-	-	-	-	-	10,000
276,637	-	-	276,637	-	-	2,326,896
276,637	-	7,035	276,637	2,497	706	2,574,200
-	-	-	-	150	-	43,789
395	61,842	89,060	395	43,647	24,861	3,371,054
395	61,842	89,060	395	43,797	24,861	3,414,843
$ 277,032	$ 61,842	$ 96,095	$ 277,032	$ 46,294	$ 25,567	$ 5,989,043

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, 2006

	Casualty Loss	CDBG	Alcohol Education	Economic Development	FEMA
Revenues:					
Property and other local taxes	$ -	$ -	$ -	$ -	$ -
Municipal income taxes	-	-	-	-	-
Charges for services	36,284	-	-	9,100	-
Fines, licenses and permits	-	-	2,570	-	-
Intergovernmental	-	8,361	-	-	6,283
Investment income	-	-	-	-	-
Miscellaneous income	-	-	-	9,869	-
Total revenues	36,284	8,361	2,570	18,969	6,283
Expenditures:					
Current:					
General government	17,553	-	-	-	-
Security of persons and property	10,859	-	317	-	339,751
Public health and welfare	-	-	-	-	-
Transportation	4,855	-	-	-	6,283
Basic utility services	-	-	-	-	-
Leisure time activities	-	12,284	-	-	-
Economic development	-	10,047	-	3,305	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Total expenditures	33,267	22,331	317	3,305	346,034
Excess (deficiency) of revenues over expenditures	3,017	(13,970)	2,253	15,664	(339,751)
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	-
Inception of capital leases	-	-	-	-	-
Transfers – in	20,000	15,363	-	-	-
Transfers – out	-	-	-	(5,000)	-
General obligation bonds issued	-	-	-	-	-
Total other financing sources (uses)	20,000	15,363	-	(5,000)	-
Net change in fund balance	23,017	1,393	2,253	10,664	(339,751)
Fund balances (deficit), beginning of year	15,095	2,052	8,006	52,461	347,599
Fund balances, end of year	$ 38,112	$ 3,445	$ 10,259	$ 63,125	$ 7,848

Motor Vehicle License Tax	Recreation	Clague Park	Hotel/ Motel Tax	Emergency Medical Services	State Highway	Street Maintenance
$ -	$ 941,983	$ -	$ 303,429	$ -	$ -	$ -
-	-	-	-	-	-	-
-	1,093,670	-	121,050	-	-	-
-	-	-	-	-	-	-
221,561	107,133	-	2,990	-	95,709	1,180,403
-	-	-	-	-	-	-
-	32,605	-	-	-	-	-
221,561	2,175,391	-	427,469	-	95,709	1,180,403
-	-	-	-	-	-	-
-	-	-	220,296	-	-	-
-	-	-	-	-	-	-
143,179	-	-	-	-	25,457	760,448
-	-	-	-	-	-	-
-	2,106,698	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	550,000	-	-	-
-	-	-	16,665	-	-	-
-	-	-	10,000	-	-	-
143,179	2,106,698	-	796,961	-	25,457	760,448
78,382	68,693	-	(369,492)	-	70,252	419,955
-	1,010	-	-	-	-	-
-	11,484	-	-	-	-	-
-	-	-	-	-	-	-
-	(31,423)	-	(26,124)	-	-	-
-	-	-	560,000	-	-	-
-	(18,929)	-	533,876	-	-	-
78,382	49,764	-	164,384	-	70,252	419,955
64,148	(44,627)	3,065	144,744	2,773	190,429	626,621
$ 142,530	$ 5,137	$ 3,065	$ 309,128	$ 2,773	$ 260,681	$ 1,046,576

(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, 2006

	Solid Waste Management	Community Diversion	Drug Enforcement	Endowment and Grant	Fair Capacity Housing
Revenues:					
Property and other local taxes	$ -	$ -	$ -	$ -	$ -
Municipal income taxes	2,059,308	-	-	-	-
Charges for services	-	8,602	-	-	-
Fines, licenses and permits	-	-	2,496	-	-
Intergovernmental	20,036	18,000	-	-	-
Investment income	-	-	-	43	-
Miscellaneous income	-	-	-	122,284	-
Total revenues	2,079,344	26,602	2,496	122,327	-
Expenditures:					
Current:					
General government	-	-	-	16,493	23,818
Security of persons and property	-	-	-	19,377	-
Public health and welfare	-	31,765	-	620	-
Transportation	-	-	-	-	-
Basic utility services	1,690,898	-	-	-	-
Leisure time activities	-	-	-	61,996	-
Economic development	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Total expenditures	1,690,898	31,765	-	98,486	23,818
Excess (deficiency) of revenues over expenditures	388,446	(5,163)	2,496	23,841	(23,818)
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	-
Inception of capital leases	-	-	-	-	-
Transfers – in	-	-	-	-	119,145
Transfers – out	-	-	-	-	-
General obligation bonds issued	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	119,145
Net change in fund balances	388,446	(5,163)	2,496	23,841	95,327
Fund balances (deficit), beginning of year	666,406	10,372	2,869	117,220	-
Fund balances, end of year	$ 1,054,852	$ 5,209	$ 5,365	$ 141,061	$ 95,327

Fire Pension	Law Enforcement	Stop Program	Police Pension	Senior Center	Title III	Total
$ 235,496	$ -	$ -	$ 235,496	$ -	$ -	$ 1,716,404
-	-	-	-	-	-	2,059,308
-	-	-	-	30,893	8,474	1,308,073
-	1,307	227,824	-	2,750	-	236,947
26,784	-	-	26,784	-	25,926	1,739,970
-	-	-	-	1,036	-	1,079
-	-	-	-	5,865	-	170,623
262,280	1,307	227,824	262,280	40,544	34,400	7,232,404
-	-	-	-	-	-	57,864
263,705	1,711	177,679	263,706	-	-	1,297,401
-	-	-	-	-	31,233	63,618
-	-	-	-	-	-	940,222
-	-	-	-	-	-	1,690,898
-	-	-	-	42,675	-	2,223,653
-	-	-	-	-	-	13,352
-	-	-	-	-	-	550,000
-	-	-	-	-	-	16,665
-	-	-	-	-	-	10,000
263,705	1,711	177,679	263,706	42,675	31,233	6,863,673
(1,425)	(404)	50,145	(1,426)	(2,131)	3,167	368,731
-	-	-	-	-	-	1,010
-	-	-	-	-	-	11,484
-	-	-	-	-	-	154,508
-	-	(20,000)	-	-	-	(82,547)
-	-	-	-	-	-	560,000
-	-	(20,000)	-	-	-	644,455
(1,425)	(404)	30,145	(1,426)	(2,131)	3,167	1,013,186
1,820	62,246	58,915	1,821	45,928	21,694	2,401,657
$ 395	$ 61,842	$ 89,060	$ 395	$ 43,797	$ 24,861	$ 3,414,843

City of North Olmsted, Ohio

Combining Balance Sheet
Non-Major Debt Service Funds

December 31, 2006

	Library Bond Retirement	Sewer Bond Retirement	Special Assessment Bond Retirement	Fire Station Bond Retirement	Total
Assets:					
Equity in pooled cash and cash equivalents	$ 541,055	$ 616,579	$ 94,068	$ 385,337	$ 1,637,039
Taxes receivable – property and other	875,759	-	-	350,295	1,226,054
Special assessments receivable	-	-	320,000	-	320,000
Intergovernmental receivable	43,835	-	-	17,366	61,201
Total assets	$ 1,460,649	$ 616,579	$ 414,068	$ 752,998	$ 3,244,294
Liabilities and fund balances:					
Liabilities:					
Interfund payable	$ 11,403	$ -	$ -	$ 4,144	$ 15,547
Unearned revenue	919,594	-	320,000	367,661	1,607,255
Total liabilities	930,997	-	320,000	371,805	1,622,802
Fund balances:					
Unreserved	529,652	616,579	94,068	381,193	1,621,492
Total liabilities and fund balances	$ 1,460,649	$ 616,579	$ 414,068	$ 752,998	$ 3,244,294

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, 2006

	Library Bond Retirement	Sewer Bond Retirement	Special Assessment Bond Retirement	Fire Station Bond Retirement	Total
Revenues:					
Property and other local taxes	$ 863,483	$ -	$ -	$ 313,985	$ 1,177,468
Intergovernmental	85,357	10,379	-	31,036	126,772
Special assessments	-	-	70,000	-	70,000
Investment income	-	-	29,049	-	29,049
Total revenues	948,840	10,379	99,049	345,021	1,403,289
Expenditures:					
Debt service:					
Principal	455,000	-	70,000	4,080,000	4,605,000
Interest and fiscal charges	422,153	-	30,755	235,387	688,295
Bond issuance costs	94,051	-	-	56,562	150,613
Total expenditures	971,204	-	100,755	4,371,949	5,443,908
Excess (deficiency) of revenues over expenditures	(22,364)	10,379	(1,706)	(4,026,928)	(4,040,619)
Other financing sources (uses):					
Transfers – in	-	-	-	348,121	348,121
General obligation bonds issued	6,795,000	-	-	4,060,000	10,855,000
Premium on bonds	465,193	-	-	-	465,193
Payment on refunded bond escrow agent	(7,161,881)	-	-	-	(7,161,881)
Total other financing sources (uses)	98,312	-	-	4,408,121	4,506,433
Net change in fund balances	75,948	10,379	(1,706)	381,193	465,814
Fund balances, beginning of year	453,704	606,200	95,774	-	1,155,678
Fund balances, end of year.	$ 529,652	$ 616,579	$ 94,068	$ 381,193	$ 1,621,492

City of North Olmsted, Ohio

Combining Balance Sheet
Non-Major Capital Projects Funds

December 31, 2006

	Capital Improvements	Library Construction	Building and Land Acquisition and Improvement	Issue II	Total
Assets:					
Equity in pooled cash and cash equivalents	$ 294,112	$ 937,163	$ 364,584	$ 196,368	$ 1,792,227
Intergovernmental receivable	-	-	-	52,500	52,500
Total assets	$ 294,112	$ 937,163	$ 364,584	$ 248,868	$ 1,844,727
Liabilities and fund balances:					
Liabilities:					
Accounts and contracts payable	$ 10,787	$ -	$ 40,522	$ 52,500	$ 103,809
Retainage payable	6,198	-	10,648	-	16,846
Total liabilities	16,985	-	51,170	52,500	120,655
Fund balances:					
Reserved for encumbrances	80,217	-	69,559	-	149,776
Unreserved	196,910	937,163	243,855	196,368	1,574,296
Total fund balances	277,127	937,163	313,414	196,368	1,724,072
Total liabilities and fund balances	$ 294,112	$ 937,163	$ 364,584	$ 248,868	$ 1,844,727

