

City of North Olmsted, Ohio

Comprehensive Annual Financial Report For the Fiscal Year Ended December 31, 2012



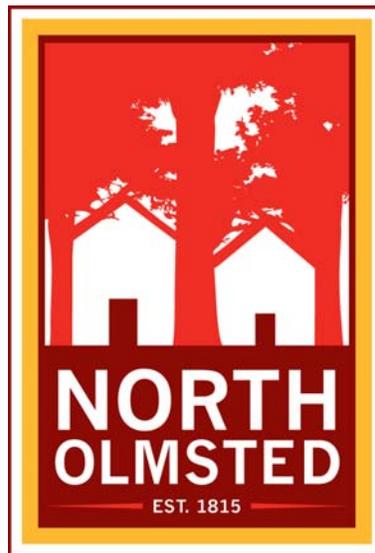
Issued by the Department of Finance

Carrie B. Copfer, CPA
Director of Finance

Jessica K. Howlett, CPA
Assistant Director of Finance

**INTRODUCTORY
SECTION**

City of North Olmsted, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended
December 31, 2012



Issued by: Department of Finance
Carrie B. Copfer, CPA, Director of Finance
Jessica K. Howlett, CPA, Assistant Director of Finance

City of North Olmsted, Ohio

Comprehensive Annual Financial Report For the Year Ended December 31, 2012

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CITY of NORTH OLMSTED

Carrie B. Copfer, CPA | Director, Department of Finance

A 5200 Dover Center Road | North Olmsted, Ohio 44070 P 440-716-4144 F 440-716-4235

June 26, 2013

Honorable Kevin M. Kennedy
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, 2012.

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 unmodified (“clean”) opinion on the City of North Olmsted’s financial statements for the year ended December 31, 2012. The Independent Auditor’s Report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the Independent Auditor’s Report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements 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 2010 census was 32,718, which represents a four percent decline from the 2000 census.

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, 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 directors of the aforementioned departments 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 and 21 of the basic financial statements.

Budgetary Process

A temporary appropriation resolution to control expenditures may be passed on or around January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. Appropriations by fund must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures and encumbrances may not exceed the appropriations at any level of control. Any revisions that alter the appropriations at the legal level of budgetary control must first be approved by City Council. Council may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources. The City maintains budgetary control on a cash basis by department for salaries, other expenditures and debt service. Estimated expenditure amounts must be encumbered prior to the release of purchase orders to vendors or finalization of other contracts. Encumbrances that would exceed the available appropriation level are identified on an ongoing basis and are not approved or recorded until City Council authorizes additional appropriations or transfers. Unencumbered appropriations lapse at the end of each calendar year.

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

FACTORS AFFECTING FINANCIAL CONDITION

Summary of Local Economy

The City 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 40 years, and the businesses located in them now provide employment for approximately 4,800 persons. The local economy has developed and redeveloped around this area. In 2012, the Westfield Group began significant improvements to the mall with a new 10 screen cinema and additional restaurant and retail space to keep its status of top performing mall complexes.

While the City has several larger taxpayers, it 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 percent credit on up to two percent for municipal income taxes paid to their workplace city, can adjust that credit through an ordinance of Council.

The recession that has affected the global, national and regional economies since 2008 appeared to level-off in 2011 and slightly improve in 2012. Municipal income tax, while still below 2005 collections, increased from the prior year by 3.4% on the cash basis, with increases in withholding and net profit business collections being offset by declines in individual taxpayer collection. Unemployment in our county was down to 7.3 percent at the end of 2012, though this does not account for those persons who

are unemployed but no longer looking for work. While in 2011, the City had its largest number of building permits and highest assessed valuation of improvements since 2002 partially due to some of the projects that had been discussed prior to the recession, in 2012 the permits declined as expected, but still achieved healthy growth with the automobile dealerships upgrades and renovations and the mall and other major retailers. The county fiscal officer performed the sexennial property reappraisal further decreasing the assessed valuation of the city by 5.1%, which was less than the countywide reduction due to the commercial growth. The number of single family home sales increased dramatically in 2012 though the average sale price declined because sales included a large concentration of condominiums. The State has permanently reduced and eliminated certain intergovernmental revenue streams for the City beginning in 2011 and ultimately will reduce revenues by \$1.5 million per year. See Management's Discussion and Analysis for a description of these reductions.

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 tenth 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. Non-major 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, and again in August 2009. In April of 2010, under pressure from the federal government, all three rating agencies adjusted the way municipal debts were rated to basing it on the likelihood of default, which is the standard for corporate debt. This will increase the market of potential municipal buyers, and theoretically, reduce the cost of borrowing due to the increased competition. The recalibration caused Moody's Investor Services to raise the City's rating to Aa2 on all outstanding debt, while Fitch raised the rating to AA-. Moody's affirmed that rating in July 2010 for the general obligation bond issue and all of the City's outstanding debt and again in January 2013.

Major Initiatives

In 2012, the City Council passed legislation designating improvements to property in the area of the Great Northern development to be a public purpose, exempting those improvements from property taxation for a period of 30 years, and requiring the owners of the property to make certain service payments to provide Tax Increment Financing (TIF) for future infrastructure improvements that will benefit the Great Northern area business corridor. Those infrastructure improvements are expected to include, among others, traffic signal upgrades, street and interchange modifications, and streetscape enhancements.

The City initiated a proactive property maintenance program to preserve and increase property values and maintain vibrant neighborhoods and commercial corridors. In addition to amending the building code to create more clear and streamlined regulations and procedures, the city began ward by ward sweeps of every property in the City, both residential and commercial. The entire city will be inspected within a four year time period.

The City issued \$2,890,000 in bond anticipation notes in April of 2012, of which \$1,780,000 was for new capital projects for the purpose of improving certain designated city streets, acquiring a fire truck, computer hardware, software and implementation of said software, acquiring equipment for the maintenance of the storm water collection system and a storm water improvement project. Legislation was passed in November of 2012 to issue \$5,150,000 of bonds to borrow an additional \$2,590,000 for 2013 projects, including street improvements; a rescue squad; engineering for a traffic control system upgrade; construction of a communication tower and related equipment; police station ADA improvements and renovations; and recreation center improvements, as well as repay the aforementioned notes and bond issuance costs. The bonds were sold in January 2013.

The City actively pursued grant and other funding opportunities and was successful in obtaining several grants including a Community Development Block Grant to partially fund phase 1 of Country Club Boulevard Streetscape Project; a Surface Water Improvement Fund Grant for storm water improvements to the North Olmsted Park parking lot; a Northeast Ohio Public Energy Council grant for improving energy efficiency by providing new windows and doors at the community cabin, new windows and lighting at city hall and new lighting at both fire stations; and a citywide signal system upgrade designed in several phases ending in 2017 with an 80/20 match by the federal government through the Northeast Ohio Areawide Coordination Agency (NOACA).

The City obtained approval from the Ohio EPA and the Ohio Water Development Authority for loans from Ohio EPA's Water Pollution Control Loan Fund, administered by the OWDA, to pay costs of two phases of a substantial improvement program to the sanitary system collection system and treatment facilities that had been part of a several year study and design. The Collection system improvements in phase one were substantially completed in 2012 while phase two, which is primarily for the substantial plant improvements and also includes additional collection system improvements, had construction contracts entered into in 2012 with construction to begin in early 2013 lasting through 2014.

Long-term Financial Planning

The City does not have a formal long-term capital plan; however, in 2012 the Mayor and his administration developed a five year capital plan and are utilizing it for planning and budgeting purposes.

The City, in its effort to reduce its reliance on borrowing for ongoing capital street replacements, shifted the road crew costs by 50% to the general fund, allowing \$500,000 to be utilized for street replacements.

In 2011 the City established and began reserving with a four year funding plan for both separation and 27th pay funds to reduce the spikes in an operating budget when these benefits are paid out in future years. The 2012 budget included continued funding of these reserves.

AWARDS AND ACKNOWLEDGEMENTS

GFOA Certificate of Achievement

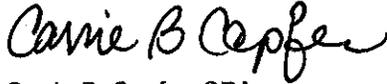
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Olmsted for its comprehensive annual financial report for the fiscal year ended December 31, 2011. This was the thirteenth consecutive year that the city has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The 2012 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,

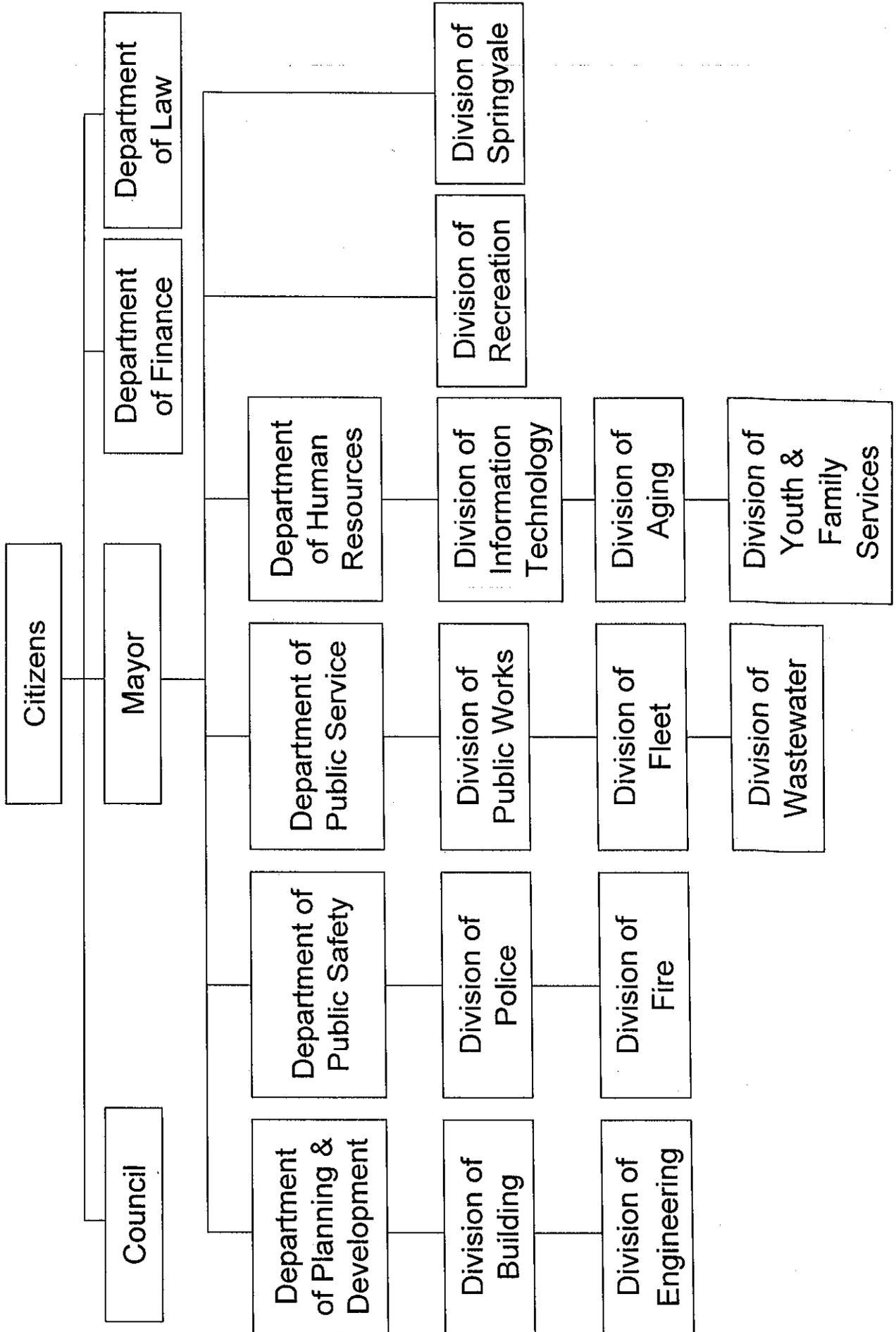


Carrie B. Copfer, CPA
Director of Finance



Jessica K. Howlett, CPA
Assistant Director of Finance

CITY OF NORTH OLMSTED ORGANIZATIONAL CHART



City of North Olmsted, Ohio

Principal City Officials

December 31, 2012

Elected Officials

Kevin M. Kennedy Mayor
Michael R. Gareau, Jr..... Director of Law
Carrie B. Copfer..... Director of Finance
Duane K. Limpert..... President of Council
Louis Brossard Council Ward 1
Paul R. Barker Council Ward 2
Paul Schumann..... Council Ward 3
Lawrence R. Orłowski Council Ward 4
Kevin G. Kearney..... Council-At-Large
Mark J. Mahoney Council-At-Large
Angela Williamson..... Council-At-Large

Appointed Officials

Cheryl Farver Director of Human Resources
Scott Thomas..... Director of Public Safety and Service
Kimberly Wenger..... Director of Planning Development

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, 2011

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.



Christopher P. Morille

President

Jeffrey R. Enner

Executive Director

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**FINANCIAL
SECTION**

Independent Auditor's Report

Members of the City Council
North Olmsted, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of North Olmsted, Ohio (the "City"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Members of the City Council
North Olmsted, Ohio

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2012, 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 accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

Members of the City Council
North Olmsted, Ohio

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2013 on our consideration of the City'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Ciuni & Panichi, Inc.

Cleveland, Ohio
June 26, 2013

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City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2012

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, 2012. 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 2012 are as follows:

- The total assets of the City exceeded total liabilities at the close of 2012 by \$69,980,426. This is an increase of \$300,444 over 2011 net position. Net position of the City's governmental activities decreased \$832,736, which represents a 1.5% decrease from 2011. Net position of the business-type activities increased \$1,133,180, or 7.9% from 2011.
- Total liabilities increased by \$6,855,357, or 11.78% from 2011. The main factor affecting this increase was an increase in long-term liabilities of \$6,216,854 during 2012.
- The General Fund reported a fund balance of \$7,125,458 at the end of the 2012, which is an increase in \$586,515 from 2011. The General Fund expenditures increased by 3.8%, or \$646,646, from 2011 to 2012 and revenues (excluding other financing sources) decreased by 4.7%, or \$923,571.
- The City established the Court Computerization fund in 2012. This fund will be used to account for the receipt of funds collected by the City's Mayor's Court designated to computerize the court and the Clerk of Court's office.

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

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2012

Reporting the City of North Olmsted as a Whole

Statement of Net Position 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 2012. The *Statement of Net Position* includes assets and liabilities, and the *Statement of Activities* includes revenues and expenses; however, they both use the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net position and the changes in net position. The changes in net position 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 Position* and the *Statement of Activities* are divided into the following categories:

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

Reporting the City of North Olmsted's Most Significant Funds

Fund Financial Statements

The presentation of the City's major funds begins on page 22. Fund financial reports provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds which account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of North Olmsted, the major governmental funds are the General Fund, Permanent Improvements Fund and General Obligation Bond Retirement Fund and the major enterprise funds are the North Olmsted Municipal Bus Line (NOMBL) Fund, Springvale Golf Course and Ballroom Fund, and Sewer Revenue Fund.

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2012

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 Position* and the *Statement of Activities*) and governmental funds is reconciled within 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 and self-insurance of workers' compensation. 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 28 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 33 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 non-major governmental funds are presented, as well as individual detailed budgetary comparisons for all funds. This information can be found starting on page 71 of this report.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2012

The City of North Olmsted as a Whole

The *Statement of Net Position* looks at the City as a whole. Table 1 provides a summary of the City's net position for 2012 compared to 2011.

Table 1
Net Position

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|--------------------------|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
| | <u>2012</u> | <u>2011</u> | <u>2012</u> | <u>2011</u> | <u>2012</u> | <u>2011</u> |
| Assets: | | | | | | |
| Current and Other Assets | \$ 35,425,851 | \$ 34,270,711 | \$ 2,779,792 | \$ 1,871,343 | \$ 38,205,643 | \$ 36,142,054 |
| Capital Assets, Net | <u>60,962,824</u> | <u>64,521,701</u> | <u>35,868,653</u> | <u>27,217,564</u> | <u>96,831,477</u> | <u>91,739,265</u> |
| Total Assets | <u>96,388,675</u> | <u>98,792,412</u> | <u>38,648,445</u> | <u>29,088,907</u> | <u>135,037,120</u> | <u>127,881,319</u> |
| Liabilities: | | | | | | |
| Current Liabilities | 11,054,125 | 10,727,243 | 756,485 | 444,864 | 11,810,610 | 11,172,107 |
| Long-term Liabilities | <u>30,765,667</u> | <u>32,663,550</u> | <u>22,480,417</u> | <u>14,365,680</u> | <u>53,246,084</u> | <u>47,029,230</u> |
| Total Liabilities | <u>41,819,792</u> | <u>43,390,793</u> | <u>23,236,902</u> | <u>14,810,544</u> | <u>65,056,694</u> | <u>58,201,337</u> |
| Net Position: | | | | | | |
| Net investment in | | | | | | |
| Capital Assets | 35,550,385 | 36,787,582 | 13,838,058 | 13,329,367 | 49,388,443 | 50,116,949 |
| Restricted | 12,238,993 | 12,137,486 | - | - | 12,238,993 | 12,137,486 |
| Unrestricted | <u>6,779,505</u> | <u>6,476,551</u> | <u>1,573,485</u> | <u>948,996</u> | <u>8,352,990</u> | <u>7,425,547</u> |
| Total Net Position | \$ <u>54,568,883</u> | \$ <u>55,401,619</u> | \$ <u>15,411,543</u> | \$ <u>14,278,363</u> | \$ <u>69,980,426</u> | \$ <u>69,679,982</u> |

Net position 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 \$69,980,426 as of December 31, 2012, which is a 0.4 percent, or \$300,444, increase from the prior year. At the end of the current year, the City of North Olmsted is able to report positive balances in all three categories of net position.

The largest portion of the City's net position (70.6 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 remains 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.

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2012

Total assets for 2012 increased by \$7,155,801 or 5.6 percent when compared to 2011. Current assets increased by \$2,063,589 or 5.7 percent from 2011. This increase was largely due to an increase in income taxes receivable, which is attributable to the improving economy and partly to the Regional Income Tax Agency's (RITA's) Federal Tax Information (FTI) Program that was implemented in 2010. This program matches the income reported to the IRS with income reported to RITA to determine the completeness of local income reported, which has resulted in greater collections for the City. The increase in total assets was mainly due to an increase in non-depreciable assets in 2012. The net effect of depreciation, additions and deletions on governmental activities was a decrease of \$3,558,877. Business-type activities capital assets increased during 2012 by \$8,651,089, which is primarily attributed to an increase in non-depreciable assets. This increase was primarily construction in progress, which reflects the construction phase of the sanitary improvements project that began in 2012.

The City's total liabilities increased \$6,855,357 from 2011 to 2012. The total current liabilities increased by \$638,503, primarily from an increase in accounts and contracts payable, offset by a decrease in unearned revenue. Total long-term liabilities increased by \$6,216,854, which can be attributed to the additional borrowing for the aforementioned sanitary improvements project, as well as additional borrowing for other capital projects for both governmental and business-type activities.

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

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City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2012

Table 2
Changes in Net Position

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|---|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
| | <u>2012</u> | <u>2011</u> | <u>2012</u> | <u>2011</u> | <u>2012</u> | <u>2011</u> |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 4,549,612 | \$ 4,388,412 | \$ 8,803,052 | \$ 7,840,196 | \$ 13,352,664 | \$ 12,228,608 |
| Operating grants and contributions | 1,723,306 | 1,609,937 | - | - | 1,723,306 | 1,609,937 |
| Capital grants and contributions | <u>682,965</u> | <u>775,034</u> | <u>62,299</u> | <u>187,887</u> | <u>745,264</u> | <u>962,921</u> |
| Total program revenues | <u>6,955,883</u> | <u>6,773,383</u> | <u>8,865,351</u> | <u>8,028,083</u> | <u>15,821,234</u> | <u>14,801,466</u> |
| General revenues: | | | | | | |
| Property taxes and other taxes | 9,743,908 | 9,782,378 | - | - | 9,743,908 | 9,782,378 |
| Municipal income taxes | 13,286,957 | 12,197,549 | - | - | 13,286,957 | 12,197,549 |
| Grants and entitlements | 2,919,512 | 3,736,906 | - | - | 2,919,512 | 3,736,906 |
| Other | <u>83,806</u> | <u>72,977</u> | <u>-</u> | <u>-</u> | <u>83,806</u> | <u>72,977</u> |
| Total general revenues | <u>26,034,183</u> | <u>25,789,810</u> | <u>-</u> | <u>-</u> | <u>26,034,183</u> | <u>25,789,810</u> |
| Total revenues | <u>32,990,066</u> | <u>32,563,193</u> | <u>8,865,351</u> | <u>8,028,083</u> | <u>41,855,417</u> | <u>40,591,276</u> |
| Program expenses: | | | | | | |
| General government | 3,886,834 | 3,582,339 | - | - | 3,886,834 | 3,582,339 |
| Security of persons and property | 12,847,883 | 11,367,748 | - | - | 12,847,883 | 11,367,748 |
| Public health and welfare | 527,602 | 489,183 | - | - | 527,602 | 489,183 |
| Transportation | 10,524,273 | 10,125,472 | - | - | 10,524,273 | 10,125,472 |
| Basic utility services | 2,100,931 | 2,306,879 | - | - | 2,100,931 | 2,306,879 |
| Leisure time activities | 2,472,946 | 2,414,279 | - | - | 2,472,946 | 2,414,279 |
| Economic development | 476,253 | 432,497 | - | - | 476,253 | 432,497 |
| Interest and fiscal charges | 1,197,352 | 1,370,320 | - | - | 1,197,352 | 1,370,320 |
| NOMBL | - | - | - | - | - | - |
| Springvale | - | - | 1,561,234 | 1,393,346 | 1,561,234 | 1,393,346 |
| Sewer | - | - | <u>5,959,665</u> | <u>5,950,651</u> | <u>5,959,665</u> | <u>5,950,651</u> |
| Total program expenses | <u>34,034,074</u> | <u>32,088,717</u> | <u>7,520,899</u> | <u>7,343,997</u> | <u>41,554,973</u> | <u>39,432,714</u> |
| Change in net position before transfers and special items | (1,044,008) | 474,476 | 1,344,452 | 684,086 | 300,444 | 1,158,562 |
| Transfers | 211,272 | 62,651 | (211,272) | (62,651) | - | - |
| Special item – sale of capital assets | <u>-</u> | <u>156,930</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>156,930</u> |
| Change in net position | (832,736) | 694,057 | 1,133,180 | 621,435 | 300,444 | 1,315,492 |
| Net position, beginning of year | <u>55,401,619</u> | <u>54,707,562</u> | <u>14,278,363</u> | <u>13,656,928</u> | <u>69,679,982</u> | <u>68,364,490</u> |
| Net position, end of year | \$ <u>54,568,883</u> | \$ <u>55,401,619</u> | \$ <u>15,411,543</u> | \$ <u>14,278,363</u> | \$ <u>69,980,426</u> | \$ <u>69,679,982</u> |

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2012

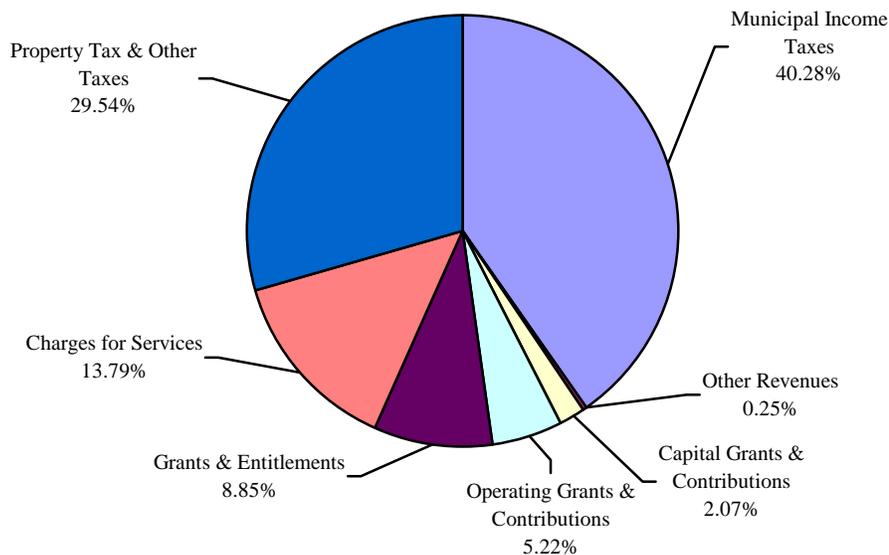
Governmental Activities

Overall, total governmental activities revenues increased by \$426,873. Program revenues represent 21.1 percent of the total governmental activities revenues. This includes charges for services and both operating and capital grants. Program revenues increased in 2012 by \$182,500. The increase in program revenues is primarily due to an increase in charges for services of \$161,200. The increase in charges for services can be partly attributed to an increase in recreation revenues from increased participation in the gymnastics and adult and youth programs in 2012. Further contributing to the increase in charges for services was an increase in fine revenue from the City's STOP program, as City police officers had the opportunity to work additional overtime towards the traffic violation program in 2012.

