CITY OF NORTH OLMSTED, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the Year Ended December 31, 2007

Issued by
The Department of Finance

Carrie B. Copfer, CPA
Director of Finance
Leslie A. Bruxvoort, CPA
Assistant Director of Finance

City of North Olmsted, Ohio

Comprehensive Annual Financial Report
December 31, 2007

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

INTRODUCTORY SECTION

City of North Olmsted, Ohio

Comprehensive Annual Financial Report
For the Year Ended December 31, 2007

Table of Contents **Page**

I. Introductory Section

Title Page i
Table of Contents ii
Letter of Transmittal vi
Organization Chart xii
Principal City Officials xiii
GFOA Certificate of Achievement xiv

II. Financial Section

Independent Auditors' Report 1

Management's Discussion and Analysis 3

Basic Financial Statements:

Government-Wide Financial Statements:

Statements of Net Assets 15

Statement of Activities 16

Fund Financial Statements:

Balance Sheet - Governmental Funds 18

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities 19

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds 20

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities 21

Statement of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual - General Fund 23

Statement of Fund Net Assets - Proprietary Funds 24

Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds 25

Statement of Cash Flows - Proprietary Funds 26

City of North Olmsted, Ohio

Comprehensive Annual Financial Report
For the Year Ended December 31, 2007

Table of Contents **Page**

Statement of Fiduciary Assets and Liabilities - Agency Fund 28

Notes to the Basic Financial Statements 29

Combining Statements and Individual Fund Schedules:

Combining Statements – Non-Major Governmental Funds:

Fund Descriptions 65

Combining Balance Sheet – Non-Major Governmental Funds 68

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds 69

Combining Balance Sheet – Non-Major Special Revenue Funds 70

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Special Revenue Funds 74

Combining Balance Sheet – Non-Major Debt Service Funds 78

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Debt Service Funds 79

Combining Balance Sheet – Non-Major Capital Projects Funds 80

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Capital Projects Funds 81

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

Major Funds:

General Fund 83
General Obligation Bond Retirement Fund 88
Fire Construction Fund 89

Non-Major Funds:

Casualty Loss Fund 90
CDBG Fund 91
Alcohol Education Fund 92
Economic Development Fund 93
FEMA Grant Fund 94
Motor Vehicle License Tax Fund 95
Recreation Fund 96
Clague Park Fund 97
Hotel/Motel Tax Fund 98

City of North Olmsted, Ohio

Comprehensive Annual Financial Report
For the Year Ended December 31, 2007

Table of Contents **Page**

Emergency Medical Services Fund 99
State Highway Fund 100
Street Maintenance Fund 101
Permanent Improvements Fund 102
Solid Waste Management Fund 103
Community Diversion Fund 104
Drug Enforcement Fund 105
Endowment and Grant Fund 106
Fair Capacity Housing Fund 107
Fire Pension Fund 108
Law Enforcement Fund 109
Stop Program Fund 110
Police Pension Fund 111
Senior Center Fund 112
Title III Fund 113
Library Bond Retirement Fund 114
Sewer Bond Retirement Fund 115
Special Assessment Bond Retirement Fund 116
Fire Station Bond Retirement Fund 117
Capital Improvements Fund 118
Library Construction Fund 119
Building and Land Acquisition and Improvement Fund 120
Issue II Fund 121
North Olmsted Municipal Bus Line (NOMBL) Fund 122
Springvale Golf Course and Ballroom Fund 123
Sewer Revenue Fund 124
Hospitalization Fund 125

Financial Statement – Fiduciary Fund:

Fund Description 127

Statement of Changes in Assets and Liabilities
Deposits Fund 128

III. Statistical Section

Net Assets by Component – Last Five Years 131

Changes in Nest Assets – Last Five Years 132

Fund Balances, Governmental Funds – Last Ten Years 135

Changes in Fund Balances, Governmental Funds – Last Ten Years 136

Assessed Valuations and Estimated Actual Values of Taxable Property – Last Ten Years 138

City of North Olmsted, Ohio

Comprehensive Annual Financial Report
For the Year Ended December 31, 2007

Table of Contents **Page**

Property Tax Rates – Direct and Overlapping Governments – (Per $1,000 of Assessed Valuation) – Last Ten Years 140

Real Property Tax Levies and Collections – Last Ten Years 141

Principal Taxpayers – Real Estate Tax – 2007 and 2003 142

Ratio of Outstanding Debt to Total Personal Income and Debt per Capita – Last Ten Years 143

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita – Last Ten Years 144

Computation of Direct and Overlapping General Obligation Debt 146

Legal Debt Margin – Last Ten Years 147

Principal Employers – Last Eight Years 148

Demographic and Economic Statistics – Last Ten Years 149

Full Time City Employees by Function or Program – Last Ten Years 150

Operating Indicators by Function/Program – Last Six Years 151

Capital Assets Statistics by Function/Program – Last Six Years 153

Capital Assets by Function – Last Six Years 154

City of North Olmsted

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Director of Finance

Department of Finance

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June 26, 2008

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, 2007.

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, 2007. 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 was nominally growing for the first half of 2007, but as the housing foreclosure crisis and mortgage lending practices became more widespread knowledge in the latter half, market values of property declined, which will impact revenues for 2008 collection year and for the next year as well. Additionally, income tax revenues were flat in 2007 with only a slight increase in withholding. The local economy mirrors the State's lagging economy, with job losses being announced in the region daily. Continued rising fuel and utility costs hamper any headway gained in our budget from other savings garnered.

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 2007 the Westfield Group made a significant improvement to 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 is a strength 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 sixth 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 unlimited 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 $3,137,461 in the aggregate for plan year 2007. 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 recognized the need to promote and coordinate new development and redevelopment. In 2007 the city hired an economic development consultant who assisted in the job creation tax credit for the city to offer new businesses moving to our community based on income tax withholding being generated. Additionally this consultant has marketed our industrial park and the Stearns and Lorain Road intersection, including the Stearns Road south of Lorain.

The City, in conjunction with Cuyahoga County and the City of Westlake, is constructing a major four-lane, north-south roadway to connect the interstate highways of I-480 and I-90. Construction began in 2007 with completion expected in the fall of 2008.

After 52 years of service, a new fire station #2 was constructed and opened in July 2007. It totaled 14,950 square feet providing much larger living accommodations, garage bays and features to allow for many specific types of training to be conducted year round.

The City completed its second annual street rating program so that professionals prioritize street improvements based on need. Streets received $1 million worth of either asphalt replacement or asphalt recycling based on the results of this survey.

With the assistance of a consultant, the City completed a rate and operational study of the Wastewater Treatment Plant and System to determine an appropriate course of action for the sewer utility to reduce cost and improve quality and efficiency. A rate increase effective for January 1, 2008 was passed based on their recommendation to achieve these goals. Additionally, a study was being performed on the flow of storm water in certain areas of town during wet weather events in the sewer system.

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, 2006. This was the eighth 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 eight 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

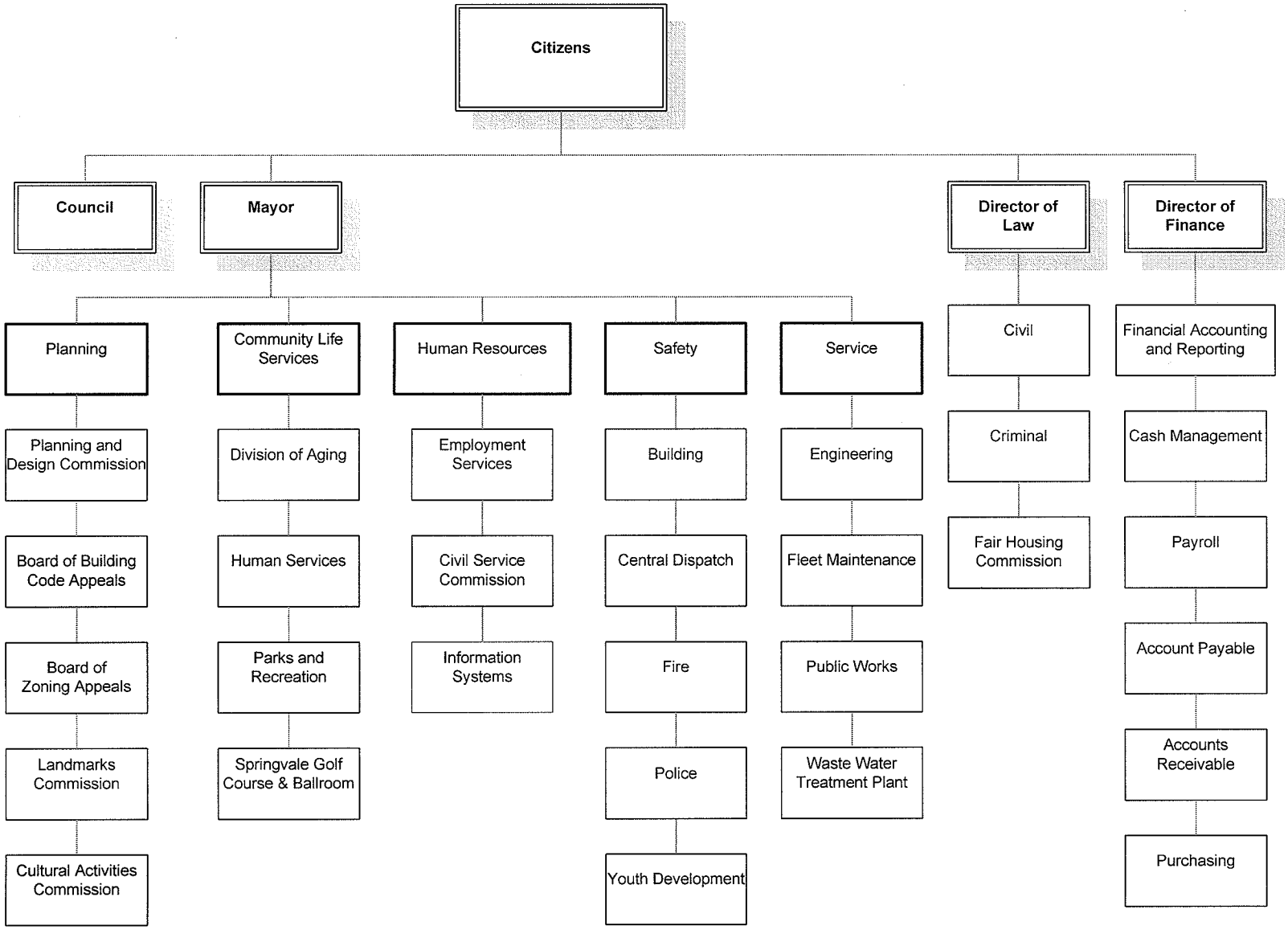
The 2007 Comprehensive Annual Financial Report was prepared by the Finance Department with cooperation from all city departments. We would like to express our appreciation to Ciuni & Panichi, Inc. for their guidance in the preparation of this report.

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 Olmsted, Ohio

Principal City Officials

December 31, 2007

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
Lisa Thomas	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, 2006

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 units, 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, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the 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 units, each major fund, and the aggregate remaining fund information of the City of North Olmsted as of December 31, 2007, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General 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, 2007, the City implemented GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans* and GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues.*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2008, 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 agreements 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 important for assessing the results of our audit.

C&P Advisors, LLC
Ciuni & Panichi, Inc.
Joel Strom Associates LLC
C&P Wealth Management, LLC

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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 on pages 3 through 13 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 section 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.

Cuni & Paricki, Inc.

Cleveland, Ohio
June 26, 2008

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, 2007. 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 2007 are as follows:

- Total net assets are $62,480,261 at December 31, 2007, which represents a 1.44 percent decrease from the prior year.

- Total invested in capital assets, net of related debt of $48,233,475, represents 77.20 percent of total net assets in 2007.

- Total liabilities decreased by $3,890,484 or 4.72 percent decrease from 2006 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 2007. 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 18. Fund financial reports provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds which account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of North Olmsted, the major governmental funds are the General Fund, General Obligation Bond Retirement Fund, and Fire Construction Fund, and the major enterprise funds are North Olmsted Municipal Bus Line (NOMBL) Fund, Springvale Golf Course and Ballroom Fund, and Sewer Revenue Fund.

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 25 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 a statement of assets and liabilities.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements, the combining statements referred to earlier in connection with nonmajor governmental funds are presented, as well as individual detailed budgetary comparisons for all funds. This information can be found starting on page 65 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 2007 compared to 2006.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Assets						
Current and Other Assets	$ 32,079,834	$ 33,079,091	$ 1,579,120	$ 1,898,147	$ 33,658,954	$ 34,977,238
Capital Assets, Net	76,797,518	78,762,802	30,511,954	32,033,159	107,309,472	110,795,961
Total Assets	108,877,352	111,841,893	32,091,074	33,931,306	140,968,426	145,773,199
Liabilities						
Current Liabilities	13,354,325	13,639,798	389,538	369,869	13,743,863	14,009,667
Long-term Liabilities	46,616,284	48,990,075	18,128,018	19,378,907	64,744,302	68,368,982
Total Liabilities	59,970,609	62,629,873	18,517,556	19,748,776	78,488,165	82,378,649
Net Assets						
Invested in Capital Assets, Net of Related Debt	35,360,913	38,677,759	12,872,562	13,124,827	48,233,475	51,802,586
Restricted	11,815,971	9,206,196	-	-	11,815,971	9,206,196
Unrestricted	1,729,859	1,328,065	700,956	1,057,703	2,430,815	2,385,768
Total Net Assets	$ 48,906,743	$ 49,212,020	$ 13,573,518	$ 14,182,530	$ 62,480,261	$ 63,394,550

Net assets may serve over time as a useful indicator of a government's financial position. For the City of North Olmsted, total assets exceed total liabilities by $62,480,261 as of December 31, 2007. 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 (77.2 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 2007 decreased by $4,804,773 or 3.3 percent when compared to 2006. The decrease in total assets was mainly due to accumulated depreciation on capital assets and a decrease in intergovernmental receivables. The net affect of depreciation, additions and deletions on governmental activities decreased roads by $3,424,736 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 $1,459,452. Business-type activities capital assets (buildings, improvements other than buildings, machinery and equipment, furniture and fixtures and storm sewer lines) decreased by $1,521,205 which again is primarily attributed to the accumulated depreciation on capital assets of the sanitary sewer plant and system. Decrease in intergovernmental receivables of $952,106 is mainly due to two factors. First, in 2006, the City received a reimbursement from Cuyahoga County for the Clague Road project of approximately $388,947. In addition, business-type intergovernmental receivables decreased by approximately $530,000 due to the timing of collections for sewer charges being further into the billing cycle thus more were actually collected by the end of 2007 as compared to 2006. The City's total liabilities decreased $3,890,484 from 2006 to 2007. This is primarily from the annual debt service payment reducing liabilities at a greater rate than the increase in other liabilities. Therefore, total net assets decreased by $914,289 from 2006 to 2007.

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	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	$ 3,723,093	$ 3,710,978	$ 7,140,594	$ 7,048,124	$ 10,863,687	$ 10,759,102
Operating grants and contributions	1,966,707	1,802,858	-	-	1,966,707	1,802,858
Capital grants and contributions	1,198,671	3,013,935	141,130	471,157	1,339,801	3,485,092
Total program revenues	6,888,471	8,527,771	7,281,724	7,519,281	14,170,195	16,047,052
General revenues:						
Property taxes and other local taxes	11,396,531	10,701,905	-	-	11,396,531	10,701,905
Municipal income taxes	13,014,677	14,164,807	-	-	13,014,677	14,164,807
Grants and entitlements	3,492,684	3,429,556	-	-	3,492,684	3,429,556
Other	1,125,186	960,480	-	-	1,125,186	960,480
Total general revenues	29,029,078	29,256,748	-	-	29,029,078	29,256,748
Total revenues	35,917,549	37,784,519	7,281,724	7,519,281	43,199,273	45,303,800
Program expenses:						
General government	4,006,843	4,272,186	-	-	4,006,843	4,272,186
Security of persons and property	14,721,998	14,334,131	-	-	14,721,998	14,334,131
Public health welfare	573,722	549,892	-	-	573,722	549,892
Transportation	9,931,100	9,899,888	-	-	9,931,100	9,899,888
Basic utility services	1,809,305	1,678,150	-	-	1,809,305	1,678,150
Leisure time activities	2,381,717	2,479,209	-	-	2,381,717	2,479,209
Economic development	344,590	156,942	-	-	344,590	156,942
Interest and fiscal charges	2,125,469	2,320,133	-	-	2,125,469	2,320,133
NOMBL	-	-	13,158	42,057	13,158	42,057
Springvale	-	-	1,470,220	1,451,094	1,470,220	1,451,094
Sewer	-	-	6,735,440	6,752,055	6,735,440	6,752,055
Total program expenses	35,894,744	35,690,531	8,218,818	8,245,206	44,113,562	43,935,737
Change in net assets before transfers	22,805	2,093,988	(937,094)	(725,925)	(914,289)	1,368,063
Transfers	(328,082)	(2,353)	328,082	2,353	-	-
Change in net assets	(305,277)	2,091,635	(609,012)	(723,572)	(914,289)	1,368,063
Net assets, beginning of year	49,212,020	47,120,385	14,182,530	14,906,102	63,394,550	62,026,487
Net assets, end of year	$ 48,906,743	$ 49,212,020	$ 13,573,518	$ 14,182,530	$ 62,480,261	$ 63,394,550

Governmental Activities

Overall, total governmental activities revenues declined by $1,866,970. Program revenues represent 19.2 percent of the total governmental activities revenues. This includes charges for services and both operating and capital grants. General revenues represent the other 80.8 percent with municipal income taxes at 36.2 percent of total governmental activities, property and other local taxes at 31.7 percent and grants, entitlements and other miscellaneous revenues representing the remaining 9.7 percent. Program revenues declined in 2007 by $1,639,300. OPWC and ODOT grants received in 2006 were $1,815,264 higher than 2007, which was primarily offset by a $163,849 increase in operating grants mostly attributable to the fair housing grant received in 2007. While municipal income tax collections and the year-end receivable are comparable to the prior year, municipal income tax revenues decreased by $1,150,130 from 2006 due to a prior year accrual. Property tax revenues increased by $694,626 due to the sexennial reappraisal on market values for the 2007 collection year.

Overall, total program expenses increased by 0.57 percent over 2006. Despite increases in operating expenses such as wages, benefits, fuel, and utilities, controllable program expenses were efficiently utilized to offset such increases where possible. All the union labor contracts were being negotiated during 2007. Only the police and fire unions settled to accrue these retroactive wages due to be paid in 2008. All others were still in various stages of negotiations.

Security of persons and property represent 41.01 percent of program expenses. This includes the cost of the police, dispatch, fire and paramedic services. Program expenses increased primarily due to wage, benefit and fuel cost increases.

Transportation expenses represent 27.67 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 increased slightly from the prior year in transportation due to a more normal winter season in 2007, which created an increase in the cost of snow removal, versus the mild 2006 season and increase in fuel and utility expenses.

Leisure time activities represent 6.64 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 3.93 percent due to programs that were reviewed and streamlined, which created savings on outside services.

Interest and fiscal charges on debt service are 5.92 percent of program expenses. They remained relatively constant in 2007.

Basic utility services represents 5.04 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 2007 program expenses increased by 7.82 percent due to wages and benefits of brush recycle activity being accounted for in this category versus transportation.

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. The decline in revenues is due to sewer tap in fees being $300,000 higher in 2006 from a major retail development offset by an increase in sewer user fees for 2007.

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

As of December 31, 2007, the City's governmental funds reported combined ending fund balances of $15,021,066. Of that amount, $14,618,461 constitutes unreserved fund balances, which is available for spending at the government's discretion. The $402,605 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 $36,806,867 and expenditures of $38,135,998, leaving a $84,864 current year deficit, after consideration of $1,244,267 in other financing sources and uses.