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, 2006

	Capital Improvements	Library Construction	Building and Land Acquisition and Improvement	Issue II	Total
Revenues:					
Fines, licenses and permits	$ 1,550	$ -	$ -	$ -	$ 1,550
Intergovernmental	-	-	-	1,437,666	1,437,666
Investment income	-	29,230	-	-	29,230
Total revenues	1,550	29,230	-	1,437,666	1,468,446
Expenditures:					
Current:					
General government	35,116	-	213,572	-	248,688
Security of persons and property	62,438	-	-	-	62,438
Transportation	21,514	-	-	1,437,666	1,459,180
Leisure time activities	41,163	-	-	-	41,163
Community environment	-	-	15,029	-	15,029
Debt service:					
Bond issuance costs	10,000	-	-	-	10,000
Total expenditures	170,231	-	228,601	1,437,666	1,836,498
Excess (deficiency) of revenues over expenditures	(168,681)	29,230	(228,601)	-	(368,052)
Other financing sources (uses):					
Transfers – in	7,439	-	-	-	7,439
Transfers – out	(45,346)	-	-	-	(45,346)
General obligation bonds issued	140,000	-	-	-	140,000
Total other financing sources (uses)	102,093	-	-	-	102,093
Net change in fund balances	(66,588)	29,230	(228,601)	-	(265,959)
Fund balances, beginning of year	343,715	907,933	542,015	196,368	1,990,031
Fund balances, end of year	$ 277,127	$ 937,163	$ 313,414	$ 196,368	$ 1,724,072

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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Municipal income tax	$ 8,820,000	$ 8,820,000	$ 9,330,073	$ 510,073
Property and other taxes	5,351,942	5,351,942	5,259,403	(92,539)
Charges for services	1,250,500	1,247,500	1,282,497	34,997
Licenses and permits	875,275	925,275	972,944	47,669
Fines and forfeitures	232,000	232,000	191,032	(40,968)
Intergovernmental revenue	2,123,258	2,289,258	2,755,544	466,286
Investment income	190,000	243,600	443,580	199,980
Other revenue	19,000	19,000	24,168	5,168
Total revenues	18,861,975	19,128,575	20,259,241	1,130,666
Expenditures:				
Current:				
General government - legislative and executive				
Council				
Salaries	140,633	140,633	140,574	59
Benefits	41,581	41,860	40,703	1,157
Materials and supplies	2,730	2,730	883	1,847
Contractual services	25,336	25,336	13,359	11,977
Total council	210,280	210,559	195,519	15,040
Mayor				
Salaries	188,100	190,800	190,511	289
Benefits	67,080	67,399	62,476	4,923
Materials and supplies	26,723	26,723	25,010	1,713
Contractual services	29,770	39,672	38,927	745
Total mayor	311,673	324,594	316,924	7,670
Finance department				
Salaries	324,354	324,354	319,827	4,527
Benefits	129,733	130,348	127,216	3,132
Materials and supplies	16,144	16,143	13,865	2,278
Contractual services	741,334	723,898	703,846	20,052
Total finance department	1,211,565	1,194,743	1,164,754	29,989

(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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Law department				
Salaries	266,692	255,857	255,346	511
Benefits	85,125	93,040	91,398	1,642
Materials and supplies	1,000	1,200	1,200	-
Contractual services	66,642	41,286	26,888	14,398
Total law department	419,459	391,383	374,832	16,551
Information systems				
Salaries	38,922	40,261	38,783	1,478
Benefits	12,561	14,206	14,033	173
Materials and supplies	3,100	3,100	3,093	7
Contractual services	31,240	34,240	30,592	3,648
Capital outlay	7,500	7,500	7,055	445
Total data processing	93,323	99,307	93,556	5,751
Department of human resources				
Salaries	153,531	153,826	153,632	194
Benefits	60,316	60,605	59,778	827
Materials and supplies	1,000	1,000	911	89
Contractual services	135,916	139,216	132,649	6,567
Total department of human resources	350,763	354,647	346,970	7,677
Civil service department				
Salaries	1,500	1,500	238	1,262
Benefits	457	457	23	434
Materials and supplies	500	500	351	149
Contractual services	21,613	21,613	15,639	5,974
Total civil service department	24,070	24,070	16,251	7,819
Boards and commissions				
Salaries	42,575	42,575	42,146	429
Benefits	23,052	23,136	22,748	388
Materials and supplies	3,140	3,140	2,582	558
Contractual services	4,800	4,800	1,982	2,818
Total boards and commissions	73,567	73,651	69,458	4,193

(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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Building department				
Salaries	589,880	582,880	578,569	4,311
Benefits	242,154	243,243	242,428	815
Materials and supplies	14,936	14,936	14,796	140
Contractual services	57,243	83,243	76,368	6,875
Capital outlay	6,400	6,400	5,467	933
Total building department	910,613	930,702	917,628	13,074
Engineering department				
Salaries	240,833	238,133	225,267	12,866
Benefits	98,134	98,719	89,715	9,004
Materials and supplies	6,325	6,325	4,438	1,887
Contractual Services	108,984	106,194	69,402	36,792
Total engineering department	454,276	449,371	388,822	60,549
Total government - legislative and executive	4,059,589	4,053,027	3,884,714	168,313
Security of persons and property				
Safety director				
Salaries	102,285	102,535	102,488	47
Benefits	27,223	37,638	30,248	7,390
Materials and supplies	2,400	2,400	756	1,644
Contractual Services	46,810	46,810	44,968	1,842
Total safety director	178,718	189,383	178,460	10,923
Fire Department				
Salaries	3,622,487	3,637,487	3,621,806	15,681
Benefits	1,396,945	1,398,262	1,354,654	43,608
Materials and supplies	63,138	58,438	52,659	5,779
Contractual services	254,452	248,292	229,046	19,246
Total fire department	5,337,022	5,342,479	5,258,165	84,314
Central dispatch				
Salaries	446,720	455,020	448,503	6,517
Benefits	170,826	171,656	161,406	10,250
Materials and supplies	1,500	1,500	237	1,263
Contractual services	7,750	7,750	6,826	924
Total central dispatch	626,796	635,926	616,972	18,954

(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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Police department				
Salaries	4,442,394	4,406,894	4,369,852	37,042
Benefits	1,553,252	1,612,965	1,584,518	28,447
Materials and supplies	169,265	164,665	145,419	19,246
Contractual services	380,491	400,091	359,629	40,462
Capital outlay	52,400	52,400	51,634	766
Total police department	6,597,802	6,637,015	6,511,052	125,963
Total security of persons and property	12,740,338	12,804,803	12,564,649	240,154
Public health and welfare				
Division of youth services				
Salaries	-	27,405	27,307	98
Benefits	-	6,894	6,818	76
Materials and supplies	-	529	424	105
Contractual services	-	350	207	143
Total division of youth services	-	35,178	34,756	422
Department of community life services				
Salaries	252,557	225,717	224,200	1,517
Benefits	97,353	91,631	89,316	2,315
Materials and supplies	3,701	3,137	1,265	1,872
Contractual services	148,282	147,282	130,268	17,014
Capital outlay	16,469	16,109	6,042	10,067
Total department of community life services	518,362	483,876	451,091	32,785
Total public health and welfare	518,362	519,054	485,847	33,207
Transportation				
Service director				
Salaries	116,754	117,384	117,273	111
Benefits	44,084	43,685	41,695	1,990
Materials and supplies	1,750	1,807	1,522	285
Contractual services	469,458	469,401	464,003	5,398
Total service director	632,046	632,277	624,493	7,784

(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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Service department				
Salaries	896,849	896,849	891,065	5,784
Benefits	409,744	411,455	409,235	2,220
Materials and supplies	93,523	79,723	60,804	18,919
Contractual services	237,296	251,097	203,264	47,833
Total service department	1,637,412	1,639,124	1,564,368	74,756
Fleet Maintenance Department				
Salaries	392,965	386,620	376,965	9,655
Benefits	169,927	177,022	174,675	2,347
Materials and supplies	375,857	375,858	352,376	23,482
Contractual services	12,625	12,625	9,370	3,255
Capital outlay	9,300	9,300	8,886	414
Total fleet maintenance	960,674	961,425	922,272	39,153
Total transportation	3,230,132	3,232,826	3,111,133	121,693
Economic development				
Planning department				
Salaries	101,286	101,286	100,379	907
Benefits	37,548	31,538	28,942	2,596
Materials and supplies	850	850	413	437
Contractual services	16,215	16,215	13,422	2,793
Total economic development	155,899	149,889	143,156	6,733
Total expenditures	20,704,320	20,759,599	20,189,499	570,100
Excess (deficiency) of revenue over expenditures	(1,842,345)	(1,631,024)	69,742	1,700,766
Other financing sources (uses):				
Sale of capital assets	5,000	5,000	19,110	14,110
Transfers - in	25,000	25,000	25,000	-
Transfers - out	-	(139,144)	(139,144)	-
Total other financing sources (uses)	30,000	(109,144)	(95,034)	14,110
Net change in fund balance	(1,812,345)	(1,740,168)	(25,292)	1,714,876
Prior year encumbrances	89,909	89,909	89,909	-
Fund balance, beginning of year	1,748,713	1,748,713	1,748,713	-
Fund balance, end of year	$ 26,277	$ 98,454	$ 1,813,330	$ 1,714,876

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual – Permanent Improvements Fund
For the Year Ended December 31, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Municipal income taxes	$ 1,885,000	$ 1,885,000	$ 1,997,512	$ 112,512
Intergovernmental revenue	1,767,036	1,767,036	20,036	(1,747,000)
Total revenues	3,652,036	3,652,036	2,017,548	(1,634,488)
Expenditures:				
Current:				
Transportation				
Service				
Contractual services	56,500	79,500	44,370	35,130
Capital outlay	3,874,562	3,882,268	2,012,294	1,869,974
Total transportation	3,931,062	3,961,768	2,056,664	1,905,104
Debt service:				
Principal	3,880,000	3,880,000	3,880,000	-
Interest	100,273	100,273	100,273	-
Issue fees	75,018	75,018	75,018	-
Total debt service	4,055,291	4,055,291	4,055,291	-
Total expenditures	7,986,353	8,017,059	6,111,955	1,905,104
Excess (deficiency) of revenues over expenditures	(4,334,317)	(4,365,023)	(4,094,407)	270,616
Other Financing sources (uses):				
Notes issued	500,000	500,000	500,000	-
General obligation bonds issued	4,955,018	4,955,018	4,955,018	-
Advances - out	-	(397,071)	(397,071)	-
Transfers - out	(1,640,539)	(1,243,468)	(1,243,468)	-
Total other financing sources (uses)	3,814,479	3,814,479	3,814,479	-
Net change in fund balance	(519,838)	(550,544)	(279,928)	270,616
Prior year encumbrances	535,710	535,710	535,710	-
Fund balance, beginning of year	446,438	446,438	446,438	-
Fund balance, end of year	$ 462,310	$ 431,604	$ 702,220	$ 270,616