General revenues represent the other 78.9 percent of total governmental activities with municipal income taxes at 40.3 percent, property and other local taxes at 29.5 percent and grants, entitlements and other miscellaneous revenues representing the remaining 9.1 percent. General revenues increased in 2012 by \$244,373.

Municipal income tax revenue, which comprises the City's largest source of general revenues, increased by \$1,089,408, or 8.9 percent, from 2011. This increase can be attributed to an improving local economy in 2012 compared to 2011, as evidenced by increased income tax collections from both employer withholding and net profits. Property and other local taxes decreased by \$38,470 or 0.4 percent, which reflects the decline in real property values for tax year 2011 (collection year 2012). Grants and entitlements decreased by \$817,394 or 21.9 percent in 2012. This decrease was primarily a result of a decrease in estate tax revenues and the decline in state-levied taxes. Other general revenues increased by \$10,829 in 2012.

Revenues by Source, Governmental Activities



In total, the City's governmental activities experienced a 6.1 percent increase in 2012 expenses, or \$1,945,357. A major factor contributing to the overall increase in expenses was an increase in salaries and

City of North Olmsted

Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2012

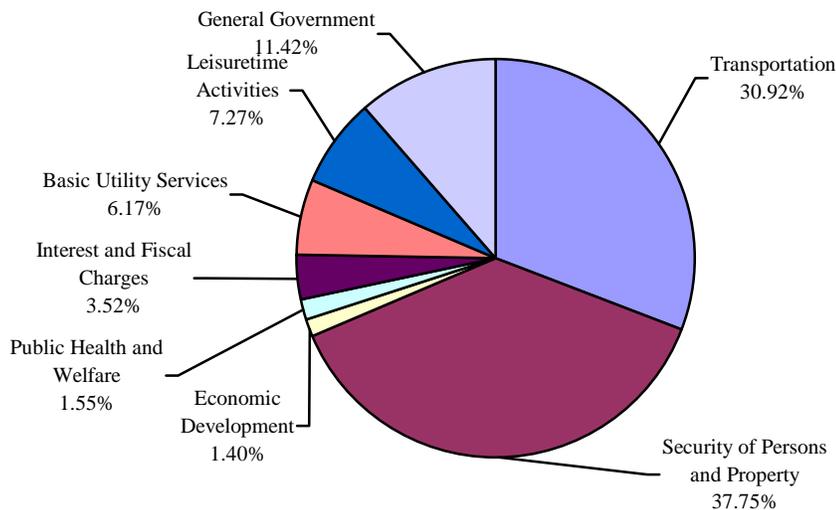
benefits. In 2010, City employees conceded to 5-10 percent wage reductions in the form of furloughs, reduced workdays, or reduced workweeks, depending on the employee's bargaining unit. These wage concessions were reduced to 3-8 percent during 2011, and ended in 2012. Pay rates increased in 2012, as provided for in the various collective bargaining agreements with City employees. By the end of 2012, new agreements were reached with the City's police and correction officers, which provided for a 2.5 percent increase in wages for 2012. Council approved the same increase for the City's non-bargaining administrative employees, which was also effective for 2012.

The City's largest program function is security of persons and property, which represents 37.8 percent of program expenses in 2012. This includes the cost of providing police, dispatch, fire and paramedic services. Security of persons and property expenses increased by 13.0 percent, or \$1,480,135, from 2011. This increase was largely a result of the wage concessions that ended in 2012, along with a new contract that was effective January 1, 2012 for police and correction officers. Further increasing security of persons and property expense in 2012 was an increase in the compensated absences liability, which was a result of the higher pay rates in effect at the end of the year.

The City's second largest program function is transportation, which represents 30.9 percent of program expenses in 2012. This includes the cost of providing all public works services such as street and storm channel maintenance and improvements, public property maintenance, snow removal, brush removal and equipment maintenance. Transportation expenses increased by \$398,801, or 3.9 percent, from the prior year. This increase can be attributed to the wage concessions that ended in 2012.

General government represents 11.4 percent of program expenses. This includes all the general governmental expenses used by the entire City such as council, mayor administration, finance, law, etc. These expenses increased by \$304,495, or 8.5 percent, over 2011. The increase in general government expenses can be attributed to the wage concessions that ended in 2012, and the subsequent salary increase for the City's non-bargaining administrative employees.

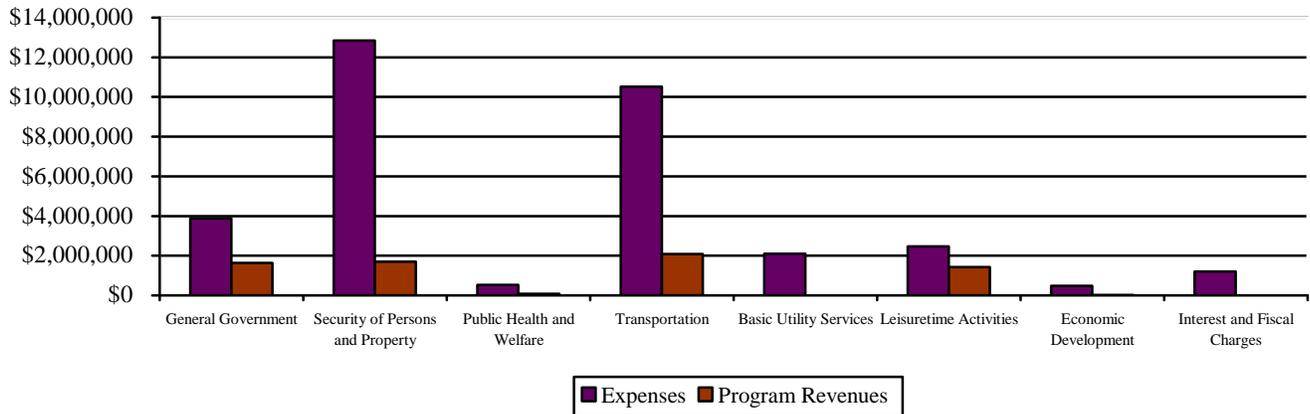
Expenses by Function, Governmental Activities



City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2012

As can be seen in the chart below, all programs have a heavy reliance on general revenues, with 78.9 percent of total 2012 revenues coming from general revenues.

Expenses and Program Revenues Governmental Activities



Business-Type Activities

Overall, total business-type activities revenue increased by \$837,268, or 10.4 percent, in 2012. Charges for services are the primary source of program revenues for the business-type activities. The municipal bus line (NOMBL) has not operated since 2005. The Springvale Golf Course and Ballroom (Springvale) has both golf and event revenues. The sewer plant and collection system operations (WWTP) represent the largest share of the charges for services. Sewer charges for services increased by 9.87 percent, which is a result of the increase in sewer rates in 2012. Springvale charges for services also increased in 2012, by 26.8 percent, which was primarily due to an increase in greens fees, golf outings, and clubhouse food and bar revenues. These increased revenues are attributable to the more favorable weather conditions experienced during 2012 than in 2011. As a result of the nicer weather, 6,902 more rounds of golf and seven additional golf outings were played in 2012 than in 2011. Springvale's ballroom event rental revenues were also up by nearly \$35,000, which further contributed to the increase.

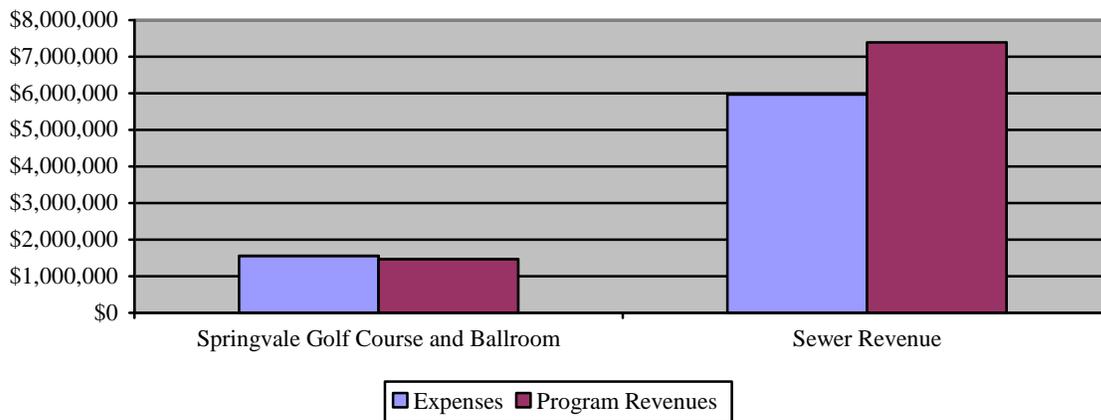
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City of North Olmsted

Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2012

Business-type activities expense increased in 2012 by 2.4 percent, or \$176,902, from the prior year. WWTP expenses increased by less than one-half percent, while the Springvale expenses increased by 12.1 percent in 2012. This increase in expense for Springvale is a result of increased salaries and benefits. Part-time staffing levels were increased throughout the year as the favorable weather conditions allowed for more rounds of golf and outings to be played.

Expenses and Program Revenues Business-Type Activities



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

As of December 31, 2012, the City's governmental funds reported combined ending fund balances of \$17,876,283. Of that amount, \$4,282,072 constitutes unassigned fund balances, which is available for spending at the government's discretion. The remaining \$13,594,211 fund balance is reported as nonspendable, restricted, committed or assigned to indicate that it is not available for new spending because it has already been set-aside for specified purposes or it cannot be used to liquidate future liabilities because it will not be in a spendable form in the next year.

City of North Olmsted

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For the Fiscal Year Ended December 31, 2012

All governmental funds had total revenues of \$32,623,577 and expenditures of \$34,451,774, resulting in a deficiency of revenues under expenditures of \$1,828,197. After consideration of \$2,565,359 in net other financing sources, the current year net change in fund balance was \$737,162.

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 2012, the General Fund had total revenues of \$18,575,492 and expenditures of \$17,900,942, resulting in an increase in fund balance of \$586,515 after consideration of \$88,035 in net other financing uses, for an ending fund balance at December 31, 2012 of \$7,125,458. General Fund revenues decreased by 4.7 percent, or \$923,571, from 2011, while expenditures increased by \$646,646, or 3.8 percent. The decrease in general fund revenues was due to a decrease in intergovernmental revenues of \$1,064,874, which is a result of reduced funding from the State of Ohio in 2012, and amounts receivable in 2013. Due to reductions in local government funding and the elimination of the commercial activity tax reimbursements, the General Fund received approximately \$442,000 less in 2012. The City also received \$316,000 less in estate tax revenue than was received in 2011. The decrease in intergovernmental revenues was offset by a 2.5 percent increase in municipal income tax revenue. This increase can be attributed to increased collections from employer withholdings and net profits in 2012, as well as January and February 2013 collections on amounts receivable.

The Permanent Improvements Fund accounts for 15 percent of the municipal income tax receipts and expenditures for the permanent improvement of streets and storm sewer system. In 2012, the permanent improvements fund had total revenues of \$2,097,949 and expenditures of \$2,292,359, resulting in a decrease in fund balance of \$974,851 after consideration of \$780,441 in net other financing uses, for an ending fund balance at December 31, 2012 of \$921,804. Revenues increased by \$235,446 from the prior year due to the City receiving a grant reimbursement from the Ohio EPA in 2012 for storm water improvements that were made to the City hall parking lot in 2011. Expenditures also increased from the prior year as the City made principal payments on long-term notes in 2012. Whereas in 2011, there were not any note payments made because the notes issued in 2010 were paid off in 2010 and there were not any notes due in 2011.

The General Obligation Bond Retirement Fund accounts for resources that are used for payments of principal and interest and fiscal charges on general obligation debt. In 2012, the general obligation bond retirement fund had total revenues of \$2,855,141 and expenditures of \$4,064,770 resulting in an increase in fund balance of \$920,562 after consideration of \$2,130,191 in net other financing sources, for an ending fund balance at December 31, 2012 of \$4,316,632. The General Obligation Bond Retirement Fund revenues decreased by \$19,039 in 2012. This 0.6 percent decrease was due to less property tax received in 2012 as a result of reduced property valuations for tax year 2011 (collection year 2012). The expenditures are set by the bond payments and decreased from the prior year due to the retirement of a 1996 various purpose bond in 2011.

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 2012. 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.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2012

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 \$17,694,234. The final budgeted revenues and other financing sources were \$18,098,877. The City actually received \$18,800,369 in 2012. The excess was a result of greater than anticipated municipal income tax revenues of \$8,803,899. The City's intergovernmental revenues of \$2,370,533 were also greater than expected due to the City receiving, in error, more local government funding from the County than was anticipated and also funding from North Olmsted Schools for the City's School Resource Officer. The local government funding will be reduced by the County in 2013 to correct the overpayments made in 2012. Charges for services of \$1,353,736 were also greater than anticipated in 2012 due to an increase in EMS transport fees, which are unpredictable from year to year. The original appropriations, including other financing uses for the General Fund were \$21,271,566. The final appropriations, including other financing uses, were \$21,474,886. Actual expenditures, excluding other financing uses ended \$2,018,675 below the final budgeted amount. This was most notable in security of persons and property and transportation. The expenditure variances in security of persons and property are primarily for severance and vacation buy backs not taken in the police and fire departments. Both of these salary and benefit items are budgeted for based on eligibility and the likelihood of them being paid out in a given year. These departments also spent less on legal fees for labor negotiations and other labor issues than was included in the budget. Transportation expenditures were less than was budgeted due to less spent on fuel, electricity for street lights, and legal fees for labor negotiations and other labor issues. There was a \$170,220 excess of revenues over expenditures before the \$698,062 net other financing uses. This resulted in a net decrease of the General Fund balance of \$527,842.

Capital Assets and Debt Administration

Capital Assets

| | Governmental Activities | | Business-Type Activities | | Totals | |
|---------------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Land | \$ 4,445,992 | \$ 4,054,455 | \$ 2,245,811 | \$ 2,617,895 | \$ 6,691,803 | \$ 6,672,350 |
| Land improvements, not depreciated | - | - | - | 19,453 | - | 19,453 |
| Construction in progress | 253,095 | 39,185 | 12,121,205 | 1,820,883 | 12,374,300 | 1,860,068 |
| Other non-depreciable assets | 23,000 | 23,000 | - | - | 23,000 | 23,000 |
| Land improvements | 964,707 | 755,058 | 886,589 | 960,063 | 1,851,296 | 1,715,121 |
| Buildings and improvements | 14,838,561 | 15,339,834 | 5,844,806 | 6,199,788 | 20,683,367 | 21,539,622 |
| Furniture and fixtures | 114,233 | 118,394 | 15,248 | - | 129,481 | 118,394 |
| Vehicles and equipment | 2,600,455 | 1,960,501 | 9,220,070 | 9,786,647 | 11,820,525 | 11,747,148 |
| Infrastructure | 37,722,781 | 42,231,274 | 5,534,924 | 5,812,835 | 43,257,705 | 48,044,109 |
| Total | \$ <u>60,962,824</u> | \$ <u>64,521,701</u> | \$ <u>35,868,653</u> | \$ <u>27,217,564</u> | \$ <u>96,831,477</u> | \$ <u>91,739,265</u> |

Total capital assets net of depreciation of the City's governmental activities as of December 31, 2012, were \$60,962,824, which was \$3,558,877 lower than December 31, 2011. The most significant additions were in roads of \$1,561,819 and vehicles and equipment of \$1,071,062. In 2012, the largest vehicle and equipment additions included an ambulance, sewer vactor truck, a snow plow package, two police vehicles, and two computer servers. The capital asset additions were offset by annual depreciation expense of \$7,606,269.

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2012

Business-type activities net capital assets increased by \$8,651,089 from 2011 which is primarily due to an increase in construction in progress, which includes \$10,300,322 in improvements to the City's sanitary sewer plant and collection system. The capital asset additions for business-type activities were offset by annual depreciation expense of \$1,558,634. For additional information see Note 9 to the basic financial statements.

Debt and Other Long-Term Obligations

As of December 31, 2012, the City of North Olmsted had \$53,246,084 in total debt and other long-term obligations outstanding with \$8,019,320 due within one year.

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Totals</u> | |
|--------------------------|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
| | <u>2012</u> | <u>2011</u> | <u>2012</u> | <u>2011</u> | <u>2012</u> | <u>2011</u> |
| General obligation bonds | \$ 22,895,878 | \$ 26,786,843 | \$ 9,255,248 | \$ 10,765,047 | \$ 32,151,126 | \$ 37,551,890 |
| OWDA loan | - | - | 11,896,042 | 2,114,162 | 11,896,042 | 2,114,162 |
| OPWC loans | 20,418 | 27,224 | 456,167 | 521,335 | 476,585 | 548,559 |
| Police pension | 87,774 | 90,851 | - | - | 87,774 | 90,851 |
| Long-term notes | 2,468,700 | 880,000 | 421,300 | 485,000 | 2,890,000 | 1,365,000 |
| Compensated absences | 4,696,769 | 4,479,203 | 449,822 | 477,483 | 5,146,591 | 4,956,686 |
| Claims payable | 568,685 | 359,377 | - | - | 568,685 | 359,377 |
| Capital leases | 27,443 | 40,052 | 1,838 | 2,653 | 29,281 | 42,705 |
| Total | <u>\$ 30,765,667</u> | <u>\$ 32,663,550</u> | <u>\$ 22,480,417</u> | <u>\$ 14,365,680</u> | <u>\$ 53,246,084</u> | <u>\$ 47,029,230</u> |

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 City has several OPWC and OWDA loans outstanding; however, the OPWC loans are interest-free 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 \$61,349,388 at December 31, 2012. 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 13, 14, and 15 to the basic financial statements.

Economic Factors and Next Year's Budget

The City of North Olmsted continues to experience many financial challenges based on the current state of the economy and the permanent revenue losses that have been enacted by the State. The decline in municipal income tax revenue leveled off in 2011, and increased by 2.5 percent in 2012. Municipal income tax revenues are expected to remain steady for 2013. In an effort to offset the nearly \$1,000,000 yearly loss in revenue from the State due to cuts in local government funding and the elimination of the estate tax as of January 1, 2013, City administration and Council have been reviewing operations for opportunities to gain efficiency and contain costs, including closely monitoring employee attrition. In 2012, the City publicly bid

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2012

a new solid waste contract for 2013, and expects the prior need for General Fund subsidies for solid waste management and leaf removal services will be reduced or eliminated in 2013. City officials have also been proactively seeking additional revenue opportunities including establishing a Mayor's Court in 2013, and pursuing various grants.