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 2007, the general fund had total revenues of $20,839,197 and expenditures of $20,340,145 resulting in an increase in fund balance of $425,146, after consideration of $73,906 in other financing uses, for an ending general fund balance at December 31, 2007 of $4,043,713. General fund revenues exceeded prior year revenues by approximately $366,000 and expenditures were approximately $83,000 more than last year's expenditures, however, as all labor contracts were being negotiated in 2007 and none had been settled, retroactive salary expenditures will be paid in 2008 when contracts are settled.

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 2007. 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 $19,760,479. The final budgeted revenues and other financing sources were $20,052,321. The City actually received $20,696,087 in 2007. The excess came primarily from greater than anticipated revenues of $211,356 in municipal income taxes, $153,378 of intergovernmental revenues and investment income of approximately $300,000. The original appropriations, including other financing uses for the general fund were $21,715,539. The final appropriations, including other financing uses, were $21,743,439. 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 2007. The City's actual expenditures, excluding other financing uses ended $1,178,603 below the final budgeted amount due to the labor contract negotiations that extended into 2008, thus union employees did not received raises in 2007 as budgeted.

Capital Assets and Debt Administration

Capital Assets

	Governmental Activities		Business-Type Activities		Totals	
	2007	2006	2007	2006	2007	2006
Land	$ 4,054,455	$ 3,705,055	$ 2,626,357	$ 2,626,357	$ 6,680,812	$ 6,331,412
Construction in progress	-	2,434,079	-	-	-	2,434,079
Other non-depreciable assets	23,000	23,000	-	-	23,000	23,000
Land improvements	543,069	588,351	819,647	877,789	1,362,716	1,466,140
Buildings and improvements	16,647,136	12,984,724	7,935,966	8,385,136	24,583,102	21,369,860
Furniture and fixtures	417,431	427,429	-	-	417,431	427,429
Vehicles and equipment	2,633,525	2,622,271	12,263,394	12,998,708	14,896,919	15,620,979
Infrastructure	52,478,902	55,977,893	6,866,590	7,145,169	59,345,492	63,123,062
Total	$ 76,797,518	$ 78,762,802	$ 30,511,954	$ 32,033,159	$ 107,309,472	$ 110,795,961

Total capital assets net of depreciation of the City's governmental activities as of December 31, 2007, were $76,797,518, which was $1,965,284 lower than December 31, 2006. The most significant increase was in buildings and improvements of $3,662,412 mainly for the fire station, offset by decreases in construction in progress ($2,434,079) for the construction of the fire station and infrastructure ($3,498,991) due to depreciation expense. Business type activities capital assets decreased by $1,521,205 over 2006 which also allowed annual depreciation to exceed new capital additions from limiting capital purchases due to the results of the rate and operational study's recommendation for significant upgrading of the antiquated wastewater treatment plant after the rates are increased in January 1, 2008. For additional information see Note 8.

Debt

As of December 31, 2007, the City of North Olmsted had $64,744,302 in total debt outstanding with $7,889,833 due within one year.

	Governmental Activities		Business-Type Activities		Totals	
	2007	2006	2007	2006	2007	2006
General obligation bonds	$ 39,579,073	$ 43,600,143	$ 15,878,343	$ 16,945,688	$ 55,457,416	$ 60,545,831
Special assessment bonds	250,000	320,000	-	-	250,000	320,000
OWDA loan	-	-	611,019	662,621	611,019	662,621
OPWC loans	81,675	95,288	1,042,667	1,173,000	1,124,342	1,268,288
Police pension	101,941	104,434	-	-	101,941	104,434
Long-term notes	1,560,000	-	-	-	1,560,000	-
Compensated absences	4,787,135	4,807,455	592,783	592,887	5,379,918	5,400,342
Claims and judgments	213,530	-	-	-	213,530	-
Capital leases	42,930	62,755	3,206	4,711	46,136	67,466
Total	$ 46,616,284	$ 48,990,075	$ 18,128,018	$ 19,378,907	$ 64,744,302	$ 68,368,982

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 $60,325,388 at December 31, 2007. This represents the aggregate principal amount of additional voted and unvoted debt which the City may issue over and above what the City currently has outstanding 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 Notes 12, 13 and 14 to the basic financial statements.

Economic Factors and Next Year's Budget

The City of North Olmsted began to react in the fall of 2007 to the slowing economy, through utilization of attrition. The City's 2008 budget includes the continued high costs of fuel, utilities, healthcare, pension and workers compensation benefits and wage increases. The City has 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 expired in 2007 and are still not all settled. 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. The City is also concerned about the foreclosure crisis that affects the taxable property values and has hurt this region's economy. The City is poised to restructure and review operations so that by 2009 it will have reduced the general fund operating budget by $1.2-$1.5 million to position itself for a further decline or, at a minimum, stagnant resources.

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.

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City of North Olmsted, Ohio

Statement of Net Assets

December 31, 2007

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	North Olmsted Commission on Paratransit, Inc.
Assets:				
Equity in pooled cash and cash equivalents	$ 12,839,591	$ 1,914,067	$ 14,753,658	$ 37,053
Interest receivable	63,347	-	63,347	-
Accounts receivable	278,609	319	278,928	5,677
Materials and supplies inventory	320,495	152,152	472,647	-
Prepaid items	95,874	70,507	166,381	-
Internal balances	1,565,245	(1,565,245)	-	-
Intergovernmental receivable	2,367,925	895,784	3,263,709	13,619
Income taxes receivable	3,021,359	-	3,021,359	-
Taxes receivable - property and other	11,133,376	-	11,133,376	-
Special assessments receivable	250,000	-	250,000	-
Unamortized bond issuance costs	144,013	111,536	255,549	
Non-depreciable capital assets	4,077,455	2,626,357	6,703,812	-
Depreciable assets, net	72,720,063	27,885,597	100,605,660	-
Total assets	108,877,352	32,091,074	140,968,426	56,349
Liabilities:				
Accounts and contracts payable	610,285	173,372	783,657	380
Accrued wages and benefits	397,967	35,789	433,756	1,638
Matured compensated absences	4,364	-	4,364	-
Intergovernmental payable	940,815	102,641	1,043,456	11,782
Retainage payable	186,870	-	186,870	-
Unearned revenue	10,654,038	-	10,654,038	-
Accrued interest payable	203,604	77,736	281,340	-
Claims payable	356,382	-	356,382	-
Long term liabilities:				
Due within one year	6,199,094	1,690,739	7,889,833	-
Due in more than one year	40,417,190	16,437,279	56,854,469	-
Total liabilities	59,970,609	18,517,556	78,488,165	13,800
Net assets:				
Invested in capital assets, net of related debt	35,360,913	12,872,562	48,233,475	-
Restricted for:				
Debt service	3,131,035	-	3,131,035	-
Capital projects	1,709,930	-	1,709,930	-
Community development	59,323	-	59,323	-
Highways and streets	3,707,648	-	3,707,648	-
Public safety	556,982	-	556,982	-
Recreation	38,575	-	38,575	-
Other purposes	2,612,478	-	2,612,478	-
Unrestricted	1,729,859	700,956	2,430,815	42,549
Total net assets	$ 48,906,743	$ 13,573,518	$ 62,480,261	$ 42,549

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, 2007

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 4,006,843	$ 1,380,444	$ 259,898	$ -
Security of persons and property	14,721,998	913,899	52,724	-
Public health and welfare	573,722	34,924	42,152	-
Transportation	9,931,100	257,444	1,532,237	1,086,471
Basic utility services	1,809,305	-	8,018	-
Leisure time activities	2,381,717	1,115,611	71,678	112,200
Economic development	344,590	20,771	-	-
Interest and fiscal charges	2,125,469	-	-	-
Total governmental activities	35,894,744	3,723,093	1,966,707	1,198,671
Business-type activities:				
NOMBL	13,158	1,608	-	-
Springvale golf course and ballroom	1,470,220	1,236,571	-	-
Sewer revenue	6,735,440	5,902,415	-	141,130
Total business - type activities	8,218,818	7,140,594	-	141,130
Total primary government	$ 44,113,562	$ 10,863,687	$ 1,966,707	$ 1,339,801
Component unit:				
North Olmsted Commission on Paratransit, Inc.	$ 205,956	$ 69,763	$ 127,643	$ -

General revenues:
- Property taxes 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

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.
$ (2,366,501)	$ -	$ (2,366,501)	$ -
(13,755,375)	-	(13,755,375)	-
(496,646)	-	(496,646)	-
(7,054,948)	-	(7,054,948)	-
(1,801,287)	-	(1,801,287)	-
(1,082,228)	-	(1,082,228)	-
(323,819)	-	(323,819)	-
(2,125,469)	-	(2,125,469)	-
(29,006,273)	-	(29,006,273)	-
-	(11,550)	(11,550)	-
-	(233,649)	(233,649)	-
-	(691,895)	(691,895)	-
-	(937,094)	(937,094)	-
(29,006,273)	(937,094)	(29,943,367)	-
-	-	-	(8,550)
5,838,640	-	5,838,640	-
1,007,050	-	1,007,050	-
251,749	-	251,749	-
271,108	-	271,108	-
4,027,984	-	4,027,984	-
9,110,286	-	9,110,286	-
1,950,407	-	1,950,407	-
1,953,984	-	1,953,984	-
3,492,684		3,492,684	-
1,029,342	-	1,029,342	-
95,844	-	95,844	-
29,029,078	-	29,029,078	-
(328,082)	328,082	-	-
28,700,996	328,082	29,029,078	-
(305,277)	(609,012)	(914,289)	(8,550)
49,212,020	14,182,530	63,394,550	51,099
$ 48,906,743	$ 13,573,518	$ 62,480,261	$ 42,549

City of North Olmsted, Ohio

Balance Sheet
Governmental Funds

December 31, 2007

	General	General Obligation Bond Retirement	Fire Construction	Non-Major Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	$ 2,396,942	$ 599,282	$ 276,993	$ 8,307,619	$ 11,580,836
Income taxes receivable	2,114,951	-	-	906,408	3,021,359
Taxes receivable – property and other	5,477,120	2,942,566	-	2,713,690	11,133,376
Special assessments receivable	-	-	-	250,000	250,000
Intergovernmental receivable	1,220,387	161,014	-	986,524	2,367,925
Interest receivable	47,236	16,111	-	-	63,347
Accounts receivable	194,394	-	-	84,215	278,609
Interfund receivable	383,658	1,435,004	-	-	1,818,662
Materials and supplies inventory	320,495	-	-	-	320,495
Prepaid items	71,979	-	-	23,895	95,874
Total assets	$ 12,227,162	$ 5,153,977	$ 276,993	$ 13,272,351	$ 30,930,483
Liabilities and fund balances:					
Liabilities:					
Accounts and contracts payable	$ 142,845	$ -	$ 84,401	$ 383,039	$ 610,285
Retainage payable	-	-	21,851	165,019	186,870
Accrued wages and benefits	380,843	-	-	17,124	397,967
Matured compensated absences	4,364	-	-	-	4,364
Intergovernmental payable	871,860	-	-	68,955	940,815
Interfund payable	-	-	-	41,721	41,721
Unearned revenue	6,783,537	3,103,580	-	3,840,278	13,727,395
Total liabilities	8,183,449	3,103,580	106,252	4,516,136	15,909,417
Fund balances:					
Reserved for encumbrances	180,744	-	4,624	217,237	402,605
Unreserved, reported in:					
General fund	3,862,969	-	-	-	3,862,969
Special revenue funds	-	-	-	6,024,628	6,024,628
Debt service funds	-	2,050,397	-	1,080,638	3,131,035
Capital projects funds	-	-	166,117	1,433,712	1,599,829
Total fund balances	4,043,713	2,050,397	170,741	8,756,215	15,021,066
Total liabilities and fund balances	$ 12,227,162	$ 5,153,977	$ 276,993	$ 13,272,351	$ 30,930,483

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

City of North Olmsted, Ohio

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

December 31, 2007

Total governmental fund balances		$ 15,021,066
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.		76,797,518
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property and other taxes	$ 459,981	
Municipal income taxes	804,487	
Intergovernmental	1,506,722	
Special assessments	250,000	
Miscellaneous	52,167	
Total		3,073,357
In the Statement of Activities, interest is accrued on outstanding long-term obligations, whereas in governmental funds, an interest expenditure is reported when due.		(203,604)
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.		144,013
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds.		
Loans payable	(81,675)	
Police past service cost	(101,941)	
Claims and judgments	(213,530)	
General obligation bonds	(39,579,073)	
Long-term notes payable	(1,560,000)	
Special assessment bonds	(250,000)	
Capital leases	(42,930)	
Compensated absences	(4,787,135)	
Total		(46,616,284)
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		902,373
Internal balances		(211,696)
Net assets of governmental activities		$ 48,906,743

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	General	General Obligation Bond Retirement	Fire Construction	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Property and other local taxes	$ 5,489,722	$ 2,828,326	$ -	$ 2,981,976	$ 11,300,024
Municipal income taxes	9,342,976	-	-	4,004,115	13,347,091
Charges for services	1,195,086	-	-	1,234,842	2,429,928
Fines, licenses and permits	1,176,201	-	-	160,549	1,336,750
Intergovernmental	2,964,033	356,476	-	3,699,954	7,020,463
Special assessments	-	-	-	70,000	70,000
Investment income	654,691	271,724	53,770	49,157	1,029,342
Miscellaneous income	16,488	-	-	256,781	273,269
Total revenues	20,839,197	3,456,526	53,770	12,457,374	36,806,867
Expenditures:					
Current:					
General government	3,909,759	-	-	100,943	4,010,702
Security of persons and property	12,974,631	-	101,590	968,902	14,045,123
Public health and welfare	502,421	-	-	58,047	560,468
Transportation	2,628,477	-	-	2,894,243	5,522,720
Basic utility services	-	-	-	1,884,985	1,884,985
Leisure time activities	-	-	-	2,405,799	2,405,799
Economic development	298,452	-	-	43,425	341,877
Capital outlay	-	-	1,929,167	1,223,503	3,152,670
Debt service:					
Principal	19,382	3,433,613	-	667,936	4,120,931
Interest and fiscal charges	7,023	1,447,265	-	623,185	2,077,473
Note issuance costs	-	5,750	-	7,500	13,250
Total expenditures	20,340,145	4,886,628	2,030,757	10,878,468	38,135,998
Excess (deficiency) of revenues over expenditures	499,052	(1,430,102)	(1,976,987)	1,578,906	(1,329,131)
Other financing sources (uses):					
Sale of capital assets	12,349	-	-	-	12,349
Transfers - in	-	2,366,775	-	125,975	2,492,750
Transfers - out	(86,255)	(328,082)	-	(2,406,495)	(2,820,832)
Long-term notes issued	-	-	-	1,560,000	1,560,000
Total other financing sources (uses)	(73,906)	2,038,693	-	(720,520)	1,244,267
Net change in fund balances	425,146	608,591	(1,976,987)	858,386	(84,864)
Fund balances, beginning of year	3,618,567	1,441,806	2,147,728	7,897,829	15,105,930
Fund balances, end of year	$ 4,043,713	$ 2,050,397	$ 170,741	$ 8,756,215	$ 15,021,066

The accompanying notes are an integral part of these financial statements

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, 2007

Net change in fund balances - total governmental funds		$ (84,864)
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	$ 5,315,434	
Depreciation expense	(6,735,066)	
Total		(1,419,632)
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.		(545,652)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Municipal income taxes	(332,414)	
Property and other local taxes	96,507	
Charges for services	52,166	
Special assessments	(70,000)	
Intergovernmental	(647,926)	
Total		(901,667)
Issuance of notes is an other financing source in the funds, but increase long-term liabilities in the Statement of Net Assets		(1,560,000)
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	4,015,000	
Special assessment bonds	70,000	
OPWC street loan	13,613	
Police pension liability	2,493	
Capital leases	19,825	
Total		4,120,931

(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, 2007

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	$ (30,082)	
Compensated absences	20,320	
Claims and judgments	(213,530)	
Amortization of premium	43,103	
Amortization of loss on refunding	(37,033)	
Amortization of issuance costs	(10,734)	
Total		(227,956)
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	368,432	
Internal balances	(54,869)	
Total		313,563
Change in net assets of governmental activities		$ (305,277)

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Municipal income taxes	$ 9,120,300	$ 9,120,300	$ 9,331,656	$ 211,356
Property and other taxes	5,558,440	5,558,440	5,489,723	(68,717)
Charges for services	1,251,800	1,200,800	1,231,231	30,431
Licenses and permits	886,500	886,500	891,737	5,237
Fines and forfeitures	191,500	191,500	199,980	8,480
Intergovernmental revenue	2,279,218	2,622,060	2,775,438	153,378
Investment income	300,000	300,000	609,441	309,441
Other revenue	19,000	19,000	42,532	23,532
Total revenues	19,606,758	19,898,600	20,571,738	673,138
Expenditures:				
Current:				
General government	4,442,661	4,372,083	4,095,350	276,733
Security of persons and property	13,118,168	13,129,605	12,385,354	744,251
Public health and welfare	547,532	538,809	513,569	25,240
Transportation	3,208,128	3,278,231	3,148,757	129,474
Economic development	194,074	194,735	191,830	2,905
Total expenditures	21,510,563	21,513,463	20,334,860	1,178,603
Excess (deficiency) of revenues over expenditures	(1,903,805)	(1,614,863)	236,878	1,851,741
Other financing sources (uses):				
Sales of capital assets	10,000	10,000	12,349	2,349
Advances - in	143,721	143,721	112,000	(31,721)
Advances - out	(143,721)	(143,721)	(143,721)	-
Transfers - out	(61,255)	(86,255)	(86,255)	-
Total other financing sources (uses)	(51,255)	(76,255)	(105,627)	(29,372)
Net change in fund balance	(1,955,060)	(1,691,118)	131,251	1,822,369
Prior year encumbrances	158,655	158,655	158,655	-
Fund balance, beginning of year	1,813,330	1,813,330	1,813,330	-
Fund balance, end of year	$ 16,925	$ 280,867	$ 2,103,236	$ 1,822,369

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, 2007

	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	$ 627,895	$ 26,086	$ 1,260,086	$ 1,914,067	$ 1,258,755
Intergovernmental receivable	-	1,125	894,659	895,784	-
Accounts receivable	-	-	319	319	-
Materials and supplies inventory	-	5,314	146,838	152,152	-
Prepaid items	-	9,023	61,484	70,507	-
Total current assets	627,895	41,548	2,363,386	3,032,829	1,258,755
Non-current assets:					
Unamortized bond issuance costs	-	46,307	65,229	111,536	-
Non-depreciable capital assets	372,084	2,254,273	-	2,626,357	-
Depreciable capital assets, net	-	3,255,288	24,630,309	27,885,597	-
Total non-current assets	372,084	5,555,868	24,695,538	30,623,490	-
Total assets	999,979	5,597,416	27,058,924	33,656,319	1,258,755
Liabilities:					
Current:					
Accounts and contracts payable	-	10,729	162,643	173,372	-
Accrued wages and benefits	-	2,524	33,265	35,789	-
Intergovernmental payable	13,158	16,968	72,515	102,641	-
Interfund payable	-	1,655,176	121,765	1,776,941	-
Accrued interest payable	-	20,837	56,899	77,736	-
Claims payable	-	-	-	-	356,382
Accrued compensated absences	-	22,333	227,738	250,071	-
General obligation bond payable	-	319,000	936,000	1,255,000	-
OWDA loan payable	-	-	53,750	53,750	-
OPWC loan payable	-	-	130,333	130,333	-
Capital leases payable	-	-	1,585	1,585	-
Total current liabilities	13,158	2,047,567	1,796,493	3,857,218	356,382
Long-term liabilities:					
Accrued compensated absences	-	37,542	305,170	342,712	-
General obligation bonds payable	-	4,889,433	9,733,910	14,623,343	-
OWDA loan payable	-	-	557,269	557,269	-
OPWC loan payable	-	-	912,334	912,334	-
Capital leases payable	-	-	1,621	1,621	-
Total long-term liabilities	-	4,926,975	11,510,304	16,437,279	-
Total liabilities	13,158	6,974,542	13,306,797	20,294,497	356,382
Net assets:					
Invested in capital assets, net of related debt	372,084	185,061	12,315,417	12,872,562	-
Unrestricted (deficit)	614,737	(1,562,187)	1,436,710	489,260	902,373
Total net assets (deficit)	$ 986,821	$ (1,377,126)	$ 13,752,127	13,361,822	$ 902,373