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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property and other taxes	$ 2,583,517	$ 2,583,517	$ 2,590,463	$ 6,946
Intergovernmental revenue	297,624	297,624	290,269	(7,355)
Investment income	150,000	150,000	249,426	99,426
Total revenues	3,031,141	3,031,141	3,130,158	99,017
Expenditures:				
Debt service:				
Principal	6,148,486	6,243,486	6,243,486	-
Interest and fiscal charges	2,398,956	2,488,388	2,419,925	68,463
Total debt service	8,547,442	8,731,874	8,663,411	68,463
Excess (deficiency) of revenues over expenditures	(5,516,301)	(5,700,733)	(5,533,253)	167,480
Other financing sources (uses):				
General obligation bonds issued	1,647,919	1,647,919	10,841,986	9,194,067
Advances - in	-	397,071	397,071	-
Transfers - in	3,644,110	3,292,522	3,264,922	(27,600)
Transfers - out	-	(348,121)	(348,121)	-
Payment on refunded bond escrow agent	-	(9,192,533)	(9,192,533)	-
Total other financing sources (uses)	5,292,029	(4,203,142)	4,963,325	9,166,467
Net change in fund balance	(224,272)	(9,903,875)	(569,928)	(9,333,947)
Fund balance, beginning of year	787,945	787,945	787,945	-
Fund balance, end of year	$ 563,673	$ (9,115,930)	$ 218,017	$ (9,333,947)

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, 2006

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	$ 105,000	$ 105,000	$ 157,259	$ 52,259
Expenditures:				
Current:				
Security of persons and property				
Fire department				
Contractual services	354,695	377,695	375,794	1,901
Capital outlay	3,285,671	3,270,671	3,255,923	14,748
Total expenditures	3,640,366	3,648,366	3,631,717	16,649
Net change in fund balance	(3,535,366)	(3,543,366)	(3,474,458)	68,908
Prior year encumbrances	187,500	187,500	187,500	-
Fund balance, beginning of year	3,573,537	3,573,537	3,573,537	-
Fund balance, end of year	$ 225,671	$ 217,671	$ 286,579	$ 68,908

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, 2006

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	$ 30,000	$ 31,500	$ 46,210	$ 14,710
Expenditures:				
Current:				
General government - legislative and executive				
Department of human resources				
Contractual services	80,600	99,600	77,444	22,156
Capital outlay	-	1,000	554	446
Total expenditures	80,600	100,600	77,998	22,602
Excess (deficiency) of revenues over expenditures	(50,600)	(69,100)	(31,788)	37,312
Other financing sources (uses):				
Transfers - in	30,000	20,000	20,000	-
Net change in fund balance	(20,600)	(49,100)	(11,788)	37,312
Fund balance, beginning of year	49,488	49,488	49,488	-
Fund balance, end of year	$ 28,888	$ 388	$ 37,700	$ 37,312

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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental revenue	$ 132,200	$ 132,200	$ 18,430	$ (113,770)
Expenditures:				
Current:				
Leisure time activities				
Parks and recreation				
Capital outlay	127,400	129,300	12,378	116,922
Economic development				
Planning department				
Salaries	-	573	572	1
Benefits	-	88	86	2
Contractual services	20,000	17,439	9,295	8,144
Total economic development	20,000	18,100	9,953	8,147
Total expenditures	147,400	147,400	22,331	125,069
Excess (deficiency) of revenues over expenditures	(15,200)	(15,200)	(3,901)	11,299
Other financing sources (uses):				
Transfers - in	15,363	15,363	15,363	-
Net change in fund balance	163	163	11,462	11,299
Fund balance, beginning of year	1,983	1,983	1,983	-
Fund balance, end of year	$ 2,146	$ 2,146	$ 13,445	$ 11,299

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, 2006

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines and forfeitures	$ 3,000	$ 3,000	$ 2,502	$ (498)
Expenditures:				
Current:				
Security of persons and property				
Police department				
Materials and supplies	7,589	7,589	317	7,272
Net change in fund balance	(4,589)	(4,589)	2,185	6,774
Fund balance, beginning of year	7,914	7,914	7,914	-
Fund balance, end of year	$ 3,325	$ 3,325	$ 10,099	$ 6,774

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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 4,500	$ 4,500	$ 9,100	$ 4,600
Other revenue	7,956	7,956	9,869	1,913
Total revenues	12,456	12,456	18,969	6,513
Expenditures:				
Current:				
Economic development				
Planning department				
Contractual services	17,600	29,600	27,975	1,625
Excess (deficiency) of revenues over expenditures	(5,144)	(17,144)	(9,006)	8,138
Other financing sources (uses)				
Transfers - out	(5,000)	(5,000)	(5,000)	-
Net change in fund balance	(10,144)	(22,144)	(14,006)	8,138
Prior year encumbrances	6,600	6,600	6,600	-
Fund balance, beginning of year	52,461	52,461	52,461	-
Fund balance, end of year	$ 48,917	$ 36,917	$ 45,055	$ 8,138

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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental revenue	$ 323,773	$ 330,056	$ 292,071	$ (37,985)
Expenditures:				
Current:				
Security of persons and property				
Fire department				
Contractual services	-	6,283	6,283	-
Capital outlay	386,423	386,423	340,590	45,833
Total expenditures	386,423	392,706	346,873	45,833
Net change in fund balance	(62,650)	(62,650)	(54,802)	7,848
Prior year encumbrances	30,727	30,727	30,727	-
Fund balance, beginning of year	31,923	31,923	31,923	-
Fund balance, end of year	$ -	$ -	$ 7,848	$ 7,848

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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental revenue	$ 218,000	$ 218,000	$ 222,491	$ 4,491
Expenditures:				
Current:				
Transportation				
Department of public service				
Materials and supplies	160,525	152,525	70,210	82,315
Contractual services	85,000	93,000	77,469	15,531
Total expenditures	245,525	245,525	147,679	97,846
Net change in fund balance	(27,525)	(27,525)	74,812	102,337
Prior year encumbrances	4,500	4,500	4,500	-
Fund balance, beginning of year	23,026	23,026	23,026	-
Fund balance, end of year	$ 1	$ 1	$ 102,338	$ 102,337

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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property and other taxes	$ 939,461	$ 939,461	$ 941,983	$ 2,522
Charges for services	1,137,500	1,172,200	1,093,670	(78,530)
Intergovernmental revenue	110,600	110,600	105,552	(5,048)
Other revenue	21,967	21,967	32,605	10,638
Total revenues	2,209,528	2,244,228	2,173,810	(70,418)
Expenditures:				
Current:				
Leisure time activities				
Recreation department				
Salaries	869,021	890,544	863,313	27,231
Benefits	313,564	318,605	311,330	7,275
Materials and supplies	138,597	128,849	124,128	4,721
Contractual services	912,136	928,803	833,835	94,968
Capital outlay	18,200	18,200	17,651	549
Other	600	600	-	600
Total expenditures	2,252,118	2,285,601	2,150,257	135,344
Excess (deficiency)of revenues over expenditures	(42,590)	(41,373)	23,553	64,926
Other financing sources (uses):				
Sale of capital assets	-	-	1,010	1,010
Transfers - out	(31,423)	(31,423)	(31,423)	-
Total other financing sources (uses)	(31,423)	(31,423)	(30,413)	1,010
Net change in fund balance	(74,013)	(72,796)	(6,860)	65,936
Prior year encumbrances	29,130	29,130	29,130	-
Fund balance, beginning of year	46,568	46,568	46,568	-
Fund balance, end of year	$ 1,685	$ 2,902	$ 68,838	$ 65,936

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, 2006

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fund balance, beginning of year	$ 3,065	$ 3,065	$ 3,065	$ -
Fund balance, end of year	$ 3,065	$ 3,065	$ 3,065	$ -

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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property and other taxes	$ 260,000	$ 260,000	$ 302,095	$ 42,095
Charges for services	130,000	130,000	119,744	(10,256)
Intergovernmental revenue	-	-	2,990	2,990
Total revenues	390,000	390,000	424,829	34,829
Expenditures:				
Current:				
Security of persons and property				
Fire department				
Contractual services	15,000	18,500	16,006	2,494
Capital outlay	74,899	71,399	54,441	16,958
Total fire department	89,899	89,899	70,447	19,452
Police department				
Materials and supplies	21,011	22,511	21,907	604
Contractual services	-	-	-	-
Capital outlay	150,000	148,500	142,891	5,609
Total police department	171,011	171,011	164,798	6,213
Total security of persons and property	260,910	260,910	235,245	25,665
Debt service:				
Principal	550,000	550,000	550,000	-
Interest and fiscal charges	16,665	16,665	16,665	-
Issue fees	10,000	10,000	10,000	-
Total debt service	576,665	576,665	576,665	-
Total expenditures	837,575	837,575	811,910	25,665
Excess (deficiency) of revenues over expenditures	(447,575)	(447,575)	(387,081)	60,494
Other financing sources (uses):				
General obligation bonds issued	560,000	560,000	560,000	-
Transfers - out	(18,685)	(26,124)	(26,124)	-
Total other financing sources (uses)	541,315	533,876	533,876	-

(Continued)

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2006

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Net change in fund balance	93,740	86,301	146,795	60,494
Prior year encumbrances	22,410	22,410	22,410	-
Fund balance, beginning of year	98,069	98,069	98,069	-
Fund balance, end of year	$ 214,219	$ 206,780	$ 267,274	$ 60,494

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, 2006

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fund balance, beginning of year	$ 2,773	$ 2,773	$ 2,773	$ -
Fund balance, end of year	$ 2,773	$ 2,773	$ 2,773	$ -

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, 2006

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental revenue	$ 87,500	$ 87,500	$ 96,633	$ 9,133
Expenditures:				
Current:				
Transportation				
Service department				
Materials and supplies	63,000	63,000	50,000	13,000
Net change in fund balance	24,500	24,500	46,633	22,133
Fund balance, beginning of year	174,777	174,777	174,777	-
Fund balance, end of year	$ 199,277	$ 199,277	$ 221,410	$ 22,133

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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental revenue	$ 1,082,000	$ 1,082,000	$ 1,191,809	$ 109,809
Expenditures:				
Current:				
Transportation				
Service department				
Salaries	426,523	426,523	372,765	53,758
Benefits	185,008	185,793	168,360	17,433
Materials and supplies	304,100	304,100	130,624	173,476
Contractual services	130,000	105,000	53,606	51,394
Capital outlay	99,000	164,000	61,637	102,363
Total expenditures	1,144,631	1,185,416	786,992	398,424
Net change in fund balance	(62,631)	(103,416)	404,817	508,233
Prior year encumbrances	30,100	30,100	30,100	-
Fund balance, beginning of year	437,774	437,774	437,774	-
Fund balance, end of year	$ 405,243	$ 364,458	$ 872,691	$ 508,233

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Municipal income tax	$ 1,885,000	$ 1,885,000	$ 2,001,090	$ 116,090
Intergovernmental revenue	13,441	13,441	20,036	6,595
Total revenues	1,898,441	1,898,441	2,021,126	122,685
Expenditures:				
Current:				
Basic utility services				
Service department				
Salaries	80,000	72,100	61,799	10,301
Benefits	14,045	27,423	20,783	6,640
Contractual services	1,767,254	1,761,933	1,741,661	20,272
Capital outlay	-	12,750	12,748	2
Total expenditures	1,861,299	1,874,206	1,836,991	37,215
Net change in fund balance	37,142	24,235	184,135	159,900
Prior year encumbrances	158,254	158,254	158,254	-
Fund balance, beginning of year	384,542	384,542	384,542	-
Fund balance, end of year	$ 579,938	$ 567,031	$ 726,931	$ 159,900