Requests for Information

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

City of North Olmsted, Ohio

Statement of Net Position

December 31, 2012

| | Primary Government | | | Component Unit |
|--|-------------------------|--------------------------|----------------------|---|
| | Governmental Activities | Business-Type Activities | Total | North Olmsted Commission on Paratransit, Inc. |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 16,355,391 | \$ 3,060,471 | \$ 19,415,862 | \$ 39,469 |
| Interest receivable | 8,476 | - | 8,476 | - |
| Accounts receivable | 312,403 | - | 312,403 | - |
| Materials and supplies inventory | 292,321 | 173,134 | 465,455 | - |
| Prepaid items | 77,537 | 52,612 | 130,149 | - |
| Internal balances | 2,833,434 | (2,833,434) | - | - |
| Intergovernmental receivable | 2,242,551 | 2,250,102 | 4,492,653 | 11,055 |
| Income taxes receivable | 3,791,098 | - | 3,791,098 | - |
| Taxes receivable - property and other | 9,355,599 | - | 9,355,599 | - |
| Unamortized bond issuance costs | 157,041 | 76,907 | 233,948 | - |
| Non-depreciable capital assets | 4,722,087 | 14,367,016 | 19,089,103 | - |
| Depreciable capital assets, net | <u>56,240,737</u> | <u>21,501,637</u> | <u>77,742,374</u> | - |
| Total assets | <u>96,388,675</u> | <u>38,648,445</u> | <u>135,037,120</u> | <u>50,524</u> |
| Liabilities: | | | | |
| Accounts and contracts payable | 930,725 | 574,943 | 1,505,668 | 11,051 |
| Accrued wages and benefits | 388,151 | 65,827 | 453,978 | - |
| Matured compensated absences | - | 33,063 | 33,063 | - |
| Intergovernmental payable | 743,373 | 42,367 | 785,740 | - |
| Unearned revenue | 8,894,720 | - | 8,894,720 | - |
| Accrued interest payable | 97,156 | 40,285 | 137,441 | - |
| Long-term liabilities: | | | | |
| Due within one year | 5,990,807 | 2,028,513 | 8,019,320 | - |
| Due in more than one year | <u>24,774,860</u> | <u>20,451,904</u> | <u>45,226,764</u> | - |
| Total liabilities | <u>41,819,792</u> | <u>23,236,902</u> | <u>65,056,694</u> | <u>11,051</u> |
| Net position: | | | | |
| Net investment in capital assets | 35,550,385 | 13,838,058 | 49,388,443 | - |
| Restricted for: | | | | |
| Debt service | 6,094,752 | - | 6,094,752 | - |
| Capital projects | 623,236 | - | 623,236 | - |
| Community development | 42,307 | - | 42,307 | - |
| Highways and streets | 3,328,866 | - | 3,328,866 | - |
| Public safety | 825,663 | - | 825,663 | - |
| Recreation | 215,836 | - | 215,836 | - |
| Solid waste management | 577,462 | - | 577,462 | - |
| Federal and other grants | 530,871 | - | 530,871 | - |
| Unrestricted | <u>6,779,505</u> | <u>1,573,485</u> | <u>8,352,990</u> | <u>39,473</u> |
| Total net position | <u>\$ 54,568,883</u> | <u>\$ 15,411,543</u> | <u>\$ 69,980,426</u> | <u>\$ 39,473</u> |

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

City of North Olmsted, Ohio

Statement of Activities

For the Year Ended December 31, 2012

| | <u>Expenses</u> | <u>Program Revenues</u> | | |
|---|----------------------|---------------------------------------|---|---|
| | | <u>Charges for Services and Sales</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| Primary government: | | | | |
| Governmental activities: | | | | |
| General government | \$ 3,886,834 | \$ 1,528,928 | \$ 41,442 | \$ 67,419 |
| Security of persons and property | 12,847,883 | 1,287,158 | 98,957 | 316,485 |
| Public health and welfare | 527,602 | 17,015 | 63,112 | - |
| Transportation | 10,524,273 | 283,571 | 1,510,295 | 299,061 |
| Basic utility services | 2,100,931 | - | - | - |
| Leisure time activities | 2,472,946 | 1,413,519 | 9,500 | - |
| Economic development | 476,253 | 19,421 | - | - |
| Interest and fiscal charges | <u>1,197,352</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total governmental activities | <u>34,034,074</u> | <u>4,549,612</u> | <u>1,723,306</u> | <u>682,965</u> |
| Business-type activities: | | | | |
| NOMBL | - | - | - | - |
| Springvale Golf Course and Ballroom | 1,561,234 | 1,476,024 | - | - |
| Sewer revenue | <u>5,959,665</u> | <u>7,327,028</u> | <u>-</u> | <u>62,299</u> |
| Total business-type activities | <u>7,520,899</u> | <u>8,803,052</u> | <u>-</u> | <u>62,299</u> |
| Total primary government | \$ <u>41,554,973</u> | \$ <u>13,352,664</u> | \$ <u>1,723,306</u> | \$ <u>745,264</u> |
| Component unit: | | | | |
| North Olmsted Commission on Paratransit, Inc. | \$ <u>132,670</u> | \$ <u>-</u> | \$ <u>132,670</u> | \$ <u>-</u> |

General revenues:

- Property taxes levied for:
 - General purposes
 - 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
- Gain on sale of capital assets
- Miscellaneous income
- Total general revenues
- Transfers
- Total general revenues and transfers
- Change in net position
- Net position, beginning of year
- Net position, end of year

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

| Net (Expense) Revenue and Changes in Net Position | | | |
|---|---------------------------------|----------------------|---|
| Primary Government | | | Component Unit |
| Governmental Activities | Business- Type Activities | Total | North Olmsted Commission on Paratransit, Inc. |
| \$ (2,249,045) | \$ - | \$ (2,249,045) | \$ - |
| (11,145,283) | - | (11,145,283) | - |
| (447,475) | - | (447,475) | - |
| (8,431,346) | - | (8,431,346) | - |
| (2,100,931) | - | (2,100,931) | - |
| (1,049,927) | - | (1,049,927) | - |
| (456,832) | - | (456,832) | - |
| <u>(1,197,352)</u> | <u>-</u> | <u>(1,197,352)</u> | <u>-</u> |
| <u>(27,078,191)</u> | <u>-</u> | <u>(27,078,191)</u> | <u>-</u> |
| - | - | - | - |
| - | (85,210) | (85,210) | - |
| <u>-</u> | <u>1,429,662</u> | <u>1,429,662</u> | <u>-</u> |
| <u>-</u> | <u>1,344,452</u> | <u>1,344,452</u> | <u>-</u> |
| <u>(27,078,191)</u> | <u>1,344,452</u> | <u>(25,733,739)</u> | <u>-</u> |
| - | - | - | - |
| 5,050,295 | - | 5,050,295 | - |
| 853,668 | - | 853,668 | - |
| 213,416 | - | 213,416 | - |
| 211,877 | - | 211,877 | - |
| 3,414,652 | - | 3,414,652 | - |
| 9,300,869 | - | 9,300,869 | - |
| 1,993,044 | - | 1,993,044 | - |
| 1,993,044 | - | 1,993,044 | - |
| 2,919,512 | - | 2,919,512 | - |
| 40,217 | - | 40,217 | - |
| 9,086 | - | 9,086 | - |
| <u>34,503</u> | <u>-</u> | <u>34,503</u> | <u>-</u> |
| 26,034,183 | - | 26,034,183 | - |
| <u>211,272</u> | <u>(211,272)</u> | <u>-</u> | <u>-</u> |
| <u>26,245,455</u> | <u>(211,272)</u> | <u>26,034,183</u> | <u>-</u> |
| (832,736) | 1,133,180 | 300,444 | - |
| <u>55,401,619</u> | <u>14,278,363</u> | <u>69,679,982</u> | <u>39,473</u> |
| <u>\$ 54,568,883</u> | <u>\$ 15,411,543</u> | <u>\$ 69,980,426</u> | <u>\$ 39,473</u> |

City of North Olmsted, Ohio

Balance Sheet Governmental Funds

December 31, 2012

| | <u>General</u> | <u>Permanent Improvements</u> | <u>General Obligation Bond Retirement</u> | <u>Non-major Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|-----------------------------|-----------------------------------|---|---|---|
| Assets: | | | | | |
| Current assets: | | | | | |
| Equity in pooled cash and cash equivalents | \$ 5,229,047 | \$ 703,805 | \$ 1,766,966 | \$ 5,647,375 | \$ 13,347,193 |
| Income taxes receivable | 2,653,768 | 568,665 | - | 568,665 | 3,791,098 |
| Taxes receivable - property and other | 4,705,726 | - | 2,317,750 | 2,332,123 | 9,355,599 |
| Intergovernmental receivable | 786,266 | 60,505 | 149,567 | 1,246,213 | 2,242,551 |
| Interest receivable | 645 | - | 7,831 | - | 8,476 |
| Accounts receivable | 310,759 | - | - | 1,644 | 312,403 |
| Interfund receivable | 136,266 | 350,000 | 2,541,835 | - | 3,028,101 |
| Materials and supplies inventory | 292,321 | - | - | - | 292,321 |
| Prepaid items | 59,866 | - | - | 17,671 | 77,537 |
| Non-current assets: | | | | | |
| Advances to other funds | <u>635,868</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>635,868</u> |
| Total assets | \$ <u>14,810,532</u> | \$ <u>1,682,975</u> | \$ <u>6,783,949</u> | \$ <u>9,813,691</u> | \$ <u>33,091,147</u> |
| Liabilities and fund balances: | | | | | |
| Liabilities: | | | | | |
| Accounts and contracts payable | \$ 234,765 | \$ 169,436 | \$ - | \$ 526,110 | \$ 930,311 |
| Accrued wages and benefits | 339,904 | - | - | 48,247 | 388,151 |
| Intergovernmental payable | 440,952 | 253,095 | - | 37,164 | 731,211 |
| Interfund payable | - | - | - | 486,266 | 486,266 |
| Deferred revenue | <u>6,669,453</u> | <u>338,640</u> | <u>2,467,317</u> | <u>3,203,515</u> | <u>12,678,925</u> |
| Total liabilities | <u>7,685,074</u> | <u>761,171</u> | <u>2,467,317</u> | <u>4,301,302</u> | <u>15,214,864</u> |
| Fund balances: | | | | | |
| Nonspendable | 988,055 | - | - | 17,671 | 1,005,726 |
| Restricted | - | - | 4,316,632 | 4,551,588 | 8,868,220 |
| Committed | - | 921,804 | - | 999,069 | 1,920,873 |
| Assigned | 1,799,392 | - | - | - | 1,799,392 |
| Unassigned (deficit) | <u>4,338,011</u> | <u>-</u> | <u>-</u> | <u>(55,939)</u> | <u>4,282,072</u> |
| Total fund balances | <u>7,125,458</u> | <u>921,804</u> | <u>4,316,632</u> | <u>5,512,389</u> | <u>17,876,283</u> |
| Total liabilities and fund balances | \$ <u>14,810,532</u> | \$ <u>1,682,975</u> | \$ <u>6,783,949</u> | \$ <u>9,813,691</u> | \$ <u>33,091,147</u> |

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

City of North Olmsted, Ohio

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

December 31, 2012

| | | | |
|--|--------------------------|----|--------------------------|
| Total governmental fund balances | | \$ | 17,876,283 |
| <i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i> | | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | | 60,962,824 |
| Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds. | | | |
| | Property and other taxes | \$ | 446,524 |
| | Municipal income taxes | | 1,854,234 |
| | Intergovernmental | | 1,360,228 |
| | Miscellaneous | | <u>123,219</u> |
| | Total | | 3,784,205 |
| In the Statement of Activities, interest is accrued on outstanding long-term obligations, whereas in governmental funds, an interest expenditure is reported when due. | | | (97,156) |
| In the Statement of Activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds, bond issuance expenditures are reported when bonds are issued. | | | 157,041 |
| Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds. | | | |
| | OPWC street loan | | (20,418) |
| | Police pension liability | | (87,774) |
| | General obligation bonds | | (22,895,878) |
| | Notes payable | | (2,468,700) |
| | Capital leases payable | | (27,443) |
| | Compensated absences | | <u>(4,696,769)</u> |
| | Total | | (30,196,982) |
| Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. | | | |
| | Net position | | 2,426,937 |
| | Internal balances | | <u>(344,269)</u> |
| <i>Net position of governmental activities</i> | | \$ | <u><u>54,568,883</u></u> |

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, 2012

| | General | Permanent Improvements | General Obligation Bond Retirement | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|---------------------------|---|--------------------------------|--------------------------------|
| Revenues: | | | | | |
| Property and other local taxes | \$ 4,794,190 | \$ - | \$ 2,361,344 | \$ 2,643,873 | \$ 9,799,407 |
| Municipal income taxes | 8,859,004 | 1,898,359 | - | 1,898,359 | 12,655,722 |
| Charges for services | 1,157,439 | - | - | 1,395,354 | 2,552,793 |
| Fines, licenses and permits | 1,303,094 | - | - | 325,087 | 1,628,181 |
| Intergovernmental | 2,398,235 | 199,590 | 470,003 | 2,702,446 | 5,770,274 |
| Investment income | 15,611 | - | 22,702 | 1,904 | 40,217 |
| Miscellaneous income | 47,919 | - | 1,092 | 127,972 | 176,983 |
| Total revenues | <u>18,575,492</u> | <u>2,097,949</u> | <u>2,855,141</u> | <u>9,094,995</u> | <u>32,623,577</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 3,465,634 | - | 5,622 | 191,335 | 3,662,591 |
| Security of persons and property | 10,834,564 | - | - | 1,601,760 | 12,436,324 |
| Public health and welfare | 427,879 | - | - | 85,780 | 513,659 |
| Transportation | 2,920,167 | 1,674,465 | - | 1,396,019 | 5,990,651 |
| Basic utility services | - | - | - | 2,100,931 | 2,100,931 |
| Leisure time activities | 992 | - | - | 2,197,928 | 2,198,920 |
| Economic development | 232,784 | - | - | 505,573 | 738,357 |
| Capital outlay | - | - | - | 833,444 | 833,444 |
| Debt service: | | | | | |
| Principal | 13,512 | 605,000 | 3,341,806 | 810,174 | 4,770,492 |
| Interest and fiscal charges | 5,410 | 4,894 | 710,092 | 462,759 | 1,183,155 |
| Issuance costs | - | 8,000 | 7,250 | 8,000 | 23,250 |
| Total expenditures | <u>17,900,942</u> | <u>2,292,359</u> | <u>4,064,770</u> | <u>10,193,703</u> | <u>34,451,774</u> |
| Excess (deficiency) of revenues over expenditures | <u>674,550</u> | <u>(194,410)</u> | <u>(1,209,629)</u> | <u>(1,098,708)</u> | <u>(1,828,197)</u> |
| Other financing sources (uses): | | | | | |
| Issuance of debt | - | 1,015,700 | 180,000 | 1,273,000 | 2,468,700 |
| Sale of capital assets | 12,300 | - | - | - | 12,300 |
| Transfers - in | 101,665 | - | 1,950,191 | 330,169 | 2,382,025 |
| Transfers - out | <u>(202,000)</u> | <u>(1,796,141)</u> | <u>-</u> | <u>(299,525)</u> | <u>(2,297,666)</u> |
| Total other financing sources (uses) | <u>(88,035)</u> | <u>(780,441)</u> | <u>2,130,191</u> | <u>1,303,644</u> | <u>2,565,359</u> |
| Net change in fund balances | 586,515 | (974,851) | 920,562 | 204,936 | 737,162 |
| Fund balances, beginning of year | <u>6,538,943</u> | <u>1,896,655</u> | <u>3,396,070</u> | <u>5,307,453</u> | <u>17,139,121</u> |
| Fund balances, end of year | <u>\$ 7,125,458</u> | <u>\$ 921,804</u> | <u>\$ 4,316,632</u> | <u>\$ 5,512,389</u> | <u>\$ 17,876,283</u> |

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 Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2012

Net change in fund balances - total governmental funds \$ 737,162

*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 | \$ 3,466,049 | |
| Assets transferred in | 624,130 | |
| Depreciation expense | (7,373,676) | |
| Depreciation transferred in | <u>(232,593)</u> | |
| Total | | (3,516,090) |

In the Statement of Activities, only the gain or loss on the disposal of capital assets is reported, whereas, in the governmental funds, the proceeds from the disposal increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets.

(42,787)

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

| | | |
|--------------------------|------------------|---------|
| Municipal income taxes | 631,235 | |
| Property and local taxes | (55,499) | |
| Charges for services | 226,158 | |
| Intergovernmental | <u>(444,491)</u> | |
| Total | | 357,403 |

Other financing sources in the governmental funds increase long-term liabilities in the Statement of Net Position.

| | |
|---------------------------------|-------------|
| General obligation notes issued | (2,468,700) |
|---------------------------------|-------------|

Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

| | | |
|--------------------------|---------------|-----------|
| General obligation bonds | 3,868,000 | |
| General obligation notes | 880,000 | |
| OPWC street loan | 6,806 | |
| Police pension liability | 3,077 | |
| Capital leases | <u>12,609</u> | |
| Total | | 4,770,492 |

(Continued)

City of North Olmsted, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Continued)

For the Year Ended December 31, 2012

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 | 5,159 | |
| Compensated absences | (217,566) | |
| Amortization of premium | 59,998 | |
| Amortization of loss on refunding | (37,033) | |
| Amortization of issuance costs | <u>(19,071)</u> | |
| Total | | (208,513) |

Internal service funds used by management to charge the costs of insurance to individual funds are 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 funds are allocated among governmental activities.

| | | |
|------------------------|---------------|------------------|
| Change in net position | (544,118) | |
| Internal balances | <u>82,415</u> | |
| Total | | <u>(461,703)</u> |

Change in net position of governmental activities \$ (832,736)

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, 2012

| | Budget | | Actual | Variance with |
|---|--------------------------|--------------------------|----------------------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| Revenues: | | | | |
| Property and other local taxes | \$ 4,760,078 | \$ 4,825,078 | \$ 4,794,191 | \$ (30,887) |
| Municipal income taxes | 8,528,462 | 8,528,462 | 8,803,899 | 275,437 |
| Charges for services | 1,163,543 | 1,163,543 | 1,353,736 | 190,193 |
| Licenses and permits | 932,600 | 932,600 | 1,084,805 | 152,205 |
| Fines and forfeitures | 223,500 | 223,500 | 220,007 | (3,493) |
| Intergovernmental | 1,867,145 | 2,163,220 | 2,370,533 | 207,313 |
| Investment income | 25,000 | 25,000 | 29,307 | 4,307 |
| Miscellaneous income | <u>20,000</u> | <u>20,000</u> | <u>31,661</u> | <u>11,661</u> |
| Total revenues | <u>17,520,328</u> | <u>17,881,403</u> | <u>18,688,139</u> | <u>806,736</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 3,999,337 | 4,032,890 | 3,587,678 | 445,212 |
| Security of persons and property | 11,275,961 | 11,382,263 | 10,387,175 | 995,088 |
| Public health and welfare | 477,551 | 482,979 | 429,230 | 53,749 |
| Transportation | 4,048,712 | 4,091,345 | 3,580,485 | 510,860 |
| Basic utility services | 223,000 | 216,439 | 213,949 | 2,490 |
| Economic development | <u>373,781</u> | <u>330,678</u> | <u>319,402</u> | <u>11,276</u> |
| Total expenditures | <u>20,398,342</u> | <u>20,536,594</u> | <u>18,517,919</u> | <u>2,018,675</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,878,014)</u> | <u>(2,655,191)</u> | <u>170,220</u> | <u>2,825,411</u> |
| Other financing sources (uses): | | | | |
| Sales of capital assets | 10,000 | 10,000 | 19,522 | 9,522 |
| Advances - in | 142,198 | 185,766 | 71,000 | (114,766) |
| Transfers - in | 21,708 | 21,708 | 21,708 | - |
| Advances - out | - | (65,068) | (65,068) | - |
| Transfers - out | <u>(873,224)</u> | <u>(873,224)</u> | <u>(745,224)</u> | <u>128,000</u> |
| Total other financing sources (uses) | <u>(699,318)</u> | <u>(720,818)</u> | <u>(698,062)</u> | <u>22,756</u> |
| Net change in fund balance | (3,577,332) | (3,376,009) | (527,842) | 2,848,167 |
| Prior year encumbrances | 519,631 | 519,631 | 519,631 | - |
| Fund balance, beginning of year | <u>3,301,599</u> | <u>3,301,599</u> | <u>3,301,599</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>243,898</u></u> | \$ <u><u>445,221</u></u> | \$ <u><u>3,293,388</u></u> | \$ <u><u>2,848,167</u></u> |

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Fund Net Position Proprietary Funds

December 31, 2012

| | Business-Type Activities - Enterprise Funds | | | | Governmental |
|--|---|---|----------------------|-------------------|---------------------------|
| | NOMBL | Springvale Golf Course and Ballroom | Sewer Revenue | Total | Internal Service Funds |
| Assets: | | | | | |
| Current assets: | | | | | |
| Equity in pooled cash and equivalents | \$ - | \$ 91,894 | \$ 2,968,577 | \$ 3,060,471 | \$ 3,008,198 |
| Materials and supplies inventory | - | 14,528 | 158,606 | 173,134 | - |
| Prepaid items | - | 7,144 | 45,468 | 52,612 | - |
| Intergovernmental receivable | - | - | <u>2,250,102</u> | <u>2,250,102</u> | - |
| Total current assets | - | <u>113,566</u> | <u>5,422,753</u> | <u>5,536,319</u> | <u>3,008,198</u> |
| Non-current assets: | | | | | |
| Unamortized bond issuance costs | - | 29,767 | 47,140 | 76,907 | - |
| Non-depreciable capital assets | - | 2,245,811 | 12,121,205 | 14,367,016 | - |
| Depreciable capital assets, net | - | <u>2,916,044</u> | <u>18,585,593</u> | <u>21,501,637</u> | - |
| Total non-current assets | - | <u>5,191,622</u> | <u>30,753,938</u> | <u>35,945,560</u> | - |
| Total assets | - | <u>5,305,188</u> | <u>36,176,691</u> | <u>41,481,879</u> | <u>3,008,198</u> |
| Liabilities: | | | | | |
| Current: | | | | | |
| Accounts and contracts payable | - | 14,571 | 560,372 | 574,943 | 414 |
| Accrued wages and benefits | - | 6,929 | 58,898 | 65,827 | - |
| Intergovernmental payable | - | 3,921 | 38,446 | 42,367 | 12,162 |
| Interfund payable | - | 2,523,722 | 18,113 | 2,541,835 | - |
| Accrued interest payable | - | 13,268 | 27,017 | 40,285 | - |
| Claims payable | - | - | - | - | 547,132 |
| Matured compensated absences | - | - | 33,063 | 33,063 | - |
| Accrued compensated absences | - | 21,342 | 160,295 | 181,637 | - |
| Capital lease payable | - | - | 858 | 858 | - |
| General obligation bond payable | - | 341,000 | 1,257,000 | 1,598,000 | - |
| Notes payable | - | 41,300 | - | 41,300 | - |
| OWDA loan payable | - | - | 76,384 | 76,384 | - |
| OPWC loan payable | - | - | <u>130,334</u> | <u>130,334</u> | - |
| Total current liabilities | - | <u>2,966,053</u> | <u>2,360,780</u> | <u>5,326,833</u> | <u>559,708</u> |
| Long-term liabilities (net of current portion): | | | | | |
| Advances from other funds | - | 537,858 | 98,010 | 635,868 | - |
| Claims payable | - | - | - | - | 21,553 |
| Accrued compensated absences | - | 47,819 | 220,366 | 268,185 | - |
| Capital lease payable | - | - | 980 | 980 | - |
| General obligation bonds payable | - | 3,273,958 | 4,383,290 | 7,657,248 | - |
| Notes payable | - | 380,000 | - | 380,000 | - |
| OWDA loan payable | - | - | 11,819,658 | 11,819,658 | - |
| OPWC loan payable | - | - | <u>325,833</u> | <u>325,833</u> | - |
| Total long-term liabilities | - | <u>4,239,635</u> | <u>16,848,137</u> | <u>21,087,772</u> | <u>21,553</u> |
| Total liabilities | - | <u>7,205,688</u> | <u>19,208,917</u> | <u>26,414,605</u> | <u>581,261</u> |
| Net position: | | | | | |
| Net investment in capital assets | - | 1,125,597 | 12,712,461 | 13,838,058 | - |
| Unrestricted (deficit) | - | <u>(3,026,097)</u> | <u>4,255,313</u> | <u>1,229,216</u> | <u>2,426,937</u> |
| Total net position | \$ - | \$ <u>(1,900,500)</u> | \$ <u>16,967,774</u> | <u>15,067,274</u> | \$ <u>2,426,937</u> |

Net position reported for business-type activities in the Statement of Net Position are different because they include accumulated overpayments to the internal service funds:

344,269
Net position business-type activities \$ 15,411,543

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 Position Proprietary Funds

For the Year Ended December 31, 2012

| | Business-Type Activities - Enterprise Funds | | | | Governmental |
|---|---|---|------------------|--------------|---------------------------|
| | NOMBL | Springvale Golf Course and Ballroom | Sewer Revenue | Total | Internal Service Funds |
| Operating revenues: | | | | | |
| Charges for services | \$ - | \$ 1,476,024 | \$ 7,327,028 | \$ 8,803,052 | \$ 2,444,732 |
| Operating expenses: | | | | | |
| Salaries | - | 439,286 | 1,683,737 | 2,123,023 | - |
| Benefits | - | 102,602 | 586,176 | 688,778 | - |
| Contractual services | - | 293,858 | 1,309,967 | 1,603,825 | 454,365 |
| Materials and supplies | - | 327,869 | 433,963 | 761,832 | - |
| Claims | - | - | - | - | 2,534,485 |
| Depreciation | - | 204,835 | 1,333,301 | 1,538,136 | - |
| Total operating expenses | - | 1,368,450 | 5,347,144 | 6,715,594 | 2,988,850 |
| Operating income (loss) | - | 107,574 | 1,979,884 | 2,087,458 | (544,118) |
| Non-operating revenues (expenses): | | | | | |
| Loss on disposal of capital assets | - | - | (11,167) | (11,167) | - |
| Interest and fiscal charges | - | (185,459) | (526,264) | (711,723) | - |
| Total non-operating revenues (expenses) | - | (185,459) | (537,431) | (722,890) | - |
| Income (loss) before contributions and transfers | - | (77,885) | 1,442,453 | 1,364,568 | (544,118) |
| Capital contributions | - | - | 326,923 | 326,923 | - |
| Transfers - out | (413,245) | (8,436) | (54,215) | (475,896) | - |
| Change in net position | (413,245) | (86,321) | 1,715,161 | 1,215,595 | (544,118) |
| Net position, beginning of year | 413,245 | (1,814,179) | 15,252,613 | | 2,971,055 |
| Net position, end of year | \$ - | \$ (1,900,500) | \$ 16,967,774 | | \$ 2,426,937 |

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 funds are reported with business-type activities:

(82,415)

Change in net position business-type activities \$ 1,133,180

City of North Olmsted, Ohio

Statement of Cash Flows Proprietary Funds

For the Year Ended December 31, 2012

| | Business-Type Activities - Enterprise Funds | | | | Governmental |
|---|---|---|------------------|--------------|---------------------------|
| | NOMBL | Springvale Golf Course and Ballroom | Sewer Revenue | Total | Internal Service Funds |
| Cash flows from operating activities: | | | | | |
| Receipts from customers and users | \$ - | \$ 1,474,697 | \$ 7,441,996 | \$ 8,916,693 | \$ 2,444,732 |
| Cash payments for goods and services | - | (285,042) | (953,520) | (1,238,562) | (452,446) |
| Cash paid to suppliers for materials and supplies | - | (333,636) | (423,551) | (757,187) | - |
| Cash payments for employee services and benefits | - | (545,701) | (2,279,914) | (2,825,615) | - |
| Cash paid for claims | - | - | - | - | (2,325,177) |
| Net cash provided by (used for) operating activities | - | 310,318 | 3,785,011 | 4,095,329 | (332,891) |
| Cash flows from capital and related financing activities: | | | | | |
| Acquisition of capital assets | - | (15,639) | (10,311,666) | (10,327,305) | - |
| Capital contributions | - | - | 62,299 | 62,299 | - |
| Proceeds from capital debt - notes payable | - | 421,300 | - | 421,300 | - |
| Proceeds from capital debt - loans payable | - | - | 10,452,267 | 10,452,267 | - |
| Capital lease principal paid | - | - | (815) | (815) | - |
| Interest paid on capital lease | - | - | (117) | (117) | - |
| Loan principal paid - OPWC | - | - | (65,168) | (65,168) | - |
| Loan principal paid - OWDA | - | - | (850,680) | (850,680) | - |
| Interest paid on loans | - | - | (54,174) | (54,174) | - |
| Note principal paid | - | (485,000) | - | (485,000) | - |
| Note interest paid | - | (3,924) | - | (3,924) | - |
| General obligation bonds principal paid | - | (319,000) | (1,198,000) | (1,517,000) | - |
| Interest paid on general obligation bonds | - | (173,174) | (293,551) | (466,725) | - |
| Net cash used for capital and related financing activities | - | (575,437) | (2,259,605) | (2,835,042) | - |
| Cash flows from noncapital financing activities: | | | | | |
| Advances – in | - | 329,826 | - | 329,826 | - |
| Transfers – out | (21,708) | (8,436) | (54,215) | (84,359) | - |
| Advances – out | - | - | (49,313) | (49,313) | - |
| Net cash (used for) provided by noncapital financing activities | (21,708) | 321,390 | (103,528) | 196,154 | - |
| Net (decrease) increase in cash and cash equivalents | (21,708) | 56,271 | 1,421,878 | 1,456,441 | (332,891) |
| Cash and cash equivalents, beginning of year | 21,708 | 35,623 | 1,546,699 | 1,604,030 | 3,341,089 |
| Cash and cash equivalents, end of year | \$ - | \$ 91,894 | \$ 2,968,577 | \$ 3,060,471 | \$ 3,008,198 |

(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, 2012

| | Business-Type Activities - Enterprise Funds | | | | Governmental |
|---|---|---|------------------|--------------|---------------------------|
| | NOMBL | Springvale Golf Course and Ballroom | Sewer Revenue | Total | Internal Service Funds |
| Reconciliation of operating income (loss) to net cash from operating activities: | | | | | |
| Operating income (loss) | \$ - | \$ 107,574 | \$ 1,979,884 | \$ 2,087,458 | \$ (544,118) |
| Adjustments: | | | | | |
| Depreciation | - | 204,835 | 1,333,301 | 1,538,136 | - |
| (Increase) decrease in assets and increase (decrease) in liabilities: | | | | | |
| Materials and supplies inventory | - | (63) | 30,341 | 30,278 | - |
| Intergovernmental receivable | - | - | 150,245 | 150,245 | - |
| Prepaid items | - | (606) | (3,471) | (4,077) | - |
| Accounts and contracts payable | - | (23) | 314,050 | 314,027 | (503) |
| Accrued salaries and benefits | - | 2,222 | (770) | 1,452 | - |
| Intergovernmental payable | - | (244) | (27,348) | (27,592) | 2,422 |
| Claims payable | - | - | - | - | 209,308 |
| Matured compensated absences | - | - | 33,063 | 33,063 | - |
| Accrued compensated absences | - | (3,377) | (24,284) | (27,661) | - |
| Net cash provided by (used for) operating activities | \$ - | \$ 310,318 | \$ 3,785,011 | \$ 4,095,329 | \$ (332,891) |
| Non-cash capital financing activities: | | | | | |
| Loan interest capitalized into loan principal | \$ - | \$ - | \$ 180,293 | \$ 180,293 | \$ - |
| Transfer of capital assets (to) from governmental activities | (391,537) | - | 2,278 | (389,259) | - |
| Contributions of capital assets from governmental activities | - | - | 262,346 | 262,346 | - |
| Amortization of premium on bonds classified as interest expense | - | (5,292) | (9,614) | (14,906) | - |
| Amortization of loss on refunding classified as interest expense | - | 14,297 | 7,810 | 22,107 | - |

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, 2012

| | |
|--|-------------------|
| Assets: | |
| Equity in pooled cash and cash equivalents | \$ <u>563,599</u> |
| Liabilities: | |
| Accounts payable | \$ 150 |
| Deposits held and due to others | <u>563,449</u> |
| Total liabilities | \$ <u>563,599</u> |

City of North Olmsted, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

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'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 four 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 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 members of the Board of Trustees are elected by the membership as provided in its by-laws. N.O.C.O.P. utilizes the services of a third-party provider, Senior Transportation Connection, to provide transportation services to the residents. Fares are collected by the provider based on the destination and frequency that the service is used. The three communities 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 65.46 percent, the City of Olmsted Falls contributes 10.39 percent and Olmsted Township contributes 24.15 percent. N.O.C.O.P. operates on a fiscal year ending December 31. Complete financial statements for N.O.C.O.P. may be obtained by writing the North Olmsted Commission on Paratransit, Inc., 5200 Dover Center Road, North Olmsted, Ohio 44070.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 1: Description of the City and Reporting Entity (continued)

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

The City is associated with one jointly governed organization, the West Shore Council of Governments. This organization is presented in Note 19 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 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 Position 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 Position and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type. The activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses.

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (continued)

A. Basis of Presentation (continued)

Fund Financial Statements

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

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

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

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

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, 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 Funds - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. One internal service fund accounts for a self-insurance program for employee medical, dental and vision benefits. The other internal service fund accounts for assets set aside for claim settlements and related liabilities associated with the workers' compensation self-insurance program.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. 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 Position. The Statement of Activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (continued)

C. Measurement Focus (continued)

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 Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

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 60 days of year-end.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Revenues - Exchange and Nonexchange Transactions (continued)

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 8). 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.

Unearned Revenue/Deferred Revenue

Unearned 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, 2012, but which were levied to finance year 2013 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

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

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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (continued)

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 Finance Director. 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.

During 2012, investments were limited to non-negotiable certificates of deposit, United States Government Obligations, money market savings accounts and federally backed agency securities.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (continued)

F. Pooled Cash and Cash Equivalents (continued)

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue for 2012 consisted of:

| | Actual <u>Interest Credited</u> | From (to) other <u>City Funds</u> |
|------------------------------------|------------------------------------|--------------------------------------|
| General | \$ 15,611 | \$ 5,340 |
| Special Revenue Funds: | | |
| Motor Vehicle License Tax | 149 | (84) |
| State Highway | 733 | (452) |
| Street Maintenance | 871 | (550) |
| Endowment and Grant | 8 | (511) |
| Senior Center | 143 | 97 |
| Debt Service Funds: | | |
| General Obligation Bond Retirement | 22,702 | 19,681 |
| All others | - | (23,521) |
| | <u>\$ 40,217</u> | <u>\$ -</u> |

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

G. Materials and Supplies Inventory

Inventories are presented at cost on a first-in, first-out basis and are 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, 2012 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.

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 Position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (continued)

I. Capital Assets (continued)

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 estimated useful lives:

| <u>Description</u> | <u>Estimated Lives</u> |
|----------------------------|------------------------|
| 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". Long-term interfund loans are classified as "advances to/from other funds" on the Balance Sheet and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources. Interfund balance amounts are eliminated in the Statement of Net Position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Compensated Absences

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (continued)

K. Compensated Absences (continued)

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 and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

M. Fund Balance

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

Nonspendable: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans receivable.

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

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (continued)

M. Fund Balance (continued)

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned: Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance. The City's delegated official is the finance director.

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

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

N. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide Statement of Net Position reports \$12,238,993 of restricted net position, none of which is restricted by enabling legislation. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

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, 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 Position.

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 increase the fund balance 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 non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (continued)

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence.

V. Estimates

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

W. Subsequent Events

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through June 26, 2013, the date the financial statements were issued.

X. Comparative Data/Reclassifications

Prior year data presented in Management's Discussion and Analysis 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 2011 financial statements in order to conform to the 2012 presentation.

Note 3: Change in Accounting Principles

For 2012, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

GASB Statement No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements which do not conflict with or contradict GASB pronouncements. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011 and have been implemented by the City. The implementation of this statement has no impact on the City's financial statements or disclosures.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011 and have been implemented by the City. The implementation of this statement has no material impact on the City's financial statements or disclosures.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 4: Fund Balances

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

| <u>Fund Balances</u> | <u>General</u> | <u>Permanent Improvements</u> | <u>General Obligation Bond Retirement</u> | <u>Non-major Governmental</u> | <u>Total Governmental</u> |
|----------------------------|---------------------|-----------------------------------|---|-----------------------------------|-------------------------------|
| Nonspendable: | | | | | |
| Long-term advances | \$ 635,868 | \$ - | \$ - | \$ - | \$ 635,868 |
| Inventory | 292,321 | - | - | - | 292,321 |
| Prepays | <u>59,866</u> | <u>-</u> | <u>-</u> | <u>17,671</u> | <u>77,537</u> |
| Total nonspendable | <u>988,055</u> | <u>-</u> | <u>-</u> | <u>17,671</u> | <u>1,005,726</u> |
| Restricted for: | | | | | |
| Community diversion | - | - | - | 10,667 | 10,667 |
| Recreation | - | - | - | 201,548 | 201,548 |
| Alcohol education | - | - | - | 18,867 | 18,867 |
| Drug enforcement | - | - | - | 22,330 | 22,330 |
| Law enforcement | - | - | - | 29,695 | 29,695 |
| Police and fire pension | - | - | - | 155,624 | 155,624 |
| Emergency medical services | - | - | - | 2,773 | 2,773 |
| Motor vehicle license tax | - | - | - | 141,118 | 141,118 |
| State highway | - | - | - | 611,166 | 611,166 |
| Street maintenance | - | - | - | 841,241 | 841,241 |
| Public way management | - | - | - | 40,200 | 40,200 |
| Endowments and grants | - | - | - | 244,242 | 244,242 |
| CDBG | - | - | - | 1,972 | 1,972 |
| Title III grant | - | - | - | 40,986 | 40,986 |
| Fair capacity housing | - | - | - | 243,671 | 243,671 |
| Debt service payments | - | - | 4,316,632 | 1,340,567 | 5,657,199 |
| Capital improvements | <u>-</u> | <u>-</u> | <u>-</u> | <u>604,921</u> | <u>604,921</u> |
| Total restricted | <u>-</u> | <u>-</u> | <u>4,316,632</u> | <u>4,551,588</u> | <u>8,868,220</u> |
| Committed to: | | | | | |
| Casualty loss | - | - | - | 101,520 | 101,520 |
| Economic development | - | - | - | 42,307 | 42,307 |
| Senior Center | - | - | - | 13,821 | 13,821 |
| Clague Park | - | - | - | 3,065 | 3,065 |
| Hotel/motel tax | - | - | - | 327,730 | 327,730 |
| Stop program | - | - | - | 211,299 | 211,299 |
| Solid waste management | - | - | - | 299,327 | 299,327 |
| Permanent improvements | <u>-</u> | <u>921,804</u> | <u>-</u> | <u>-</u> | <u>921,804</u> |
| Total committed | <u>-</u> | <u>921,804</u> | <u>-</u> | <u>999,069</u> | <u>1,920,873</u> |
| Assigned to: | | | | | |
| Separation pay | 943,181 | - | - | - | 943,181 |
| 27 th pay | 270,000 | - | - | - | 270,000 |
| Other purposes | <u>586,211</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>586,211</u> |
| Total assigned | <u>1,799,392</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,799,392</u> |
| Unassigned (deficit) | <u>4,338,011</u> | <u>-</u> | <u>-</u> | <u>(55,939)</u> | <u>4,282,072</u> |
| Total fund balance | \$ <u>7,125,458</u> | \$ <u>921,804</u> | \$ <u>4,316,632</u> | \$ <u>5,512,389</u> | \$ <u>17,876,283</u> |

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 5: Accountability

There are deficits in the Springvale Golf Course and Ballroom Fund, the FEMA Grant Fund, Federal Grants Fund and the Court Computerization Fund of \$1,900,500, \$24,992, \$14,472 and \$16,475 respectively. 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 Fund. The deficits in the FEMA Grant Fund, Federal Grants Fund and Court Computerization Fund are caused by the application of accounting principles generally accepted in the United States of America to these funds. The General Fund is liable for any deficits in these funds and provides operating transfers when cash is required, not when accruals occur.

Note 6: Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balances on the accrual basis as required by generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on the 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 are 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 basis) 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

| | <u>General</u> |
|--|---------------------|
| GAAP basis | \$ 586,515 |
| Increase (decrease) due to: | |
| Revenue accruals | 190,869 |
| Expenditure accruals | (488,500) |
| Outstanding encumbrances | (736,769) |
| To reclassify the net change in fund balance for funds combined with the General Fund for GASB 54 | <u>(79,957)</u> |
| Budget basis | \$ <u>(527,842)</u> |

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 7: 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;
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 (STAR Ohio).

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 7: Deposits and Investments (continued)

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

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 \$18,964,661 and the bank balance was \$19,505,754. Of the bank balance \$2,350,442 was covered by Federal depository insurance and \$17,155,312 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, 2012, the City had the following investments:

| | <u>Fair Value</u> | <u>Maturities Less than One Year</u> |
|---|---------------------|--|
| Federal National Mortgage Association Bonds | \$ <u>1,014,800</u> | \$ <u>1,014,800</u> |

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 7: Deposits and Investments (continued)

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 an Aa2 rating by Moody'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 Federal National Mortgage Association Bonds represent 100 percent of the City's investments.

Note 8: Receivables

Receivables at December 31, 2012, consisted primarily of municipal income taxes, property and other taxes, 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.

A. Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2012 for real and public utility property taxes represents collections of the 2011 taxes.

2012 real property taxes are levied after October 1, 2012, on the assessed value as of January 1, 2012, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2012 real property taxes are collected in and intended to finance 2013. 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. 2012 public utility property taxes which became a lien on December 31, 2011, are levied after October 1, 2012, and are collected in 2013 with real property taxes.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 8: Receivables (continued)

A. Property Taxes (continued)

The full tax rate for all City operations for the year ended December 31, 2012, was \$13.30 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2012 property tax receipts were based as follows:

| | |
|-------------------------------|-----------------------|
| Real estate | |
| Residential/Agriculture | \$ 564,624,550 |
| Commercial/Industrial/Mineral | 253,970,560 |
| Public utility | <u>12,549,000</u> |
| Total valuation | \$ <u>831,144,110</u> |

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

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of North Olmsted. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2012 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 2012 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).

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 8: Receivables (continued)

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

| | <u>Amount</u> |
|--|---------------------|
| Governmental activities: | |
| Local government | \$ 218,290 |
| Homestead and rollback | 588,233 |
| Gasoline tax | 529,500 |
| Estate tax | 233,724 |
| CAT tax reimbursement | 2,900 |
| Public utility reimbursement | 714 |
| Permissive tax | 18,333 |
| Court fines | 28,659 |
| Auto registration | 111,794 |
| North Olmsted City School District | 17,855 |
| Prisoner care reimbursement | 6,039 |
| Miscellaneous | 20,302 |
| Miscellaneous grants | 26,968 |
| Country Club Boulevard Streetscape grant | 350,000 |
| EPA grant | 60,505 |
| SAFER grant | <u>28,735</u> |
| Total governmental activities | <u>2,242,551</u> |
| Business-type activities: | |
| Sewer charges | 2,173,587 |
| City of Fairview Park | <u>76,515</u> |
| Total business-type activities | <u>2,250,102</u> |
| Total | <u>\$ 4,492,653</u> |

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 \$76,515 has been recorded on the Statement of Net Position.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 9: Capital Assets

A summary of changes in capital assets during 2012 follows:

| | <u>Balance</u> <u>12/31/11</u> | <u>Additions</u> | <u>Disposals</u> | <u>Balance</u> <u>12/31/12</u> |
|--|-----------------------------------|-----------------------|---------------------|-----------------------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 4,054,455 | \$ 391,537 | \$ - | \$ 4,445,992 |
| Art | 23,000 | - | - | 23,000 |
| Construction in progress | <u>39,185</u> | <u>733,109</u> | <u>(519,199)</u> | <u>253,095</u> |
| Total capital assets not being depreciated | <u>4,116,640</u> | <u>1,124,646</u> | <u>(519,199)</u> | <u>4,722,087</u> |
| Capital assets, being depreciated: | | | | |
| Land improvements | 1,354,652 | 259,419 | - | 1,614,071 |
| Buildings and improvements | 29,794,626 | 444,977 | - | 30,239,603 |
| Furniture and fixtures | 791,962 | 11,580 | (31,863) | 771,679 |
| Vehicles and equipment | 9,403,791 | 1,071,062 | (157,930) | 10,316,923 |
| Infrastructure: | | | | |
| Roads | 137,076,950 | 1,561,819 | (193,091) | 138,445,678 |
| Bridges and culverts | <u>3,101,565</u> | <u>135,875</u> | <u>(47,120)</u> | <u>3,190,320</u> |
| Total capital assets, being depreciated | <u>181,523,546</u> | <u>3,484,732</u> | <u>(430,004)</u> | <u>184,578,274</u> |
| Less accumulated depreciation: | | | | |
| Land improvements | (599,594) | (49,770) | - | (649,364) |
| Buildings and improvements | (14,454,792) | (946,250) | - | (15,401,042) |
| Furniture and fixtures | (673,568) | (12,527) | 28,649 | (657,446) |
| Vehicles and equipment | (7,443,290) | (428,830) | 155,652 | (7,716,468) |
| Infrastructure: | | | | |
| Roads | (96,278,728) | (6,093,753) | 172,625 | (102,199,856) |
| Bridges and culverts | <u>(1,668,513)</u> | <u>(75,139)</u> | <u>30,291</u> | <u>(1,713,361)</u> |
| Total accumulated depreciation | <u>(121,118,485)</u> | <u>(7,606,269)</u> | <u>387,217</u> | <u>(128,337,537)</u> |
| Total capital assets, being depreciated, net | <u>60,405,061</u> | <u>(4,121,537)</u> | <u>(42,787)</u> | <u>56,240,737</u> |
| Total governmental capital assets, net | \$ <u>64,521,701</u> | \$ <u>(2,996,891)</u> | \$ <u>(561,986)</u> | \$ <u>60,962,824</u> |

Depreciation expense was charged to governmental functions as follows:

| | |
|--|---------------------|
| General government | \$ 394,093 |
| Security of persons and property | 386,746 |
| Transportation | 6,305,272 |
| Public health and welfare | 6,628 |
| Leisure time activities | <u>280,937</u> |
| Total depreciation expense | 7,373,676 |
| Accumulated depreciation transferred in | <u>232,593</u> |
| Total accumulated depreciation additions | \$ <u>7,606,269</u> |

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 9: Capital Assets (continued)

| | <u>Balance</u> <u>12/31/11</u> | <u>Additions</u> | <u>Disposals</u> | <u>Balance</u> <u>12/31/12</u> |
|--|-----------------------------------|---------------------|---------------------|-----------------------------------|
| Business-type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 2,617,895 | \$ - | \$ (372,084) | \$ 2,245,811 |
| Land improvements, not depreciated | 19,453 | - | (19,453) | - |
| Construction in progress | <u>1,820,883</u> | <u>10,300,322</u> | <u>-</u> | <u>12,121,205</u> |
| Total capital assets not being depreciated | <u>4,458,231</u> | <u>10,300,322</u> | <u>(391,537)</u> | <u>14,367,016</u> |
| Capital assets, being depreciated: | | | | |
| Land improvements | 1,554,571 | 6,990 | - | 1,561,561 |
| Buildings and improvements | 23,227,405 | - | (162,593) | 23,064,812 |
| Furniture and fixtures | 23,058 | 15,639 | - | 38,697 |
| Vehicles and equipment | 35,195,966 | 289,476 | (118,904) | 35,366,538 |
| Sanitary sewer lines | <u>14,119,440</u> | <u>-</u> | <u>-</u> | <u>14,119,440</u> |
| Total capital assets, being depreciated | <u>74,120,440</u> | <u>312,105</u> | <u>(281,497)</u> | <u>74,151,048</u> |
| Less accumulated depreciation: | | | | |
| Land improvements | (594,508) | (80,464) | - | (674,972) |
| Buildings and improvements | (17,027,617) | (354,982) | 162,593 | (17,220,006) |
| Furniture and fixtures | (23,058) | (391) | - | (23,449) |
| Vehicles and equipment | (25,409,319) | (844,886) | 107,737 | (26,146,468) |
| Sanitary sewer lines | <u>(8,306,605)</u> | <u>(277,911)</u> | <u>-</u> | <u>(8,584,516)</u> |
| Total accumulated depreciation | <u>(51,361,107)</u> | <u>(1,558,634)</u> | <u>270,330</u> | <u>(52,649,411)</u> |
| Total capital assets, being depreciated, net | <u>22,759,333</u> | <u>(1,246,529)</u> | <u>(11,167)</u> | <u>21,501,637</u> |
| Total business-type capital assets, net | \$ <u>27,217,564</u> | \$ <u>9,053,793</u> | \$ <u>(402,704)</u> | \$ <u>35,868,653</u> |

During the year the City transferred the remaining capital assets from the NOMBL fund to the Governmental Activities. The assets consisted of land, land improvements not depreciated, buildings and improvements and vehicles and equipment. The capital assets had a cost basis of \$564,130 and accumulated depreciation of \$172,593.