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: 211,696

Net assets business-type activities $ 13,573,518

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, 2007

	Business-Type Activities - Enterprise Funds				Governmental Activities
	NOMBL	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Fund
Operating revenues:					
Charges for services	$ 1,608	$ 1,236,571	$ 5,902,415	$ 7,140,594	$ 3,331,173
Operating expenses:					
Salaries	-	423,324	2,411,295	2,834,619	-
Benefits	-	58,189	305,425	363,614	-
Contractual services	-	253,364	1,546,594	1,799,958	-
Supplies and materials	-	252,658	465,023	717,681	-
Other operating	13,158	-	-	13,158	406,358
Claims	-	-	-	-	2,556,383
Depreciation	-	184,986	1,456,934	1,641,920	-
Total operating expenses	13,158	1,172,521	6,185,271	7,370,950	2,962,741
Operating income (loss)	(11,550)	64,050	(282,856)	(230,356)	368,432
Non-operating expenses:					
Loss on disposal of capital assets	-	(33,729)	-	(33,729)	-
Interest and fiscal charges	-	(265,652)	(601,356)	(867,008)	-
Bond issuance costs	-	(2,000)	-	(2,000)	-
Total non-operating expenses	-	(301,381)	(601,356)	(902,737)	-
Income (loss) before contributions and transfers	(11,550)	(237,331)	(884,212)	(1,133,093)	368,432
Capital contributions	-	-	141,130	141,130	-
Transfers - in	-	-	328,082	328,082	-
Change in net assets	(11,550)	(237,331)	(415,000)	(663,881)	368,432
Net assets (deficit), beginning of year	998,371	(1,139,795)	14,167,127		533,941
Net assets (deficit), end of year	$ 986,821	$ (1,377,126)	$ 13,752,127		$ 902,373

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:	54,869
Change in net assets business-type activities	$ (609,012)

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Cash Flows
Proprietary Funds

For the Year Ended December 31, 2007

	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	$ 1,608	$ 1,235,422	$ 6,396,032	$ 7,633,062	$ 3,331,173
Receipts from interfund services provided	-	-	-	-	(406,358)
Cash payments for goods and services	-	(45,045)	(1,572,582)	(1,617,627)	-
Cash paid to suppliers for materials and supplies	-	(169,081)	(443,593)	(612,674)	-
Cash payments for employee services and benefits	(218)	(469,092)	(2,725,416)	(3,194,726)	-
Cash paid for claims	-	-	-	-	(2,495,588)
Net cash provided by operating activities	1,390	552,204	1,654,441	2,208,035	429,227
Cash flows from capital and related financing activities:					
Acquisition of capital assets	-	(90,952)	(63,492)	(154,444)	-
Tap-in fees	-	-	141,130	141,130	-
Capital leases principal paid	-	-	(1,505)	(1,505)	-
Interest paid on capital leases	-	-	(211)	(211)	-
General obligation bonds	-	112,000	-	112,000	-
Loan principal paid - OPWC	-	-	(130,333)	(130,333)	-
Loan principal paid - OWDA	-	-	(51,602)	(51,602)	-
General obligation bonds principal paid	-	(307,500)	(880,000)	(1,187,500)	-
Bond issuance costs	-	(2,000)	-	(2,000)	-
Interest paid	-	(253,453)	(602,025)	(855,478)	-
Net cash used for capital and related financing activities	-	(541,905)	(1,588,038)	(2,129,943)	-
Cash flows from noncapital financing activities:					
Transfers - in	-	-	328,082	328,082	-
Net increase in cash and cash equivalents	1,390	10,299	394,485	406,174	429,227
Cash and cash equivalents, beginning of year	626,505	15,787	865,601	1,507,893	829,528
Cash and cash equivalents, end of year	$ 627,895	$ 26,086	$ 1,260,086	$ 1,914,067	$ 1,258,755

(Continued)

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Cash Flows (continued)
Proprietary Funds

For the Year Ended December 31, 2007

	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 operating activities:					
Operating income (loss)	$ (11,550)	$ 64,050	$ (282,856)	$ (230,356)	$ 368,432
Adjustments:					
Depreciation	-	184,986	1,456,934	1,641,920	-
(Increase) decrease in assets and increase (decrease) in liabilities:					
Accounts receivable	-	-	(319)	(319)	
Materials and supplies inventory	-	3,275	(20,287)	(17,012)	-
Intergovernmental receivable	-	(1,125)	493,936	492,811	-
Prepaid items	-	3,227	8,731	11,958	-
Accounts and contracts payable	-	(2,816)	22,150	19,334	-
Accrued salaries and benefits	-	786	2,991	3,777	-
Intergovernmental payable	12,940	3,193	(14,772)	1,361	-
Interfund payable	-	284,665	-	284,665	-
Claims payable	-	-	-		60,795
Accrued leave benefits	-	11,963	(12,067)	(104)	-
Net cash provided by operating activities	$ 1,390	$ 552,204	$ 1,654,441	$ 2,208,035	$ 429,227

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, 2007

Assets:		
Equity in pooled cash and cash equivalents	$	478,884
Liabilities:		
Accounts payable	$	37,046
Intergovernmental payable		36,915
Deposits held and due to others		404,923
Total liabilities	$	478,884

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 Community Life Services 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.

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, 2007, but which were levied to finance year 2008 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 2007, 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 2007 consisted of:

	Actual Interest Credited	From (to) other City Funds
General	$ 654,691	$ 505,294
Special Revenue Funds:		
Endowment and Grant	48	(10,946)
Senior Center	1,432	(1,708)
Debt Service Funds:		
General Obligation Bond Retirement	271,724	243,776
Special Assessment Bond Retirement	10,745	4,810
Capital Project Funds:		
Library Construction	36,932	(28,424)
Fire Construction	53,770	(44,278)
All others	-	(668,524)
	$ 1,029,342	$ -

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, 2007 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
Land improvements	5 to 40 years
Buildings and improvements	8 to 40 years
Furniture and fixtures	10 to 20 years
Vehicles and equipment	2 to 25 years
Roads	10 to 30 years
Bridges and culverts	35 to 50 years
Sanitary sewer lines	50 years

The City's infrastructure consists of roads, bridges, culverts and sanitary 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 $11,815,971 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 non-operating.

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. Neither occurred in 2007.

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 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 2006 financial statements in order to conform to the 2007 presentation.

Note 3: Change in Accounting Principles

For fiscal year 2007, the City implemented GASB Statements No. 43, "Financial Reporting for Postemployment Benefit Plans other than Pension Plans" and No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues". GASB Statement No. 43 applies for other postemployment benefit (OPEB) trust funds included in the financial reports of plan sponsors or employers and provides requirements for reporting OPEB funds by administrators of multiple-employer OPEB plans, when the fund used to accumulate assets and pay benefits or premiums when due is not a trust fund. GASB Statement No. 48 establishes criteria that governments will use to ascertain whether certain transactions should be regarded as sales or a collateralized borrowings. The statement also includes disclosure requirements for future revenues that are pledged and sold.

The implementation of GASB Statements No. 43 and No. 48 did not affect the presentation of the financial statements of the City.

Note 4: Accountability

There are deficits in the Recreation Fund and the Springvale Golf Course and Ballroom Fund of $8,015 and $1,377,126, respectively. The deficit in the Recreation Fund is caused by the application of accounting principles generally accepted in the United States of America to this fund. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur. The deficit in the Springvale Golf Course and Ballroom Fund 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.

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 basis).

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

Net Change in Fund Balance

	General
GAAP basis	$ 425,146
Increase (decrease) due to:	
Revenue accruals	(155,459)
Expenditure accruals	155,270
Outstanding encumbrances	(293,706)
Budget basis	$ 131,251

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.

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;

Note 6: Deposits and Investments (continued)

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 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.

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.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by eligible securities pledged to and deposited either within the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred and five percent of the deposits being secured.

At year-end, the carrying amount of the City's deposits was $13,254,842 and the bank balance was $13,507,071. Of the bank balance $444,812 was covered by Federal depository insurance and $13,062,259 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, 2007, the city had the following investment:

	Fair Value	Weighted Average Maturity (Days)
Federal Home Loan Bank	$ 1,977,700	2

Note 6: Deposits and Investments (continued)

Investments (continued)

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.

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, 2007:

Investment Issuer	Percentage of Investments
Federal Home Loan Bank	100%

Note 7: Receivables

Receivables at December 31, 2007, 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 $175,000 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 2007 for real and public utility property taxes represents collections of the 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) are for 2007 taxes.

2007 real property taxes are levied after October 1, 2007, on the assessed value as of January 1, 2007, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2008. 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. 2007 public utility property taxes which became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 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 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008 and zero for 2009.

2007 tangible personal property taxes are levied after October 1, 2006, on the values as of December 31, 2006. Collections are made in 2007. 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, 2007, was $13.20 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2007 property tax receipts were based as follows:

Real estate		
Residential/Agriculture	$	628,919,780
Commercial/Industrial/Mineral		252,741,580
Tangible personal property		
Public utility		14,502,800
General tangible personal property		39,487,817
Total valuation	$	935,651,977

Note 7: Receivables (continued)

A. Property Taxes (continued)

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, 2007 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 2007 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.

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 (Permanent Improvements Fund).

Note 7: Receivables (continued)

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

		Amount
Governmental activities		
Local government	$	730,894
Homestead and rollback		500,433
Gasoline tax		532,000
Estate tax		221,842
CAT tax reimbursement		51,214
Public utility reimbursement		56,900
Permissive tax		16,403
Court fines		21,101
Auto registration		32,704
North Olmsted City School District		21,442
Fair Housing grant		120,000
Peace officer training reimbursement		8,640
Liquor fees		3,210
Miscellaneous		10,095
OPWC grant		37,267
Prisoner care reimbursement		3,780
Total governmental activities		2,367,925
Business-type activities		
Sewer charges		806,768
City of Fairview Park		87,891
Miscellaneous		1,125
Total business-type activities		895,784
Total	$	3,263,709

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 $87,891 has been recorded on the statement of net assets.

Note 8: Capital Assets

A summary of changes in capital assets during 2007 follows:

	Balance 12/31/06	Additions	Disposals	Balance 12/31/07
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 3,705,055	$ 349,400	$ -	$ 4,054,455
Art	23,000	-	-	23,000
Construction in progress	2,434,079	2,202,386	(4,636,465)	-
Total capital assets not being depreciated	6,162,134	2,551,786	(4,636,465)	4,077,455
Capital assets, being depreciated:				
Land improvements	942,804	5,546	-	948,350
Buildings and improvements	23,774,758	4,335,705	-	28,110,463
Furniture and fixtures	695,355	87,178	(16,110)	766,423
Vehicles and equipment	9,088,588	538,347	(538,842)	9,088,093
Infrastructure:				
Roads	124,974,605	2,433,337	(1,525,697)	125,882,245
Bridges and culverts	3,101,565	-	-	3,101,565
Total capital assets, being depreciated	162,577,675	7,400,113	(2,080,649)	167,897,139
Less accumulated depreciation:				
Land improvements	(354,453)	(50,828)	-	(405,281)
Buildings and improvements	(10,790,034)	(673,293)	-	(11,463,327)
Furniture and fixtures	(267,926)	(97,176)	16,110	(348,992)
Vehicles and equipment	(6,466,317)	(524,235)	535,984	(6,454,568)
Infrastructure:				
Roads	(70,801,039)	(5,315,279)	982,903	(75,133,415)
Bridges and culverts	(1,297,238)	(74,255)	-	(1,371,493)
Total accumulated depreciation	(89,977,007)	(6,735,066)	1,534,997	(95,177,076)
Total capital assets, being depreciated, net	72,600,668	665,047	(545,652)	72,720,063
Total governmental capital assets, net	$ 78,762,802	$ 3,216,833	$ (5,182,117)	$ 76,797,518

Note 8: Capital Assets (continued)

	Balance 12/31/06	Additions	Disposals	Balance 12/31/07
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	23,202,253	-	-	23,202,253
Furniture and fixtures	23,058	-	-	23,058
Vehicles and equipment	34,782,241	154,444	(228,106)	34,708,579
Sanitary sewer lines	14,064,897	-	-	14,064,897
Total capital assets, being depreciated	73,242,604	154,444	(228,106)	73,168,942
Less accumulated depreciation:				
Land improvements	(292,366)	(58,142)	-	(350,508)
Buildings and improvements	(14,817,117)	(449,170)	-	(15,266,287)
Furniture and fixtures	(23,058)	-	-	(23,058)
Vehicles and equipment	(21,783,533)	(856,029)	194,377	(22,445,185)
Sanitary sewer lines	(6,919,728)	(278,579)	-	(7,198,307)
Total accumulated depreciation	(43,835,802)	(1,641,920)	194,377	(45,283,345)
Total capital assets, being depreciated, net	29,406,802	(1,487,476)	(33,729)	27,885,597
Total business - type capital assets, net	$ 32,033,159	$ (1,487,476)	$ (33,729)	$ 30,511,954

Depreciation expense was charged to governmental functions as follows:

General government	$ 391,481
Security of persons and property	476,942
Transportation	5,561,267
Leisure time activities	305,376
Total	$ 6,735,066

Note 9: Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

The City of North Olmsted 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, 2007, the members of all three plans were required to contribute 9.50 percent of their annual covered salary to fund pension obligations. The City contributed 13.85 percent of covered payroll, of which 5.00 to 6.00 percent was used to fund health care coverage for retirees. The contribution rate is determined actuarially. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City of North Olmsted's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were $703,990, $767,226, and $868,705, respectively, 89 percent has been contributed for 2007, which has been recorded as a liability and 100 percent for 2006 and 2005. Contributions to the member-directed plan for 2007 were $2,128 made by the City of North Olmsted and $1,460 made by the plan members.

B. Ohio Police and Fire Pension Fund

The City of North Olmsted 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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.00 percent of their annual covered salary, while employers are required to contribute 19.50 percent for police officers and 24.00 percent for firefighters. Contributions are

Note 9: Defined Benefit Pension Plans

B. Ohio Police and Fire Pension Fund (continued)

authorized by state statute. The City of North Olmsted's contributions to OP&F for police and firefighters were $470,468 and $534,082 for the year ended December 31, 2007, $453,211 and $527,483 for the year ended December 31, 2006, and $433,315 and $499,112 for the year ended December 31, 2005. The full amount has been contributed for 2006 and 2005. 72 percent for police and 72 percent for firefighters has been contributed for 2007 with the remainder being reported as a liability.

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 – a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS 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 meets the definition of 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 the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. The 2007 employer contribution rate was 13.85 percent of covered payroll; 5.00 percent from January 1 through June 30, 2007 and 6.00 percent from July 1 through December 31, 2007 were the portions that were used to fund health care.

Benefits are advance-funded on an actuarially determined basis. The individual entry age actuarial cost method of valuation is used in determining the present value of OPEB. 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, 2006, 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 5.00 percent for the next eight years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4.00 percent (the projected wage inflation rate).

Note 10: Postemployment Benefits (continued)

A. Ohio Public Employees Retirement System (continued)

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, 2007, the number of active contributing participants in the Traditional and Combined Plans totaled 374,979. The number of active contributing participants for both plans used in the December 31, 2006, actuarial valuation was 362,130. The City's actual contributions for 2007, which were used to fund postemployment benefits, were $463,048. OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were $12.0 billion. The actuarially accrued liability and the unfounded actuarially accrued liability were $30.7 billion and $18.7 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed 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 post-retirement health care coverage to any person who received 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.

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 that health care cost paid from the funds of OP&F shall be included in the employer's contribution rate. The Ohio Revised Code provides the statutory authority allowing the OP&F's Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The total police employer contribution rate is 19.50 percent of covered payroll and the total firefighter employer contribution rate is 24.00 percent of covered payroll, of which 7.75 percent and 6.75 percent of covered payroll was applied to the postemployment health care program during 2006 and 2007, respectively. In addition, since July 1, 1992, most retirees and survivors were 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 number of participants eligible to receive health care benefits as of December 31, 2006, the date of the last actuarial valuation available, was 14,120 for police and 10,563 for firefighters. The City's actual contributions for 2007 that were used to fund post-employment benefits were $248,902 for police and $208,730 for firefighters. OP&F's total health care expenses for the year ending December 31, 2006, the date of the last actuarial valuation available, was $120,373,722, which was net of member contributions of $58,532,848.

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 2007, self-insurance was in effect for claims up to $75,000 per covered individual and $3,216,680 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 $356,382 as estimated by the third party administrator and reported in the Hospitalization internal service fund at December 31, 2007, 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.

Changes in the funds claims liability amount in 2007 and 2006 were as follows:

	2007	2006
Unpaid claims, beginning of year	$ 295,587	$ 289,312
Incurred claims	2,556,383	2,478,370
Claims payments	(2,495,588)	(2,472,095)
Unpaid claims, end of year	$ 356,382	$ 295,587

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
Police pension	1968	2031	4.25	272,250
Long-term bond anticipation notes	2007	2008	3.90	1,560,000
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
Golf course and ballroom improvements	2007	2011	4.25	112,000
OWDA sanitary sewer loan	1997	2017	4.12	1,060,795
OPWC sanitary sewer loan	1994	2014	0	272,250

Note 12: Long-Term Obligations (continued)

Changes in long-term obligations during the year ended December 31, 2007, consisted of the following:

	Balance 12/31/06	Increase	Decrease	Balance 12/31/07	Amounts Due in One Year
Governmental activities:					
General obligation bonds:					
Various purpose bonds 1996	$ 6,710,000	$ -	$ 1,285,000	$ 5,425,000	$ 1,315,000
Various purpose bonds 2000	2,215,000	-	520,000	1,695,000	535,000
Various purpose bonds 2001	890,000	-	135,000	755,000	140,000
Various purpose bonds refunding	9,077,000	-	19,000	9,058,000	20,000
Premium on various purpose bonds	181,344	-	12,090	169,254	-
Loss on refunding	(208,624)	-	(13,907)	(194,717)	-
Total various purpose bonds	18,864,720	-	1,957,183	16,907,537	2,010,000
Library improvements	1,920,000	-	450,000	1,470,000	470,000
Library improvements refunding	6,770,000	-	5,000	6,765,000	10,000
Premium on library improvements bonds	434,180	-	31,013	403,167	-
Loss on refunding	(323,757)	-	(23,126)	(300,631)	-
Total library improvements bonds	8,800,423	-	462,887	8,337,536	480,000
Refunding 2001	4,700,000	-	740,000	3,960,000	745,000
Capital improvements bonds	7,325,000	-	721,000	6,604,000	751,000
Fire station improvement bonds	3,910,000	-	140,000	3,770,000	145,000
Total general obligation bonds	43,600,143	-	4,021,070	39,579,073	4,131,000
Special assessment bonds:					
Industrial Park Road	320,000	-	70,000	250,000	75,000
OPWC street loan	95,288	-	13,613	81,675	13,613
Police pension liability	104,434	-	2,493	101,941	2,600
Long - term notes	-	1,560,000	-	1,560,000	190,000
Capital leases	62,755	-	19,825	42,930	20,939
Claims and judgments (see Note 18)	-	213,530	-	213,530	-
Compensated absences payable	4,807,455	1,369,671	1,389,991	4,787,135	1,765,942
Total governmental activities	$ 48,990,075	$ 3,143,201	$ 5,516,992	$ 46,616,284	$ 6,199,094
Business - type activities:					
General obligation bonds:					
Various purpose bonds 1996	$ 5,195,000	$ -	$ 920,000	$ 4,275,000	$ 980,000
Various purpose bonds 2000	295,000	-	70,000	225,000	75,000
Golf course improvements	655,000	-	100,000	555,000	105,000
Various purpose and golf course improvements bonds refunding	10,473,000	-	26,000	10,447,000	25,000
Unamortized premium	209,282	-	13,952	195,330	-
Unamortized loss	(331,594)	-	(22,107)	(309,487)	-
Total various purpose and golf course improvements bonds	16,495,688	-	1,107,845	15,387,843	1,185,000
Capital improvement bonds	450,000	-	49,000	401,000	49,000
Golf course and ballroom improvement bonds	-	112,000	22,500	89,500	21,000
Total general obligation bonds	16,945,688	112,000	1,179,345	15,878,343	1,255,000
OWDA sanitary sewer loan	662,621	-	51,602	611,019	53,750
OPWC sanitary sewer loan	1,173,000	-	130,333	1,042,667	130,333
Capital leases	4,711	-	1,505	3,206	1,585
Compensated absences payable	592,887	233,068	233,172	592,783	250,071
Total business - type activities	$ 19,378,907	$ 345,068	$ 1,595,957	$ 18,128,018	$ 1,690,739

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 and library 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 Fund, and the NOMBL, Springvale Golf Course and Ballroom and Sewer Revenue 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 Funds. The OPWC loans are interest free. Claims and judgments will be paid from the General Fund.