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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 28,000	$ 28,000	$ 26,601	$ (1,399)
Expenditures:				
Current:				
Public health and welfare				
Department of community life services				
Salaries	22,850	22,850	20,724	2,126
Benefits	3,938	3,975	3,393	582
Materials and supplies	825	825	662	163
Contractual services	11,250	11,250	6,851	4,399
Capital outlay	800	763	568	195
Total expenditures	39,663	39,663	32,198	7,465
Net change in balance	(11,663)	(11,663)	(5,597)	6,066
Fund balance, beginning of year	11,730	11,730	11,730	-
Fund balance, end of year	$ 67	$ 67	$ 6,133	$ 6,066

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, 2006

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines and forfeitures	$ -	$ 1	$ 2,496	$ 2,495
Expenditures:				
Current:				
Security of persons and property				
Police department				
Materials and supplies	1,361	1,361	-	1,361
Other	1,508	1,508	-	1,508
Total expenditures	2,869	2,869	-	2,869
Net change in balance	(2,869)	(2,868)	2,496	5,364
Fund balance, beginning of year	2,869	2,869	2,869	-
Fund balance, end of year	$ -	$ 1	$ 5,365	$ 5,364

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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Investment income	$ -	$ -	$ 43	$ 43
Other revenue	88,000	88,000	122,428	34,428
Total revenues	88,000	88,000	122,471	34,471
Expenditures:				
Current:				
Security of persons and property				
Fire department				
Capital outlay	-	7,500	-	7,500
Police department				
Materials and supplies	20,000	20,000	19,146	854
Total security of persons and property	20,000	27,500	19,146	8,354
Leisure time activities				
Parks and Recreation				
Materials and supplies	59,305	68,305	60,952	7,353
Contractual services	2,500	3,500	2,475	1,025
Capital outlay	2,000	2,000	-	2,000
Total leisure time activities	63,805	73,805	63,427	10,378
Public health and welfare				
Youth services				
Materials and supplies	-	3,038	-	3,038
Department of community services				
Materials and supplies	15,937	20,937	16,493	4,444
Department of public service				
Materials and supplies	-	2,304	690	1,614
Total public health and welfare	15,937	26,279	17,183	9,096
Total expenditures	99,742	127,584	99,756	27,828
Net change in fund balance	(11,742)	(39,584)	22,715	62,299
Prior year encumbrances	1,705	1,705	1,705	-
Fund balance, beginning of year	115,958	115,958	115,958	-
Fund balance, end of year	$ 105,921	$ 78,079	$ 140,378	$ 62,299

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual - Fair Capacity Housing Fund

For the Year Ended December 31, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Expenditures:				
Current:				
General government – legislative and executive				
Law department				
Salaries	$ -	$ 13,365	$ 12,765	$ 600
Benefits	-	2,025	1,569	456
Materials and supplies	-	2,325	17	2,308
Contractual services	-	16,300	8,554	7,746
Capital outlay	-	1,250	200	1,050
Total expenditures	-	35,265	23,105	12,160
Excess (deficiency) of revenues over expenditures	-	(35,265)	(23,105)	12,160
Other financing sources (uses):				
Transfers - in	-	119,144	119,144	-
Net change in fund balance	-	83,879	96,039	12,160
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ 83,879	$ 96,039	$ 12,160

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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property and other taxes	$ 234,865	$ 234,865	$ 235,496	$ 631
Intergovernmental revenue	27,649	27,649	26,388	(1,261)
Total revenues	262,514	262,514	261,884	(630)
Expenditures:				
Current:				
Security of persons and property				
Fire department				
Benefits	264,334	264,334	263,704	630
Net change in balance	(1,820)	(1,820)	(1,820)	-
Fund balance, beginning of year	1,820	1,820	1,820	-
Fund balance, end of year	$ -	$ -	$ -	$ -

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, 2006

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines and forfeitures	$ -	$ -	$ 1,307	$ 1,307
Expenditures:				
Current:				
Security of persons and property				
Police department				
Materials and supplies	11,948	11,948	1,942	10,006
Contractual services	50,029	50,029	-	50,029
Total expenditures	61,977	61,977	1,942	60,035
Net change in balance	(61,977)	(61,977)	(635)	61,342
Prior year encumbrances	1,000	1,000	1,000	-
Fund balance, beginning of year	61,477	61,477	61,477	-
Fund balance, end of year	$ 500	$ 500	$ 61,842	$ 61,342

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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Fines and forfeitures	$ 300,000	$ 300,000	$ 240,492	$ (59,508)
Expenditures:				
Current:				
Security of persons and property				
Police department				
Salaries	209,200	209,200	116,796	92,404
Benefits	74,194	74,588	46,167	28,421
Contractual services	9,870	19,870	13,303	6,567
Capital outlay	27,000	17,000	2,199	14,801
Total expenditures	320,264	320,658	178,465	142,193
Excess (deficiency) of revenues over expenditures	(20,264)	(20,658)	62,027	82,685
Other financing sources (uses):				
Transfers - out	(20,000)	(20,000)	(20,000)	-
Net change in fund balance	(40,264)	(40,658)	42,027	82,685
Prior year encumbrances	2,870	2,870	2,870	-
Fund balance, beginning of year	42,021	42,021	42,021	-
Fund balance, end of year	$ 4,627	$ 4,233	$ 86,918	$ 82,685

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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property and other taxes	$ 234,865	$ 234,865	$ 235,496	$ 631
Intergovernmental revenue	27,648	27,649	26,388	(1,261)
Total revenues	262,513	262,514	261,884	(630)
Expenditures:				
Current:				
Security of persons and property				
Police department				
Benefits	264,334	264,335	263,705	630
Net change in balance	(1,821)	(1,821)	(1,821)	-
Fund balance, beginning of year	1,821	1,821	1,821	-
Fund balance, end of year	$ -	$ -	$ -	$ -

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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 21,000	$ 31,000	$ 31,325	$ 325
Fines and forfeitures	2,500	2,500	2,750	250
Investment income	700	700	1,036	336
Other revenue	3,000	3,000	5,865	2,865
Total revenues	27,200	37,200	40,976	3,776
Expenditures:				
Current:				
Leisure time activities				
Department of community life services				
Materials and supplies	13,900	13,900	11,173	2,727
Contractual services	24,251	34,251	33,200	1,051
Total expenditures	38,151	48,151	44,373	3,778
Net change in fund balance	(10,951)	(10,951)	(3,397)	7,554
Prior year encumbrances	2,200	2,200	2,200	-
Fund balance, beginning of year	45,341	45,341	45,341	-
Fund balance, end of year	$ 36,590	$ 36,590	$ 44,144	$ 7,554

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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 7,350	$ 7,350	$ 8,553	$ 1,203
Intergovernmental revenue	12,390	12,390	12,946	556
Total revenues	19,740	19,740	21,499	1,759
Expenditures:				
Current:				
Public health and welfare				
Department of community life services				
Salaries	8,212	17,763	13,717	4,046
Benefits	1,404	2,865	2,316	549
Materials and supplies	1,223	1,223	1,223	-
Capital outlay	-	2,000	1,999	1
Total expenditures	10,839	23,851	19,255	4,596
Net change in fund balance	8,901	(4,111)	2,244	6,355
Prior year encumbrances	1,223	1,223	1,223	-
Fund balance, beginning of year	18,314	18,314	18,314	-
Fund balance, end of year	$ 28,438	$ 15,426	$ 21,781	$ 6,355

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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property and other taxes	$ 861,172	$ 861,172	$ 863,483	$ 2,311
Intergovernmental revenue	99,208	99,208	96,760	(2,448)
Total revenues	960,380	960,380	960,243	(137)
Expenditures:				
Debt service:				
Principal	430,000	455,000	455,000	-
Interest and fiscal charges	466,274	441,274	422,153	19,121
Total debt service	896,274	896,274	877,153	19,121
Excess (deficiency) of revenues over expenditures	64,106	64,106	83,090	18,984
Other financing sources (uses):				
General obligation bonds issued	-	-	7,166,142	7,166,142
Payment on refunded bond escrow agent	-	(7,161,881)	(7,161,881)	-
Total other financing sources (uses)	-	(7,161,881)	4,261	7,166,142
Net change in fund balance	64,106	(7,097,775)	87,351	7,185,126
Fund balance, beginning of year	453,704	453,704	453,704	-
Fund balance, end of year	$ 517,810	$ (6,644,071)	$ 541,055	$ 7,185,126

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, 2006

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	$ -	$ -	$ 10,379	$ 10,379
Fund balance, beginning of year	606,200	606,200	606,200	-
Fund balance, end of year	$ 606,200	$ 606,200	$ 616,579	$ 10,379

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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Special assessments	$ 99,250	$ 99,250	$ 99,049	$ (201)
Expenditures:				
Current:				
General government-legislative and executive				
Finance				
Contractual Services	2,000	2,000	1,000	1,000
Debt service:				
Principal	70,000	70,000	70,000	-
Interest and fiscal charges	34,250	34,250	29,755	4,495
Total debt service	104,250	104,250	99,755	4,495
Total expenditures	106,250	106,250	100,755	5,495
Net change in balance	(7,000)	(7,000)	(1,706)	5,294
Fund balance, beginning of year	95,774	95,774	95,774	-
Fund balance, end of year	$ 88,774	$ 88,774	$ 94,068	$ 5,294

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property and other taxes	$ 313,154	$ 313,154	$ 313,985	$ 831
Intergovernmental revenue	36,076	36,076	35,180	(896)
Total revenues	349,230	349,230	349,165	(65)
Expenditures:				
Debt Service:				
Principal	4,000,000	4,080,000	4,080,000	-
Interest and fiscal charges	258,600	424,688	291,949	132,739
Total debt service	4,258,600	4,504,688	4,371,949	132,739
Excess (deficiency) of revenues over expenditures	(3,909,370)	(4,155,458)	(4,022,784)	132,674
Other financing sources (uses):				
General obligation bonds issued	4,060,000	4,060,000	4,060,000	-
Transfers - in	-	348,121	348,121	-
Total other financing sources (uses)	4,060,000	4,408,121	4,408,121	-
Net change in fund balance	150,630	252,663	385,337	132,674
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ 150,630	$ 252,663	$ 385,337	$ 132,674