The City also transferred vehicles and equipment with a cost basis and accumulated depreciation of \$60,000 from the Sewer Revenue Fund to the Governmental Activities.

The City also transferred vehicles and equipment with a cost basis of \$22,776 and accumulated depreciation of \$20,498 from the Governmental Activities to the Sewer Revenue Fund.

All transfers in are reported as additions and all transfers out are reported as disposals in the capital asset summary schedules above and on the previous page.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 10: Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and (vested) employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Plan Benefit. Member contributions, the investment of which is self-directed by the members, 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 visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional pension plan. For the year ended December 31, 2012, the members in state and local classifications of all three plans were required to contribute 10.0 percent of their annual covered salary to fund pension obligations. Public safety and law enforcement members contributed 11.5 percent and 12.1 percent, respectively. The employer contribution rate for state and local employers for 2012 is 14.0 percent of covered payroll. The law enforcement and public safety division employer contribution rate was 18.1 percent of covered payroll.

The City's required contributions for pension obligations to the Traditional and Combined Plans for the years ended December 31, 2012, 2011, and 2010 were \$743,090, \$705,180, and \$627,223, respectively, 94 percent has been contributed for 2012, the remaining 6 percent has been recorded as a liability and 100 percent of contributions have been made for 2011 and 2010. Contributions to the member-directed plan for 2012 were \$21,580 made by the City of North Olmsted and \$15,414 made by the plan members.

B. Ohio Police and Fire Pension Fund

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 10: Defined Benefit Pension Plans (continued)

B. Ohio Police and Fire Pension Fund (continued)

Plan members are required to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. Contributions are authorized by state statute. The City's contributions to OP&F for police and firefighters (not including health care contributions) were \$442,436 and \$509,637 for the year ended December 31, 2012, \$400,518 and \$465,726 for the year ended December 31, 2011, and \$445,264 and \$498,199 for the year ended December 31, 2010. The full amount has been contributed for 2011 and 2010. For 2012, 74.7 percent for police and 75.2 percent for firefighters has been contributed with the remainder being reported as a liability.

Note 11: Post-Employment 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 maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension 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 benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 E. Town St., Columbus, OH, 43215-4642, or by calling 614-222-5601 or 1-800-222-7377.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, state and local employers contributed at a rate of 14.0 percent of covered payroll and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 11: Post-Employment Benefits (continued)

A. Ohio Public Employees Retirement System (continued)

OPERS' Post-Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of the post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent during calendar year 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent during calendar year 2012. Effective January 1, 2013, the portion of employer contributions allocated to healthcare was lowered 1.0 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care for the years ended December 31, 2012, 2011, and 2010 were \$305,846, \$287,949, and \$360,859, respectively. The full amount has been contributed for 2011 and 2010. For 2012, 94 percent has been contributed for 2012 with the remainder being reported as a liability.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.0 percent of the employer contributions toward the health care fund after the end of the transition period.

B. Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined post-employment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 E. Town St., Columbus, Ohio 43215-5164. That report is also available on OP&F's website at www.op-f.org.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 11: Post-Employment Benefits (continued)

B. Ohio Police and Fire Pension Fund (continued)

The Ohio Revised Code provides for contribution requirements of the participating employers and of the plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. The Ohio revised Code states that the employer contribution may not exceed 19.5 percent of the covered payroll for police employer units and 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2012, the employer contribution allocated to health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F for police and fire for the years ending December 31, 2012, 2011, and 2010 were \$676,507 and \$708,813, \$612,413 and \$647,741, and \$680,832 and \$692,905, respectively, of which \$234,071 and \$199,176, \$211,895 and \$182,015, and \$235,568 and \$194,706, respectively, was allocated to the health care plan. The full amount has been contributed for 2011 and 2010. For 2012, 74.7 percent for police and 75.2 percent for firefighters has been contributed, with the remainder being reported as a liability.

Note 12: Risk Management

A. Property and Liability

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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 12: Risk Management (continued)

B. Health Insurance Benefits

The City provides health, dental and vision insurance to its employees through a self-insurance plan. The City pays a monthly premium for the self-insurance plan. The City contracts with a third-party administrator to direct this program. During 2012, self-insurance was in effect for claims up to \$100,000 per covered individual and \$2,434,216 in aggregate. This aggregate includes both medical and drug coverage. Claims in excess of this aggregated amount are insured by private carriers.

The claims liability of \$482,474 as estimated by the third-party administrator and reported in the Hospitalization Internal Service Fund at December 31, 2012, 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 Fund's claims liability amount in 2012 and 2011 were as follows:

| | <u>2012</u> | <u>2011</u> |
|----------------------------------|--------------------|--------------------|
| Unpaid claims, beginning of year | \$ 170,432 | \$ 172,565 |
| Incurred claims and adjustments | 2,529,236 | 1,588,053 |
| Claims payments | <u>(2,217,194)</u> | <u>(1,590,186)</u> |
| Unpaid claims, end of year | <u>\$ 482,474</u> | <u>\$ 170,432</u> |

C. Workers' Compensation Program

On January 1, 2009, the City was approved for self-insurance status by the Bureau of Workers' Compensation and began to administer its own workers' compensation program (the program). The City established the Workers' Compensation Self-Insurance Internal Service Fund to account for assets set aside for claim settlements and related liabilities associated with the program. Liabilities of the fund are reported when an employee injury has occurred, it is probable that a claim will be filed under the program, and the amount of the claim can be reasonably estimated. The City utilizes the services of Care Works Consultants, Inc., the third-party administrator, to review, process, and pay employee claims. The City also maintains excess insurance coverage which would pay the portion of claims that exceed \$500,000 per occurrence for police officers and fire fighters and \$450,000 per occurrence for all other employees, up to a maximum of an additional \$1,000,000 per occurrence.

The claims liability of \$86,211 reported in the Workers' Compensation Self-Insurance Internal Service Fund is based on the requirements of Governmental Standards Board No. 30, which requires a liability for the unpaid claims costs, including estimates of costs relating to incurred but not report claims, be reported. Changes in the Fund's claims liability amount in 2012 and 2011 were as follows:

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 12: Risk Management (continued)

C. Workers' Compensation Program (continued)

| | <u>2012</u> | <u>2011</u> |
|----------------------------------|------------------|-------------------|
| Unpaid claims, beginning of year | \$ 188,945 | \$ 70,928 |
| Incurred claims and adjustments | 5,249 | 191,100 |
| Claims payments | <u>(107,983)</u> | <u>(73,083)</u> |
| Unpaid claims, end of year | <u>\$ 86,211</u> | <u>\$ 188,945</u> |

Note 13: Long-Term Obligations

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

| | <u>Original Issue Date</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Original Issue Amount</u> |
|---|--------------------------------|--------------------------|--------------------------|----------------------------------|
| Governmental activities: | | | | |
| General obligation bonds: | | | | |
| 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 |
| Street improvement bonds | 2010 | 2020 | 1.75-4.00 | 3,715,000 |
| OPWC street loan | 1994 | 2014 | 0.0 | 272,240 |
| Police pension | 1968 | 2031 | 4.25 | 272,250 |
| Long-term bond anticipation notes | 2011 | 2012 | 0.809 | 880,000 |
| Long-term bond anticipation notes | 2012 | 2013 | 0.750 | 2,468,700 |
| Business-type activities: | | | | |
| General obligation bonds: | | | | |
| 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 |
| Sewer truck bonds | 2010 | 2020 | 1.75-4.00 | 290,000 |
| OWDA sanitary sewer loan | 1997 | 2017 | 4.12 | 1,060,795 |
| OWDA sanitary sewer loan | 2008 | 2014 | 3.20 | 50,000 |
| OWDA sanitary sewer loan | 2009 | 2018 | 3.20 | 3,583,666 |
| OWDA sanitary sewer loan | 2012 | 2034 | 2.80 | 8,754,814 |
| OPWC sanitary sewer loan | 1994 | 2014 | 0.0 | 2,610,456 |
| Long-term bond anticipation notes | 2011 | 2012 | 0.809 | 485,000 |
| Long-term bond anticipation notes | 2012 | 2013 | 0.750 | 421,300 |

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 13: Long-Term Obligations (continued)

Changes in long-term obligations during the year ended December 31, 2012, consisted of the following:

| | Balance 12/31/11 | Increase | Decrease | Balance 12/31/12 | Amounts Due in One Year |
|--|----------------------|----------------------|---------------------|----------------------|----------------------------|
| Governmental activities: | | | | | |
| General obligation bonds: | | | | | |
| Various purpose bonds 2001 | \$ 140,000 | \$ - | \$ 140,000 | \$ - | \$ - |
| Various purpose bonds refunding | 8,907,000 | - | 1,518,000 | 7,389,000 | 1,682,000 |
| Premium on various purpose bonds | 120,894 | - | 12,090 | 108,804 | - |
| Loss on refunding | <u>(139,085)</u> | <u>-</u> | <u>(13,908)</u> | <u>(125,177)</u> | <u>-</u> |
| Total various purpose bonds | <u>9,028,809</u> | <u>-</u> | <u>1,656,182</u> | <u>7,372,627</u> | <u>1,682,000</u> |
| Library improvements refunding | 6,185,000 | - | 570,000 | 5,615,000 | 590,000 |
| Premium on library improvements bonds | 279,115 | - | 31,013 | 248,102 | - |
| Loss on refunding | <u>(208,131)</u> | <u>-</u> | <u>(23,125)</u> | <u>(185,006)</u> | <u>-</u> |
| Total library improvements bonds | <u>6,255,984</u> | <u>-</u> | <u>577,888</u> | <u>5,678,096</u> | <u>590,000</u> |
| Refunding 2001 | 855,000 | - | 855,000 | - | - |
| Capital improvements bonds | 3,760,000 | - | 475,000 | 3,285,000 | 495,000 |
| Fire station improvement bonds | 3,165,000 | - | 165,000 | 3,000,000 | 175,000 |
| Street improvement bonds | 3,570,000 | - | 145,000 | 3,425,000 | 430,000 |
| Premium on street improvement bonds | <u>152,050</u> | <u>-</u> | <u>16,895</u> | <u>135,155</u> | <u>-</u> |
| Total general obligation bonds | 26,786,843 | - | 3,890,965 | 22,895,878 | 3,372,000 |
| OPWC street loan | 27,224 | - | 6,806 | 20,418 | 13,612 |
| Police pension liability | 90,851 | - | 3,077 | 87,774 | 3,209 |
| Long-term notes | 880,000 | 2,468,700 | 880,000 | 2,468,700 | 318,700 |
| Claims payable | 359,377 | 2,534,485 | 2,325,177 | 568,685 | 547,132 |
| Capital lease payable | 40,052 | - | 12,609 | 27,443 | 13,319 |
| Compensated absences payable | <u>4,479,203</u> | <u>996,836</u> | <u>779,270</u> | <u>4,696,769</u> | <u>1,722,835</u> |
| Total governmental activities | \$ <u>32,663,550</u> | \$ <u>6,000,021</u> | \$ <u>7,897,904</u> | \$ <u>30,765,667</u> | \$ <u>5,990,807</u> |
| Business - type activities: | | | | | |
| General obligation bonds: | | | | | |
| Golf course improvements | \$ 120,000 | \$ - | \$ 120,000 | \$ - | \$ - |
| Various purpose and golf course improvements bonds refunding | 10,293,000 | - | 1,307,000 | 8,986,000 | 1,503,000 |
| Unamortized premium | 139,522 | - | 13,952 | 125,570 | - |
| Unamortized loss | <u>(221,059)</u> | <u>-</u> | <u>(22,107)</u> | <u>(198,952)</u> | <u>-</u> |
| Total various purpose and golf course improvements bonds | 10,331,463 | - | 1,418,845 | 8,912,618 | 1,503,000 |
| Capital improvement bonds | 190,000 | - | 35,000 | 155,000 | 35,000 |
| Sewer truck bonds | 235,000 | - | 55,000 | 180,000 | 60,000 |
| Unamortized premium | <u>8,584</u> | <u>-</u> | <u>954</u> | <u>7,630</u> | <u>-</u> |
| Total general obligation bonds | 10,765,047 | - | 1,509,799 | 9,255,248 | 1,598,000 |
| OWDA sanitary sewer loans | 2,114,162 | 10,632,560 | 850,680 | 11,896,042 | 76,384 |
| OPWC sanitary sewer loan | 521,335 | - | 65,168 | 456,167 | 130,334 |
| Long-term notes | 485,000 | 421,300 | 485,000 | 421,300 | 41,300 |
| Capital lease payable | 2,653 | - | 815 | 1,838 | 858 |
| Compensated absences payable | <u>477,483</u> | <u>130,733</u> | <u>158,394</u> | <u>449,822</u> | <u>181,637</u> |
| Total business - type activities | \$ <u>14,365,680</u> | \$ <u>11,184,593</u> | \$ <u>3,069,856</u> | \$ <u>22,480,417</u> | \$ <u>2,028,513</u> |

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 13: 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, Library and Fire Station Bond Retirement Funds.

Compensated absences are generally paid from the General Fund, Recreation Fund, Springvale Golf Course and Ballroom Fund and Sewer Revenue Fund. The police pension liability is paid from the General Fund. The OWDA and OPWC loan liabilities are payable semi-annually from the General Obligation Bond Retirement and Sewer Bond Funds. The OPWC loans are interest-free.

During the year, the City obtained partial proceeds from an Ohio Water Development Authority (“OWDA”) loan that relates to the waste water treatment plant improvements to be repaid in semi-annual principal and interest payments beginning in 2013. The City has not yet collected the total proceeds to be received on this loan and as a result, the debt maturity schedules that follow do not reflect any amounts for principal or interest. When the loan is finalized, the principal and interest will be included below.

Long-term notes payable at December 31, 2012, consisted of Capital Improvement and Equipment Notes. The notes have a term of one year or less. The notes were issued in anticipation of bonds to provide funds to pay for road improvements, golf course improvements, recreation improvements, various golf course equipment, and a vehicle and equipment for the emergency rescue squad. The notes are dated April 24, 2012 and were due on February 27, 2013 at an interest rate of 0.750%.

The City’s overall legal debt margin was \$61,349,388 at December 31, 2012.

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City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 13: Long-Term Obligations (continued)

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2012, are as follows:

| Year | Governmental Activities | | |
|-----------|--------------------------|---------------------|------------------|
| | General Obligation Bonds | | OPWC Loans |
| | Principal | Interest | Principal |
| 2013 | \$ 3,372,000 | \$ 1,008,898 | \$ 13,612 |
| 2014 | 3,452,000 | 875,691 | 6,806 |
| 2015 | 3,572,000 | 713,516 | - |
| 2016 | 3,577,000 | 560,013 | - |
| 2017 | 814,000 | 408,466 | - |
| 2018-2022 | 6,797,000 | 1,226,425 | - |
| 2023-2027 | 1,130,000 | 169,500 | - |
| 2028-2032 | - | - | - |
| Totals | \$ <u>22,714,000</u> | \$ <u>4,962,509</u> | \$ <u>20,418</u> |

| Year | Governmental Activities (continued) | | | |
|-----------|-------------------------------------|------------------|----------------------|---------------------|
| | Police Pension | | Total | |
| | Principal | Interest | Principal | Interest |
| 2013 | \$ 3,209 | \$ 3,697 | \$ 3,388,821 | \$ 1,012,595 |
| 2014 | 3,347 | 3,559 | 3,462,153 | 879,250 |
| 2015 | 3,490 | 3,415 | 3,575,490 | 716,931 |
| 2016 | 3,640 | 3,265 | 3,580,640 | 563,278 |
| 2017 | 3,797 | 3,109 | 817,797 | 411,575 |
| 2018-2022 | 21,574 | 12,953 | 6,818,574 | 1,239,378 |
| 2023-2027 | 26,622 | 7,905 | 1,156,622 | 177,405 |
| 2028-2032 | 22,095 | 1,907 | 22,095 | 1,907 |
| Totals | \$ <u>87,774</u> | \$ <u>39,810</u> | \$ <u>22,822,192</u> | \$ <u>5,002,319</u> |

| Year | Business-Type Activities | | | |
|-----------|--------------------------|---------------------|-------------------|------------------|
| | General Obligation Bonds | | OWDA Loans | |
| | Principal | Interest | Principal | Interest |
| 2013 | \$ 1,598,000 | \$ 406,085 | \$ 76,384 | \$ 12,893 |
| 2014 | 1,673,000 | 341,636 | 74,015 | 9,811 |
| 2015 | 1,763,000 | 259,086 | 71,508 | 4,168 |
| 2016 | 1,788,000 | 181,101 | 74,484 | 3,891 |
| 2017 | 466,000 | 105,010 | 38,397 | 791 |
| 2018-2022 | 2,033,000 | 215,882 | - | - |
| Totals | \$ <u>9,321,000</u> | \$ <u>1,508,800</u> | \$ <u>334,788</u> | \$ <u>31,554</u> |

| Year | Business-Type Activities (continued) | | |
|-----------|--------------------------------------|----------------------|---------------------|
| | OPWC Loans | Total | |
| | Principal | Principal | Interest |
| 2013 | \$ 130,334 | \$ 1,804,718 | \$ 418,978 |
| 2014 | 130,333 | 1,877,348 | 351,447 |
| 2015 | 130,333 | 1,964,841 | 263,254 |
| 2016 | 65,167 | 1,927,651 | 184,992 |
| 2017 | - | 504,397 | 105,801 |
| 2018-2022 | - | 2,033,000 | 215,882 |
| Totals | \$ <u>456,167</u> | \$ <u>10,111,955</u> | \$ <u>1,540,354</u> |

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 14: Lease Obligations

The City entered into lease agreements for several copiers. The City's lease obligations meet the criteria of a capital lease and have been recorded on the government-wide statements. Capital lease payments have been reclassified and are reflected as debt service expenses in the fund financial statements for the General Fund, Recreation Fund and Senior Center Fund. These expenditures are reflected as capital outlay expenditures on a budgetary basis.

The original amounts capitalized for the capital leases and the book value as of December 31, 2012 follows:

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> |
|--------------------------------|------------------------------------|-------------------------------------|
| Assets: | | |
| Vehicles and equipment | \$ 59,763 | \$ 4,103 |
| Less: accumulated depreciation | <u>(21,344)</u> | <u>(1,465)</u> |
| Current book value | \$ <u><u>38,419</u></u> | \$ <u><u>2,638</u></u> |

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, 2012.

| <u>Year</u> | <u>Governmental Activities</u> | <u>Business-Type Activities</u> |
|---|------------------------------------|-------------------------------------|
| 2013 | \$ 14,487 | \$ 932 |
| 2014 | 13,723 | 932 |
| 2015 | <u>823</u> | <u>78</u> |
| Total minimum lease payments | 29,033 | 1,942 |
| Less: amount representing interest | <u>(1,590)</u> | <u>(104)</u> |
| Present value of minimum lease payments | \$ <u><u>27,443</u></u> | \$ <u><u>1,838</u></u> |

The following is a schedule of the future long-term minimum lease payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of December 31, 2012.

| <u>Year</u> | <u>Governmental Activities</u> |
|------------------------------|------------------------------------|
| 2013 | \$ <u>598</u> |
| Total minimum lease payments | \$ <u><u>598</u></u> |

The total cost for operating leases in 2012 was \$1,447 for governmental activities.

Note 15: Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and standard work week. City employees are paid for earned, unused vacation leave at the time of termination of employment if the employee has acquired at least one year of service to the City. Sick leave is earned at the rate of 10 hours for each month worked. Each employee upon retirement is paid for a portion of the employee's earned unused sick leave balances, from 900 hours to 1,500 hours, depending upon the union contract and termination with the City.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 16: Subsequent Events

On January 16, 2013, the City received approval from the Ohio Environmental Protection Agency and Ohio Water Development Authority for Water Pollution Control Loan Fund assistance for the purpose of improvements to the City's wastewater treatment plant. The amount committed was up to \$48,047,355, at an interest rate of 2.44% for twenty 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 receive any funds from this loan in 2012.

On February 26, 2013, the City issued \$5,150,000 in capital improvement and equipment bonds for the purposes of refinancing 2012 series notes; improving certain designated City streets; improving the City's Recreation Center; improving the City's Police Station; improving the City's traffic control system; acquiring an emergency rescue squad vehicle; acquiring, installing and equipping a communications tower; and, acquiring and installing computer hardware and software. The bonds mature on December 1, 2023, and have interest rates between 1.5 and 2.125 percent.