In 2006, the City defeased a portion of library improvement bonds, various general obligation bonds and golf course improvement bonds in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2007, $26,040,000 of the defeased bonds are still outstanding.

In 2001, 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 basic financial statements. At December 31, 2007, $3,960,000 of bonds outstanding are considered to be defeased.

During 2007, the City entered into a Water Pollution Control Loan Fund with the Ohio Environmental Protection Agency and the Ohio Water Development Authority for the initial planning of the improvements needed as a result of the operational study and needs assessment that was conducted in 2007. The amount committed was up to $50,000 at a 3.20% interest rate for 5 years. The final payment schedule will be determined when the total loan is disbursed or the project is completed, whichever is earlier. The City did not complete the project or received any funds from this loan in 2007.

The City's overall legal debt margin was $60,325,388 at December 31, 2007. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2007, are as follows:

Note 12: Long-Term Obligations (continued)

	Governmental Activities				
	General Obligation Bonds		Special Assessments		OPWC Loans
Year	Principal	Interest	Principal	Interest	Principal
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	3,723,000	1,063,043			13,613
2013-2017	12,537,000	2,877,108	-	-	13,610
2018-2022	5,622,000	422,775	-	-	-
2023-2025	1,130,000	56,500	-	-	-
Totals	$ 39,502,000	$ 10,665,950	$ 250,000	$ 34,076	$ 81,675

	Governmental Activities		Total	
	Police Pension		Governmental Activities	
Year	Principal	Interest	Principal	Interest
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	3,078	3,829	3,739,691	1,066,872
2013-2017	17,481	17,045	12,568,091	2,894,153
2018-2022	21,574	12,953	5,643,574	435,728
2023-2027	26,622	7,905	1,156,622	64,405
2028-2031	22,096	1,907	22,096	1,907
Totals	$ 101,941	$ 60,170	$ 39,935,616	$ 10,760,196

	Business-Type Activities			
	General Obligation Bonds		OWDA Loans	
Year	Principal	Interest	Principal	Interest
2008	$ 1,255,000	$ 773,688	$ 53,750	$ 24,626
2009	1,326,500	701,491	55,987	22,389
2010	1,398,000	624,949	58,317	20,058
2011	1,410,000	543,885	60,745	17,631
2012	1,462,000	461,265	63,273	15,102
2013-2017	7,108,000	1,283,616	318,947	31,044
2018-2022	2,033,000	215,882	-	-
Totals	$ 15,992,500	$ 4,604,776	$ 611,019	$ 130,850

Note 12: Long-Term Obligations (continued)

Year	Business-Type Activities OPWC Loans Principal	Total Business-Type Activities Principal	Total Business-Type Activities Interest
2008	$ 130,333	$ 1,439,083	$ 798,314
2009	130,333	1,512,820	723,880
2010	130,334	1,586,651	645,007
2011	130,334	1,601,079	561,516
2012	130,334	1,655,607	476,367
2012-2016	390,999	7,817,946	1,314,660
2017-2021	-	2,033,000	215,882
Totals	$ 1,042,667	$ 17,646,186	$ 4,735,626

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 $90,624. Accumulated depreciation as of December 31, 2007 for machinery and equipment was $20,347, leaving a current book value of $70,277 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, 2007.

Year	Governmental Activities	Business-Type Activities
2008	$ 22,860	$ 1,716
2009	22,732	1,667
Total minimum lease payments	45,592	3,383
Less: amount representing interest	(2,662)	(177)
Present value of minimum lease payments	$ 42,930	$ 3,206

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, 2007, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
Plans and studies	$ 110,454	$ 27,857	$ 82,597
Equipment	19,995	-	19,995
Building improvements	93,400	-	93,400
Sanitary sewer improvements	50,000	-	50,000
Total	$ 273,849	$ 27,857	$ 245,992

Note 16: Interfund Transfers and Balances

A. Interfund Transfers

Interfund transfers for the year ended December 31, 2007 consisted of the following:

	Transfer from			
Transfer to:	General Fund	Bond Retirement Fund	General Obligation Non-Major Governmental Funds	Total
General Obligation Bond Retirement Fund	$ -	$ -	$ 2,366,775	$ 2,366,775
Non-Major Governmental Funds	86,255	-	39,720	125,975
Sewer Revenue Fund	-	328,082	-	328,082
	$ 86,255	$ 328,082	$ 2,406,495	$ 2,820,832

The transfers to the General Obligation Bond Retirement Fund and Sewer Bond Retirement Fund were made for the payment of debt. The transfers to the Causality Loss Fund and CDBG Fund were to help pay operating and capital expenses. The transfer to the CDBG Fund from the Recreation Fund was for the City's matching obligation under the CDBG grant for the capital improvements at the park. The City had no transfers that either did not occur on a regular basis or were inconsistent with the purpose of the fund making the transfer.

B. Interfund Balances

As of December 31, 2007, interfund balances were as follows:

	Due from:			
Due to:	Non-Major Governmental Funds	Springvale Course and Ballroom Fund	Sewer Fund	Total
General Fund	$ 41,721	$ 243,927	$ 98,010	$ 383,658
General Obligation Bond Retirement Fund	-	1,411,249	23,755	1,435,004
	$ 41,721	$ 1,655,176	$ 121,765	$ 1,818,662

Note 16: Interfund Transfers and Balances (continued)

B. Interfund Balances (continued)

The General Obligation Bond Retirement Debt Service Fund loaned the Springvale Golf Course and Ballroom Enterprise Fund and Sewer Revenue Enterprise Fund additional resources to meet the debt service requirements for the year. The General Fund loaned the Springvale Golf Course and Ballroom Enterprise Fund and 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.

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 2007, the City contributed $67,255. 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 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. For those cases in which it is reasonably possible that a loss will be incurred and in which the amount of the potential judgment can be reasonably estimated, the City estimates the liability to be $213,530 as of December 31, 2007. The City recognized this amount in Governmental Activities as claims and judgments. City management believes the settlement in aggregate of other claims outstanding will not result in amounts material to the financial statements of the City.

Note 19: Subsequent Events

On April 2, 2008, the City issued $2,370,000 in capital improvement and equipment notes for the purposes of improving certain designated City streets, acquiring and installing telecommunications equipment related software. The capital improvement and equipment notes are to mature in April 2009 have an interest rate of 2.35 percent.

Effective in January 2008, the City, with the approval of Council, increased the sewer rate by 9.8% for the first year and 9.5% annually for the next three years. The rate increase will fund the significant capital improvement plan to the wastewater treatment plant and system that was the final result of the rate and operational study and needs assessment conducted in 2007.

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.

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.

Note 20: Component Unit (continued)

A. Summary of Significant Accounting Policies (continued)

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, 2007, 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, 2007, accounts receivable were reported at $5,677 and intergovernmental receivables were reported at $13,619.

Vehicles - It is the N.O.C.O.P.'s policy to capitalize expenditures in excess of $5,000 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.

A summary of the component unit's capital assets at December 31, 2007, follows:

Capital assets being depreciated:

Vehicles	$	29,937
Less accumulated depreciation		(29,937)
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.

Note 20: Component Unit (continued)

B. Cash Equivalents and Cash on Hand

At year end the carrying amount of the N.O.C.O.P.'s deposits were $36,953 and the bank balance was $38,890, 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".

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City of North Olmsted, Ohio

Combining Statements
Non-Major Governmental Funds

For the Year Ended December 31, 2007

Non-Major 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.

Non-Major Special Revenue Funds (continued)

***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.

***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, 2007

Non-Major 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.

Non-Major 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, 2007

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	$ 5,650,525	$ 1,080,638	$ 1,576,456	$ 8,307,619
Income taxes receivable	906,408	-	-	906,408
Taxes receivable - property and other	1,534,930	1,178,760	-	2,713,690
Special assessments receivable	-	250,000	-	250,000
Intergovernmental receivable	889,980	59,277	37,267	986,524
Accounts receivable	84,215	-	-	84,215
Prepaid items	23,895	-	-	23,895
Total assets	$ 9,089,953	$ 2,568,675	$ 1,613,723	$ 13,272,351
Liabilities and fund balances:				
Liabilities:				
Accounts and contracts payable	$ 383,039	$ -	$ -	$ 383,039
Retainage payable	127,752	-	37,267	165,019
Accrued wages and benefits	17,124	-	-	17,124
Intergovernmental payable	68,955	-	-	68,955
Interfund payable	41,721	-	-	41,721
Unearned revenue	2,314,974	1,488,037	37,267	3,840,278
Total liabilities	2,953,565	1,488,037	74,534	4,516,136
Fund balances:				
Reserved for encumbrances	111,760	-	105,477	217,237
Unreserved, reported in:				
Special revenue funds	6,024,628	-	-	6,024,628
Debt service funds	-	1,080,638	-	1,080,638
Capital projects funds	-	-	1,433,712	1,433,712
Total fund balances	6,136,388	1,080,638	1,539,189	8,756,215
Total liabilities and fund balances	$ 9,089,953	$ 2,568,675	$ 1,613,723	$ 13,272,351

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, 2007

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
Revenues:				
Property and other local taxes	$ 1,817,373	$ 1,164,603	$ -	$ 2,981,976
Municipal income taxes	4,004,115	-	-	4,004,115
Charges for services	1,234,842	-	-	1,234,842
Fines, licenses and permits	159,948	-	601	160,549
Intergovernmental	2,730,729	118,138	851,087	3,699,954
Special assessments	-	70,000	-	70,000
Investment income	1,480	10,745	36,932	49,157
Miscellaneous income	256,781	-	-	256,781
Total revenues	10,205,268	1,363,486	888,620	12,457,374
Expenditures:				
Current:				
General government	100,943	-	-	100,943
Security of persons and property	968,902	-	-	968,902
Public health and welfare	58,047	-	-	58,047
Transportation	2,894,243	-	-	2,894,243
Basic utility services	1,884,985	-	-	1,884,985
Leisure time activities	2,405,799	-	-	2,405,799
Economic development	43,425	-	-	43,425
Capital outlay	-	-	1,223,503	1,223,503
Debt service:				
Principal	2,936	665,000	-	667,936
Interest and fiscal charges	424	622,761	-	623,185
Note issuance costs	7,500	-	-	7,500
Total expenditures	8,367,204	1,287,761	1,223,503	10,878,468
Excess (deficiency) of revenues over expenditures	1,838,064	75,725	(334,883)	1,578,906
Other financing sources (uses):				
Transfers - in	125,975	-	-	125,975
Transfers - out	(1,789,916)	(616,579)	-	(2,406,495)
Long-term notes issued	1,410,000	-	150,000	1,560,000
Total other financing sources (uses)	(253,941)	(616,579)	150,000	(720,520)
Net change in fund balances	1,584,123	(540,854)	(184,883)	858,386
Fund balances, beginning of year	4,552,265	1,621,492	1,724,072	7,897,829
Fund balances, end of year	$ 6,136,388	$ 1,080,638	$ 1,539,189	$ 8,756,215

City of North Olmsted, Ohio

Combining Balance Sheet
Non-Major Special Revenue Funds

December 31, 2007

	Casualty Loss	CDBG	Alcohol Education	Economic Development	FEMA Grant
Assets:					
Equity in pooled cash and cash equivalents	$ 65,168	$ 54,038	$ 11,236	$ 53,325	$ 7,848
Income taxes receivable	-	-	-	-	-
Taxes receivable - property and other	-	-	-	-	-
Intergovernmental receivable	-	-	75	-	-
Accounts receivable	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	$ 65,168	$ 54,038	$ 11,311	$ 53,325	$ 7,848
Liabilities and fund balances:					
Liabilities:					
Accounts and contracts payable	$ 1,413	$ 6,191	$ -	$ -	$ -
Retainage payable	-	-	-	-	-
Accrued wages and benefits	-	-	-	-	-
Intergovernmental payable	-	-	70	128	-
Interfund payable	-	41,721	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	1,413	47,912	70	128	-
Fund balances:					
Reserved for encumbrances	3,580	9,524	59	-	-
Unreserved (deficit)	60,175	(3,398)	11,182	53,197	7,848
Total fund balances (deficit)	63,755	6,126	11,241	53,197	7,848
Total liabilities and fund balances	$ 65,168	$ 54,038	$ 11,311	$ 53,325	$ 7,848

Motor Vehicle License Tax	Recreation	Clague Park	Hotel/ Motel Tax	Emergency Medical Services	State Highway	Street Maintenance	Permanent Improvements
$ 205,474	$ 96,875	$ 3,065	$ 306,591	$ 2,773	$ 237,351	$ 1,060,555	$ 1,858,075
-	-	-	-	-	-	-	453,204
-	1,010,417	-	19,359	-	-	-	-
109,000	56,002	-	-	-	41,953	522,751	-
-	2,070	-	76,784	-	-	-	-
-	23,895	-	-	-	-	-	-
$ 314,474	$ 1,189,259	$ 3,065	$ 402,734	$ 2,773	$ 279,304	$ 1,583,306	$ 2,311,279
$ 47,132	$ 86,851	$ -	$ 4,000	$ -	$ -	$ 12,492	$ 23,560
-	-	-	-	-	-	-	127,752
-	7,817	-	-	-	-	8,881	-
-	36,187	-	-	-	-	18,088	-
-	-	-	-	-	-	-	-
73,498	1,066,419	-	52,166	-	25,748	322,891	120,673
120,630	1,197,274	-	56,166	-	25,748	362,352	271,985
-	7,010	-	22,855	-	-	5,140	62,019
193,844	(15,025)	3,065	323,713	2,773	253,556	1,215,814	1,977,275
193,844	(8,015)	3,065	346,568	2,773	253,556	1,220,954	2,039,294
$ 314,474	$ 1,189,259	$ 3,065	$ 402,734	$ 2,773	$ 279,304	$ 1,583,306	$ 2,311,279

(Continued)

City of North Olmsted, Ohio

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

December 31, 2007

	Solid Waste Management	Community Diversion	Drug Enforcement	Endowment and Grant	Fair Capacity Housing
Assets:					
Equity in pooled cash and cash equivalents	$ 1,062,884	$ 4,274	$ 4,409	$ 180,623	$ 186,453
Income taxes receivable	453,204	-	-	-	-
Taxes receivable - property and other	-	-	-	-	-
Intergovernmental receivable	-	383	-	-	120,000
Accounts receivable	-	-	-	443	-
Prepaid items	-	-	-	-	-
Total assets	$ 1,516,088	$ 4,657	$ 4,409	$ 181,066	$ 306,453
Liabilities and fund balances:					
Liabilities:					
Accounts and contracts payable	$ 198,207	$ 225	$ -	$ 878	$ 79
Retainage payable	-	-	-	-	-
Accrued wages and benefits	-	249	-	-	-
Intergovernmental payable	5,437	718	-	-	809
Interfund payable	-	-	-	-	-
Unearned revenue	120,673	-	-	-	-
Total liabilities	324,317	1,192	-	878	888
Fund balances:					
Reserved for encumbrances	-	-	-	-	-
Unreserved (deficit)	1,191,771	3,465	4,409	180,188	305,565
Total fund balances (deficit)	1,191,771	3,465	4,409	180,188	305,565
Total liabilities and fund balances	$ 1,516,088	$ 4,657	$ 4,409	$ 181,066	$ 306,453

Fire Pension	Law Enforcement	Stop Program	Police Pension	Senior Center	Title III	Total
$ 5,394	$ 51,139	$ 114,112	$ 5,394	$ 45,536	$ 27,933	$ 5,650,525
-	-	-	-	-	-	906,408
252,577	-	-	252,577	-	-	1,534,930
13,876	-	10,123	13,876	-	1,941	889,980
-	4,918	-	-	-	-	84,215
-	-	-	-	-	-	23,895
$ 271,847	$ 56,057	$ 124,235	$ 271,847	$ 45,536	$ 29,874	$ 9,089,953
$ -	$ -	$ -	$ -	$ 2,011	$ -	$ 383,039
-	-	-	-	-	-	127,752
-	-	-	-	-	177	17,124
-	466	6,471	-	-	581	68,955
-	-	-	-	-	-	41,721
266,453	-	-	266,453	-	-	2,314,974
266,453	466	6,471	266,453	2,011	758	2,953,565
-	1,573	-	-	-	-	111,760
5,394	54,018	117,764	5,394	43,525	29,116	6,024,628
5,394	55,591	117,764	5,394	43,525	29,116	6,136,388
$ 271,847	$ 56,057	$ 124,235	$ 271,847	$ 45,536	$ 29,874	$ 9,089,953

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, 2007

	Casualty Loss	CDBG	Alcohol Education	Economic Development	FEMA Grant
Revenues:					
Property and other local taxes	$ -	$ -	$ -	$ -	$ -
Municipal income taxes	-	-	-	-	-
Charges for services	21,535	-	-	8,600	-
Fines, licenses and permits	-	-	2,165	-	-
Intergovernmental	-	112,200	-	-	-
Investment income	-	-	-	-	-
Miscellaneous income	-	-	-	12,171	-
Total revenues	21,535	112,200	2,165	20,771	-
Expenditures:					
Current:					
General government	50,892	-	-	-	-
Security of persons and property	-	-	1,183	-	-
Public health and welfare	-	-	-	-	-
Transportation	-	-	-	-	-
Basic utility services	-	-	-	-	-
Leisure time activities	-	167,768	-	-	-
Economic development	-	12,726	-	30,699	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Note issuance costs	-	-	-	-	-
Total expenditures	50,892	180,494	1,183	30,699	-
Excess (deficiency) of revenues over expenditures	(29,357)	(68,294)	982	(9,928)	-
Other financing sources (uses):					
Transfers - in	55,000	70,975	-	-	-
Transfers - out	-	-	-	-	-
Long-term notes issued	-	-	-	-	-
Total other financing sources (uses)	55,000	70,975	-	-	-
Net change in fund balances	25,643	2,681	982	(9,928)	-
Fund balances, beginning of year	38,112	3,445	10,259	63,125	7,848
Fund balances (deficit), end of year	$ 63,755	$ 6,126	$ 11,241	$ 53,197	$ 7,848

Motor Vehicle License Tax	Recreation	Clague Park	Hotel/ Motel Tax	Emergency Medical Services	State Highway	Street Maintenance	Permanent Improvements
$ -	$ 998,232	$ -	$ 320,025	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	2,003,846
-	1,040,364	-	119,293	-	-	-	-
-	-	-	-	-	-	-	-
220,055	126,557	-	-	-	98,606	1,216,146	600,681
-	-	-	-	-	-	-	-
-	75,153	-	-	-	-	-	-
220,055	2,240,306	-	439,318	-	98,606	1,216,146	2,604,527
-	-	-	-	-	-	-	-
-	-	-	257,005	-	-	-	-
-	-	-	-	-	-	-	-
168,741	-	-	-	-	105,731	1,041,768	1,577,125
-	-	-	-	-	-	-	-
-	2,133,085	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	2,936	-	-	-	-	-	-
-	424	-	-	-	-	-	-
-	-	-	-	-	-	-	7,500
168,741	2,136,445	-	257,005	-	105,731	1,041,768	1,584,625
51,314	103,861	-	182,313	-	(7,125)	174,378	1,019,902
-	-	-	-	-	-	-	-
-	(117,013)	-	(144,873)	-	-	-	(1,528,030)
-	-	-	-	-	-	-	1,410,000
-	(117,013)	-	(144,873)	-	-	-	(118,030)
51,314	(13,152)	-	37,440	-	(7,125)	174,378	901,872
142,530	5,137	3,065	309,128	2,773	260,681	1,046,576	1,137,422
$ 193,844	$ (8,015)	$ 3,065	$ 346,568	$ 2,773	$ 253,556	$ 1,220,954	$ 2,039,294