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Other revenues	$ -	$ -	$ 1,550	$ 1,550
Expenditures:				
Current:				
General government - legislative and executive				
Finance				
Capital outlay	151,357	151,357	58,133	93,224
Information systems				
Capital outlay	29,446	29,446	21,514	7,932
Public service director				
Capital outlay	44,819	44,819	-	44,819
Total general government - legislative and executive	225,622	225,622	79,647	145,975
Security of persons and property				
Fire department				
Capital outlay	75,000	75,000	55,868	19,132
Police department				
Capital outlay	55,000	62,439	62,438	1
Total security of persons and property	130,000	137,439	118,306	19,133
Leisure time activities				
Parks and recreation				
Capital outlay	62,758	62,758	32,670	30,088
Department of community life services				
Capital outlay	23,609	23,609	23,445	164
Total leisure time activities	86,367	86,367	56,115	30,252
Debt service:				
Interest and fiscal charges	10,000	10,000	10,000	-
Total expenditures	451,989	459,428	264,068	195,360
Excess (deficiency) of revenues over expenditures	(451,989)	(459,428)	(262,518)	196,910
Other financing sources (uses):				
General obligation bonds issued	140,000	140,000	140,000	-
Transfers - in	-	7,439	7,439	-
Transfers - out	(45,346)	(45,346)	(45,346)	-
Total other financing sources	94,654	102,093	102,093	-

(Continued)

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2006

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Net change in fund balance	(357,335)	(357,335)	(160,425)	196,910
Prior year encumbrances	79,769	79,769	79,769	-
Fund balance, beginning of year	277,566	277,566	277,566	-
Fund balance, end of year	$ -	$ -	$ 196,910	$ 196,910

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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Investment income	$ 15,000	$ 15,000	$ 31,191	$ 16,191
Other revenues	-	-	47,503	47,503
Total revenues	15,000	15,000	78,694	63,694
Expenditures:				
Current:				
General government - legislative and executive				
Engineering department				
Contractual services	1,800	1,800	-	1,800
Net change in balance	13,200	13,200	78,694	65,494
Prior year encumbrances	1,800	1,800	1,800	-
Fund balance, beginning of year	856,669	856,669	856,669	-
Fund balance, end of year	$ 871,669	$ 871,669	$ 937,163	$ 65,494

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2006

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Expenditures:				
Current:				
General government - legislative and executive				
Engineering department				
Contractual services	$ 39,720	$ 39,720	$ 33,707	$ 6,013
Capital outlay	150,000	292,810	271,414	21,396
Total expenditures	189,720	332,530	305,121	27,409
Net changes in fund balance	(189,720)	(332,530)	(305,121)	27,409
Prior year encumbrances	14,720	14,720	14,720	-
Fund balance, beginning of year	534,655	534,655	534,655	-
Fund Balance, end of year	$ 359,655	$ 216,845	$ 244,254	$ 27,409

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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental revenue	$ 1,684,781	$ 1,684,782	$ 1,385,166	$ (299,616)
Expenditures:				
Current:				
Transportation				
Engineering department				
Capital outlay	1,881,149	1,881,149	1,385,166	495,983
Net change in fund balance	(196,368)	(196,367)	-	196,367
Fund balance, beginning of year	196,368	196,368	196,368	-
Fund balance, end of year	$ -	$ 1	$ 196,368	$ 196,367

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 24,524	$ 24,524	$ 31,277	$ 6,753
Expenses:				
Bus line				
Salaries	-	8,018	8,018	-
Benefits	24,524	24,680	24,680	-
Materials and supplies	63,000	63,000	26,768	36,232
Contractual services	14,000	14,000	13,158	842
Total expenses	101,524	109,698	72,624	37,074
Net change in fund equity	(77,000)	(85,174)	(41,347)	43,827
Fund balance, beginning of year	667,852	667,852	667,852	-
Fund balance, end of year	$ 590,852	$ 582,678	$ 626,505	$ 43,827

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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 1,398,000	$ 1,398,000	$ 1,218,983	$ (179,017)
Other revenues	-	-	92,285	92,285
Total revenues	1,398,000	1,398,000	1,311,268	(86,732)
Expenses:				
Golf course and ballroom				
Salaries	374,500	374,500	360,571	13,929
Benefits	106,593	106,593	102,861	3,732
Materials and supplies	266,800	266,800	248,536	18,264
Contractual services	299,486	299,485	253,349	46,136
Capital outlay	7,876	7,876	1,473	6,403
Total expenses	1,055,255	1,055,254	966,790	88,464
Excess (deficiency) of revenues over expenses	342,745	342,746	344,478	1,732
Other financing sources (uses):				
General obligation bonds issued	-	-	9,192,533	9,192,533
Transfers - out	(338,650)	(338,650)	(338,650)	-
Amount paid to refunded bond escrow agent	-	(9,192,533)	(9,192,533)	-
Total other financing sources (uses)	(338,650)	(9,531,183)	(338,650)	9,192,533
Net change in fund equity	4,095	(9,188,437)	5,828	9,194,265
Prior year encumbrances	2,785	2,785	2,785	-
Fund balance, beginning of year	1,763	1,763	1,763	-
Fund balance, end of year	$ 8,643	$ (9,183,889)	$ 10,376	$ 9,194,265

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, 2006

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 5,945,500	$ 5,943,900	$ 5,703,994	$ (239,906)
Tap - in fees	-	-	471,157	471,157
Total revenues	5,945,500	5,943,900	6,175,151	231,251
Expenses:				
Sewer:				
Salaries	2,009,437	1,985,637	1,890,384	95,253
Benefits	790,482	791,782	760,864	30,918
Materials and supplies	572,128	578,128	496,280	81,848
Contractual services	1,691,557	1,734,057	1,625,177	108,880
Capital outlay	366,667	366,667	226,589	140,078
Total expenses	5,430,271	5,456,271	4,999,294	456,977
Debt service:				
Principal payments	315,000	315,000	315,000	-
Interest and fiscal charges	20,663	20,663	20,663	-
Total debt service	335,663	335,663	335,663	-
Total expenses	5,765,934	5,791,934	5,334,957	456,977
Excess (deficiency) of revenues over expenses	179,566	151,966	840,194	688,228
Other financing sources (uses):				
General obligation bonds issued	462,063	462,063	7,047,017	6,584,954
Transfers - out	(1,630,314)	(1,602,714)	(1,602,714)	-
Amount paid to refunded bond escrow agent	-	(6,584,954)	(6,584,954)	-
Total other financing sources (uses)	(1,168,251)	(7,725,605)	(1,140,651)	6,584,954
Net change in fund equity	(988,685)	(7,573,639)	(300,457)	7,273,182
Prior year encumbrances	187,119	187,119	187,119	-
Fund balance, beginning of year	814,465	814,465	814,465	-
Fund balance, end of year	$ 12,899	$ (6,572,055)	$ 701,127	$ 7,273,182

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, 2006

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	$ 3,180,385	$ 3,180,385	$ 2,904,753	$ (275,632)
Expenses:				
Claims	3,131,129	3,131,129	2,860,557	270,572
Net change in fund balances	49,256	49,256	44,196	(5,060)
Prior year encumbrances	1,876	1,876	1,876	-
Fund balance, beginning of year	783,456	783,456	783,456	-
Fund balance, end of year	$ 834,588	$ 834,588	$ 829,528	$ (5,060)

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City of North Olmsted, Ohio

Fund Descriptions

For the Year Ended December 31, 2006

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 Fund

For the Year Ended December 31, 2006

	Beginning Balance 12/31/05	Additions	Reductions	Ending Balance 12/31/06
Assets				
Equity in pooled cash and cash equivalents	$ 339,554	$ 222,898	$ 97,764	$ 464,688
Liabilities				
Accounts payable	$ 61,390	$ 3,200	$ 61,390	$ 3,200
Deposits held and due to others	278,164	219,698	36,374	461,488
Total liabilities	$ 339,554	$ 222,898	$ 97,764	$ 464,688

STATISTICAL SECTION

City of North Olmsted, Ohio

Statistical Section

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

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Financial Trends
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 135-140

Revenue Capacity
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. 141-144

Debt Capacity
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 145-149

Economic and Demographic Information
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place. 150-151

Operating Information
These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. 152-157

Sources: Unless otherwise noted, the information in these schedules is derived form the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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City of North Olmsted, Ohio

Net Assets by Component
Accrual Basis of Accounting

Last Four Years

	2003	2004	2005	2006
Governmental activities:				
Invested in capital assets, net of related debt	$ 44,107,156	$ 38,944,202	$ 36,706,457	$ 38,677,759
Restricted for:				
Debt services	3,073,546	3,069,420	3,324,549	3,063,298
Capital projects	258,561	1,692,979	1,990,031	1,724,072
Community development	73,523	69,057	64,885	71,779
Highways and streets	811,161	1,144,875	1,426,595	2,587,209
Public safety	446,419	354,586	630,793	487,065
Recreation	283,588	165,747	4,366	51,999
Other purposes	753,723	760,371	805,320	1,220,774
Unrestricted	646,212	2,689,487	2,167,389	1,328,065
Total net assets – governmental activities	50,453,889	48,890,724	47,120,385	49,212,020
Business-type activities:				
Invested in capital assets, net of related debt	14,708,996	14,330,592	14,009,805	13,124,827
Unrestricted	2,228,273	1,349,733	896,297	1,057,703
Total net assets – business-type activities	16,937,269	15,680,325	14,906,102	14,182,530
Primary government:				
Invested in capital assets, net of related debt	58,816,152	53,274,794	50,716,262	51,802,586
Restricted	5,700,521	7,257,035	8,246,539	9,206,196
Unrestricted	2,874,485	4,039,220	3,063,686	2,385,768
Total net assets – primary government	$ 67,391,158	$ 64,571,049	$ 62,026,487	$ 63,394,550

Source: City financial records

City of North Olmsted, Ohio

Changes in Net Assets
Accrual Basis of Accounting

Last Four Years

	2003	2004	2005	2006
Program revenues:				
Governmental activities:				
Charges for services	$ 3,830,522	$ 3,907,557	$ 4,436,915	$ 3,710,978
Operating grants and contributions	1,381,604	1,527,518	1,717,713	1,802,858
Capital grants and contributions	1,979,290	-	922,813	3,013,935
Total governmental activities program revenues	7,191,416	5,435,075	7,077,441	8,527,771
Business-type activities:				
Charges for services	11,850,147	11,464,532	8,405,362	7,048,124
Capital grants and contributions	135,336	362,240	185,705	471,157
Total business-type activities program revenues	11,985,483	11,826,772	8,591,067	7,519,281
Total primary government program revenues	19,176,899	17,261,847	15,668,508	16,047,052
Expenses:				
Governmental activities:				
General government	4,537,200	4,116,486	4,165,796	4,255,884
Security of persons and property	12,210,303	12,377,881	13,245,013	14,334,131
Public health services	437,691	531,247	546,222	549,892
Transportation	9,155,956	9,457,770	10,358,230	9,899,888
Basic utility services	1,681,386	1,631,509	1,645,096	1,678,150
Leisure time activities	2,447,232	2,867,536	2,594,345	2,479,209
Community environment	-	21,727	24,843	16,302
Economic development	-	141,206	202,149	156,942
Interest and fiscal charges	2,354,210	2,213,332	2,344,396	2,320,133
Total governmental activities expenses	32,823,978	33,358,694	35,126,090	35,690,531
Business-type activities:				
NOMBL	4,467,129	4,714,687	984,208	42,057
Springvale golf course and ballroom	1,509,294	1,412,396	1,480,190	1,451,094
Sewer revenue	6,702,118	7,024,422	6,900,892	6,752,055
Total business-type activities expenses	12,678,541	13,151,505	9,365,290	8,245,206
Total primary government expenses	45,502,519	46,510,199	44,491,380	43,935,737
Net (expense) revenue:				
Governmental activities	(25,632,562)	(27,923,619)	(28,048,649)	(27,162,760)
Business-type activities	(693,058)	(1,324,733)	(774,223)	(725,925)
Total primary government net expense	(26,325,620)	(29,248,352)	(28,822,872)	(27,888,685)