Note 17: Construction and Other Significant Commitments

At December 31, 2012, the City's significant contractual commitments consisted of:

| Project | Contract Amount | Amount Paid or Accrued | Remaining on Contract |
|---|----------------------|---------------------------|--------------------------|
| City Hall Window Replacement | \$ 112,903 | \$ 75,902 | \$ 37,001 |
| City Gateway Signage | 195,298 | - | 195,298 |
| Recreation Center Fire Alarm System | 37,530 | - | 37,530 |
| Underpass Lighting | | | |
| I-480/Brookpark Road | 37,457 | - | 37,457 |
| Wastewater Collection System and Plant Improvements: | | | |
| Collection System Construction | 8,012,806 | 7,718,582 | 294,224 |
| Plant Construction – Contract A | 38,492,550 | - | 38,492,550 |
| Plant Construction – Contract B | 2,587,255 | - | 2,587,255 |
| Engineering Design & Construction | | | |
| Administration | 4,197,031 | 2,393,883 | 1,803,148 |
| Technical Services – | | | |
| Project Supervision | 76,038 | 39,487 | 36,551 |
| Technical Services – Inspection | 118,876 | 46,770 | 72,106 |
| Total commitments | \$ <u>53,867,744</u> | \$ <u>10,274,624</u> | \$ <u>43,593,120</u> |

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 17: Construction and Other Significant Commitments (continued)

Other significant commitments include the encumbrances outstanding at year end. The amount of the encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

| | <u>Encumbrances</u> |
|---|---------------------|
| General Fund | \$ 333,116 |
| Permanent Improvements Fund | 330,272 |
| General Obligation Bond Retirement Fund | 71,973 |
| Other Governmental Funds | <u>412,011</u> |
| Total other significant commitments | \$ <u>1,147,372</u> |

Note 18: Interfund Transfers and Balances

A. Interfund Transfers

Interfund transfers for the year ended December 31, 2012 consisted of the following:

| | <u>Transfer From</u> | | | | |
|---|----------------------|------------------------------------|---------------------------------|--|---------------------------|
| | <u>General Fund</u> | <u>Permanent Improvements Fund</u> | <u>Other Governmental Funds</u> | <u>Springvale Golf and Ballroom Fund</u> | <u>Sewer Revenue Fund</u> |
| Transfer to: | | | | | |
| General Fund | \$ - | \$ - | \$ 17,306 | \$ 8,436 | \$ 54,215 |
| General Obligation Bond Retirement Fund | - | 1,781,141 | 169,050 | - | - |
| Other Governmental Funds | 202,000 | 15,000 | 113,169 | - | - |
| Governmental Activities | - | - | - | - | - |
| Business-type Activities | - | - | - | - | - |
| Total | \$ <u>202,000</u> | \$ <u>1,796,141</u> | \$ <u>299,525</u> | \$ <u>8,436</u> | \$ <u>54,215</u> |

| | <u>Transfer From</u> | | |
|---|----------------------|--------------------------------|---------------------|
| | <u>NOMBL</u> | <u>Governmental Activities</u> | <u>Total</u> |
| Transfer to: | | | |
| General Fund | \$ 21,708 | \$ - | \$ 101,665 |
| General Obligation Bond Retirement Fund | - | - | 1,950,191 |
| Other Governmental Funds | - | - | 330,169 |
| Governmental Activities | 391,537 | - | 391,537 |
| Business-type Activities | - | <u>264,624</u> | <u>264,624</u> |
| Total | \$ <u>413,245</u> | \$ <u>264,624</u> | \$ <u>3,038,186</u> |

The transfers to the General Fund were made in accordance with Ohio Revised Code section 5705.13(B). The transfers to the General Obligation Bond Retirement Fund were made for the payment of debt. The transfer from the Permanent Improvement Fund to the other governmental funds was made to fund the local portion of a construction project funding with grant monies. The transfers from other governmental funds to other governmental funds consisted of transfers for the purposes of funding the costs of a capital project in accordance with 5705.13(C). Interfund transfers in the Governmental Activities and the Business-type Activities are for the transfer of capital assets and capital contributions.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 18: Interfund Transfers and Balances (continued)

B. Interfund Balances

As of December 31, 2012, interfund balances were as follows:

| | Receivable | | Payable | |
|--|---------------------|---------------------------|---------------------|-----------------------------|
| | Interfund | Advance to Other Funds | Interfund | Advance from Other Funds |
| Major Funds: | | | | |
| General Fund | \$ 136,266 | \$ 635,868 | \$ - | \$ - |
| General Obligation Bond Retirement Fund | 2,541,835 | - | - | - |
| Permanent Improvement | 350,000 | - | - | - |
| Non-major Funds: | | | | |
| CDBG | - | - | 350,000 | - |
| Court Computerization | - | - | 21,500 | - |
| FEMA Fund | - | - | 85,441 | - |
| Federal Grants Fund | - | - | 29,325 | - |
| Total Governmental Activities | <u>3,028,101</u> | <u>635,868</u> | <u>486,266</u> | <u>-</u> |
| Business-Type Activities: | | | | |
| Springvale Golf Course and Ballroom Fund | - | - | 2,523,722 | 537,858 |
| Sewer Fund | - | - | 18,113 | 98,010 |
| Total Business-Type Activities | <u>-</u> | <u>-</u> | <u>2,541,835</u> | <u>635,868</u> |
| Total | \$ <u>3,028,101</u> | \$ <u>635,868</u> | \$ <u>3,028,101</u> | \$ <u>635,868</u> |

The General Obligation Bond Retirement Fund loaned the Springvale Golf Course and Ballroom Fund additional resources to meet the debt service requirements for the year. The General Fund loaned the Springvale Golf Course and Ballroom Fund and Sewer Revenue Fund operating monies that will be paid back in future years. The loans from the General Fund to the CDBG, FEMA Fund, and Federal Grants Fund were to help pay operating expenses for these reimbursement grants. The loan to the Court Computerization Fund was to help pay for computers and software needed to prepare for the start of the Mayor's Court in 2013.

Note 19: Jointly Governed Organizations

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 2012, the City contributed \$57,824. 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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 20: Contingent Liabilities

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

Note 21: Component Unit

A. Summary of Significant Accounting Policies

Nature of Organization - North Olmsted Commission on Paratransit, Inc. (N.O.C.O.P.) is a non-profit corporation that provides transportation to residents of the City of North Olmsted, the City of Olmsted Falls and Olmsted Township who are 60 years of age or older or disabled. N.O.C.O.P. utilizes the services of a third-party provider, Senior Transportation Connection, to provide transportation services to the residents. Fares are collected by the provider based on the destination and frequency that the service is used. The three communities 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 65.46 percent, the City of Olmsted Falls contributes 10.39 percent and Olmsted Township contributes 24.15 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.

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.

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

Temporarily restricted net position 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 position is released to unrestricted.

Permanently restricted net position comprises 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.

At December 31, 2012, all of the assets of the N.O.C.O.P. are unrestricted.

Intergovernmental Receivables - Intergovernmental receivables are derived from the monthly shared cost of services among the three communities. At December 31, 2012, intergovernmental receivables were reported at \$11,055.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2012

Note 21: Component Unit (continued)

A. Summary of Significant Accounting Policies (continued)

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

B. Cash Equivalents and Cash on Hand

At year-end the carrying amount of the N.O.C.O.P.'s deposits were \$39,469 and the bank balance was \$35,650, all of which was covered by the Federal Deposit Insurance Coverage (FDIC).

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City of North Olmsted, Ohio

Combining Statements – Non-Major Funds Fund Descriptions

For the Year Ended December 31, 2012

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 and Staffing for Adequate Fire and Emergency Response Grant Programs.

Federal Grants Fund - Accounts for revenues received for Federal Grants and the expenditures for those grants when the terms of the grant do not require that the grant be tracked in another fund.

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. Expenditures are restricted to safety equipment and up to 15% for capital improvements or building maintenance for safety use. Surplus monies from this fund can also be used to pay for any other operational needs of the police, fire and dispatch divisions, with the exception of wages and benefits.

Emergency Medical Services Fund – Until 2008, accounted for 25% of the resident emergency medical service's receipts. Expenditures are restricted to capital improvements for the Fire Division of the Department of Public Safety.

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

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

City of North Olmsted, Ohio

Combining Statements – Non-Major Funds
Fund Descriptions

For the Year Ended December 31, 2012

Non-Major Special Revenue Funds (continued)

Court Computerization Fund – Accounts for the receipt of funds collected by the City’s Mayor’s Court designated to computerize the court and the clerk of court’s office.

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, wages of the prosecuting attorney and police equipment used in the STOP program. Surplus monies from this fund can be used to pay any other operational expenditure that meets the need of the police and dispatch divisions, with the exception of wages and benefits unrelated to STOP.

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.

Public Way Management Fund - Accounts for fees that are levied by the City on service providers that install above ground facilities in public right of way areas and the expenditures associated with maintaining the right of way areas.

City of North Olmsted, Ohio

Combining Statements – Non-Major Funds
Fund Descriptions

For the Year Ended December 31, 2012

Non-Major Special Revenue Funds (continued)

Separation Pay Fund - Accounts for resources set aside for the payment of accumulated sick and vacation leave upon termination. Due to the implementation of GASB Statement No. 54, this fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a legally adopted budget.

27th Pay Fund - Accounts for resource set aside for the payment of the 27th payrolls that are experienced every 13 years. Due to the implementation of GASB Statement No. 54, this fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a legally adopted budget.

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.

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.

Fire Construction Fund - Accounts for the financial resources designated to construct, furnish, equipment and otherwise improve a fire station.

Non-Major Internal Service Funds

Hospitalization Fund - Accounts for a self-insurance program for employee medical, dental and vision benefits.

Workers' Compensation Fund - Accounts for assets set aside for claim settlements and related liabilities associated with the workers' compensation self-insurance program.

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Governmental Funds

December 31, 2012

| | 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 | \$ 3,658,763 | \$ 1,340,567 | \$ 648,045 | \$ 5,647,375 |
| Income taxes receivable | 568,665 | - | - | 568,665 |
| Taxes receivable - property and other | 1,278,582 | 1,053,541 | - | 2,332,123 |
| Intergovernmental receivable | 1,161,564 | 66,334 | 18,315 | 1,246,213 |
| Accounts receivable | 1,644 | - | - | 1,644 |
| Prepaid items | 17,671 | - | - | 17,671 |
| Total assets | <u>\$ 6,686,889</u> | <u>\$ 2,460,442</u> | <u>\$ 666,360</u> | <u>\$ 9,813,691</u> |
| Liabilities and fund balances: | | | | |
| Liabilities: | | | | |
| Accounts and contracts payable | \$ 482,986 | \$ - | \$ 43,124 | \$ 526,110 |
| Accrued wages and benefits | 48,247 | - | - | 48,247 |
| Intergovernmental payable | 37,164 | - | - | 37,164 |
| Interfund payable | 486,266 | - | - | 486,266 |
| Deferred revenue | <u>2,065,325</u> | <u>1,119,875</u> | <u>18,315</u> | <u>3,203,515</u> |
| Total liabilities | <u>3,119,988</u> | <u>1,119,875</u> | <u>61,439</u> | <u>4,301,302</u> |
| Fund balances: | | | | |
| Nonspendable | 17,671 | - | - | 17,671 |
| Restricted | 2,606,100 | 1,340,567 | 604,921 | 4,551,588 |
| Committed | 999,069 | - | - | 999,069 |
| Unassigned (deficit) | <u>(55,939)</u> | <u>-</u> | <u>-</u> | <u>(55,939)</u> |
| Total fund balances | <u>3,566,901</u> | <u>1,340,567</u> | <u>604,921</u> | <u>5,512,389</u> |
| Total liabilities and fund balances | <u>\$ 6,686,889</u> | <u>\$ 2,460,442</u> | <u>\$ 666,360</u> | <u>\$ 9,813,691</u> |

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, 2012

| | 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 | \$ 1,570,535 | \$ 1,073,338 | \$ - | \$ 2,643,873 |
| Municipal income taxes | 1,898,359 | - | - | 1,898,359 |
| Charges for services | 1,395,354 | - | - | 1,395,354 |
| Fines, licenses and permits | 321,142 | - | 3,945 | 325,087 |
| Intergovernmental | 2,493,059 | 141,968 | 67,419 | 2,702,446 |
| Investment income | 1,904 | - | - | 1,904 |
| Miscellaneous income | 127,972 | - | - | 127,972 |
| Total revenues | <u>7,808,325</u> | <u>1,215,306</u> | <u>71,364</u> | <u>9,094,995</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 99,226 | 2,555 | 89,554 | 191,335 |
| Security of persons and property | 1,601,760 | - | - | 1,601,760 |
| Public health and welfare | 85,780 | - | - | 85,780 |
| Transportation | 1,352,895 | - | 43,124 | 1,396,019 |
| Basic utility services | 2,100,931 | - | - | 2,100,931 |
| Leisure time activities | 2,197,928 | - | - | 2,197,928 |
| Economic development | 505,573 | - | - | 505,573 |
| Capital outlay | - | - | 833,444 | 833,444 |
| Debt service: | | | | |
| Principal | 75,174 | 735,000 | - | 810,174 |
| Interest and fiscal charges | 908 | 461,851 | - | 462,759 |
| Issuance costs | 2,000 | - | 6,000 | 8,000 |
| Total expenditures | <u>8,022,175</u> | <u>1,199,406</u> | <u>972,122</u> | <u>10,193,703</u> |
| Excess (deficiency) of revenues over expenditures | <u>(213,850)</u> | <u>15,900</u> | <u>(900,758)</u> | <u>(1,098,708)</u> |
| Other financing sources (uses): | | | | |
| Issuance of debt | 452,000 | - | 821,000 | 1,273,000 |
| Transfers - in | 217,000 | 113,169 | - | 330,169 |
| Transfers - out | (95,404) | (90,952) | (113,169) | (299,525) |
| Total other financing sources (uses) | <u>573,596</u> | <u>22,217</u> | <u>707,831</u> | <u>1,303,644</u> |
| Net change in fund balances | 359,746 | 38,117 | (192,927) | 204,936 |
| Fund balances, beginning of year | <u>3,207,155</u> | <u>1,302,450</u> | <u>797,848</u> | <u>5,307,453</u> |
| Fund balances, end of year | \$ <u>3,566,901</u> | \$ <u>1,340,567</u> | \$ <u>604,921</u> | \$ <u>5,512,389</u> |

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Special Revenue Funds

December 31, 2012

| | <u>Casualty Loss</u> | <u>CDBG</u> | <u>Alcohol Education</u> | <u>Economic Development</u> | <u>FEMA Grant</u> | <u>Federal Grants</u> |
|---|--------------------------|-------------------|------------------------------|---------------------------------|-----------------------|---------------------------|
| Assets: | | | | | | |
| Equity in pooled cash and cash equivalents | \$ 106,489 | \$ 1,972 | \$ 18,792 | \$ 43,884 | \$ 56,957 | \$ 14,853 |
| Income taxes receivable | - | - | - | - | - | - |
| Taxes receivable - property and other | - | - | - | - | - | - |
| Intergovernmental receivable | - | 350,000 | 75 | - | 37,388 | - |
| Accounts receivable | - | - | - | - | - | - |
| Prepaid items | - | - | - | - | - | - |
| Total assets | <u>\$ 106,489</u> | <u>\$ 351,972</u> | <u>\$ 18,867</u> | <u>\$ 43,884</u> | <u>\$ 94,345</u> | <u>\$ 14,853</u> |
| Liabilities and fund balances: | | | | | | |
| Liabilities: | | | | | | |
| Accounts and contracts payable | \$ 4,969 | \$ - | \$ - | \$ 1,577 | \$ - | \$ - |
| Accrued wages and benefits | - | - | - | - | 8,969 | - |
| Intergovernmental payable | - | - | - | - | 16,274 | - |
| Interfund payable | - | 350,000 | - | - | 85,441 | 29,325 |
| Deferred revenue | - | - | - | - | 8,653 | - |
| Total liabilities | <u>4,969</u> | <u>350,000</u> | <u>-</u> | <u>1,577</u> | <u>119,337</u> | <u>29,325</u> |
| Fund balances: | | | | | | |
| Nonspendable | - | - | - | - | - | - |
| Restricted | - | 1,972 | 18,867 | - | - | - |
| Committed | 101,520 | - | - | 42,307 | - | - |
| Unassigned (deficit) | - | - | - | - | (24,992) | (14,472) |
| Total fund balances (deficit) | <u>101,520</u> | <u>1,972</u> | <u>18,867</u> | <u>42,307</u> | <u>(24,992)</u> | <u>(14,472)</u> |
| Total liabilities and fund balances | <u>\$ 106,489</u> | <u>\$ 351,972</u> | <u>\$ 18,867</u> | <u>\$ 43,884</u> | <u>\$ 94,345</u> | <u>\$ 14,853</u> |

| <u>Motor Vehicle License Tax</u> | <u>Recreation</u> | <u>Clague Park</u> | <u>Hotel/ Motel Tax</u> | <u>Emergency Medical Services</u> | <u>State Highway</u> | <u>Street Maintenance</u> |
|--|---------------------|------------------------|-----------------------------|---|--------------------------|-------------------------------|
| \$ 124,584 | \$ 305,963 | \$ 3,065 | \$ 645,021 | \$ 2,773 | \$ 598,617 | \$ 686,940 |
| - | - | - | - | - | - | - |
| - | 842,809 | - | 14,355 | - | - | - |
| 18,333 | 53,079 | - | - | - | 47,298 | 593,996 |
| - | 1,644 | - | - | - | - | - |
| - | 17,671 | - | - | - | - | - |
| <u>\$ 142,917</u> | <u>\$ 1,221,166</u> | <u>\$ 3,065</u> | <u>\$ 659,376</u> | <u>\$ 2,773</u> | <u>\$ 645,915</u> | <u>\$ 1,280,936</u> |
| \$ - | \$ 71,404 | \$ - | \$ 331,646 | \$ - | \$ 2,963 | \$ 22,632 |
| - | 21,886 | - | - | - | - | 14,461 |
| - | 12,769 | - | - | - | - | 1,490 |
| - | - | - | - | - | - | - |
| 1,799 | 895,888 | - | - | - | 31,786 | 401,112 |
| <u>1,799</u> | <u>1,001,947</u> | <u>-</u> | <u>331,646</u> | <u>-</u> | <u>34,749</u> | <u>439,695</u> |
| - | 17,671 | - | - | - | - | - |
| 141,118 | 201,548 | - | - | 2,773 | 611,166 | 841,241 |
| - | - | 3,065 | 327,730 | - | - | - |
| - | - | - | - | - | - | - |
| <u>141,118</u> | <u>219,219</u> | <u>3,065</u> | <u>327,730</u> | <u>2,773</u> | <u>611,166</u> | <u>841,241</u> |
| <u>\$ 142,917</u> | <u>\$ 1,221,166</u> | <u>\$ 3,065</u> | <u>\$ 659,376</u> | <u>\$ 2,773</u> | <u>\$ 645,915</u> | <u>\$ 1,280,936</u> |

(Continued)

City of North Olmsted, Ohio

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

December 31, 2012

| | <u>Court Computerization</u> | <u>Solid Waste Management</u> | <u>Community Diversion</u> | <u>Drug Enforcement</u> | <u>Endowment and Grant</u> | <u>Fair Capacity Housing</u> |
|---|----------------------------------|---------------------------------------|--------------------------------|-----------------------------|--------------------------------|--------------------------------------|
| Assets: | | | | | | |
| Equity in pooled cash and cash equivalents | \$ 19,825 | \$ 9,351 | \$ 8,763 | \$ 22,330 | \$ 247,310 | \$ 232,048 |
| Income taxes receivable | - | 568,665 | - | - | - | - |
| Taxes receivable - property and other | - | - | - | - | - | - |
| Intergovernmental receivable | - | - | 3,600 | - | - | 12,500 |
| Accounts receivable | - | - | - | - | - | - |
| Prepaid items | - | - | - | - | - | - |
| Total assets | <u>\$ 19,825</u> | <u>\$ 578,016</u> | <u>\$ 12,363</u> | <u>\$ 22,330</u> | <u>\$ 247,310</u> | <u>\$ 244,548</u> |
| Liabilities and fund balances: | | | | | | |
| Liabilities: | | | | | | |
| Accounts and contracts payable | \$ 14,800 | \$ 554 | \$ 1,140 | \$ - | \$ 3,068 | \$ - |
| Accrued wages and benefits | - | - | 450 | - | - | 769 |
| Intergovernmental payable | - | - | 106 | - | - | 108 |
| Interfund payable | 21,500 | - | - | - | - | - |
| Deferred revenue | - | 278,135 | - | - | - | - |
| Total liabilities | <u>36,300</u> | <u>278,689</u> | <u>1,696</u> | <u>-</u> | <u>3,068</u> | <u>877</u> |
| Fund balances: | | | | | | |
| Nonspendable | - | - | - | - | - | - |
| Restricted | - | - | 10,667 | 22,330 | 244,242 | 243,671 |
| Committed | - | 299,327 | - | - | - | - |
| Unassigned (deficit) | <u>(16,475)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund balances (deficit) | <u>(16,475)</u> | <u>299,327</u> | <u>10,667</u> | <u>22,330</u> | <u>244,242</u> | <u>243,671</u> |
| Total liabilities and fund balances | <u>\$ 19,825</u> | <u>\$ 578,016</u> | <u>\$ 12,363</u> | <u>\$ 22,330</u> | <u>\$ 247,310</u> | <u>\$ 244,548</u> |

| <u>Fire Pension</u> | <u>Law Enforcement</u> | <u>Stop Program</u> | <u>Police Pension</u> | <u>Senior Center</u> | <u>Title III</u> | <u>Public Way Management</u> | <u>Total</u> |
|---------------------|------------------------|---------------------|-----------------------|----------------------|------------------|------------------------------|---------------------|
| \$ 68,416 | \$ 29,695 | \$ 226,785 | \$ 87,208 | \$ 16,073 | \$ 40,849 | \$ 40,200 | \$ 3,658,763 |
| - | - | - | - | - | - | - | 568,665 |
| 210,709 | - | - | 210,709 | - | - | - | 1,278,582 |
| 13,267 | - | 18,158 | 13,267 | - | 603 | - | 1,161,564 |
| - | - | - | - | - | - | - | 1,644 |
| - | - | - | - | - | - | - | 17,671 |
| <u>\$ 292,392</u> | <u>\$ 29,695</u> | <u>\$ 244,943</u> | <u>\$ 311,184</u> | <u>\$ 16,073</u> | <u>\$ 41,452</u> | <u>\$ 40,200</u> | <u>\$ 6,686,889</u> |
| \$ - | \$ - | \$ 25,981 | \$ - | \$ 2,252 | \$ - | \$ - | \$ 482,986 |
| - | - | 1,325 | - | - | 387 | - | 48,247 |
| - | - | 6,338 | - | - | 79 | - | 37,164 |
| - | - | - | - | - | - | - | 486,266 |
| <u>223,976</u> | <u>-</u> | <u>-</u> | <u>223,976</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,065,325</u> |
| <u>223,976</u> | <u>-</u> | <u>33,644</u> | <u>223,976</u> | <u>2,252</u> | <u>466</u> | <u>-</u> | <u>3,119,988</u> |
| - | - | - | - | - | - | - | 17,671 |
| 68,416 | 29,695 | - | 87,208 | - | 40,986 | 40,200 | 2,606,100 |
| - | - | 211,299 | - | 13,821 | - | - | 999,069 |
| - | - | - | - | - | - | - | (55,939) |
| <u>68,416</u> | <u>29,695</u> | <u>211,299</u> | <u>87,208</u> | <u>13,821</u> | <u>40,986</u> | <u>40,200</u> | <u>3,566,901</u> |
| <u>\$ 292,392</u> | <u>\$ 29,695</u> | <u>\$ 244,943</u> | <u>\$ 311,184</u> | <u>\$ 16,073</u> | <u>\$ 41,452</u> | <u>\$ 40,200</u> | <u>\$ 6,686,889</u> |