(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, 2007

	Solid Waste Management	Community Diversion	Drug Enforcement	Endowment and Grant	Fair Capacity Housing
Revenues:					
Property and other local taxes	$ -	$ -	$ -	$ -	$ -
Municipal income taxes	2,000,269	-	-	-	-
Charges for services	-	8,886	-	775	-
Fines, licenses and permits	-	-	89	-	-
Intergovernmental	13,967	18,000	-	-	237,000
Investment income	-	-	-	48	-
Miscellaneous income	7,668	-	-	150,069	-
Total revenues	2,021,904	26,886	89	150,892	237,000
Expenditures:					
Current:					
General government	-	-	-	23,289	26,762
Security of persons and property	-	-	1,045	19,024	-
Public health and welfare	-	28,630	-	1,385	-
Transportation	-	-	-	878	-
Basic utility services	1,884,985	-	-	-	-
Leisure time activities	-	-	-	67,189	-
Economic development	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Note issuance costs	-	-	-	-	-
Total expenditures	1,884,985	28,630	1,045	111,765	26,762
Excess (deficiency) of revenues over expenditures	136,919	(1,744)	(956)	39,127	210,238
Other financing sources (uses):					
Transfers - in	-	-	-	-	-
Transfers - out	-	-	-	-	-
Long-term notes issued	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	136,919	(1,744)	(956)	39,127	210,238
Fund balances, beginning of year	1,054,852	5,209	5,365	141,061	95,327
Fund balances (deficit), end of year	$ 1,191,771	$ 3,465	$ 4,409	$ 180,188	$ 305,565

Fire Pension	Law Enforcement	Stop Program	Police Pension	Senior Center	Title III	Total
$ 249,558	$ -	$ -	$ 249,558	$ -	$ -	$ 1,817,373
-	-	-	-	-	-	4,004,115
-	-	-	-	27,351	8,038	1,234,842
-	3,699	152,095	-	1,900	-	159,948
31,634	-	-	31,634	-	24,249	2,730,729
-	-	-	-	1,432	-	1,480
-	4,918	-	-	6,802	-	256,781
281,192	8,617	152,095	281,192	37,485	32,287	10,205,268
-	-	-	-	-	-	100,943
276,193	14,868	123,391	276,193	-	-	968,902
-	-	-	-	-	28,032	58,047
-	-	-	-	-	-	2,894,243
-	-	-	-	-	-	1,884,985
-	-	-	-	37,757	-	2,405,799
-	-	-	-	-	-	43,425
-	-	-	-	-	-	2,936
-	-	-	-	-	-	424
-	-	-	-	-	-	7,500
276,193	14,868	123,391	276,193	37,757	28,032	8,367,204
4,999	(6,251)	28,704	4,999	(272)	4,255	1,838,064
-	-	-	-	-	-	125,975
-	-	-	-	-	-	(1,789,916)
-	-	-	-	-	-	1,410,000
-	-	-	-	-	-	(253,941)
4,999	(6,251)	28,704	4,999	(272)	4,255	1,584,123
395	61,842	89,060	395	43,797	24,861	4,552,265
$ 5,394	$ 55,591	$ 117,764	$ 5,394	$ 43,525	$ 29,116	$ 6,136,388

City of North Olmsted, Ohio

Combining Balance Sheet
Non-Major Debt Service Funds

December 31, 2007

	Library Bond Retirement	Sewer Bond Retirement	Special Assessment Bond Retirement	Fire Station Bond Retirement	Total
Assets:					
Equity in pooled cash and cash equivalents	$ 573,854	$ -	$ 79,508	$ 427,276	$ 1,080,638
Taxes receivable - property and other	841,960	-	-	336,800	1,178,760
Special assessments receivable	-	-	250,000	-	250,000
Intergovernmental receivable	42,412	-	-	16,865	59,277
Total assets	$ 1,458,226	$ -	$ 329,508	$ 780,941	$ 2,568,675
Liabilities and fund balances:					
Liabilities:					
Unearned revenue	$ 884,372	$ -	$ 250,000	$ 353,665	$ 1,488,037
Fund balances:					
Unreserved	573,854	-	79,508	427,276	1,080,638
Total liabilities and fund balances	$ 1,458,226	$ -	$ 329,508	$ 780,941	$ 2,568,675

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, 2007

	Library Bond Retirement	Sewer Bond Retirement	Special Assessment Bond Retirement	Fire Station Bond Retirement	Total
Revenues:					
Property and other local taxes	$ 831,860	$ -	$ -	$ 332,743	$ 1,164,603
Intergovernmental	84,385	-	-	33,753	118,138
Special assessments	-	-	70,000	-	70,000
Investment income	-	-	10,745	-	10,745
Total revenues	916,245	-	80,745	366,496	1,363,486
Expenditures:					
Debt service:					
Principal	455,000	-	70,000	140,000	665,000
Interest and fiscal charges	417,043	-	25,305	180,413	622,761
Total expenditures	872,043	-	95,305	320,413	1,287,761
Excess (deficiency) of revenues over expenditures	44,202	-	(14,560)	46,083	75,725
Other financing sources (uses):					
Transfers - out	-	(616,579)	-	-	(616,579)
Net change in fund balances	44,202	(616,579)	(14,560)	46,083	(540,854)
Fund balances, beginning of year	529,652	616,579	94,068	381,193	1,621,492
Fund balances, end of year.	$ 573,854	$ -	$ 79,508	$ 427,276	$ 1,080,638

City of North Olmsted, Ohio

Combining Balance Sheet
Non-Major Capital Projects Funds

December 31, 2007

	Capital Improvements	Library Construction	Building and Land Acquisition and Improvement	Issue II	Total
Assets:					
Equity in pooled cash and cash equivalents	$ 187,713	$ 974,095	$ 218,280	$ 196,368	$ 1,576,456
Intergovernmental receivable	-	-	-	37,267	37,267
Total assets	$ 187,713	$ 974,095	$ 218,280	$ 233,635	$ 1,613,723
Liabilities and fund balances:					
Liabilities:					
Retainage payable	$ -	$ -	$ -	$ 37,267	$ 37,267
Unearned revenue	-	-	-	37,267	37,267
Total liabilities	-	-	-	74,534	74,534
Fund balances:					
Reserved for encumbrances	19,657	85,820	-	-	105,477
Unreserved	168,056	888,275	218,280	159,101	1,433,712
Total fund balances	187,713	974,095	218,280	159,101	1,539,189
Total liabilities and fund balances	$ 187,713	$ 974,095	$ 218,280	$ 233,635	$ 1,613,723

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, 2007

	Capital Improvements	Library Construction	Building and Land Acquisition and Improvement	Issue II	Total
Revenues:					
Fines, licenses and permits	$ 601	$ -	$ -	$ -	$ 601
Intergovernmental	-	-	-	851,087	851,087
Investment income	-	36,932	-	-	36,932
Total revenues	601	36,932	-	851,087	888,620
Expenditures:					
Capital outlay	240,015		95,134	888,354	1,223,503
Excess (deficiency) of revenues over expenditures	(239,414)	36,932	(95,134)	(37,267)	(334,883)
Other financing sources (uses):					
Long-term notes issued	150,000	-	-	-	150,000
Net change in fund balances	(89,414)	36,932	(95,134)	(37,267)	(184,883)
Fund balances, beginning of year	277,127	937,163	313,414	196,368	1,724,072
Fund balances, end of year	$ 187,713	$ 974,095	$ 218,280	$ 159,101	$ 1,539,189

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

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Municipal income taxes	$ 9,120,300	$ 9,120,300	$ 9,331,656	$ 211,356
Property and other local taxes	5,558,440	5,558,440	5,489,723	(68,717)
Charges for services	1,251,800	1,200,800	1,231,231	30,431
Licenses and permits	886,500	886,500	891,737	5,237
Fines and forfeitures	191,500	191,500	199,980	8,480
Intergovernmental	2,279,218	2,622,060	2,775,438	153,378
Investment income	300,000	300,000	609,441	309,441
Miscellaneous income	19,000	19,000	42,532	23,532
Total revenues	19,606,758	19,898,600	20,571,738	673,138
Expenditures:				
Current:				
General government - legislative and executive				
Council				
Salaries	141,626	141,776	141,772	4
Benefits	43,668	44,747	44,483	264
Materials and supplies	2,730	2,241	766	1,475
Contractual services	36,025	31,025	8,594	22,431
Capital outlay	2,000	7,000	1,919	5,081
Total council	226,049	226,789	197,534	29,255
Mayor				
Salaries	212,531	212,531	211,781	750
Benefits	79,248	80,184	78,444	1,740
Materials and supplies	28,875	30,875	27,849	3,026
Contractual services	36,610	36,610	34,455	2,155
Capital outlay	1,300	1,300	1,220	80
Total mayor	358,564	361,500	353,749	7,751
Finance department				
Salaries	330,914	330,914	326,361	4,553
Benefits	142,988	144,639	140,777	3,862
Materials and supplies	17,088	17,088	15,396	1,692
Contractual services	809,967	728,069	668,600	59,469
Capital outlay	3,900	3,900	3,660	240
Total finance department	1,304,857	1,224,610	1,154,794	69,816

(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, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Law department				
Salaries	272,746	272,746	263,592	9,154
Benefits	108,351	109,468	102,444	7,024
Materials and supplies	950	950	336	614
Contractual services	38,572	38,572	32,391	6,181
Capital outlay	2,600	2,600	2,440	160
Total law department	423,219	424,336	401,203	23,133
Information systems				
Salaries	44,000	44,000	42,887	1,113
Benefits	21,117	21,117	20,513	604
Materials and supplies	9,200	9,200	5,513	3,687
Contractual services	77,051	77,051	70,282	6,769
Capital outlay	51,500	51,500	50,299	1,201
Total information systems	202,868	202,868	189,494	13,374
Department of human resources				
Salaries	162,114	163,606	162,824	782
Benefits	67,577	68,480	68,382	98
Materials and supplies	900	900	467	433
Contractual services	146,200	153,800	145,732	8,068
Capital outlay	1,300	1,300	1,220	80
Total department of human resources	378,091	388,086	378,625	9,461
Civil service department				
Salaries	4,000	3,307	812	2,495
Benefits	618	618	146	472
Materials and supplies	500	500	98	402
Contractual services	49,689	39,690	33,954	5,736
Total civil service department	54,807	44,115	35,010	9,105
Boards and commissions				
Salaries	42,989	42,886	42,517	369
Benefits	24,388	24,610	24,144	466
Materials and supplies	1,700	1,700	1,614	86
Contractual services	3,900	3,900	2,111	1,789
Capital outlay	310	310	301	9
Total boards and commissions	73,287	73,406	70,687	2,719

(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, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Building department				
Salaries	597,268	614,663	577,133	37,530
Benefits	278,986	279,108	236,471	42,637
Materials and supplies	11,663	11,663	10,904	759
Contractual services	74,572	70,602	59,855	10,747
Capital outlay	5,400	5,400	3,660	1,740
Total building department	967,889	981,436	888,023	93,413
Engineering department				
Salaries	247,823	238,794	236,213	2,581
Benefits	95,292	93,308	91,725	1,583
Materials and supplies	6,670	6,670	4,831	1,839
Contractual Services	103,245	106,165	93,462	12,703
Total engineering department	453,030	444,937	426,231	18,706
Total government - legislative and executive	4,442,661	4,372,083	4,095,350	276,733
Security of persons and property				
Safety director				
Salaries	108,443	112,691	112,575	116
Benefits	27,952	29,164	27,513	1,651
Materials and supplies	1,578	1,278	942	336
Contractual Services	9,940	9,940	9,524	416
Capital outlay	3,900	3,900	1,794	2,106
Total safety director	151,813	156,973	152,348	4,625
Fire Department				
Salaries	3,586,828	3,586,828	3,420,421	166,407
Benefits	1,562,152	1,550,878	1,428,282	122,596
Materials and supplies	61,364	72,864	67,656	5,208
Contractual services	301,652	301,652	274,820	26,832
Capital outlay	-	2,500	1,440	1,060
Total fire department	5,511,996	5,514,722	5,192,619	322,103
Central dispatch				
Salaries	457,520	457,520	429,968	27,552
Benefits	192,509	194,547	182,391	12,156
Materials and supplies	1,500	1,500	110	1,390
Contractual services	32,750	32,750	30,551	2,199
Total central dispatch	684,279	686,317	643,020	43,297

(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, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Police department				
Salaries	4,357,920	4,357,920	4,224,580	133,340
Benefits	1,799,147	1,800,660	1,639,084	161,576
Materials and supplies	149,625	156,825	144,940	11,885
Contractual services	463,388	456,188	388,763	67,425
Total police department	6,770,080	6,771,593	6,397,367	374,226
Total security of persons and property	13,118,168	13,129,605	12,385,354	744,251
Public health and welfare				
Division of youth services				
Salaries	57,671	57,671	55,195	2,476
Benefits	22,620	22,904	21,569	1,335
Materials and supplies	750	750	492	258
Contractual services	1,000	1,000	428	572
Capital outlay	1,470	1,470	1,385	85
Total division of youth services	83,511	83,795	79,069	4,726
Department of community life services				
Salaries	209,259	209,259	208,099	1,160
Benefits	96,336	97,329	95,633	1,696
Materials and supplies	5,815	6,515	348	6,167
Contractual services	140,023	132,323	121,249	11,074
Capital outlay	12,588	9,588	9,171	417
Total department of community life services	464,021	455,014	434,500	20,514
Total public health and welfare	547,532	538,809	513,569	25,240
Transportation				
Service director				
Salaries	114,937	120,770	120,699	71
Benefits	45,011	54,028	53,862	166
Materials and supplies	1,680	1,420	1,267	153
Contractual services	470,770	491,200	488,515	2,685
Capital outlay	22,000	22,770	22,770	-
Total service director	654,398	690,188	687,113	3,075

(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, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Service department				
Salaries	698,354	776,013	775,434	579
Benefits	370,909	401,857	399,480	2,377
Materials and supplies	87,292	76,702	59,224	17,478
Contractual services	346,093	264,085	247,052	17,033
Capital outlay	770	770	-	770
Total service department	1,503,418	1,519,427	1,481,190	38,237
Fleet maintenance department				
Salaries	409,437	401,587	395,686	5,901
Benefits	203,697	204,851	196,339	8,512
Materials and supplies	409,648	434,648	366,672	67,976
Contractual services	13,270	15,261	9,648	5,613
Capital outlay	14,260	12,269	12,109	160
Total fleet maintenance	1,050,312	1,068,616	980,454	88,162
Total transportation	3,208,128	3,278,231	3,148,757	129,474
Economic development				
Planning department				
Salaries	108,154	108,154	107,671	483
Benefits	32,295	32,956	32,867	89
Materials and supplies	700	700	667	33
Contractual services	52,525	52,525	50,242	2,283
Capital outlay	400	400	383	17
Total economic development	194,074	194,735	191,830	2,905
Total expenditures	21,510,563	21,513,463	20,334,860	1,178,603
Excess (deficiency) of revenue over expenditures	(1,903,805)	(1,614,863)	236,878	1,851,741
Other financing sources (uses):				
Sale of capital assets	10,000	10,000	12,349	2,349
Advances - in	143,721	143,721	112,000	(31,721)
Advances - out	(143,721)	(143,721)	(143,721)	-
Transfers - out	(61,255)	(86,255)	(86,255)	-
Total other financing sources (uses)	(51,255)	(76,255)	(105,627)	(29,372)
Net change in fund balance	(1,955,060)	(1,691,118)	131,251	1,822,369
Prior year encumbrances	158,655	158,655	158,655	-
Fund balance, beginning of year	1,813,330	1,813,330	1,813,330	-
Fund balance, end of year	$ 16,925	$ 280,867	$ 2,103,236	$ 1,822,369

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property and other local taxes	$ 2,863,437	$ 2,863,437	$ 2,828,325	$ (35,112)
Intergovernmental	316,756	316,756	360,824	44,068
Investment income	300,000	300,000	270,433	(29,567)
Total revenues	3,480,193	3,480,193	3,459,582	(20,611)
Expenditures:				
Debt service:				
Principal	4,805,551	4,803,051	4,803,048	3
Interest and fiscal charges	2,315,701	2,318,201	2,308,490	9,711
Total expenditures	7,121,252	7,121,252	7,111,538	9,714
Excess (deficiency) of revenues over expenditures	(3,641,059)	(3,641,059)	(3,651,956)	(10,897)
Other financing sources (uses):				
Transfers - in	3,447,489	4,064,068	4,033,221	(30,847)
Net change in fund balance	(193,570)	423,009	381,265	(41,744)
Fund balance, beginning of year	218,017	218,017	218,017	-
Fund balance, end of year	$ 24,447	$ 641,026	$ 599,282	$ (41,744)

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Investment income	$ 30,000	$ 30,000	$ 78,019	$ 48,019
Expenditures:				
Current:				
Security of persons and property				
Fire department				
Contractual services	88,826	149,837	147,115	2,722
Capital outlay	2,518,391	2,457,380	2,354,752	102,628
Total expenditures	2,607,217	2,607,217	2,501,867	105,350
Net change in fund balance	(2,577,217)	(2,577,217)	(2,423,848)	153,369
Prior year encumbrances	2,303,717	2,303,717	2,303,717	-
Fund balance, beginning of year	286,579	286,579	286,579	-
Fund balance, end of year	$ 13,079	$ 13,079	$ 166,448	$ 153,369

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 25,000	$ 25,000	$ 21,963	$ (3,037)
Expenditures:				
Current:				
General government - legislative and executive				
Department of human resources				
Contractual services	52,100	77,100	53,075	24,025
Excess (deficiency) of revenues over expenditures	(27,100)	(52,100)	(31,112)	20,988
Other financing sources (uses):				
Transfers - in	30,000	55,000	55,000	-
Net change in fund balance	2,900	2,900	23,888	20,988
Fund balance, beginning of year	37,700	37,700	37,700	-
Fund balance, end of year	$ 40,600	$ 40,600	$ 61,588	$ 20,988

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental revenue	$ 142,200	$ 142,200	$ 112,200	$ (30,000)
Miscellaneous income	-	5,200	-	(5,200)
Total revenues	142,200	147,400	112,200	(35,200)
Expenditures:				
Current:				
Leisure time activities				
Parks and recreation				
Contractual services	16,320	14,620	14,450	170
Capital outlay	152,952	161,852	156,216	5,636
Total leisure time activities	169,272	176,472	170,666	5,806
Economic development				
Planning department				
Contractual services	60,700	58,700	22,704	35,996
Total expenditures	229,972	235,172	193,370	41,802
Excess (deficiency) of revenues over expenditures	(87,772)	(87,772)	(81,170)	6,602
Other financing sources (uses):				
Advances - in	143,721	143,721	143,721	-
Advances - out	(143,721)	(143,721)	(112,000)	31,721
Transfers - in	70,975	70,975	70,975	-
Total other financing sources (uses)	70,975	70,975	102,696	31,721
Net change in fund balance	(16,797)	(16,797)	21,526	38,323
Prior year encumbrances	3,352	3,352	3,352	-
Fund balance, beginning of year	13,445	13,445	13,445	-
Fund balance, end of year	$ -	$ -	$ 38,323	$ 38,323