(Continued)

City of North Olmsted, Ohio

Changes in Net Assets
Accrual Basis of Accounting (continued)

Last Four Years

	2003	2004	2005	2006
General revenues and other changes in net assets:				
Governmental activities:				
Property taxes and other local taxes	10,238,732	10,507,940	10,354,341	10,701,905
Municipal income taxes	10,927,745	12,491,922	12,159,878	14,164,807
Grants and entitlements	2,906,433	3,088,546	3,102,792	3,429,556
Other	339,243	272,046	661,299	960,480
Transfers	(46,256)	-	-	(2,353)
Total governmental activities general revenues and other changes in net assets	24,365,897	26,360,454	26,278,310	29,254,395
Business-type activities:				
Other	22,295	67,789	-	-
Transfers	46,256	-	-	2,353
Total business-type activities general revenues and other changes in net assets	68,551	67,789	-	2,353
Total primary government general revenues and other changes in net assets	24,434,448	26,428,243	26,278,310	29,256,748
Change in net assets:				
Governmental activities	(1,266,665)	(1,563,165)	(1,770,339)	2,091,635
Business-type activities	(624,507)	(1,256,944)	(774,223)	(723,572)
Total primary government change in net assets	$ (1,891,172)	$ (2,820,109)	$ (2,544,562)	$ 1,368,063

Source: City financial records

City of North Olmsted, Ohio

Fund Balances, Governmental Funds
Modified Accrual Basis of Accounting

Last Ten Years

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General fund										
Reserved	$ 241,384	$ 306,245	$ 297,423	$ 367,976	$ 517,702	$ 303,831	$ 124,397	$ 165,032	$ 42,139	$ 64,773
Unreserved (deficit)	806,507	1,109,391	1,782,777	2,271,628	1,879,264	2,550,238	3,396,867	3,265,274	3,403,317	3,553,794
Total general fund	1,047,891	1,415,636	2,080,200	2,639,604	2,396,966	2,854,069	3,521,264	3,430,306	3,445,456	3,618,567
All other governmental funds										
Reserved	219,059	1,067,385	1,238,893	2,187,066	2,867,537	3,556,983	2,704,397	608,054	426,875	2,117,205
Unreserved, undesignated, Reported in:										
Special revenue funds	1,409,385	283,113	(712,608)	1,437,388	1,819,163	2,047,338	1,633,313	2,151,294	2,721,488	4,433,601
Debt service funds	147,003	-	-	-	1,728,375	2,247,661	2,366,735	3,069,420	3,324,549	3,063,298
Capital projects funds	(153,603)	(914,454)	(1,446,666)	130,835	6,760,256	5,927,805	1,606,038	4,985,705	5,496,444	1,873,259
Total all other governmental funds	1,621,844	436,044	(920,381)	3,755,289	13,175,331	13,779,787	8,310,483	10,814,473	11,969,356	11,487,363
Total governmental funds	$ 2,669,735	$ 1,851,680	$ 1,159,819	$ 6,394,893	$ 15,572,297	$ 16,633,856	$ 11,831,747	$ 14,244,779	$ 15,414,812	$ 15,105,930

Source: City financial records

City of North Olmsted, Ohio

Changes in Fund Balances, Governmental Funds
Modified Accrual Basis of Accounting

Last Ten Years

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenues:										
Property taxes	$ 7,401,978	$ 8,387,454	$ 8,553,667	$ 8,607,246	$ 10,114,983	$ 10,154,593	$ 10,000,703	$ 10,476,303	$ 10,519,830	$ 10,743,737
Income taxes	9,873,472	9,727,638	10,257,028	10,858,123	11,121,341	11,328,050	11,658,413	12,416,225	12,310,815	13,716,789
Charges for services	1,433,967	1,446,834	2,181,071	2,110,397	2,075,553	2,073,941	2,002,103	1,930,702	2,485,102	2,430,291
Fines, licenses and permits	1,044,192	1,001,668	987,412	1,086,160	1,295,674	1,413,825	1,786,733	1,754,093	1,456,374	1,326,848
Intergovernmental	4,123,610	4,069,646	5,894,652	5,439,266	5,003,181	5,914,877	6,310,281	4,787,581	5,568,035	7,731,605
Special assessments	94,145	89,072	114,918	91,734	102,808	116,813	55,000	60,000	65,000	70,000
Interest	492,611	449,501	531,677	684,382	937,639	363,807	295,832	240,155	596,488	917,948
Miscellaneous	1,227,410	1,438,229	276,078	611,619	318,536	662,333	180,826	247,967	242,574	177,324
Total revenues	25,691,385	26,610,042	28,796,503	29,488,927	30,969,715	32,028,239	32,289,891	31,913,026	33,244,218	37,114,542
Expenditures:										
Current:										
General government	5,834,093	6,440,737	6,000,902	4,991,317	4,100,839	4,367,055	4,263,938	4,674,713	3,351,298	4,165,016
Security of persons and property	7,779,038	7,788,275	8,232,264	9,776,330	11,046,278	11,685,896	11,604,760	12,865,169	13,168,505	16,279,264
Public health and welfare	107,449	111,916	82,655	103,558	471,538	453,113	442,111	471,376	615,365	543,475
Transportation	5,006,208	4,288,298	4,859,368	5,970,202	6,473,806	5,213,922	5,311,916	4,990,147	7,490,772	7,763,119
Basic utility services	1,338,580	1,609,739	1,464,750	1,591,668	1,603,503	1,607,984	1,681,386	1,579,709	1,648,006	1,690,898
Leisure time activities	1,907,376	1,961,903	1,975,437	2,063,492	2,087,516	2,161,359	2,212,675	2,653,198	2,610,271	2,263,384
Community environment	-	-	-	-	-	-	-	2,387,735	23,772	15,029
Economic development	326,925	5,257	87,987	100,606	180,354	218,058	-	-	175,375	155,170
Other	-	45,103	231	3,256	-	-	-	-	-	-
Capital outlay	1,682,255	849,520	2,426,976	1,024,423	3,421,177	1,453,736	6,348,743	-	-	-
Debt Service:										
Principal	1,896,763	2,009,107	2,210,601	2,219,605	2,982,456	3,342,539	5,007,897	5,933,612	10,733,612	14,009,002
Interest and fiscal charges	2,263,476	2,334,693	2,302,308	2,317,332	2,757,715	2,552,217	2,378,765	2,229,548	2,147,630	2,325,159
Bond issuance costs	-	-	-	-	-	-	-	-	-	329,670
Total expenditures	28,142,163	27,444,548	29,643,479	30,161,789	35,125,182	33,055,879	39,252,191	37,785,207	41,964,606	49,539,186
Excess of revenues over (under) expenditures	(2,450,778)	(834,506)	(846,976)	(672,862)	(4,155,467)	(1,027,640)	(6,962,300)	(5,872,181)	(8,720,388)	(12,424,644)

(Continued)

City of North Olmsted, Ohio

Changes in Fund Balances, Governmental Funds
Modified Accrual Basis of Accounting (continued)

Last Ten Years

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Other financing sources (uses):										
Issuance of notes	-	-	-	-	-	1,884,683	2,195,000	7,725,000	9,860,000	500,000
Inception of capital leases	-	-	-	-	-	-	-	-	19,316	63,782
Bond proceeds	-	-	-	5,667,489	13,168,624	-	-	-	-	27,230,000
Refunding bonds					7,669,402	-	-	-	-	-
Premium on bonds	-	-	-	-	-	-	-	-	-	658,627
Payment to bond escrow agent	-	-	-	-	(7,518,674)	-	-	-	-	(16,354,414)
Sale of capital assets	43,053	16,451	23,380	30,741	13,519	13,206	11,447	560,213	11,105	20,120
Transfers in	1,529,243	1,908,309	2,650,417	2,239,517	1,893,621	2,199,625	2,025,546	2,147,358	2,067,962	1,858,626
Other financing uses		-	-	(16,716)	-	-	-	-	-	-
Transfers out	(1,529,243)	(1,908,309)	(2,518,682)	(2,013,095)	(1,893,621)	(2,008,315)	(2,071,802)	(2,147,358)	(2,067,962)	(1,860,979)
Total other financing sources (uses)	43,053	16,451	155,115	5,907,936	13,332,871	2,089,199	2,160,191	8,285,213	9,890,421	12,115,762
Net change in fund balances	$ (2,407,725)	$ (818,055)	$ (691,861)	$ 5,235,074	$ 9,177,404	$ 1,061,559	$ (4,802,109)	$ 2,413,032	$ 1,170,033	$ (308,882)
Debt service as a percentage of noncapital expenditures	3.04%	4.75%	3.38%	3.28%	11.10%	3.29%	19.44%	11.89%	9.77%	13.93%

Source: City financial records

City of North Olmsted, Ohio

Assessed Valuation and Estimated Actual Values of Taxable Property

Last Ten Years

Year	Real Property	Public Utility Property	Tangible Personal Property	Total	Estimated True Values of Taxable Property	Ratio
2006	$ 806,908,240	$ 14,685,560	$ 49,409,433	$ 871,003,233	$ 2,536,963,872	34.33%
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

Sources: Cuyahoga County Auditor

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									
		Debt Retirement								
Year	General Operating	General	Sewer	Recreation	Police and Fire Pension	Total	School District	Cuyahoga County (1)	Polaris Vocational School	Total
2006	$ 6.70	$ 4.80	$ -	$ 1.20	$ 0.60	$ 13.30	$ 77.00	$ 20.30	$ 2.40	$ 113.00
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

(a) Includes Metroparks and Library Millage

Sources: Cuyahoga County Auditor

City of North Olmsted, Ohio

Real Property Tax Levies And Collections

Last Ten Years

Year	Total Tax Levy	Current Collections	Percentage of Current Collections to Tax Levy	Delinquent Collections	Total Collections(1)	Percentage of Total Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Delinquent Taxes to Total Tax Levy
2006	$ 10,906,598	$ 10,577,903	96.99%	$ 239,718	$ 10,817,621	99.18%	$ 363,471	3.3%
2005	10,876,753	10,520,394	96.73	330,560	10,850,954	99.76	405,306	3.7
2004	10,952,774	10,489,902	95.77	346,897	10,836,799	98.94	570,796	5.2
2003	10,460,345	10,098,354	96.54	235,467	10,333,821	98.79	537,927	5.1
2002	10,454,645	10,057,703	96.20	331,751	10,389,454	99.38	463,462	4.4
2001	10,477,350	10,135,765	96.74	256,101	10,391,866	99.18	534,176	5.1
2000	8,767,921	8,462,625	96.52	211,462	8,674,087	98.93	468,359	5.3
1999	8,679,306	8,446,005	97.31	226,139	8,672,144	99.92	457,866	5.3
1998	8,508,575	8,293,734	97.48	180,357	8,474,091	99.59	445,126	5.2
1997	7,886,005	7,767,759	98.50	121,655	7,889,414	100.04	417,893	5.3

Source: Cuyahoga County Auditor

(1) State reimbursement of rollback and homestead exemptions is included

Note: The County does not identify delinquent collections by the year for which the tax was levied.