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2012

| | Casualty Loss | CDBG | Alcohol Education | Economic Development | FEMA Grant | Federal Grants |
|--|-------------------|------------------|----------------------|-------------------------|--------------------|--------------------|
| Revenues: | | | | | | |
| Property and other local taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Municipal income taxes | - | - | - | - | - | - |
| Charges for services | 26,931 | - | - | 500 | - | - |
| Fines, licenses and permits | - | - | 2,554 | - | - | - |
| Intergovernmental | - | 350,000 | - | - | 316,147 | 77,876 |
| Investment income | - | - | - | - | - | - |
| Miscellaneous income | - | - | - | 18,921 | - | - |
| Total revenues | <u>26,931</u> | <u>350,000</u> | <u>2,554</u> | <u>19,421</u> | <u>316,147</u> | <u>77,876</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | 33,546 | - | - | - | - | 33,780 |
| Security of persons and property | - | - | 1,249 | - | 335,388 | - |
| Public health and welfare | - | - | - | - | - | 7,757 |
| Transportation | - | - | - | - | - | - |
| Basic utility services | - | - | - | - | - | - |
| Leisure time activities | 23,639 | - | - | - | - | - |
| Economic development | - | 478,815 | - | 26,758 | - | - |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - |
| Issuance costs | - | - | - | - | - | - |
| Total expenditures | <u>57,185</u> | <u>478,815</u> | <u>1,249</u> | <u>26,758</u> | <u>335,388</u> | <u>41,537</u> |
| Excess (deficiency) of revenues over expenditures | <u>(30,254)</u> | <u>(128,815)</u> | <u>1,305</u> | <u>(7,337)</u> | <u>(19,241)</u> | <u>36,339</u> |
| Other financing sources (uses): | | | | | | |
| Issuance of debt | - | - | - | - | - | - |
| Transfers - in | 30,000 | 15,000 | - | - | - | - |
| Transfers - out | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>30,000</u> | <u>15,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (254) | (113,815) | 1,305 | (7,337) | (19,241) | 36,339 |
| Fund balances (deficit), beginning of year | <u>101,774</u> | <u>115,787</u> | <u>17,562</u> | <u>49,644</u> | <u>(5,751)</u> | <u>(50,811)</u> |
| Fund balances (deficit), end of year | \$ <u>101,520</u> | \$ <u>1,972</u> | \$ <u>18,867</u> | \$ <u>42,307</u> | \$ <u>(24,992)</u> | \$ <u>(14,472)</u> |

| <u>Motor Vehicle License Tax</u> | <u>Recreation</u> | <u>Clague Park</u> | <u>Hotel/Motel Tax</u> | <u>Emergency Medical Services</u> | <u>State Highway</u> | <u>Street Maintenance</u> |
|----------------------------------|-------------------|--------------------|------------------------|-----------------------------------|----------------------|---------------------------|
| \$ - | \$ 858,675 | \$ - | \$ 282,524 | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - |
| - | 1,320,768 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 220,523 | 113,575 | - | - | - | 95,927 | 1,184,677 |
| 149 | - | - | - | - | 733 | 871 |
| - | <u>65,340</u> | - | - | - | - | - |
| <u>220,672</u> | <u>2,358,358</u> | - | <u>282,524</u> | - | <u>96,660</u> | <u>1,185,548</u> |
| - | - | - | - | - | - | - |
| - | - | - | 549,932 | - | - | - |
| - | - | - | - | - | - | - |
| 190,432 | - | - | - | - | 13,477 | 1,144,778 |
| - | - | - | - | - | - | - |
| - | 2,120,144 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 1,222 | - | 73,000 | - | - | - |
| - | 178 | - | 591 | - | - | - |
| - | - | - | <u>2,000</u> | - | - | - |
| <u>190,432</u> | <u>2,121,544</u> | - | <u>625,523</u> | - | <u>13,477</u> | <u>1,144,778</u> |
| <u>30,240</u> | <u>236,814</u> | - | <u>(342,999)</u> | - | <u>83,183</u> | <u>40,770</u> |
| - | - | - | 452,000 | - | - | - |
| - | - | - | - | - | - | - |
| - | <u>(95,404)</u> | - | - | - | - | - |
| - | <u>(95,404)</u> | - | <u>452,000</u> | - | - | - |
| 30,240 | 141,410 | - | 109,001 | - | 83,183 | 40,770 |
| <u>110,878</u> | <u>77,809</u> | <u>3,065</u> | <u>218,729</u> | <u>2,773</u> | <u>527,983</u> | <u>800,471</u> |
| \$ <u>141,118</u> | \$ <u>219,219</u> | \$ <u>3,065</u> | \$ <u>327,730</u> | \$ <u>2,773</u> | \$ <u>611,166</u> | \$ <u>841,241</u> |

(Continued)

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2012

| | Court Computerization | Solid Waste Management | Community Diversion | Drug Enforcement | Endowment and Grant | Fair Capacity Housing |
|--|--------------------------|------------------------------|------------------------|---------------------|------------------------|-----------------------------|
| Revenues: | | | | | | |
| Property and other local taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Municipal income taxes | - | 1,898,359 | - | - | - | - |
| Charges for services | - | - | 11,145 | - | - | - |
| Fines, licenses and permits | - | - | - | - | - | - |
| Intergovernmental | - | 3,562 | 10,800 | - | - | 28,500 |
| Investment income | - | - | - | - | 8 | - |
| Miscellaneous income | - | - | - | - | 38,114 | - |
| Total revenues | <u>-</u> | <u>1,901,921</u> | <u>21,945</u> | <u>-</u> | <u>38,122</u> | <u>28,500</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | 31,900 |
| Security of persons and property | - | - | - | - | 5,386 | - |
| Public health and welfare | 16,475 | - | 25,140 | - | 10,953 | - |
| Transportation | - | - | - | - | - | - |
| Basic utility services | - | 2,100,931 | - | - | - | - |
| Leisure time activities | - | - | - | - | 15,601 | - |
| Economic development | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - |
| Issuance costs | - | - | - | - | - | - |
| Total expenditures | <u>16,475</u> | <u>2,100,931</u> | <u>25,140</u> | <u>-</u> | <u>31,940</u> | <u>31,900</u> |
| Excess (deficiency) of revenues over expenditures | <u>(16,475)</u> | <u>(199,010)</u> | <u>(3,195)</u> | <u>-</u> | <u>6,182</u> | <u>(3,400)</u> |
| Other financing sources (uses): | | | | | | |
| Issuance of debt | - | - | - | - | - | - |
| Transfers - in | - | 172,000 | - | - | - | - |
| Transfers - out | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>172,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (16,475) | (27,010) | (3,195) | - | 6,182 | (3,400) |
| Fund balances (deficit), beginning of year | <u>-</u> | <u>326,337</u> | <u>13,862</u> | <u>22,330</u> | <u>238,060</u> | <u>247,071</u> |
| Fund balances (deficit), end of year | \$ <u>(16,475)</u> | \$ <u>299,327</u> | \$ <u>10,667</u> | \$ <u>22,330</u> | \$ <u>244,242</u> | \$ <u>243,671</u> |

(Continued)

| <u>Fire Pension</u> | <u>Law Enforcement</u> | <u>Stop Program</u> | <u>Police Pension</u> | <u>Senior Center</u> | <u>Title III</u> | <u>Public Way Management</u> | <u>Total</u> |
|---------------------|------------------------|---------------------|-----------------------|----------------------|------------------|------------------------------|---------------------|
| \$ 214,668 | \$ - | \$ - | \$ 214,668 | \$ - | \$ - | \$ - | \$ 1,570,535 |
| - | - | - | - | - | - | - | 1,898,359 |
| - | - | - | - | 21,814 | 5,870 | 8,326 | 1,395,354 |
| - | 9,812 | 307,591 | - | 1,185 | - | - | 321,142 |
| 35,482 | - | - | 35,482 | - | 20,508 | - | 2,493,059 |
| - | - | - | - | 143 | - | - | 1,904 |
| - | - | - | - | 5,597 | - | - | 127,972 |
| <u>250,150</u> | <u>9,812</u> | <u>307,591</u> | <u>250,150</u> | <u>28,739</u> | <u>26,378</u> | <u>8,326</u> | <u>7,808,325</u> |
| - | - | - | - | - | - | - | 99,226 |
| 221,250 | 93 | 267,212 | 221,250 | - | - | - | 1,601,760 |
| - | - | - | - | - | 25,455 | - | 85,780 |
| - | - | - | - | - | - | 4,208 | 1,352,895 |
| - | - | - | - | - | - | - | 2,100,931 |
| - | - | - | - | 38,544 | - | - | 2,197,928 |
| - | - | - | - | - | - | - | 505,573 |
| - | - | - | - | 952 | - | - | 75,174 |
| - | - | - | - | 139 | - | - | 908 |
| - | - | - | - | - | - | - | 2,000 |
| <u>221,250</u> | <u>93</u> | <u>267,212</u> | <u>221,250</u> | <u>39,635</u> | <u>25,455</u> | <u>4,208</u> | <u>8,022,175</u> |
| <u>28,900</u> | <u>9,719</u> | <u>40,379</u> | <u>28,900</u> | <u>(10,896)</u> | <u>923</u> | <u>4,118</u> | <u>(213,850)</u> |
| - | - | - | - | - | - | - | 452,000 |
| - | - | - | - | - | - | - | 217,000 |
| - | - | - | - | - | - | - | (95,404) |
| - | - | - | - | - | - | - | 573,596 |
| 28,900 | 9,719 | 40,379 | 28,900 | (10,896) | 923 | 4,118 | 359,746 |
| <u>39,516</u> | <u>19,976</u> | <u>170,920</u> | <u>58,308</u> | <u>24,717</u> | <u>40,063</u> | <u>36,082</u> | <u>3,207,155</u> |
| \$ <u>68,416</u> | \$ <u>29,695</u> | \$ <u>211,299</u> | \$ <u>87,208</u> | \$ <u>13,821</u> | \$ <u>40,986</u> | \$ <u>40,200</u> | \$ <u>3,566,901</u> |

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Debt Service Funds

December 31, 2012

| | Library Bond <u>Retirement</u> | Special Assessment Bond <u>Retirement</u> | Fire Station Bond <u>Retirement</u> | <u>Total</u> |
|--|--------------------------------------|--|---|---------------------|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 793,515 | \$ - | \$ 547,052 | \$ 1,340,567 |
| Taxes receivable - property and other | 772,596 | - | 280,945 | 1,053,541 |
| Intergovernmental receivable | <u>48,645</u> | <u>-</u> | <u>17,689</u> | <u>66,334</u> |
| Total assets | <u>\$ 1,614,756</u> | <u>\$ -</u> | <u>\$ 845,686</u> | <u>\$ 2,460,442</u> |
| Liabilities and fund balances: | | | | |
| Liabilities: | | | | |
| Deferred revenue | \$ 821,241 | \$ - | \$ 298,634 | \$ 1,119,875 |
| Fund balances: | | | | |
| Restricted | <u>793,515</u> | <u>-</u> | <u>547,052</u> | <u>1,340,567</u> |
| Total liabilities and fund balances | <u>\$ 1,614,756</u> | <u>\$ -</u> | <u>\$ 845,686</u> | <u>\$ 2,460,442</u> |

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2012

| | Library Bond <u>Retirement</u> | Special Assessment Bond <u>Retirement</u> | Fire Station Bond <u>Retirement</u> | <u>Total</u> |
|--|--------------------------------------|--|---|---------------------|
| Revenues: | | | | |
| Property and other local taxes | \$ 787,115 | \$ - | \$ 286,223 | \$ 1,073,338 |
| Intergovernmental | <u>104,110</u> | <u>-</u> | <u>37,858</u> | <u>141,968</u> |
| Total revenues | <u>891,225</u> | <u>-</u> | <u>324,081</u> | <u>1,215,306</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 1,874 | - | 681 | 2,555 |
| Debt service: | | | | |
| Principal | 570,000 | - | 165,000 | 735,000 |
| Interest and fiscal charges | <u>311,238</u> | <u>-</u> | <u>150,613</u> | <u>461,851</u> |
| Total expenditures | <u>883,112</u> | <u>-</u> | <u>316,294</u> | <u>1,199,406</u> |
| Excess (deficiency) of revenues over expenditures | <u>8,113</u> | <u>-</u> | <u>7,787</u> | <u>15,900</u> |
| Other financing sources (uses): | | | | |
| Transfers - in | 113,169 | - | - | 113,169 |
| Transfers - out | <u>-</u> | <u>(90,952)</u> | <u>-</u> | <u>(90,952)</u> |
| Total other financing sources (uses) | <u>113,169</u> | <u>(90,952)</u> | <u>-</u> | <u>22,217</u> |
| Net change in fund balances | 121,282 | (90,952) | 7,787 | 38,117 |
| Fund balances, beginning of year | <u>672,233</u> | <u>90,952</u> | <u>539,265</u> | <u>1,302,450</u> |
| Fund balances, end of year. | \$ <u>793,515</u> | \$ <u>-</u> | \$ <u>547,052</u> | \$ <u>1,340,567</u> |

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Capital Projects Funds

December 31, 2012

| | <u>Capital Improvements</u> | <u>Library Construction</u> | <u>Building and Land Acquisition and Improvement</u> | <u>Fire Construction</u> | <u>Total</u> |
|---|---------------------------------|---------------------------------|--|------------------------------|-------------------|
| Assets: | | | | | |
| Equity in pooled cash and cash equivalents | \$ 397,369 | \$ - | \$ 250,676 | \$ - | \$ 648,045 |
| Intergovernmental receivable | <u>18,315</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>18,315</u> |
| Total assets | <u>\$ 415,684</u> | <u>\$ -</u> | <u>\$ 250,676</u> | <u>\$ -</u> | <u>\$ 666,360</u> |
| Liabilities and fund balances: | | | | | |
| Liabilities: | | | | | |
| Accounts and contracts payable | \$ 43,124 | \$ - | \$ - | \$ - | \$ 43,124 |
| Unearned revenue | <u>18,315</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>18,315</u> |
| Total liabilities and fund balances | 61,439 | - | - | - | 61,439 |
| Fund balances: | | | | | |
| Restricted | <u>354,245</u> | <u>-</u> | <u>250,676</u> | <u>-</u> | <u>604,921</u> |
| Total liabilities and fund balances | <u>\$ 415,684</u> | <u>\$ -</u> | <u>\$ 250,676</u> | <u>\$ -</u> | <u>\$ 666,360</u> |

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2012

| | Capital <u>Improvements</u> | Library <u>Construction</u> | Building and Land Acquisition and <u>Improvement</u> | Fire <u>Construction</u> | <u>Total</u> |
|--|--------------------------------|--------------------------------|--|-----------------------------|-------------------|
| Revenues: | | | | | |
| Fines, licenses, and permits | \$ 3,945 | \$ - | \$ - | \$ - | \$ 3,945 |
| Intergovernmental | <u>67,419</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>67,419</u> |
| Total revenues | <u>71,364</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>71,364</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General Government | 89,554 | - | - | - | 89,554 |
| Transportation | 43,124 | - | - | - | 43,124 |
| Capital outlay | 677,863 | - | - | 155,581 | 833,444 |
| Debt service: | | | | | |
| Issuance costs | <u>6,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,000</u> |
| Total expenditures | <u>816,541</u> | <u>-</u> | <u>-</u> | <u>155,581</u> | <u>972,122</u> |
| Excess (deficiency) of revenues over expenditures | <u>(745,177)</u> | <u>-</u> | <u>-</u> | <u>(155,581)</u> | <u>(900,758)</u> |
| Other financing sources (uses): | | | | | |
| Issuance of debt | 821,000 | - | - | - | 821,000 |
| Transfers - out | <u>-</u> | <u>(113,169)</u> | <u>-</u> | <u>-</u> | <u>(113,169)</u> |
| Total other financing sources (uses) | <u>821,000</u> | <u>(113,169)</u> | <u>-</u> | <u>-</u> | <u>707,831</u> |
| Net change in fund balances | 75,823 | (113,169) | - | (155,581) | (192,927) |
| Fund balances, beginning of year | <u>278,422</u> | <u>113,169</u> | <u>250,676</u> | <u>155,581</u> | <u>797,848</u> |
| Fund balances, end of year | \$ <u>354,245</u> | \$ <u>-</u> | \$ <u>250,676</u> | \$ <u>-</u> | \$ <u>604,921</u> |

City of North Olmsted, Ohio

Combining Statement of Fund Net Position Non-Major Internal Service Funds

December 31, 2012

| | <u>Hospitalization</u> | <u>Workers' Compensation</u> | <u>Total Internal Service Funds</u> |
|--|------------------------|----------------------------------|---|
| Assets: | | | |
| Current assets: | | | |
| Equity in pooled cash and cash equivalents | \$ <u>2,140,707</u> | \$ <u>867,491</u> | \$ <u>3,008,198</u> |
| Liabilities: | | | |
| Current liabilities: | | | |
| Accounts and contracts payable | 36 | 378 | 414 |
| Intergovernmental payable | - | 12,162 | 12,162 |
| Claims payable | <u>482,474</u> | <u>64,658</u> | <u>547,132</u> |
| Total current liabilities | <u>482,510</u> | <u>77,198</u> | <u>559,708</u> |
| Long-term liabilities: | | | |
| Claims payable | <u>-</u> | <u>21,553</u> | <u>21,553</u> |
| Total liabilities | <u>482,510</u> | <u>98,751</u> | <u>581,261</u> |
| Net position: | | | |
| Unrestricted | \$ <u>1,658,197</u> | \$ <u>768,740</u> | \$ <u>2,426,937</u> |

City of North Olmsted, Ohio

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Non-Major Internal Service Funds

For the Year Ended December 31, 2012

| | <u>Hospitalization</u> | <u>Workers' Compensation</u> | <u>Total Internal Service Funds</u> |
|---------------------------------|----------------------------|----------------------------------|---|
| Operating revenues: | | | |
| Charges for services | \$ <u>2,039,405</u> | \$ <u>405,327</u> | \$ <u>2,444,732</u> |
| Operating expenses: | | | |
| Contractual services | 390,591 | 63,774 | 454,365 |
| Claims | <u>2,529,236</u> | <u>5,249</u> | <u>2,534,485</u> |
| Total operating expenses | <u>2,919,827</u> | <u>69,023</u> | <u>2,988,850</u> |
| Change in net position | (880,422) | 336,304 | (544,118) |
| Net position, beginning of year | <u>2,538,619</u> | <u>432,436</u> | <u>2,971,055</u> |
| Net position, end of year | \$ <u><u>1,658,197</u></u> | \$ <u><u>768,740</u></u> | \$ <u><u>2,426,937</u></u> |

City of North Olmsted, Ohio

Combining Statement of Cash Flows Non-Major Internal Service Funds

For the Year Ended December 31, 2012

| | <u>Hospitalization</u> | <u>Workers'</u> <u>Compensation</u> | <u>Total</u> <u>Internal</u> <u>Service</u> <u>Funds</u> |
|---|----------------------------|--|---|
| Cash flows from operating activities: | | | |
| Receipts from customers and users | \$ 2,039,405 | \$ 405,327 | \$ 2,444,732 |
| Cash payments for goods and services | (390,555) | (61,891) | (452,446) |
| Cash paid for claims | <u>(2,217,194)</u> | <u>(107,983)</u> | <u>(2,325,177)</u> |
| Net cash (used for) provided by operating activities | <u>(568,344)</u> | <u>235,453</u> | <u>(332,891)</u> |
| Net (decrease) increase in cash and cash equivalents | (568,344) | 235,453 | (332,891) |
| Cash and cash equivalents, beginning of year | <u>2,709,051</u> | <u>632,038</u> | <u>3,341,089</u> |
| Cash and cash equivalents, end of year | \$ <u><u>2,140,707</u></u> | \$ <u><u>867,491</u></u> | \$ <u><u>3,008,198</u></u> |
| Reconciliation of operating (loss) income to net cash from operating activities: | | | |
| Operating (loss) income | \$ (880,422) | \$ 336,304 | \$ (544,118) |
| Adjustments: | | | |
| Changes in assets/liabilities: | | | |
| Increase (decrease) in accounts and contracts payable | 36 | (539) | (503) |
| Increase in intergovernmental payable | - | 2,422 | 2,422 |
| Increase (decrease) in claims payable | <u>312,042</u> | <u>(102,734)</u> | <u>209,308</u> |
| Net cash (used for) provided by operating activities | \$ <u><u>(568,344)</u></u> | \$ <u><u>235,453</u></u> | \$ <u><u>(332,891)</u></u> |

**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, 2012

| | Budget | | Actual | Variance with |
|--|-------------------|-------------------|-------------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| Revenues: | | | | |
| Municipal income tax | \$ 8,528,462 | \$ 8,528,462 | \$ 8,803,899 | \$ 275,437 |
| Property and other taxes | 4,760,078 | 4,825,078 | 4,794,191 | (30,887) |
| Charges for services | 1,163,543 | 1,163,543 | 1,353,736 | 190,193 |
| Licenses and permits | 932,600 | 932,600 | 1,084,805 | 152,205 |
| Fines and forfeitures | 223,500 | 223,500 | 220,007 | (3,493) |
| Intergovernmental revenue | 1,867,145 | 2,163,220 | 2,370,533 | 207,313 |
| Investment income | 25,000 | 25,000 | 29,307 | 4,307 |
| Other revenue | <u>20,000</u> | <u>20,000</u> | <u>31,661</u> | <u>11,661</u> |
| Total revenues | <u>17,520,328</u> | <u>17,881,403</u> | <u>18,688,139</u> | <u>806,736</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government – legislative and executive | | | | |
| Council | | | | |
| Salaries | 144,493 | 145,643 | 145,621 | 22 |
| Benefits | 29,386 | 31,564 | 31,414 | 150 |
| Materials and supplies | 700 | 700 | 398 | 302 |
| Contractual services | <u>18,388</u> | <u>18,388</u> | <u>12,890</u> | <u>5,498</u> |
| Total council | <u>192,967</u> | <u>196,295</u> | <u>190,323</u> | <u>5,972</u> |
| Office of the mayor | | | | |
| Salaries | 151,428 | 152,557 | 137,077 | 15,480 |
| Benefits | 50,097 | 50,273 | 39,820 | 10,453 |
| Materials and supplies | 3,653 | 3,653 | 1,606 | 2,047 |
| Contractual services | <u>30,350</u> | <u>30,350</u> | <u>21,874</u> | <u>8,476</u> |
| Total office of the mayor | <u>235,528</u> | <u>236,833</u> | <u>200,377</u> | <u>36,456</u> |
| Mayor's court | | | | |
| Salaries | - | 7,000 | 4,994 | 2,006 |
| Benefits | - | 1,195 | 728 | 467 |
| Materials and supplies | - | 7,000 | 5,616 | 1,384 |
| Contractual services | - | 2,000 | 45 | 1,955 |
| Capital outlay | <u>-</u> | <u>4,600</u> | <u>4,131</u> | <u>469</u> |
| Total mayor's court | <u>-</u> | <u>21,795</u> | <u>15,514</u> | <u>6,281</u> |
| Finance department | | | | |
| Salaries | 304,165 | 306,914 | 304,105 | 2,809 |
| Benefits | 104,845 | 105,270 | 102,615 | 2,655 |
| Materials and supplies | 11,100 | 11,100 | 9,932 | 1,168 |
| Contractual services | <u>752,037</u> | <u>752,037</u> | <u>646,126</u> | <u>105,911</u> |
| Total finance department | <u>1,172,147</u> | <u>1,175,321</u> | <u>1,062,778</u> | <u>112,543</u> |

(Continued)