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines and forfeitures	$ 2,000	$ 2,000	$ 2,250	$ 250
Expenditures:				
Current:				
Security of persons and property				
Police department				
Materials and supplies	10,099	10,099	1,173	8,926
Net change in fund balance	(8,099)	(8,099)	1,077	9,176
Fund balance, beginning of year	10,099	10,099	10,099	-
Fund balance, end of year	$ 2,000	$ 2,000	$ 11,176	$ 9,176

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	$ 4,500	$ 4,500	$ 8,600	$ 4,100
Miscellaneous income	12,045	12,045	12,170	125
Total revenues	16,545	16,545	20,770	4,225
Expenditures:				
Current:				
Economic development				
Finance department				
Salaries	4,337	4,337	4,337	-
Benefits	663	663	663	-
Planning department				
Contractual services	49,570	49,570	25,570	24,000
Total expenditures	54,570	54,570	30,570	24,000
Net change in fund balance	(38,025)	(38,025)	(9,800)	28,225
Prior year encumbrances	18,070	18,070	18,070	-
Fund balance, beginning of year	45,055	45,055	45,055	-
Fund balance, end of year	$ 25,100	$ 25,100	$ 53,325	$ 28,225

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fund balance, beginning of year	$ 7,848	$ 7,848	$ 7,848	$ -
Fund balance, end of year	$ 7,848	$ 7,848	$ 7,848	$ -

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental	$ 222,000	$ 222,000	$ 220,245	$ (1,755)
Expenditures:				
Current:				
Transportation				
Department of public service				
Materials and supplies	178,525	178,525	91,610	86,915
Contractual services	220,291	220,291	150,290	70,001
Total expenditures	398,816	398,816	241,900	156,916
Net change in fund balance	(176,816)	(176,816)	(21,655)	155,161
Prior year encumbrances	74,791	74,791	74,791	-
Fund balance, beginning of year	102,338	102,338	102,338	-
Fund balance, end of year	$ 313	$ 313	$ 155,474	$ 155,161

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property and other local taxes	$ 1,010,626	$ 1,010,626	$ 998,231	$ (12,395)
Charges for services	1,106,730	1,112,530	1,074,659	(37,871)
Intergovernmental	112,049	112,049	128,138	16,089
Miscellaneous income	30,400	30,400	38,789	8,389
Total revenues	2,259,805	2,265,605	2,239,817	(25,788)
Expenditures:				
Current:				
Leisure time activities				
Recreation department				
Salaries	868,025	902,375	890,660	11,715
Benefits	330,982	341,097	336,573	4,524
Materials and supplies	121,252	115,336	112,456	2,880
Contractual services	850,357	826,108	742,620	83,488
Capital outlay	54,307	54,307	53,955	352
Total expenditures	2,224,923	2,239,223	2,136,264	102,959
Excess (deficiency) of revenues over expenditures	34,882	26,382	103,553	77,171
Other financing sources (uses):				
Transfers - out	(118,534)	(118,534)	(117,013)	1,521
Net change in fund balance	(83,652)	(92,152)	(13,460)	78,692
Prior year encumbrances	24,146	24,146	24,146	-
Fund balance, beginning of year	68,838	68,838	68,838	-
Fund balance, end of year	$ 9,332	$ 832	$ 79,524	$ 78,692

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	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 Balance
Budget (Non-GAAP Basis) and Actual - Hotel/Motel Tax Fund

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property and other taxes	$ 300,000	$ 300,000	$ 318,360	$ 18,360
Charges for services	120,000	120,000	118,762	(1,238)
Total revenues	420,000	420,000	437,122	17,122
Expenditures:				
Current:				
Security of persons and property				
Fire department				
Contractual services	20,500	23,000	17,856	5,144
Capital outlay	96,820	94,320	82,252	12,068
Total fire department	117,320	117,320	100,108	17,212
Police department				
Materials and supplies	22,000	30,000	23,746	6,254
Capital outlay	172,700	164,700	156,990	7,710
Total police department	194,700	194,700	180,736	13,964
Total expenditures	312,020	312,020	280,844	31,176
Excess (deficiency) of revenues over expenditures	107,980	107,980	156,278	48,298
Other financing sources (uses):				
Transfers - out	(144,873)	(144,873)	(144,873)	-
Net change in fund balance	(36,893)	(36,893)	11,405	48,298
Prior year encumbrances	1,120	1,120	1,120	-
Fund balance, beginning of year	267,274	267,274	267,274	-
Fund balance, end of year	$ 231,501	$ 231,501	$ 279,799	$ 48,298

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	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 Balance
Budget (Non-GAAP Basis) and Actual - State Highway Fund

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	$ 96,000	$ 96,000	$ 97,129	$ 1,129
Expenditures:				
Current:				
Transportation				
Service department				
Materials and supplies	122,147	167,147	115,335	51,812
Net change in fund balance	(26,147)	(71,147)	(18,206)	52,941
Prior year encumbrances	34,147	34,147	34,147	-
Fund balance, beginning of year	221,410	221,410	221,410	-
Fund balance, end of year	$ 229,410	$ 184,410	$ 237,351	$ 52,941

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental	$ 1,188,000	$ 1,188,000	$ 1,197,913	$ 9,913
Expenditures:				
Current:				
Transportation				
Service department				
Salaries	458,604	483,604	418,849	64,755
Benefits	181,747	194,920	193,013	1,907
Materials and supplies	312,900	281,900	223,772	58,128
Contractual services	175,548	169,597	132,456	37,141
Capital outlay	110,000	110,000	75,397	34,603
Total expenditures	1,238,799	1,240,021	1,043,487	196,534
Net change in fund balance	(50,799)	(52,021)	154,426	206,447
Prior year encumbrances	13,548	13,548	13,548	-
Fund balance, beginning of year	872,691	872,691	872,691	-
Fund balance, end of year	$ 835,440	$ 834,218	$ 1,040,665	$ 206,447

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Municipal income taxes	$ 1,954,350	$ 1,954,350	$ 2,001,429	$ 47,079
Intergovernmental	407,064	607,064	602,565	(4,499)
Total revenues	2,361,414	2,561,414	2,603,994	42,580
Expenditures:				
Current:				
Transportation				
Service				
Contractual services	158,741	80,150	44,299	35,851
Capital outlay	1,793,863	2,090,105	1,731,235	358,870
Total transportation	1,952,604	2,170,255	1,775,534	394,721
Debt service:				
Issue fees	10,000	10,950	10,950	-
Total expenditures	1,962,604	2,181,205	1,786,484	394,721
Excess (deficiency) of revenues over expenditures	398,810	380,209	817,510	437,301
Other financing sources (uses):				
Issuance of long-term notes	1,410,000	1,410,000	1,413,448	3,448
Transfers - out	(1,528,030)	(1,528,030)	(1,528,030)	-
Total other financing sources (uses)	(118,030)	(118,030)	(114,582)	3,448
Net change in fund balance	280,780	262,179	702,928	440,749
Prior year encumbrances	140,609	140,609	140,609	-
Fund balance, beginning of year	702,220	702,220	702,220	-
Fund balance, end of year	$ 1,123,609	$ 1,105,008	$ 1,545,757	$ 440,749

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Municipal income taxes	$ 1,954,350	$ 1,954,350	$ 1,997,851	$ 43,501
Intergovernmental	20,000	20,000	21,635	1,635
Total revenues	1,974,350	1,974,350	2,019,486	45,136
Expenditures:				
Current:				
Basic utility services				
Service department				
Salaries	216,064	216,064	165,256	50,808
Benefits	92,189	92,189	46,595	45,594
Contractual services	1,637,650	1,637,650	1,594,159	43,491
Capital outlay	84,000	84,000	75,680	8,320
Total expenditures	2,029,903	2,029,903	1,881,690	148,213
Net change in fund balance	(55,553)	(55,553)	137,796	193,349
Prior year encumbrances	600	600	600	-
Fund balance, beginning of year	726,931	726,931	726,931	-
Fund balance, end of year	$ 671,978	$ 671,978	$ 865,327	$ 193,349

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 26,800	$ 26,800	$ 26,503	$ (297)
Intergovernmental	-	5,000	-	(5,000)
Total revenues	26,800	31,800	26,503	(5,297)
Expenditures:				
Current:				
Public health and welfare				
Department of community life services				
Salaries	20,700	20,700	17,444	3,256
Benefits	3,731	3,731	3,178	553
Materials and supplies	620	620	566	54
Contractual services	8,000	11,270	5,593	5,677
Capital outlay	-	1,730	1,701	29
Total expenditures	33,051	38,051	28,482	9,569
Net change in fund balance	(6,251)	(6,251)	(1,979)	4,272
Prior year encumbrances	120	120	120	-
Fund balance, beginning of year	6,133	6,133	6,133	-
Fund balance, end of year	$ 2	$ 2	$ 4,274	$ 4,272

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines and forfeitures	$ -	$ -	$ 89	$ 89
Expenditures:				
Current:				
Security of persons and property				
Police department				
Materials and supplies	1,400	1,400	-	1,400
Other	2,438	2,438	1,045	1,393
Total expenditures	3,838	3,838	1,045	2,793
Net change in fund balance	(3,838)	(3,838)	(956)	2,882
Fund balance, beginning of year	5,365	5,365	5,365	-
Fund balance, end of year	$ 1,527	$ 1,527	$ 4,409	$ 2,882

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Investment income	$ -	$ -	$ 48	$ 48
Miscellaneous income	142,150	159,366	150,568	(8,798)
Total revenues	142,150	159,366	150,616	(8,750)
Expenditures:				
Current:				
General government - legislative and executive				
Mayor				
Contractual services	16,000	16,000	13,268	2,732
Security of persons and property				
Fire department				
Materials and supplies	-	7,000	855	6,145
Police department				
Materials and supplies	21,000	21,000	19,024	1,976
Total security of persons and property	21,000	28,000	19,879	8,121
Leisure time activities				
Parks and recreation				
Materials and supplies	79,002	88,318	60,163	28,155
Contractual services	5,432	7,900	7,165	735
Capital outlay	1,900	1,900	330	1,570
Total leisure time activities	86,334	98,118	67,658	30,460
Public health and welfare				
Youth services				
Materials and supplies	3,038	8,038	1,385	6,653
Department of community services				
Materials and supplies	16,100	21,300	9,166	12,134
Department of public service				
Materials and supplies	1,614	1,614	-	1,614
Total public health and welfare	20,752	30,952	10,551	20,401
Total expenditures	144,086	173,070	111,356	61,714
Net change in fund balance	(1,936)	(13,704)	39,260	52,964
Prior year encumbrances	515	515	515	-
Fund balance, beginning of year	140,378	140,378	140,378	-
Fund balance, end of year	$ 138,957	$ 127,189	$ 180,153	$ 52,964

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental	$ 117,000	$ 117,000	$ 117,000	$ -
Expenditures:				
Current:				
General government - legislative and executive				
Law department				
Salaries	22,359	22,359	21,648	711
Benefits	3,733	3,733	3,721	12
Materials and supplies	1,450	1,450	81	1,369
Contractual services	78,161	78,161	1,136	77,025
Capital outlay	200	200	200	-
Total expenditures	105,903	105,903	26,786	79,117
Net change in fund balance	11,097	11,097	90,214	79,117
Prior year encumbrances	200	200	200	-
Fund balance, beginning of year	96,039	96,039	96,039	-
Fund balance, end of year	$ 107,336	$ 107,336	$ 186,453	$ 79,117

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property and other local taxes	$ 252,657	$ 252,657	$ 249,558	$ (3,099)
Intergovernmental	28,037	28,037	32,029	3,992
Total revenues	280,694	280,694	281,587	893
Expenditures:				
Current:				
Security of persons and property				
Fire department				
Benefits	276,193	276,193	276,193	-
Net change in fund balance	4,501	4,501	5,394	893
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ 4,501	$ 4,501	$ 5,394	$ 893

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines and forfeitures	$ -	$ -	$ 3,699	$ 3,699
Expenditures:				
Current:				
Security of persons and property				
Police department				
Materials and supplies	10,000	40,000	15,522	24,478
Contractual services	42,148	12,148	-	12,148
Other	9,694	9,694	452	9,242
Total expenditures	61,842	61,842	15,974	45,868
Net change in fund balance	(61,842)	(61,842)	(12,275)	49,567
Fund balance, beginning of year	61,842	61,842	61,842	-
Fund balance, end of year	$ -	$ -	$ 49,567	$ 49,567

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Fines and forfeitures	$ 152,000	$ 152,000	$ 151,149	$ (851)
Expenditures:				
Current:				
Security of persons and property				
Law department				
Salaries	8,181	8,181	8,181	-
Benefits	1,482	1,482	1,481	1
Total law department	9,663	9,663	9,662	1
Police department				
Salaries	91,000	91,000	75,301	15,699
Benefits	38,269	38,269	34,246	4,023
Contractual services	8,000	8,000	3,526	4,474
Capital outlay	32,000	32,000	1,220	30,780
Total police department	169,269	169,269	114,293	54,976
Total expenditures	178,932	178,932	123,955	54,977
Net change in fund balance	(26,932)	(26,932)	27,194	54,126
Fund balance, beginning of year	86,918	86,918	86,918	-
Fund balance, end of year	$ 59,986	$ 59,986	$ 114,112	$ 54,126

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property and other local taxes	$ 252,657	$ 252,657	$ 249,558	$ (3,099)
Intergovernmental	28,037	28,037	32,029	3,992
Total revenues	280,694	280,694	281,587	893
Expenditures:				
Current:				
Security of persons and property				
Police department				
Benefits	276,193	276,193	276,193	-
Net change in fund balance	4,501	4,501	5,394	893
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ 4,501	$ 4,501	$ 5,394	$ 893

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 23,000	$ 23,000	$ 27,352	$ 4,352
Fines and forfeitures	2,500	2,500	1,900	(600)
Investment income	-	-	1,432	1,432
Miscellaneous income	3,500	3,500	6,801	3,301
Total revenues	29,000	29,000	37,485	8,485
Expenditures:				
Current:				
Leisure time activities				
Department of community life services				
Materials and supplies	10,855	10,855	10,097	758
Contractual services	35,215	35,215	30,746	4,469
Total expenditures	46,070	46,070	40,843	5,227
Net change in fund balance	(17,070)	(17,070)	(3,358)	13,712
Prior year encumbrances	2,150	2,150	2,150	-
Fund balance, beginning of year	44,144	44,144	44,144	-
Fund balance, end of year	$ 29,224	$ 29,224	$ 42,936	$ 13,712

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 7,129	$ 7,129	$ 8,038	$ 909
Intergovernmental	12,390	12,390	14,053	1,663
Total revenues	19,519	19,519	22,091	2,572
Expenditures:				
Current:				
Public health and welfare				
Department of community life services				
Salaries	15,278	15,278	13,564	1,714
Benefits	2,710	2,710	2,375	335
Materials and supplies	716	716	-	716
Total expenditures	18,704	18,704	15,939	2,765
Net change in fund balances	815	815	6,152	5,337
Fund balance, beginning of year	21,781	21,781	21,781	-
Fund balance, end of year	$ 22,596	$ 22,596	$ 27,933	$ 5,337

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property and other local taxes	$ 842,189	$ 842,189	$ 831,858	$ (10,331)
Intergovernmental	94,858	94,858	72,984	(21,874)
Total revenues	937,047	937,047	904,842	(32,205)
Expenditures:				
Debt service:				
Principal	455,000	455,000	455,000	-
Interest and fiscal charges	422,043	422,043	417,043	5,000
Total expenditures	877,043	877,043	872,043	5,000
Net change in fund balance	60,004	60,004	32,799	(27,205)
Fund balance, beginning of year	541,055	541,055	541,055	-
Fund balance, end of year	$ 601,059	$ 601,059	$ 573,854	$ (27,205)

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Other financing sources (uses):				
Transfers - in	$ -	$ 1	$ -	$ (1)
Transfers - out	-	(616,579)	(616,579)	-
Total other financing sources (uses)	-	(616,578)	(616,579)	(1)
Net change in fund balance	-	(616,578)	(616,579)	(1)
Fund balance, beginning of year	616,579	616,579	616,579	-
Fund balance, end of year	$ 616,579	$ 1	$ -	$ (1)

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Special assessments	$ 99,000	$ 99,000	$ 80,745	$ (18,255)
Expenditures:				
Current:				
General government - legislative and executive				
Finance				
Contractual services	1,500	1,500	800	700
Debt service:				
Principal	70,000	70,000	70,000	-
Interest and fiscal charges	31,250	31,250	24,505	6,745
Total debt service	101,250	101,250	94,505	6,745
Total expenditures	102,750	102,750	95,305	7,445
Net change in fund balance	(3,750)	(3,750)	(14,560)	(10,810)
Fund balance, beginning of year	94,068	94,068	94,068	-
Fund balance, end of year	$ 90,318	$ 90,318	$ 79,508	$ (10,810)

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property and other local taxes	$ 336,876	$ 336,876	$ 332,743	$ (4,133)
Intergovernmental	37,283	37,283	29,609	(7,674)
Total revenues	374,159	374,159	362,352	(11,807)
Expenditures:				
Debt service:				
Principal	140,000	140,000	140,000	-
Interest and fiscal charges	185,413	185,413	180,413	5,000
Total expenditures	325,413	325,413	320,413	5,000
Net change in fund balance	48,746	48,746	41,939	(6,807)
Fund balance, beginning of year	385,337	385,337	385,337	-
Fund balance, end of year	$ 434,083	$ 434,083	$ 427,276	$ (6,807)

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Licenses and permits	$ -	$ -	$ 600	$ 600
Expenditures:				
Current:				
General government - legislative and executive				
Finance				
Capital outlay	112,885	112,885	19,657	93,228
Information systems				
Capital outlay	157,932	157,932	149,052	8,880
Total general government - legislative and executive	270,817	270,817	168,709	102,108
Security of persons and property				
Fire department				
Capital outlay	74,999	74,999	52,903	22,096
Police department				
Capital outlay	16,985	16,985	16,985	-
Total security of persons and property	91,984	91,984	69,888	22,096
Transportation				
Public service director				
Capital outlay	46,470	46,470	33,367	13,103
Leisure time activities				
Parks and recreation				
Capital outlay	34,780	34,780	4,692	30,088
Total expenditures	444,051	444,051	276,656	167,395
Excess (deficiency) of revenues over expenditures	(444,051)	(444,051)	(276,056)	167,995
Other financing sources (uses):				
Issuance of long-term notes	150,000	150,000	150,000	-
Net change in fund balance	(294,051)	(294,051)	(126,056)	167,995
Prior year encumbrances	97,202	97,202	97,202	-
Fund balance, beginning of year	196,910	196,910	196,910	-
Fund balance, end of year	$ 61	$ 61	$ 168,056	$ 167,995

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	$ 15,000	$ 15,000	$ 36,931	$ 21,931
Expenditures:				
Current:				
General government - legislative and executive				
Engineering department				
Contractual services	1,800	87,800	85,820	1,980
Net change in fund balance	13,200	(72,800)	(48,889)	23,911
Fund balance, beginning of year	937,163	937,163	937,163	-
Fund balance, end of year	$ 950,363	$ 864,363	$ 888,274	$ 23,911

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Expenditures:				
Current:				
General government - legislative and executive				
Engineering department				
Contractual services	$ 6,375	$ 6,375	$ 6,375	$ -
Capital outlay	213,955	235,350	139,929	95,421
Total expenditures	220,330	241,725	146,304	95,421
Net change in fund balance	(220,330)	(241,725)	(146,304)	95,421
Prior year encumbrances	120,330	120,330	120,330	-
Fund balance, beginning of year	244,254	244,254	244,254	-
Fund Balance, end of year	$ 144,254	$ 122,859	$ 218,280	$ 95,421

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	$ -	$ 1,313,176	$ 903,587	$ (409,589)
Expenditures:				
Current:				
Transportation				
Engineering department				
Capital outlay	196,368	1,509,544	903,587	605,957
Net change in fund balance	(196,368)	(196,368)	-	196,368
Fund balance, beginning of year	196,368	196,368	196,368	-
Fund balance, end of year	$ -	$ -	$ 196,368	$ 196,368