City of North Olmsted, Ohio

Principal Taxpayers – Real Estate Tax

2006 and 2002

Name of Taxpayer	December 31, 2006 Assessed Value (1)	Percent of Total Assessed Value
Great Northern Partnership	$ 25,447,350	2.92%
DDR MDT Great Northern LLC	22,838,790	2.62
Cleveland Electric Illuminating Company	8,022,530	0.92
Duke Realty Ohio	7,445,620	0.85
Higbee Company	6,655,220	0.76
Butternut Ridge Apartments LLC	5,751,200	0.66
B&G Properties Limited Partnership	5,545,110	0.64
WEA Great Northern Mall LLC	5,147,670	0.59
Water Tower Square LTD	4,638,730	0.53
Wal Mart	4,607,790	0.53
Total	$ 96,100,010	11.02%

Name of Taxpayer	December 31, 2002 Assessed Value (1)	Percent of Total Assessed Value
DDRC Great Northern LTD	$ 21,145,215	2.81%
Great Northern Partnership	19,063,135	2.54
Great Northern Properties	6,864,410	0.91
Butternut Ridge Appt. LLC	5,462,625	0.73
B&G Properties LTD Partnership	4,911,165	0.65
May Stores 74 Corp	4,869,900	0.65
Water Tower Square LTD Partnership	4,696,720	0.63
Wal Mart	4,221,385	0.55
Country Club Hotel Association LLC	3,694,355	0.49
Sears Roebuck Co.	3,532,830	0.47
Total	$ 78,461,740	10.43%

Source: Cuyahoga County Auditor

(1) The amounts presented represent the assessed values upon which 2006 and 2002 collections were based.

City of North Olmsted, Ohio

Ratio of Outstanding Debt to Total Personal Income and Debt per Capita

Last Ten Years

	Governmental Activities								Business-Type Activities							
Year	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	OWDA Loans	Long Term Notes	Capital Leases	Intergovern-mental Payable	Police Pension	General Obligation Bonds	Long Term Notes	Capital Leases	OWDA Loans	OPWC Loans	Total Debt	Percentage of Personal Income	Per Capita
2006	$ 43,600,143	$ 320,000	$ 95,288	$ -	$ -	$ 62,755	$ -	$ 104,434	$ 16,945,688	$ -	$ 4,711	$ 662,621	$1,173,000	$62,968,640	0.08%	$1,846
2005	35,635,000	390,000	108,899	-	9,860,000	15,754	-	106,825	17,440,000	315,000	6,139	712,161	1,303,334	65,893,112	8.18	1,932
2004	39,115,000	455,000	122,511	-	7,175,000	-	-	109,117	18,435,000	-	26,176	759,721	1,433,667	67,631,192	8.23	1,983
2003	42,230,000	515,000	136,123	-	2,195,000	-	-	111,314	19,385,000	-	51,402	805,381	1,564,001	66,993,221	8.15	1,964
2002	45,130,000	570,000	149,736	172,176	1,865,000	-	45,103	113,422	20,290,000	-	75,713	849,216	1,694,334	70,954,700	8.55	2,080
2001	48,075,000	620,000	163,349	333,686	-	-	-	-	21,155,000	-	-	891,299	1,824,667	73,063,001	8.80	2,142
2000	36,960,000	670,000	176,962	485,695	-	-	-	-	19,385,000	-	-	931,700	1,955,000	60,564,357	7.28	1,775
1999	52,030,000	715,000	190,574	628,763	-	-	-	-	-	-	-	963,312	2,085,334	56,612,983	9.99	1,655
1998	54,450,000	755,000	210,992	763,415	-	-	-	-	-	-	-	1,003,343	2,280,835	59,463,585	10.41	1,738
1997	56,715,000	795,000	224,605	890,146	-	-	-	-	-	-	-	992,108	2,411,168	62,028,027	10.84	1,813

Note: Population and Personal Income at are presented o n page S28.

City of North Olmsted, Ohio

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

Last Ten Years

Year	Population		Assessed (2) Value	Gross (3) Bonded Debt	Debt Service Monies Available
2006	34,113	b	$ 871,003,233	$ 60,545,831	$ 1,441,806
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

(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

Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
$ 59,104,025	6.79%	$ 1,774.86
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

City of North Olmsted, Ohio

Computation of Direct and Overlapping General Obligation Bonded Debt

December 31, 2006

Jurisdiction:		General Obligation Debt Outstanding	Percentage Applicable to City (1)		Amount Applicable to City of North Olmsted
Direct:					
City of North Olmsted (1)					
General obligation bonds	$	60,585,000	100.00%	$	60,585,000
Special assessment bonds		320,000	100.00		320,000
OPWC loans		1,268,288	100.00		1,268,288
Capital leases		67,466	100.00		67,466
Police pension		104,434	100.00		104,434
Total direct debt		62,345,188			62,345,188
Overlapping:					
North Olmsted School District		680,000	100.00		680,000
Cuyahoga County		214,338,641	2.82		6,044,350
Greater Cleveland Regional Transit Authority		156,500,000	2.82		4,413,300
Total overlapping debt		371,518,641			11,137,650
Total	$	433,863,829		$	73,482,838

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

Legal Debt Margin

Last Ten Years

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Assessed Valuation	$ 871,003,233	$ 871,003,233	$ 865,359,676	$ 813,790,056	$ 816,790,056	$ 814,643,897	$ 736,690,212	$ 730,705,574	$ 718,926,115	$ 658,968,086
Overall Debt Limitation – 10 1/2 % of assessed valuation	$ 91,455,339	$ 91,455,339	$ 90,862,766	$ 85,447,956	$ 85,762,956	$ 85,537,609	$ 77,352,472	$ 76,724,085	$ 75,487,242	$ 69,191,649
Outstanding debt:										
General obligation debt	60,905,000	53,465,000	58,005,000	62,130,000	65,990,000	69,850,000	57,015,000	52,745,000	55,205,000	57,510,000
General obligation bond anticipation notes	-	10,175,000	7,175,000	2,195,000	200,000	300,000	2,750,000	4,915,000	2,675,000	500,000
Less: Amount available in debt service fund	(3,063,298)	(3,324,549)	(1,802,585)	(1,369,838)	(1,625,402)	(1,876,156)	(1,199,962)	(648,329)	(306,178)	(147,003)
Total outstanding debt	57,841,702	60,315,451	63,377,415	62,955,162	64,564,598	68,273,844	58,565,038	57,011,671	57,573,822	57,862,997
Less exemptions:										
Bonds and notes issued in anticipation of levy for special assessments	320,000	390,000	455,000	515,000	570,000	620,000	670,000	715,000	755,000	795,000
General obligation bonds and notes that are considered self supporting	11,433,000	12,145,000	12,580,000	13,295,000	13,975,000	14,625,000	19,385,000	19,775,000	20,440,000	20,100,000
Securities issued to pay final judgments and settlements	93,000	104,000	114,000	124,000	138,000	149,000	154,000	162,000	170,000	178,000
Securities to extent authorizing legislation contains covenants to appropriate, levy and collect municipal income taxes	9,412,000	10,524,000	11,483,000	12,433,000	13,323,000	16,207,000	14,519,000	15,206,000	15,658,000	16,092,000
Total exemptions	21,258,000	23,163,000	24,632,000	26,367,000	28,006,000	31,601,000	34,728,000	35,858,000	37,023,000	37,165,000
Net debt within 10 1/2% limitation	36,583,702	37,152,451	38,745,415	36,588,162	36,558,598	36,672,844	23,837,038	21,153,671	20,550,822	20,697,997
Overall debt margin	$ 54,871,637	$ 54,302,888	$ 52,117,351	$ 48,859,794	$ 49,204,358	$ 48,864,765	$ 53,515,434	$ 55,570,414	$ 54,936,420	$ 48,493,652
Unvoted debt limitation 5 1/2 of assessed value	$ 47,905,178	$ 47,905,178	$ 47,594,782	$ 44,758,453	$ 44,923,453	$ 44,805,414	$ 40,517,962	$ 40,188,807	$ 39,540,936	$ 36,243,245
Amount of principal of unvoted bonds and notes subject to 5 1/2%	27,047,000	23,987,451	25,665,415	26,855,599	25,473,598	25,932,844	23,837,038	21,153,671	22,907,000	21,161,000
Unvoted debt margin	$ 20,858,178	$ 23,917,727	$ 21,929,367	$ 17,902,854	$ 19,449,855	$ 18,872,570	$ 16,680,924	$ 19,035,136	$ 16,633,936	$ 15,082,245

City of North Olmsted, Ohio

Principal Employers

December 31, 2006 and December 31, 2000

2006 Employer	2000 Employer
North Olmsted City School District	North Olmsted City School District
Moen Incorporated	The City of North Olmsted
The City of North Olmsted	Moen Incorporated
Riser Foods Company	Riser Foods Company
Kaufmann's Department Stores	Kaufmann's Department Stores
Wal-Mart	Wal-Mart
Dillard Department Stores	Sears, Roebuck & Company
Sears, Roebuck & Company	JC Penney Company
Olmsted Manor Nursing Center	Sunnyside Cars Inc.
Sunnyside Cars Inc.	GMAC - GM Payroll Services

Source: Regional Income Tax Agency based on payroll withholding.