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	$ -	$ -	$ 1,608	$ 1,608
Expenses:				
Bus line				
Benefits	218	218	218	-
Other	-	13,500	13,158	342
Total expenses	218	13,718	13,376	342
Net change in fund equity	(218)	(13,718)	(11,768)	1,950
Fund balance, beginning of year	626,505	626,505	626,505	-
Fund balance, end of year	$ 626,287	$ 612,787	$ 614,737	$ 1,950

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 1,288,000	$ 1,171,500	$ 1,099,468	$ (72,032)
Miscellaneous income	110,000	110,000	135,953	25,953
Total revenues	1,398,000	1,281,500	1,235,421	(46,079)
Expenses:				
Golf course and ballroom				
Salaries	378,400	366,335	362,663	3,672
Benefits	108,440	107,252	106,430	822
Materials and supplies	269,002	245,311	235,696	9,615
Contractual services	265,892	211,792	200,863	10,929
Capital outlay	127,093	114,988	104,968	10,020
Debt service:				
Interest and fiscal charges	2,000	2,000	2,000	-
Total expenses	1,150,827	1,047,678	1,012,620	35,058
Excess (deficiency) of revenues over expenses	247,173	233,822	222,801	(11,021)
Other financing sources (uses):				
Issuance of bonds	112,000	112,001	112,000	(1)
Transfers - out	(361,414)	(361,414)	(330,570)	30,844
Total other financing sources (uses)	(249,414)	(249,413)	(218,570)	30,843
Net change in fund equity	(2,241)	(15,591)	4,231	19,822
Prior year encumbrances	5,411	5,411	5,411	-
Fund balance, beginning of year	10,376	10,376	10,376	-
Fund balance, end of year	$ 13,546	$ 196	$ 20,018	$ 19,822

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 5,643,730	$ 5,643,730	$ 6,396,030	$ 752,300
Tap - in fees	-	-	141,130	141,130
Total revenues	5,643,730	5,643,730	6,537,160	893,430
Expenses:				
Sewer				
Salaries	1,946,543	1,921,543	1,895,174	26,369
Benefits	877,162	853,162	830,240	22,922
Materials and supplies	518,683	478,982	473,066	5,916
Contractual services	1,647,608	1,736,309	1,736,309	-
Capital outlay	179,751	179,751	2,819	176,932
Total expenses	5,169,747	5,169,747	4,937,608	232,139
Excess (deficiency) of revenues over expenses	473,983	473,983	1,599,552	1,125,569
Other financing sources (uses):				
Transfers - out	(1,335,878)	(1,335,878)	(1,335,878)	-
Net change in fund equity	(861,895)	(861,895)	263,674	1,125,569
Prior year encumbrances	164,476	164,476	164,476	-
Fund balance, beginning of year	701,127	701,127	701,127	-
Fund balance, end of year	$ 3,708	$ 3,708	$ 1,129,277	$ 1,125,569

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2007

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	$ 3,558,967	$ 3,558,967	$ 3,331,173	$ (227,794)
Expenses:				
Claims	3,650,219	3,650,219	2,901,946	748,273
Net change in fund equity	(91,252)	(91,252)	429,227	520,479
Fund balance, beginning of year	829,528	829,528	829,528	-
Fund balance, end of year	$ 738,276	$ 738,276	$ 1,258,755	$ 520,479

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City of North Olmsted, Ohio

Fund Description

For the Year Ended December 31, 2007

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, 2007

	Beginning Balance 12/31/06	Additions	Reductions	Ending Balance 12/31/07
Assets				
Equity in pooled cash and cash equivalents	$ 464,688	$ 168,338	$ 154,142	$ 478,884
Liabilities				
Accounts payable	$ 3,200	$ 37,046	$ 3,200	$ 37,046
Intergovernmental payable	-	36,915	-	36,915
Deposits held and due to others	461,488	94,377	150,942	404,923
Total liabilities	$ 464,688	$ 168,338	$ 154,142	$ 478,884

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.

Contents **Page(s)**

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. 131-137

Revenue Capacity
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. 138-142

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. 143-147

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. 148-150

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. 151-155

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 Five Years

	2007	2006	2005	2004	2003
Governmental activities:					
Invested in capital assets, net of related debt	$ 35,360,913	$ 38,677,759	$ 36,706,457	$ 38,944,202	$ 44,107,156
Restricted for:					
Debt services	3,131,035	3,063,298	3,324,549	3,769,338	3,073,546
Capital projects	1,709,930	1,724,072	1,990,031	1,692,979	258,561
Community development	59,323	71,779	64,885	68,031	73,523
Highways and streets	3,707,648	2,587,209	1,426,595	1,632,809	811,161
Public safety	556,982	487,065	630,793	466,941	446,419
Recreation	38,575	51,999	4,366	109,124	283,588
Other purposes	2,612,478	1,220,774	805,320	1,019,100	753,723
Unrestricted	1,729,859	1,328,065	2,167,389	1,188,200	646,212
Total net assets – governmental activities	48,906,743	49,212,020	47,120,385	48,890,724	50,453,889
Business-type activities:					
Invested in capital assets, net of related debt	12,872,562	13,124,827	14,009,805	14,330,592	14,708,996
Unrestricted	700,956	1,057,703	896,297	1,349,733	2,228,273
Total net assets – business-type activities	13,573,518	14,182,530	14,906,102	15,680,325	16,937,269
Primary government:					
Invested in capital assets, net of related debt	48,233,475	51,802,586	50,716,262	53,274,794	58,816,152
Restricted	11,815,971	9,206,196	8,246,539	8,758,322	5,700,521
Unrestricted	2,430,815	2,385,768	3,063,686	2,537,933	2,874,485
Total net assets – primary government	$ 62,480,261	$ 63,394,550	$ 62,026,487	$ 64,571,049	$ 67,391,158

Source: City financial records

City of North Olmsted, Ohio

Changes in Net Assets
Accrual Basis of Accounting

Last Five Years

	2007	2006	2005	2004	2003
Program revenues:					
Governmental activities:					
Charges for services:					
General government	$ 1,380,444	$ 1,377,673	$ 2,112,111	$ 2,028,781	$ 1,913,520
Security of persons and property	913,899	919,841	960,897	658,766	675,496
Public health and welfare	34,924	17,076	8,140	6,470	8,910
Transportation	257,444	234,374	261,165	132,714	123,303
Basic utility services	-	10,379	88,498	-	16,931
Leisure time activities	1,115,611	1,132,666	991,352	1,080,826	1,092,362
Economic development	20,771	18,969	14,752	-	-
Total charges for services	3,723,093	3,710,978	4,436,915	3,907,557	3,830,522
Operating grants and contributions:					
General government	259,898	18,911	134,699	54,304	39,683
Security of persons and property	52,724	69,342	39,828	122,702	102,673
Public health and welfare	42,152	63,097	36,582	-	-
Transportation	1,532,237	1,576,013	1,393,585	1,281,106	1,166,058
Basic utility services	8,018	-	-	-	-
Leisure time activities	71,678	75,495	63,915	69,406	73,190
Community environment	-	-	21,601	-	-
Economic development	-	-	27,503	-	-
Total operating grants and contributions	1,966,707	1,802,858	1,717,713	1,527,518	1,381,604
Capital grants and contributions:					
General government	-	-	-	-	1,037,239
Security of persons and property	-	47,834	313,443	-	-
Transportation	1,086,471	2,966,101	609,370	-	-
Basic utility services	-	-	-	-	942,051
Leisure time activities	112,200	-	-	-	-
Total capital grants and contributions	1,198,671	3,013,935	922,813	-	1,979,290
Total governmental activities program revenues	6,888,471	8,527,771	7,077,441	5,435,075	7,191,416

(continued)

City of North Olmsted, Ohio

Changes in Net Assets
Accrual Basis of Accounting (continued)

Last Five Years

	2007	2006	2005	2004	2003
Business-type activities:					
Charges for services:					
NOMBL	1,608	31,277	1,191,441	4,525,424	4,497,011
Springvale golf course and ballroom	1,236,571	1,311,244	1,316,095	1,234,847	1,356,442
Sewer	5,902,415	5,705,603	5,897,826	5,704,261	5,996,694
Total charges for services	7,140,594	7,048,124	8,405,362	11,464,532	11,850,147
Capital grants and contributions:					
Sewer	141,130	471,157	185,705	362,240	135,336
Total business-type activities program revenues	7,281,724	7,519,281	8,591,067	11,826,772	11,985,483
Total primary government program revenues	14,170,195	16,047,052	15,668,508	17,261,847	19,176,899
Expenses:					
Governmental activities:					
General government	4,006,843	4,272,186	4,165,796	4,483,169	4,537,200
Security of persons and property	14,721,998	14,334,131	13,245,013	12,377,981	12,210,303
Public health services	573,722	549,892	546,222	471,085	437,691
Transportation	9,931,100	9,899,888	10,358,230	9,405,883	9,155,956
Basic utility services	1,809,305	1,678,150	1,645,096	1,579,622	1,681,386
Leisure time activities	2,381,717	2,479,209	2,594,345	2,827,622	2,447,232
Community environment	-	-	24,843	-	-
Economic development	344,590	156,942	202,149	-	-
Interest and fiscal charges	2,125,469	2,320,133	2,344,396	2,213,332	2,354,210
Total governmental activities expenses	35,894,744	35,690,531	35,126,090	33,358,694	32,823,978
Business-type activities:					
NOMBL	13,158	42,057	984,208	4,714,687	4,467,129
Springvale golf course and ballroom	1,470,220	1,451,094	1,480,190	1,412,396	1,509,294
Sewer revenue	6,735,440	6,752,055	6,900,892	7,024,422	6,702,118
Total business-type activities expenses	8,218,818	8,245,206	9,365,290	13,151,505	12,678,541
Total primary government expenses	44,113,562	43,935,737	44,491,380	46,510,199	45,502,519
Net (expense) revenue:					
Governmental activities	(29,006,273)	(27,162,760)	(28,048,649)	(27,923,619)	(25,632,562)
Business-type activities	(937,094)	(725,925)	(774,223)	(1,324,733	(693,058)
Total primary government net expense	(29,943,367)	(27,888,685)	(28,822,872)	(29,248,352)	(26,325,620)

(continued)

City of North Olmsted, Ohio

Changes in Net Assets
Accrual Basis of Accounting (continued)

Last Five Years

	2007	2006	2005	2004	2003
General revenues and other changes in net assets:					
Governmental activities:					
Property taxes and other local taxes	11,396,531	10,701,905	10,354,341	10,507,940	10,238,732
Municipal income taxes	13,014,677	14,164,807	12,159,878	12,491,922	10,927,745
Grants and entitlements	3,492,684	3,429,556	3,102,792	3,088,546	2,906,433
Investment earnings	1,029,342	917,948	596,488	240,155	295,832
Other	95,844	42,532	64,811	31,891	43,411
Transfers	(328,082)	(2,353)	-	-	(46,256)
Total governmental activities general revenues and other changes in net assets	28,700,996	29,254,395	26,278,310	26,360,454	24,365,897
Business-type activities:					
Other	-	-	-	67,789	22,295
Transfers	328,082	2,353	-	-	46,256
Total business-type activities general revenues and other changes in net assets	328,082	2,353	-	67,789	68,551
Total primary government general revenues and other changes in net assets	29,029,078	29,256,748	26,278,310	26,428,243	24,434,448
Change in net assets:					
Governmental activities	(305,277)	2,091,635	(1,770,339)	(1,563,165)	(1,266,665)
Business-type activities	(609,012)	(723,572)	(774,223)	(1,256,944)	(624,507)
Total primary government change in net assets	$ (914,289)	$ 1,368,063	$ (2,544,562)	$ (2,820,109)	$ (1,891,172)

Source: City financial records

City of North Olmsted, Ohio

Fund Balances, Governmental Funds
Modified Accrual Basis of Accounting

Last Ten Years

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General fund										
Reserved	$ 180,744	$ 64,773	$ 42,139	$ 165,032	$ 124,397	$ 303,831	$ 517,702	$ 367,976	$ 297,423	$ 306,245
Unreserved (deficit)	3,862,969	3,553,794	3,403,317	3,265,274	3,396,867	2,550,238	1,879,264	2,271,628	1,782,777	1,109,391
Total general fund	4,043,713	3,618,567	3,445,456	3,430,306	3,521,264	2,854,069	2,396,966	2,639,604	2,080,200	1,415,636
All other governmental funds										
Reserved	221,861	2,117,205	426,875	608,054	2,704,397	3,556,983	2,867,537	2,187,066	1,238,893	1,067,385
Unreserved, undesignated, Reported in:										
Special revenue funds	6,024,628	4,433,601	2,721,488	2,151,294	1,633,313	2,047,338	1,819,163	1,437,388	(712,608)	283,113
Debt service funds	3,131,035	3,063,298	3,324,549	3,069,420	2,366,735	2,247,661	1,728,375	-	-	-
Capital projects funds	1,599,829	1,873,259	5,496,444	4,985,705	1,606,038	5,927,805	6,760,256	130,835	(1,446,666)	(914,454)
Total all other governmental funds	10,977,353	11,487,363	11,969,356	10,814,473	8,310,483	13,779,787	13,175,331	3,755,289	(920,381)	436,044
Total governmental funds	$ 15,021,066	$ 15,105,930	$ 15,414,812	$ 14,244,779	$ 11,831,747	$ 16,633,856	$ 15,572,297	$ 6,394,893	$ 1,159,819	$ 1,851,680

Source: City financial records

City of North Olmsted, Ohio

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

Last Ten Years

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Revenues:										
Property taxes	$ 11,300,024	$ 10,743,737	$ 10,519,830	$ 10,476,303	$ 10,000,703	$ 10,154,593	$ 10,114,983	$ 8,607,246	$ 8,553,667	$ 8,387,454
Income taxes	13,347,091	13,716,789	12,310,815	12,416,225	11,658,413	11,328,050	11,121,341	10,858,123	10,257,028	9,727,638
Charges for services	2,429,928	2,400,889	2,485,102	1,930,702	2,002,103	2,073,941	2,075,553	2,110,397	2,181,071	1,446,834
Fines, licenses and permits	1,336,750	1,326,848	1,456,374	1,754,093	1,786,733	1,413,825	1,295,674	1,086,160	987,412	1,001,668
Intergovernmental	7,020,463	7,731,605	5,568,035	4,787,581	6,310,281	6,218,117	5,003,181	5,439,266	5,894,652	4,069,646
Special assessments	70,000	70,000	65,000	60,000	55,000	116,813	102,808	91,734	114,918	89,072
Interest	1,029,342	917,948	596,488	240,155	295,832	363,807	937,639	684,382	531,677	449,501
Miscellaneous	273,269	206,726	242,574	247,967	180,826	378,776	318,536	611,619	276,078	1,438,229
Total revenues	36,806,867	37,114,542	33,244,218	31,913,026	32,289,891	32,047,922	30,969,715	29,488,927	28,796,503	26,610,042
Expenditures:										
Current:										
General government	4,010,702	4,180,324	3,192,461	4,674,713	4,263,938	4,367,055	4,100,839	4,991,317	6,000,902	6,440,737
Security of persons and property	14,045,123	14,547,145	13,168,505	12,865,169	11,604,760	11,685,896	11,046,278	9,776,330	8,232,264	7,788,275
Public health and welfare	560,468	543,475	615,365	471,376	442,111	453,113	471,538	103,558	82,655	111,916
Transportation	5,522,720	4,981,748	4,817,442	3,863,076	5,311,916	5,213,922	6,473,806	5,970,202	4,859,368	4,288,298
Basic utility services	1,884,985	1,690,898	1,648,006	1,579,709	1,681,386	1,607,984	1,603,503	1,591,668	1,464,750	1,609,739
Leisure time activities	2,405,799	2,264,816	2,420,164	2,271,632	2,212,675	2,161,359	2,087,516	2,063,492	1,975,437	1,961,903
Community environment	-	-	22,372	37,593	-	-	-	-	-	-
Economic development	341,877	155,170	175,375	-	-	218,058	180,354	100,606	87,987	5,257
Other	-	-	-	-	-	-	-	3,256	231	45,103
Capital outlay	3,152,670	4,514,283	3,023,674	3,858,779	6,348,743	1,453,736	3,421,177	1,024,423	2,426,976	849,520
Debt Service:										
Principal	4,120,931	14,009,002	10,733,612	5,933,612	5,007,897	3,342,539	2,982,456	2,219,605	2,210,601	2,009,107
Interest and fiscal charge	2,077,473	2,322,655	2,147,630	2,229,548	2,378,765	2,552,217	2,757,715	2,317,332	2,302,308	2,334,693
Note issuance costs	13,250	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	329,670	-	-	-	-	-	-	-	-
Total expenditures	38,135,998	49,539,186	41,964,606	37,785,207	39,252,191	33,055,879	35,125,182	30,161,789	29,643,479	27,444,548
Excess of revenues over (under) expenditures	(1,329,131)	(12,424,644)	(8,720,388)	(5,872,181)	(6,962,300)	(1,007,957)	(4,155,467)	(672,862)	(846,976)	(834,506)

(Continued)

City of North Olmsted, Ohio

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

Last Ten Yea

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Other financing sources (uses):										
Issuance of notes	1,560,000	500,000	9,860,000	7,725,000	2,195,000	1,865,000	-	-	-	-
Inception of capital leases	-	63,782	19,316	-	-	-	-	-	-	-
Bond proceeds	-	27,230,000	-	-	-	-	20,838,026	5,667,489	-	-
Premium on bonds	-	658,627	-	-	-	-	-	-	-	-
Payment to bond escrow agent	-	(16,354,414)	-	-	-	-	(7,518,674)	-	-	-
Sale of capital assets	12,349	20,120	11,105	560,213	11,447	13,206	13,519	30,741	23,380	16,451
Transfers in	2,492,750	1,858,626	2,067,962	2,147,358	2,025,546	2,199,625	1,893,621	2,239,517	2,650,417	1,908,309
Other financing uses	-	-	-	-	-	-	-	(16,716)	-	-
Transfers out	(2,820,832)	(1,860,979)	(2,067,962)	(2,147,358)	(2,071,802)	(2,008,315)	(1,893,621)	(2,013,095)	(2,518,682)	(1,908,309)
Total other financing sources (uses)	1,244,267	12,115,762	9,890,421	8,285,213	2,160,191	2,069,516	13,332,871	5,907,936	155,115	16,451
Net change in fund balances	$ (84,864)	$ (308,882)	$ 1,170,033	$ 2,413,032	$ (4,802,109)	$ 1,061,559	$ 9,177,404	$ 5,235,074	$ (691,861)	$ (818,055)
Debt service as a percentage of noncapital expenditures	18.93%	39.07%	34.02%	24.52%	23.36%	18.44%	18.38%	15.55%	16.21%	17.06%

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
2007	$ 881,650,600	$ 10,087,260	$ 15,145,653	$ 906,883,513	$ 2,772,794,958	32.71%
2006	881,661,360	14,502,800	39,487,817	935,651,977	2,851,415,448	32.81
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

Sources: Cuyahoga County Auditor, based upon tax year valuations

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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
2007	$ 6.50	$ 4.90	$ -	$ 1.20	$ 0.60	$ 13.20	$ 83.50	$ 20.20	$ 2.40	$ 119.30
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

(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
2007	$ 11,807,403	$ 11,403,200	96.58%	$ 250,483	$ 11,653,683	98.70%	$ 459,981	3.9%
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	96.72	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

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

2007 and 2003

Name of Taxpayer	December 31, 2007 Assessed Value (1)	Percent of Total Assessed Value
Great Northern Partnership	$ 26,344,050	2.82%
DDR MDT Great Northern	22,838,790	2.44
Cleveland Electric Illuminating Company	8,422,120	.90
Duke Realty Ohio	7,445,620	.80
B&G Properties LTD Partnership	5,855,170	.63
Butternut Ridge Apartments LLC	5,751,200	.61
WEA Great Northern Mall	5,147,670	.55
Water Tower Square LTD Partnership	4,638,730	.50
Wal Mart	4,607,790	.49
Higbee Company	4,550,010	.49
Total	$ 95,601,150	10.23%

Name of Taxpayer	December 31, 2003 Assessed Value (1)	Percent of Total Assessed Value
DDRC Great Northern LTD	$ 21,805,960	2.90%
Great Northern Partnership	20,445,640	2.72
Great Northern Properties	6,967,390	0.93
Butternut Ridge Appt. LLC	5,642,880	0.75
Higbee Company	5,117,880	0.68
B&G Properties LTD Partnership	5,012,880	0.67
May Stores 74 Corp	4,967,310	0.66
Water Tower Square LTD Partnership	4,790,670	0.64
Wal Mart	4,305,810	0.57
Country Club Hotel Association LLC	3,694,360	0.49
Total	$ 82,750,780	11.01%

Source: Cuyahoga County Auditor

(1) The amounts presented represent the assessed values upon which 2007 and 2003 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
2007	$ 39,579,073	$ 250,000	$ 81,675	$ -	$ 1,560,000	$ 42,930	$ -	$ 101,941	$ 15,878,343	$ -	$ 3,206	$ 611,019	$1,042,667	$ 59,150,854	7.34%	$1,734
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	7.82	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	8.30	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	10.40	1,738

Note: Population and Personal Income are presented on page 149.

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(1)		Assessed (2) Value	Gross (3) Bonded Debt	Debt Service Monies Available
2007	34,113	b	$ 906,883,513	$ 55,457,416	$ 2,050,397
2006	34,113	b	935,651,977	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

(1) Source: U.S. Bureau of Census, Census of Population
(a) 1990 Federal Census
(b) 2000 Federal Census
(2) Source: Cuyahoga County Auditor, valuations based upon the tax year
(3) Includes all general obligation bonded debt

Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
$ 53,407,019	5.89%	$ 1,566
59,104,025	6.32	1,733
50,906,129	5.84	1,492
55,747,415	6.44	1,634
60,245,162	7.40	1,766
63,794,598	7.81	1,870
67,353,544	8.27	1,974
55,145,038	7.49	1,617
51,381,671	7.03	1,502
54,143,822	7.53	1,583

City of North Olmsted, Ohio

Computation of Direct and Overlapping General Obligation Debt

December 31, 2007

		General Obligation Debt Outstanding	Percentage Applicable to City (1)		Amount Applicable to City of North Olmsted
Jurisdiction:					
Direct:					
City of North Olmsted (1)					
General obligation bonds	$	55,457,416	100.00%	$	55,457,416
Special assessment bonds		250,000	100.00		250,000
OPWC loans		1,124,342	100.00		1,124,342
OWDA loan		611,019	100.00		611,019
Capital leases		46,136	100.00		46,136
Police pension		101,941	100.00		101,941
Total direct debt		57,590,854			57,590,854
Overlapping:					
North Olmsted School District		595,000	100.00		595,000
Cuyahoga County		194,593,691	2.84		5,526,461
Greater Cleveland Regional Transit Authority		147,385,000	2.84		4,185,734
Total overlapping debt		342,573,691			10,307,195
Total	$	400,164,545		$	67,898,049

Source: Cuyahoga County Auditor

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

City of North Olmsted, Ohio

Legal Debt Margin

Last Ten Years

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Assessed valuation	$ 906,883,513	$ 935,651,977	$ 871,003,233	$ 865,359,676	$ 813,790,056	$ 816,790,056	$ 814,643,897	$ 736,690,212	$ 730,705,574	$ 718,926,115
Overall debt limitation – 10 1/2 % of assessed valuation	$ 95,222,769	$ 98,243,458	$ 91,455,339	$ 90,862,766	$ 85,447,956	$ 85,762,956	$ 85,537,609	$ 77,352,472	$ 76,724,085	$ 75,487,242
Outstanding debt:										
General obligation debt	55,707,416	60,865,831	53,465,000	58,005,000	62,130,000	65,990,000	69,850,000	57,015,000	52,745,000	55,205,000
General obligation bond anticipation notes	1,560,000	-	10,175,000	7,175,000	2,195,000	200,000	300,000	2,750,000	4,915,000	2,675,000
OPWC loan	-	-	-	-	136,123	-	-	-	-	-
Police pension liability	-	-	-	-	111,314	-	-	-	-	-
Less: Amount available in debt service fund	(3,131,035)	(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)
Total outstanding debt	54,136,381	57,802,533	60,315,451	63,377,415	63,202,599	64,564,598	68,273,844	58,565,038	57,011,671	57,573,822
Less exemptions:										
Bonds and notes issued in anticipation of levy for special assessments	250,000	320,000	390,000	455,000	515,000	570,000	620,000	670,000	715,000	755,000
General obligation bonds and notes that are considered self supporting	10,577,000	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
Securities issued to pay final judgments and settlements	79,000	93,000	104,000	114,000	124,000	138,000	149,000	154,000	162,000	170,000
Securities to extent authorizing legislation contains covenants to appropriate, levy and collect municipal income taxes	8,333,000	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
Total exemptions	19,239,000	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
Net debt within 10 1/2% limitation	34,897,381	36,544,533	37,152,451	38,745,415	36,835,599	36,558,598	36,672,844	23,837,038	21,153,671	20,550,822
Overall debt margin	$ 60,325,388	$ 61,698,925	$ 54,302,888	$ 52,117,351	$ 48,612,357	$ 49,204,358	$ 48,864,765	$ 53,515,434	$ 55,570,414	$ 54,936,420
Unvoted debt limitation 5 1/2 of assessed value	$ 49,878,593	$ 51,460,859	$ 47,905,178	$ 47,594,782	$ 44,758,453	$ 44,923,453	$ 44,805,414	$ 40,517,962	$ 40,188,807	$ 39,540,936
Amount of principal of unvoted bonds and notes subject to 5 1/2%	22,829,381	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
Unvoted debt margin	$ 26,986,212	$ 24,413,859	$ 23,917,727	$ 21,929,367	$ 17,902,854	$ 19,449,855	$ 18,872,570	$ 16,680,924	$ 19,035,136	$ 16,633,936

Note: Assessed valuations based upon the tax year.

City of North Olmsted, Ohio

Principal Employers

Last Eight Years

2007	
Employer	Percent of Total Income Taxes
Moen Incorporated	7.92%
North Olmsted School District	4.99
The City of North Olmsted	2.44
Factory Mutual Insurance Company	1.15
Wal Mart Associates, Inc.	0.94
Sunnyside Automotive, Inc	0.93
Heartland Employment Services, Inc	0.92
Cingular Wireless Employee Services	0.87
Merrill Lynch Pierce Kenner & P. Craig	0.85
GMAC-GM Payroll Services	0.83
	21.84%

2006	2005	2004
North Olmsted School District	Dillards Department Stores	Factory Mutual Insurance
Moen Incorporated	Factory Mutual Insurance	GMAC-GM Payroll Services
The City of North Olmsted	GMAC-GM Payroll Services	Heartland Employment Services, Inc.
Riser Foods Company	Heartland Employment Services, Inc.	May Department Stores
Kaufmann's Department Stores	Moen Incorporated	Moen Incorporated
Wal Mart Associates, Inc.	The City of North Olmsted	The City of North Olmsted
Dillard Department Stores	North Olmsted School District	North Olmsted School District
Sears, Roebuck & Company	Riser Foods Company	Riser Foods Company
Olmsted Manor Nursing Center	Sunnyside Cars, Inc.	Sunnyside Cars, Inc.
Sunnyside Cars, Inc.	Wal Mart Associates, Inc.	Wal Mart Associates, Inc.

2003	2002	2001 and 2000
Factory Mutual Insurance Co.	Factory Mutual Insurance Co.	Factory Mutual Insurance Co.
GMAC-GM Payroll Services	GMAC-GM Payroll Services	GMAC-GM Payroll Services
Heartland Employment Services, Inc.	Heartland Employment Services, Inc.	Kaufmans
May Department Stores	May Department Stores	Merrill Lynch P F & Smith
Moen Incorporated	Moen Incorporated	Moen Incorporated
The City of North Olmsted	The City of North Olmsted	The City of North Olmsted
North Olmsted School District	North Olmsted School District	North Olmsted School District
Riser Foods Company	Riser Foods Company	Riser Foods Company
Sunnyside Cars, Inc.	Sunnyside Cars, Inc.	Sunnyside Cars, Inc.
Wal Mart Associates, Inc.	Wal Mart Associates, Inc.	Wal Mart Associates, Inc.

Source: Regional Income Tax Agency based on payroll withholding.
Note: This information is not available for years prior to 2000.

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 (3) Enrollment	Total Personal Income(2)	Personal Income Per Capital
2007	34,113 b	617,900	6.1%	5.6%	4.6%	4,805	$ 805,411,545c	$ 23,610
2006	34,113 b	622,876	5.6	5.4	4.8	4,613	805,411,545	23,610
2005	34,113 b	629,000	5.9	5.8	5.1	4,577	794,414,837	23,288
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

(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
(c) 2006 most recent information available
(3) Source: North Olmsted Board of Education

City of North Olmsted, Ohio

Full Time City Employees
By Function or Program

Last Ten Years

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Function/program:										
General government:										
Council	1	1	1	1	1	1	1	1	1	1
Mayor	3	3	2	2	2	2	1	1	1	1
General clerical	1	1	1	1	1	1	1	1	1	1
Boards and commissions	1	1	1	1	2	2	2	2	2	2
Finance	6	6	6	6	6	6	7	7	7	6
Law	2	2	2	2	2	2	0	0	0	0
Information systems	1	0	1	1	2	2	2	2	2	2
Human resources	3	3	3	3	3	3	3	3	3	3
Building	9	11	12	10	10	11	10	11	12	12
Engineering	4	4	5	6	6	7	8	8	8	9
Total	31	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	2
Fire	49	46	48	45	46	47	48	45	46	46
Dispatch	8	9	9	8	9	9	10	8	8	8
Corrections	2	2	2	2	2	3	3	2	3	3
Police	57	55	57	57	57	57	56	57	57	56
Youth services (see public health)	1	1	0	0	0	0	0	0	0	0
Fire clerk	1	1	1	1	1	1	2	2	2	2
Police clerk	6	6	6	6	6	7	8	7	8	7
Total	126	122	125	121	123	126	129	123	126	124
Leisure time activities:										
Senior center	2	2	2	2	2	2	2	2	2	2
Recreation	12	12	10	11	12	12	12	10	11	11
Springvale	4	4	4	4	4	4	4	4	5	5
Total	18	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	2
Youth services (a)	0	0	1	1	1	1	1	1	1	1
Total	2	2	3	3	3	3	3	3	3	3
Transportation:										
Service director	2	2	2	2	2	2	2	2	2	2
Public service and properties										
Public works administrative	0	0	0	0	0	0	2	2	2	2
Animal warden	1	1	1	1	1	1	1	1	1	1
Building maintenance	5	5	5	5	5	6	6	6	6	6
Road	7	7	7	7	7	7	9	9	9	9
Forestry	7	7	9	9	9	10	12	12	12	12
Storm	5	6	6	6	6	8	13	14	14	13
Subtotal	25	26	28	28	28	32	43	44	44	43
Fleet	8	8	8	8	8	8	9	9	9	9
Bus	0	0	0	59	61	61	66	69	67	65
Total	35	36	38	97	99	103	120	124	122	119
Economic development										
Planning	2	2	2	2	0	0	0	0	0	0
Basic utility services:										
Wastewater treatment plant	32	35	37	37	37	36	33	35	35	35
Total	246	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 Six Years

Function/Program	2007	2006	2005	2004	2003	2002
General government						
Council and clerk						
Number of ordinances and resolutions submitted	158	203	191	206	182	209
Number of ordinances and resolutions passed	146	182	177	169	173	184
Finance						
Agency ratings						
Fitch IBCA	A+	A+	A+	A+	A+	A+
Moody's Financial Services - General Limited Tax	A1	A1	A2	A2	A2	A2
Moody's Financial Services - General Unlimited Tax	Aa3	Aa3	A1	A1	A1	A1
Law						
Real property complaints riled	7	17	12	11	N/A	N/A
Real property fines collected	$ 3,350	$ 2,173	$ 1,130	$ 1,450	N/A	N/A
Criminal cases prosecuted	730	933	674	N/A	N/A	N/A
Traffic cases prosecuted	1,415	1,916	1,994	N/A	N/A	N/A
Building						
Estimated valuation of permits issued	$30,631,703	$39,828,613	$29,279,863	$30,239,136	$31,540,971	$51,295,838
Number of permits issued	1,284	1,312	1,444	1,465	1,482	1,455
Security of persons and property						
Police						
Number of traffic citations issued	7,643	9,460	15,616	12,759	17,682	16,506
Number of parking citations issued	2,242	1,775	2,476	2,353	2,702	2,770
Number of criminal arrests	1,882	2,058	2,249	1,877	2,063	2,166
Fire						
Number of fire responses	811	733	711	679	723	N/A
Number of squad responses	2,685	2,646	2,579	2,455	2,631	N/A
Total number of emergency responses	3,496	3,379	3,290	3,134	3,354	3,228
Number of runs per day	9.6	9.2	9.0	8.6	9.1	8.8
Public health and welfare						
Community life services						
Cabin rentals	569	516	513	508	408	N/A
Food cupboard distributions	398	376	340	370	N/A	N/A
Holiday adopt-a-family	38	33	30	20	26	34
Leisure time activities						
Senior center						
Hot lunch program - meals served	9,237	9,399	9,179	7,443	N/A	N/A
Meals on wheels served	82	80	58	N/A	N/A	N/A
Activity participants except hot lunch program	11,498	10,092	11,529	N/A	N/A	N/A
Springvale golf course and ballroom						
Number of golf rounds	22,278	27,499	27,585	25,024	26,835	N/A
Number of golf outings	46	66	53	55	68	N/A
Number of ballroom rentals	51	56	60	76	91	N/A

(Continued)

City of North Olmsted, Ohio

Operating Indicators by Function/Program (continued)

Last Six Years

	2007	2006	2005	2004	2003	2002
Leisure time activities (continued)						
Recreation						
Skate programs and events participants	10,011	11,116	12,231	10,373	10,093	8,856
Pool programs	N/A	N/A	N/A	2,444	2,514	2,558
Summer camp participants	428	367	225	119	N/A	N/A
Transportation						
Snowfall in inches	76.30	34.60	108.40	95.80	98.60	69.80
Street salting and plowing - number of hours	4,485	1,472	5,402	3,911	N/A	N/A
Street asphalt and concrete repair - number of hours	7,581	6,848	4,828	5,670	N/A	N/A
Tree planting and maintenance - number of hours	2,268	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	$ 36.26
Total 1,000 cubic feet billed	148,605	144,016	148,445	151,164	152,628	166,827
Total flow of wastewater treatment plant (billions of gallons)	1,805	1,822	2,009	2,014	2,120	1,933
Average daily flow (millions of gallons per day)	4.939	4.214	4.461	5.390	5.390	4.370
Tons of wet sludge removed	5,438	5,525	5,359	5,648	6,247	6,249

N/A: Not available
Source: Various City Divisions

City of North Olmsted, Ohio

Capital Assets Statistics by Function/Program

Last Six Years

	2007	2006	2005	2004	2003	2002
General government:						
Number of administrative vehicles	7	10	10	10	10	10
Security of persons and property:						
Fire:						
Number of stations	2	2	2	2	2	2
Number of vehicles	11	11	11	12	11	12
Police:						
Number of stations	1	1	1	1	1	1
Number of vehicles	27	28	28	28	28	28
Leisure time activities:						
Recreation:						
Number of parks	4	4	4	4	4	4
Number of pools	2	2	2	2	2	2
Recreation center facility	1	1	1	1	1	1
Number of vehicles	6	6	8	5	4	4
Springvale golf course and ballroom:						
Number of acres (18 hole golf course)	132	132	132	132	132	132
Square footage of ballroom	20,000	20,000	20,000	20,000	20,000	20,000
Number of vehicles	2	2	2	2	1	2
Senior center:						
Senior center facility	1	1	1	1	1	1
Number of vehicles	1	0	0	0	0	0
Transportation:						
Streets:						
Miles of streets	146	145	145	145	145	145
Number of street lights	2,633	2,362	2,362	2,362	2,362	2,362
Number of service vehicles	44	46	46	42	44	44
Wastewater:						
Miles of sanitary sewers	176	175	175	175	175	175
Miles of storm sewers	152	151	151	151	151	151
Number of vehicles	17	17	17	17	17	17

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

City of North Olmsted, Ohio

Capital Assets by Function

Last Six Years

	2007	2006	2005	2004	2003	2002
Governmental activities:						
General government:						
Non-depreciable						
Land and art	$ 3,728,055	$ 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	12,854,218	12,326,485	12,043,287	12,023,709	5,193,388	5,272,427
Net book value	9,075,066	8,843,845	8,865,854	9,136,769	1,997,027	2,111,241
Security of persons and property:						
Fire:						
Non-depreciable						
Land	349,400	-	-	-	-	-
CIP	-	2,166,808	433,895	-	-	-
Other capital assets						
Cost	9,543,303	5,669,892	5,310,749	5,302,466	5,054,346	5,036,437
Net book value	6,735,628	3,157,763	3,032,411	3,247,466	2,947,042	3,100,706
Police:						
Other capital assets						
Cost	3,147,006	3,274,082	3,152,905	2,893,512	2,633,713	2,563,021
Net book value	1,082,266	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	9,198,799	9,029,953	9,032,171	8,941,133	8,815,998	8,803,470
Net book value	2,026,002	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	537,262	519,066	480,903	340,491	322,846	322,846
Net book value	303,456	321,322	300,072	162,348	153,983	162,579
Transportation:						
Non-depreciable						
CIP	-	-	102,546	-	-	-
Other capital assets						
Cost	3,632,741	3,682,027	3,360,309	3,228,825	2,925,187	2,891,034
Net book value	1,018,743	1,061,013	801,278	704,307	547,836	655,772
Infrastructure						
Cost	128,983,810	128,076,170	126,253,887	124,938,751	124,765,980	123,532,616
Net book value	52,478,902	55,977,893	58,243,624	61,511,648	66,012,005	69,290,696

(continued)

City of North Olmsted, Ohio

Capital Assets by Function (continued)

Last Six Years

	2007	2006	2005	2004	2003	2002
Totals:						
Non-depreciable						
Land and art	4,077,455	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	38,913,329	34,501,505	33,380,324	32,730,136	24,945,478	24,889,235
Net book value	20,241,161	16,622,775	16,401,291	16,760,545	9,282,688	9,955,017
Infrastructure						
Cost	128,983,810	128,076,170	126,253,887	124,938,751	124,765,980	123,532,616
Net book value	52,478,902	55,977,893	58,243,624	61,511,648	66,012,005	69,290,696
Total governmental activities-cost	$ 171,974,594	$ 168,739,809	$ 164,205,406	$ 161,508,407	158,973,462	$ 152,636,103
Total governmental activities-net book value	$ 76,797,518	$ 78,762,802	$ 79,216,110	$ 82,111,713	$ 84,556,697	$ 83,459,965
Business-type activities:						
Springvale golf course and ballroom:						
Cost	$ 6,902,678	$ 6,931,673	$ 6,928,445	$ 6,915,563	$ 6,915,069	$ 6,915,069
Net book value	5,509,561	5,637,324	5,813,900	6,009,015	6,204,470	6,387,523
Sewer revenue:						
Cost	68,347,944	68,372,826	68,227,491	68,114,361	67,935,873	67,808,647
Net book value	24,630,309	26,023,751	27,285,455	28,604,057	29,936,248	31,340,389
NOMBL:						
Cost	544,677	564,462	571,462	571,462	571,462	571,462
Net book value	372,084	372,084	372,084	372,084	374,062	378,019
Total business-type activities – cost	$ 75,795,299	$ 75,868,961	$ 75,727,398	$ 75,601,386	$ 75,422,404	$ 75,295,178
Total business-type activities – net book value	$ 30,511,954	$ 32,033,159	$ 33,471,439	$ 34,985,156	$ 36,514,780	$ 38,105,931

Source: City Finance Department - capital asset inventory