City of North Olmsted, Ohio

Demographic and Economic Statistics

Last Ten Years

Year	Population (1)	Employed in County(2)	Unemployment Rate (2) County	State	US	School (2) Enrollment	Total Personal Income	Personal Income Per Capita (4)
2006	34,113 b	622,876	5.4%	5.6%	4.8%	4,613	$ 805,411,545	$ 23,288
2005	34,113 b	629,000	5.9	5.8	5.1	4,577	794,414,837	23,610
2004	34,113 b	637,400	6.2	6.1	5.5	4,556	821,979,594	24,096
2003	34,113 b	629,600	6.8	6.1	6.0	4,468	821,979,594	24,096
2002	34,113 b	624,900	6.7	5.7	5.8	4,663	829,935,177	24,329
2001	34,113 b	648,300	4.6	4.3	4.8	4,714	829,935,177	24,329
2000	34,113 b	649,500	4.6	4.1	4.0	4,863	832,149,116	24,394
1999	34,204 a	670,000	4.5	4.3	4.5	4,983	566,657,668	16,567
1998	34,204 a	670,000	4.5	4.3	4.5	4,985	571,329,562	16,704
1997	34,204 a	660,800	4.8	4.6	5.0	4,951	571,959,108	16,722

(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) Computation of per capita personal income multiplied by population

City of North Olmsted, Ohio

Full Time Equivalent City Government Employees
By Function or Program

Last Nine Years

	2006	2005	2004	2003	2002	2001	2000	1999	1998
Function/program:									
General government:									
Council	1	1	1	1	1	1	1	1	1
Mayor	3	2	2	2	2	1	1	1	1
General clerical	1	1	1	1	1	1	1	1	1
Boards and commissions	1	1	1	2	2	2	2	2	2
Finance	6	6	6	6	6	7	7	7	6
Law	2	2	2	2	2	0	0	0	0
Information systems	0	1	1	2	2	2	2	2	2
Human resources	3	3	3	3	3	3	3	3	3
Building	11	12	10	10	11	10	11	12	12
Engineering	4	5	6	6	7	8	8	8	9
Total	32	34	33	35	37	35	36	37	37
Security of persons and property:									
Safety director	2	2	2	2	2	2	2	2	2
Fire	46	48	45	46	47	48	45	46	46
Dispatch	9	9	8	9	9	10	8	8	8
Corrections	2	2	2	2	3	3	2	3	3
Police	55	57	57	57	57	56	57	57	56
Youth services (see public health)	1	0	0	0	0	0	0	0	0
Fire clerk	1	1	1	1	1	2	2	2	2
Police clerk	6	6	6	6	7	8	7	8	7
Total	122	125	121	123	126	129	123	126	124
Leisure time activities:									
Senior center	2	2	2	2	2	2	2	2	2
Recreation	12	10	11	12	12	12	10	11	11
Springvale	4	4	4	4	4	4	4	5	5
Total	18	16	17	18	18	18	16	18	18
Public health and welfare:									
Community life services	2	2	2	2	2	2	2	2	2
Youth services (a)	0	1	1	1	1	1	1	1	1
Total	2	3	3	3	3	3	3	3	3
Transportation:									
Service director	2	2	2	2	2	2	2	2	2
Public service and properties:									
Public works administrative	0	0	0	0	0	2	2	2	2
Animal warden	1	1	1	1	1	1	1	1	1
Building maintenance	5	5	5	5	6	6	6	6	6
Road	7	7	7	7	7	9	9	9	9
Forestry	7	9	9	9	10	12	12	12	12
Storm	6	6	6	6	8	13	14	14	13
Subtotal	26	28	28	28	32	43	44	44	43
Fleet	8	8	8	8	8	9	9	9	9
Bus	0	0	59	61	61	66	69	67	65
Total	36	38	97	99	103	120	124	122	119
Economic development:									
Planning	2	2	2	0	0	0	0	0	0
Basic utility services:									
Wastewater treatment plant	35	37	37	37	36	33	35	35	35
Total	247	255	310	315	323	338	337	341	336

Source: City payroll records
(a) See Security of persons and property

City of North Olmsted, Ohio

Operating Indicators by Function/Program

Last Five Years

Function/Program	2006	2005	2004	2003	2002
General Government					
Council and Clerk					
Number of Ordinances and Resolutions Submitted	203	191	206	182	209
Number of Ordinances and Resolutions Passed	182	177	169	173	184
Finance					
Agency Ratings					
Fitch IBCA	A+	A+	A+	A+	A+
Moody's Financial Services - General Limited Tax	A1	A2	A2	A2	A2
Moody's Financial Services - General Unlimited Tax	Aa3	A1	A1	A1	A1
Law					
Real Property Complaints Filed	17	12	11	N/A	N/A
Real Property Fines Collected	2,173	1,130	1,450	N/A	N/A
Criminal Cases Prosecuted	933	674	N/A	N/A	N/A
Traffic Cases Prosecuted	1,916	1,994	N/A	N/A	N/A
Building					
Estimated Valuation of Permits Issued	$ 39,828,613	$ 29,279,863	$ 30,239,136	$ 31,540,971	$ 51,295,838
Number of Permits Issued	1,312	1,444	1,465	1,482	1,455
Security of Persons & Property					
Police					
Number of Traffic Citations Issued	9,460	15,616	12,759	17,682	16,506
Number of Parking Citations Issued	1,775	2,476	2,353	2,702	2,770
Number of Criminal Arrests	2,058	2,249	1,877	2,063	2,166
Fire					
Number of Fire Responses	733	711	679	723	N/A
Number of Squad Responses	2,646	2,579	2,455	2,631	N/A
Total Number of Emergency Responses	3,379	3,290	3,134	3,354	3,228
Number of Runs per Day	9.2	9.0	8.6	9.1	8.8
Public Health and Welfare					
Community Life Services					
Cabin Rentals	516	513	508	408	N/A
Food Cupboard Distributions	376	340	370	N/A	N/A
Holiday Adopt-A-Family	33	30	20	26	34
Leisure Time Activities					
Senior Center					
Hot Lunch Program - Meals Served	9,399	9,179	7,443	N/A	N/A
Meals on Wheels Served	80	58	N/A	N/A	N/A
Activity Participants except Hot Lunch Program	10,092	11,529	N/A	N/A	N/A
Springvale Golf Course and Ballroom					
Number of Golf Rounds	27,499	27,585	25,024	26,835	N/A
Number of Golf Outings	66	53	55	68	N/A
Number of Ballroom Rentals	56	60	76	91	N/A

City of North Olmsted, Ohio

Operating Indicators by Function/Program (continued)

Last Five Years

	2006	2005	2004	2003	2002
Leisure Time Activities (continued)					
Recreation					
Skate Programs and Events Participants	11,116	12,231	10,373	10,093	8,856
Pool Programs	N/A	N/A	2,444	2,514	2,558
Summer Camp Participants	367	225	119	N/A	N/A
Transportation					
Snowfall in inches	34.60	108.40	95.80	98.60	69.80
Street Salting and Plowing - Number of Hours	1,472	5,402	3,911	N/A	N/A
Street Asphalt and Concrete Repair - Number of Hours	6,848	4,828	5,670	N/A	N/A
Tree Planting and Maintenance - Number of Hours	2,344	2,895	3,085	N/A	N/A
Wastewater					
Sanitary Sewer Rate per 1,000 Cubic Feet	$ 36.26	$ 36.26	$ 36.26	$ 36.26	$ 36.26
Total 1,000 Cubic Feet Billed	144,016	148,445	151,164	152,628	166,827
Total flow of wastewater treatment plant (Billions of Gallons)	1,822	2,009	2,014	2,120	1,933
Average Daily Flow (Millions of gallons per day)	4.214	4.461	5.390	5.390	4.370
Tons of wet sludge removed	5525	5359	5648	6247	6249

N/A: Not Available
Source: Various City Divisions

City of North Olmsted, Ohio

Capital Assets Statistics by Function/Program

Last Five Years

General government:	
Number of administrative vehicles	10
Security of persons and property:	
Fire:	
Number of stations	2
Number of vehicles	11
Police:	
Number of stations	1
Number of vehicles	28
Leisure time activities:	
Recreation:	
Number of parks	4
Number of pools	2
Number of vehicles	6
Recreation center facility	1
Senior center facility	1
Springvale golf course and ballroom	
Number of acres (18 hole golf course)	132
Square footage of ballroom	20,000
Number of vehicles	1
Transportation:	
Streets:	
Miles of streets	145
Number of street lights	2,362
Number of service vehicles	56
Basic utility services:	
Sewers:	
Miles of sanitary sewers	175
Miles of storm sewers	151

Note: The information presented above is for the last five years.

City of North Olmsted, Ohio

Capital Assets by Function

Last Five Years

	2006	2005	2004	2003	2002
Governmental activities:					
General government:					
Non-depreciable					
Land	$ 3,728,055	$ 3,728,055	$ 3,705,055	$ 3,712,536	$ 3,712,536
CIP	254,987	288,158	134,465	5,451,463	423,692
Other capital assets					
Cost	12,326,485	12,043,287	12,023,709	5,193,388	5,272,427
Net book value	8,843,845	8,865,854	9,136,769	1,997,027	2,111,241
Security of persons and property:					
Fire:					
Non-depreciable					
CIP	2,166,808	433,895	-	-	-
Other capital assets					
Cost	5,669,892	5,310,749	5,302,466	5,054,346	5,036,437
Net book value	3,157,763	3,032,411	3,247,466	2,947,042	3,100,706
Police:					
Other capital assets					
Cost	3,274,082	3,152,905	2,893,512	2,633,713	2,563,021
Net book value	1,147,013	1,081,959	983,193	977,251	1,032,607
Leisure time activities:					
Recreation:					
Non-depreciable					
CIP	12,284	-	-	98,005	78,024
Other capital assets					
Cost	9,029,953	9,032,171	8,941,133	8,815,998	8,803,470
Net book value	2,091,819	2,319,717	2,526,462	2,659,549	2,892,112
Senior center:					
Non-depreciable					
CIP	-	18,541	-	-	-
Other capital assets					
Cost	519,066	480,903	340,491	322,846	322,846
Net book value	321,322	300,072	162,348	153,983	162,579
Transportation:					
Non-depreciable					
CIP	-	102,546	-	-	-
Other capital assets					
Cost	3,682,027	3,360,309	3,228,825	2,925,187	2,891,034
Net book value	1,061,013	801,278	704,307	547,836	655,772
Infrastructure					
Cost	128,076,170	126,253,887	124,938,751	124,765,980	123,532,616
Net book value	55,977,893	58,243,624	61,511,648	66,012,005	69,290,696

City of North Olmsted, Ohio

Capital Assets by Function (continued)

Last Five Years

	2006	2005	2004	2003	2002
Totals:					
Non-depreciable					
Land	3,728,055	3,728,055	3,705,055	3,712,536	3,712,536
CIP	2,434,079	843,140	134,465	5,549,468	501,716
Other capital assets					
Cost	34,501,505	33,380,324	32,730,136	24,945,478	24,889,235
Net book value	16,622,775	16,401,291	16,760,545	9,282,688	9,955,017
Infrastructure					
Cost	128,076,170	126,253,887	124,938,751	124,765,980	123,532,616
Net book value	55,977,893	58,243,624	61,511,648	66,012,005	69,290,696
Total governmental activities-cost	$ 168,739,809	$ 164,205,406	$ 161,508,407	$ 158,973,462	$ 152,636,103
Total governmental activities-net book value	$ 78,762,802	$ 79,216,110	$ 82,111,713	$ 84,556,697	$ 83,459,965
Business-type activities:					
Springvale golf course and ballroom:					
Cost	$ 6,931,673	$ 6,928,445	$ 6,915,563	$ 6,915,069	$ 6,915,069
Net book value	5,637,324	5,813,900	6,009,015	6,204,470	6,387,523
Sewer revenue:					
Cost	68,372,826	68,227,491	68,114,361	67,935,873	67,808,647
Net book value	26,023,751	27,285,455	28,604,057	29,936,248	31,340,389
NOMBL:					
Cost	564,462	571,462	571,462	571,462	571,462
Net book value	372,084	372,084	372,084	374,062	378,019
Total business-type activities – cost	$ 75,868,961	$ 75,727,398	$ 75,601,386	$ 75,422,404	$ 75,295,178
Total business-type activities – net book value	$ 32,033,159	$ 33,471,439	$ 34,985,156	$ 36,514,780	$ 38,105,931

Source: City Finance Department - capital asset inventory