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2012

| | Budget | | Actual | Variance with |
|---|----------------|----------------|----------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| Law department | | | | |
| Salaries | 188,798 | 189,932 | 183,461 | 6,471 |
| Benefits | 67,723 | 71,649 | 66,493 | 5,156 |
| Materials and supplies | 982 | 982 | 340 | 642 |
| Contractual services | <u>17,640</u> | <u>17,640</u> | <u>4,604</u> | <u>13,036</u> |
| Total law department | <u>275,143</u> | <u>280,203</u> | <u>254,898</u> | <u>25,305</u> |
| Department of human resources | | | | |
| Salaries | 218,396 | 222,733 | 218,221 | 4,512 |
| Benefits | 79,320 | 79,991 | 77,075 | 2,916 |
| Materials and supplies | 28,950 | 28,950 | 18,668 | 10,282 |
| Contractual services | <u>226,449</u> | <u>202,454</u> | <u>147,849</u> | <u>54,605</u> |
| Total department of human resources | <u>553,115</u> | <u>534,128</u> | <u>461,813</u> | <u>72,315</u> |
| Civil service | | | | |
| Salaries | 1,000 | 1,000 | - | 1,000 |
| Benefits | 170 | 170 | 15 | 155 |
| Materials and supplies | 400 | 400 | 76 | 324 |
| Contractual services | <u>10,800</u> | <u>10,800</u> | <u>10,243</u> | <u>557</u> |
| Total civil service | <u>12,370</u> | <u>12,370</u> | <u>10,334</u> | <u>2,036</u> |
| Division of information technology | | | | |
| Salaries | 70,017 | 71,295 | 51,584 | 19,711 |
| Benefits | 39,393 | 39,591 | 28,175 | 11,416 |
| Materials and supplies | 8,342 | 8,342 | 7,508 | 834 |
| Contractual services | 129,183 | 129,183 | 119,921 | 9,262 |
| Capital outlay | <u>9,620</u> | <u>9,620</u> | <u>9,465</u> | <u>155</u> |
| Total division of information technology | <u>256,555</u> | <u>258,031</u> | <u>216,653</u> | <u>41,378</u> |
| Boards and commissions | | | | |
| Salaries | 45,079 | 46,202 | 45,955 | 247 |
| Benefits | 19,542 | 19,717 | 19,508 | 209 |
| Materials and supplies | 3,639 | 3,639 | 1,886 | 1,753 |
| Contractual services | <u>10,200</u> | <u>10,200</u> | <u>7,348</u> | <u>2,852</u> |
| Total boards and commissions | <u>78,460</u> | <u>79,758</u> | <u>74,697</u> | <u>5,061</u> |

(Continued)

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| Building department | | | | |
| Salaries | 568,278 | 562,966 | 537,431 | 25,535 |
| Benefits | 239,640 | 240,056 | 208,452 | 31,604 |
| Materials and supplies | 14,000 | 21,200 | 18,406 | 2,794 |
| Contractual services | <u>105,150</u> | <u>117,950</u> | <u>78,710</u> | <u>39,240</u> |
| Total building department | <u>927,068</u> | <u>942,172</u> | <u>842,999</u> | <u>99,173</u> |
| Engineering department | | | | |
| Salaries | 92,100 | 92,100 | 75,762 | 16,338 |
| Benefits | 15,317 | 15,317 | 14,476 | 841 |
| Materials and supplies | 4,750 | 4,750 | 641 | 4,109 |
| Contractual services | <u>183,817</u> | <u>183,817</u> | <u>166,413</u> | <u>17,404</u> |
| Total engineering department | <u>295,984</u> | <u>295,984</u> | <u>257,292</u> | <u>38,692</u> |
| Total general government – legislative and executive | <u>3,999,337</u> | <u>4,032,890</u> | <u>3,587,678</u> | <u>445,212</u> |
| Security of persons and property | | | | |
| Public safety director | | | | |
| Salaries | 79,005 | 75,209 | 74,745 | 464 |
| Benefits | 27,964 | 33,844 | 29,858 | 3,986 |
| Materials and supplies | 655 | 1,955 | 1,571 | 384 |
| Contractual services | <u>380</u> | <u>380</u> | <u>29</u> | <u>351</u> |
| Total public safety director | <u>108,004</u> | <u>111,388</u> | <u>106,203</u> | <u>5,185</u> |
| Division of fire | | | | |
| Salaries | 3,065,733 | 3,069,963 | 2,845,879 | 224,084 |
| Benefits | 1,170,089 | 1,171,005 | 1,076,748 | 94,257 |
| Materials and supplies | 64,500 | 64,500 | 61,293 | 3,207 |
| Contractual services | <u>374,345</u> | <u>354,345</u> | <u>265,802</u> | <u>88,543</u> |
| Total fire division | <u>4,674,667</u> | <u>4,659,813</u> | <u>4,249,722</u> | <u>410,091</u> |
| Division of police | | | | |
| Salaries | 3,860,686 | 3,909,480 | 3,662,820 | 246,660 |
| Benefits | 1,305,763 | 1,314,141 | 1,156,318 | 157,823 |
| Materials and supplies | 154,124 | 160,624 | 144,950 | 15,674 |
| Contractual services | 352,490 | 372,490 | 307,160 | 65,330 |
| Capital outlay | <u>32,630</u> | <u>32,630</u> | <u>20,059</u> | <u>12,571</u> |
| Total division of police | <u>5,705,693</u> | <u>5,789,365</u> | <u>5,291,307</u> | <u>498,058</u> |

(Continued)

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2012

| | Budget | | Actual | Variance with |
|--|-------------------|-------------------|-------------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| Emergency central dispatch | | | | |
| Salaries | 449,660 | 449,660 | 432,853 | 16,807 |
| Benefits | 146,672 | 146,672 | 141,264 | 5,408 |
| Materials and supplies | 2,000 | 2,000 | - | 2,000 |
| Contractual services | 49,908 | 49,908 | 6,159 | 43,749 |
| Capital outlay | <u>8,876</u> | <u>8,876</u> | <u>8,876</u> | - |
| Total emergency central dispatch | <u>657,116</u> | <u>657,116</u> | <u>589,152</u> | <u>67,964</u> |
| Corrections | | | | |
| Salaries | 49,400 | 50,500 | 45,492 | 5,008 |
| Benefits | 25,575 | 25,575 | 23,730 | 1,845 |
| Materials and supplies | 1,671 | 1,671 | 1,232 | 439 |
| Contractual services | <u>53,835</u> | <u>86,835</u> | <u>80,337</u> | <u>6,498</u> |
| Total corrections | <u>130,481</u> | <u>164,581</u> | <u>150,791</u> | <u>13,790</u> |
| Total security of persons and property | <u>11,275,961</u> | <u>11,382,263</u> | <u>10,387,175</u> | <u>995,088</u> |
| Public health and welfare | | | | |
| Division of aging | | | | |
| Salaries | 130,134 | 132,979 | 129,698 | 3,281 |
| Benefits | 50,754 | 51,195 | 50,234 | 961 |
| Materials and supplies | 3,300 | 3,300 | 1,054 | 2,246 |
| Contractual services | 37,630 | 37,630 | 24,029 | 13,601 |
| Capital outlay | <u>2,510</u> | <u>2,510</u> | <u>561</u> | <u>1,949</u> |
| Total division of aging | <u>224,328</u> | <u>227,614</u> | <u>205,576</u> | <u>22,038</u> |
| Division of youth and family services | | | | |
| Salaries | 89,029 | 90,884 | 85,743 | 5,141 |
| Benefits | 32,440 | 32,727 | 30,618 | 2,109 |
| Materials and supplies | 3,650 | 3,650 | 2,091 | 1,559 |
| Contractual services | 123,350 | 123,350 | 101,309 | 22,041 |
| Capital outlay | <u>4,754</u> | <u>4,754</u> | <u>3,893</u> | <u>861</u> |
| Total division of youth and family services | <u>253,223</u> | <u>255,365</u> | <u>223,654</u> | <u>31,711</u> |
| Total public health and welfare | <u>477,551</u> | <u>482,979</u> | <u>429,230</u> | <u>53,749</u> |
| Transportation | | | | |
| Public service director | | | | |
| Salaries | 91,333 | 93,227 | 86,826 | 6,401 |
| Benefits | 27,153 | 34,583 | 32,956 | 1,627 |
| Materials and supplies | 1,888 | 1,888 | 1,698 | 190 |
| Contractual services | <u>551,248</u> | <u>544,112</u> | <u>464,343</u> | <u>79,769</u> |
| Total service director | <u>671,622</u> | <u>673,810</u> | <u>585,823</u> | <u>87,987</u> |

(Continued)

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2012

| | Budget | | Actual | Variance with |
|---|--------------------|--------------------|---------------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| Division of public works | | | | |
| Salaries | 1,092,828 | 1,063,646 | 1,030,384 | 33,262 |
| Benefits | 382,609 | 403,547 | 374,891 | 28,656 |
| Materials and supplies | 81,612 | 80,480 | 71,835 | 8,645 |
| Contractual services | 439,165 | 419,950 | 328,831 | 91,119 |
| Capital outlay | <u>275,824</u> | <u>334,824</u> | <u>307,734</u> | <u>27,090</u> |
| Total division of public works | <u>2,272,038</u> | <u>2,302,447</u> | <u>2,113,675</u> | <u>188,772</u> |
| Division of fleet maintenance | | | | |
| Salaries | 373,844 | 401,495 | 397,870 | 3,625 |
| Benefits | 153,436 | 149,803 | 139,667 | 10,136 |
| Materials and supplies | 560,615 | 546,633 | 333,044 | 213,589 |
| Contractual services | 11,257 | 11,257 | 10,406 | 851 |
| Capital outlay | <u>5,900</u> | <u>5,900</u> | - | <u>5,900</u> |
| Total division of fleet maintenance | <u>1,105,052</u> | <u>1,115,088</u> | <u>880,987</u> | <u>234,101</u> |
| Total transportation | <u>4,048,712</u> | <u>4,091,345</u> | <u>3,580,485</u> | <u>510,860</u> |
| Basic utility services | | | | |
| Service department | | | | |
| contractual services | <u>223,000</u> | <u>216,439</u> | <u>213,949</u> | <u>2,490</u> |
| Economic development | | | | |
| Planning | | | | |
| Salaries | 123,227 | 126,335 | 125,939 | 396 |
| Benefits | 40,118 | 40,599 | 38,965 | 1,634 |
| Materials and supplies | 1,834 | 1,834 | 1,833 | 1 |
| Contractual services | <u>208,602</u> | <u>161,910</u> | <u>152,665</u> | <u>9,245</u> |
| Total economic development | <u>373,781</u> | <u>330,678</u> | <u>319,402</u> | <u>11,276</u> |
| Total expenditures | <u>20,398,342</u> | <u>20,536,594</u> | <u>18,517,919</u> | <u>2,018,675</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,878,014)</u> | <u>(2,655,191)</u> | <u>170,220</u> | <u>2,825,411</u> |
| Other financing sources (uses): | | | | |
| Sale of capital assets | 10,000 | 10,000 | 19,522 | 9,522 |
| Advances – in | 142,198 | 185,766 | 71,000 | (114,766) |
| Transfers – in | 21,708 | 21,708 | 21,708 | - |
| Advances – out | - | (65,068) | (65,068) | - |
| Transfers – out | <u>(873,224)</u> | <u>(873,224)</u> | <u>(745,224)</u> | <u>128,000</u> |
| Total other financing sources (uses) | <u>(699,318)</u> | <u>(720,818)</u> | <u>(698,062)</u> | <u>22,756</u> |
| Net change in fund balance | (3,577,332) | (3,376,009) | (527,842) | 2,848,167 |
| Prior year encumbrances | 519,631 | 519,631 | 519,631 | - |
| Fund balance, beginning of year | <u>3,301,599</u> | <u>3,301,599</u> | <u>3,301,599</u> | - |
| Fund balance, end of year | \$ <u>243,898</u> | \$ <u>445,221</u> | \$ <u>3,293,388</u> | \$ <u>2,848,167</u> |

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------|--------------------------|--------------------------|--------------------------|---|
| | Original | Final | | |
| Other financing sources (uses) | | | | |
| Transfers – in | \$ <u>488,181</u> | \$ <u>488,181</u> | \$ <u>488,181</u> | \$ <u>-</u> |
| Net change in fund balance | 488,181 | 488,181 | 488,181 | - |
| Fund balance, beginning of year | <u>455,000</u> | <u>455,000</u> | <u>455,000</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>943,181</u></u> | \$ <u><u>943,181</u></u> | \$ <u><u>943,181</u></u> | \$ <u><u>-</u></u> |

Note: The above fund is combined with the General Fund for GASB 54 financial reporting purposes.

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – 27th Pay Fund

For the Year Ended December 31, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------|--------------------------|--------------------------|--------------------------|---|
| | Original | Final | | |
| Other financing sources (uses): | | | | |
| Transfers – in | \$ <u>135,000</u> | \$ <u>135,000</u> | \$ <u>135,000</u> | \$ <u>-</u> |
| Net change in fund balance | 135,000 | 135,000 | 135,000 | - |
| Fund balance, beginning of year | <u>135,000</u> | <u>135,000</u> | <u>135,000</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>270,000</u></u> | \$ <u><u>270,000</u></u> | \$ <u><u>270,000</u></u> | \$ <u><u>-</u></u> |

Note: The above fund is combined with the General Fund for GASB 54 financial reporting purposes.

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, 2012

| | Budget | | Actual | Variance with |
|---|---------------------|--------------------|--------------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| Revenues: | | | | |
| Municipal income taxes | \$ 1,827,527 | \$ 1,827,527 | \$ 1,886,550 | \$ 59,023 |
| Intergovernmental revenue | - | 357,687 | 199,590 | (158,097) |
| Total revenues | <u>1,827,527</u> | <u>2,185,214</u> | <u>2,086,140</u> | <u>(99,074)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation | | | | |
| Service | | | | |
| Contractual services | 56,000 | 56,000 | 49,281 | 6,719 |
| Capital outlay | <u>955,713</u> | <u>2,105,004</u> | <u>1,703,360</u> | <u>401,644</u> |
| Total transportation | <u>1,011,713</u> | <u>2,161,004</u> | <u>1,752,641</u> | <u>408,363</u> |
| Debt service: | | | | |
| Principal | 605,000 | 605,000 | 605,000 | - |
| Interest and fiscal charges | <u>12,894</u> | <u>12,894</u> | <u>12,894</u> | <u>-</u> |
| Total debt service | <u>617,894</u> | <u>617,894</u> | <u>617,894</u> | <u>-</u> |
| Total expenditures | <u>1,629,607</u> | <u>2,778,898</u> | <u>2,370,535</u> | <u>408,363</u> |
| Excess (deficiency) of revenues over expenditures | <u>197,920</u> | <u>(593,684)</u> | <u>(284,395)</u> | <u>309,289</u> |
| Other financing sources (uses): | | | | |
| Issuance of debt | 1,015,000 | 1,015,000 | 1,015,700 | 700 |
| Advances – in | 350,000 | 350,000 | - | (350,000) |
| Advances – out | (350,000) | (350,000) | (350,000) | - |
| Transfers – out | <u>(1,781,141)</u> | <u>(1,796,141)</u> | <u>(1,796,141)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(766,141)</u> | <u>(781,141)</u> | <u>(1,130,441)</u> | <u>(349,300)</u> |
| Net change in fund balance | (568,221) | (1,374,825) | (1,414,836) | (40,011) |
| Prior year encumbrances | 84,371 | 84,371 | 84,371 | - |
| Fund balance, beginning of year | <u>1,534,563</u> | <u>1,534,563</u> | <u>1,534,563</u> | <u>-</u> |
| Fund balance, end of year | \$ <u>1,050,713</u> | \$ <u>244,109</u> | \$ <u>204,098</u> | \$ <u>(40,011)</u> |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|----------------------------|----------------------------|----------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property and other taxes | \$ 2,345,045 | \$ 2,345,045 | \$ 2,361,343 | \$ 16,298 |
| Intergovernmental revenue | 459,407 | 459,407 | 470,003 | 10,596 |
| Investment income | <u>5,000</u> | <u>5,000</u> | <u>29,381</u> | <u>24,381</u> |
| Total revenues | <u>2,809,452</u> | <u>2,809,452</u> | <u>2,860,727</u> | <u>51,275</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | | | | |
| Finance | | | | |
| Contractual services | <u>5,500</u> | <u>5,622</u> | <u>5,622</u> | <u>-</u> |
| Debt service: | | | | |
| Principal | 5,133,081 | 5,133,081 | 5,133,081 | - |
| Interest and fiscal charges | <u>1,210,596</u> | <u>1,210,596</u> | <u>1,203,844</u> | <u>6,752</u> |
| Total debt service | <u>6,343,677</u> | <u>6,343,677</u> | <u>6,336,925</u> | <u>6,752</u> |
| Total expenditures | <u>6,349,177</u> | <u>6,349,299</u> | <u>6,342,547</u> | <u>6,752</u> |
| Excess (deficiency) of revenues over expenditures | <u>(3,539,725)</u> | <u>(3,539,847)</u> | <u>(3,481,820)</u> | <u>58,027</u> |
| Other financing sources (uses): | | | | |
| Issuance of debt | 180,000 | 180,000 | 181,092 | 1,092 |
| Transfers – in | <u>3,851,416</u> | <u>3,942,368</u> | <u>3,942,367</u> | <u>(1)</u> |
| Total other financing sources (uses) | <u>4,031,416</u> | <u>4,122,368</u> | <u>4,123,459</u> | <u>1,091</u> |
| Net change in fund balance | 491,691 | 582,521 | 641,639 | 59,118 |
| Fund balance, beginning of year | <u>1,067,646</u> | <u>1,067,646</u> | <u>1,067,646</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>1,559,337</u></u> | \$ <u><u>1,650,167</u></u> | \$ <u><u>1,709,285</u></u> | \$ <u><u>59,118</u></u> |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------------|--------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 30,000 | \$ 30,000 | \$ 26,931 | \$ (3,069) |
| Expenditures: | | | | |
| Current: | | | | |
| General government – legislative and executive | | | | |
| Department of human resources | | | | |
| Contractual services | <u>100,000</u> | <u>100,000</u> | <u>52,216</u> | <u>47,784</u> |
| Excess (deficiency) of revenues over expenditures | (70,000) | (70,000) | (25,285) | 44,715 |
| Other financing sources (uses) | | | | |
| Transfers – in | <u>30,000</u> | <u>30,000</u> | <u>30,000</u> | <u>-</u> |
| Net change in fund balance | (40,000) | (40,000) | 4,715 | 44,715 |
| Fund balance, beginning of year | <u>101,774</u> | <u>101,774</u> | <u>101,774</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>61,774</u></u> | \$ <u><u>61,774</u></u> | \$ <u><u>106,489</u></u> | \$ <u><u>44,715</u></u> |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------|------------|-----------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental revenue | \$ 350,000 | \$ 350,000 | \$ - | \$ (350,000) |
| Expenditures: | | | | |
| Current: | | | | |
| Economic development | | | | |
| Division of planning | | | | |
| Capital outlay | 455,000 | 478,815 | 478,815 | - |
| Public health and welfare | | | | |
| Youth and family services | | | | |
| Contractual services | 1,500 | 1,500 | - | 1,500 |
| Total expenditures | 456,500 | 480,315 | 478,815 | 1,500 |
| Excess (deficiency) of revenues over expenditures | (106,500) | (130,315) | (478,815) | (348,500) |
| Other financing sources (uses): | | | | |
| Transfers – in | - | 15,000 | 15,000 | - |
| Advances – in | 350,000 | 350,000 | 350,000 | - |
| Advances – out | (350,000) | (350,000) | - | 350,000 |
| Total other financing sources (uses) | - | 15,000 | 365,000 | 350,000 |
| Net change in fund balance | (106,500) | (115,315) | (113,815) | 1,500 |
| Prior year encumbrances | 8,815 | 8,815 | 8,815 | - |
| Fund balance, beginning of year | 106,972 | 106,972 | 106,972 | - |
| Fund balance, end of year | \$ 9,287 | \$ 472 | \$ 1,972 | \$ 1,500 |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|----------------------------------|------------------------|------------------------|-------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Fines and forfeitures | \$ 2,000 | \$ 2,000 | \$ 2,504 | \$ 504 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Police department | | | | |
| Materials and supplies | <u>15,937</u> | <u>15,937</u> | <u>1,249</u> | <u>14,688</u> |
| Net change in fund balance | (13,937) | (13,937) | 1,255 | 15,192 |
| Fund balance, beginning of year | <u>17,537</u> | <u>17,537</u> | <u>17,537</u> | - |
| Fund balance, end of year | \$ <u><u>3,600</u></u> | \$ <u><u>3,600</u></u> | \$ <u><u>18,792</u></u> | \$ <u><u>15,192</u></u> |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------------|-------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ - | \$ - | \$ 500 | \$ 500 |
| Other revenue | <u>18,000</u> | <u>18,000</u> | <u>18,921</u> | <u>921</u> |
| Total revenues | <u>18,000</u> | <u>18,000</u> | <u>19,421</u> | <u>1,421</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Economic development | | | | |
| Finance department | | | | |
| Salaries | 4,500 | 4,500 | 4,500 | - |
| Benefits | <u>826</u> | <u>826</u> | <u>826</u> | <u>-</u> |
| Total finance department | <u>5,326</u> | <u>5,326</u> | <u>5,326</u> | <u>-</u> |
| Department of planning and development | | | | |
| Salaries | 3,825 | 3,825 | 3,054 | 771 |
| Benefits | 808 | 808 | 688 | 120 |
| Contractual services | <u>10,591</u> | <u>27,892</u> | <u>25,891</u> | <u>2,001</u> |
| Total department of planning and development | <u>15,224</u> | <u>32,525</u> | <u>29,633</u> | <u>2,892</u> |
| Total expenditures | <u>20,550</u> | <u>37,851</u> | <u>34,959</u> | <u>2,892</u> |
| Net change in fund balance | (2,550) | (19,851) | (15,538) | 4,313 |
| Prior year encumbrances | 591 | 591 | 591 | - |
| Fund balance, beginning of year | <u>49,553</u> | <u>49,553</u> | <u>49,553</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>47,594</u></u> | \$ <u><u>30,293</u></u> | \$ <u><u>34,606</u></u> | \$ <u><u>4,313</u></u> |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------|------------|------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental revenue | \$ 289,848 | \$ 359,191 | \$ 316,485 | \$ (42,706) |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Fire department | | | | |
| Salaries | 188,212 | 233,212 | 231,719 | 1,493 |
| Benefits | 85,295 | 95,395 | 89,036 | 6,359 |
| Contractual services | - | 9,025 | 8,653 | 372 |
| Capital outlay | - | 5,218 | - | 5,218 |
| Total expenditures | 273,507 | 342,850 | 329,408 | 13,442 |
| Excess (deficiency) of revenues over expenditures | 16,341 | 16,341 | (12,923) | (29,264) |
| Other financing sources (uses): | | | | |
| Advances – in | - | 14,243 | 14,243 | - |
| Advances – out | (71,198) | (85,441) | - | 85,441 |
| Total other financing sources (uses) | (71,198) | (71,198) | 14,243 | 85,441 |
| Net change in fund balance | (54,857) | (54,857) | 1,320 | 56,177 |
| Fund balance, beginning of year | 55,637 | 55,637 | 55,637 | - |
| Fund balance, end of year | \$ 780 | \$ 780 | \$ 56,957 | \$ 56,177 |

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|-----------|------------|-----------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental revenue | \$ 83,409 | \$ 112,734 | \$ 77,876 | \$ (34,858) |
| Expenditures: | | | | |
| Current: | | | | |
| Public health and welfare | | | | |
| Division of youth and family services | | | | |
| Salaries | 2,346 | 2,346 | 1,710 | 636 |
| Benefits | 363 | 363 | 264 | 99 |
| Materials and supplies | 2,800 | 2,800 | 2,800 | - |
| Contractual services | 3,317 | 3,317 | 1,889 | 1,428 |
| Capital outlay | 1,100 | 1,100 | 1,094 | 6 |
| Total public health and welfare | 9,926 | 9,926 | 7,757 | 2,169 |
| Economic development | | | | |
| Division of planning | | | | |
| Contractual services | 9,000 | 9,000 | 8,910 | 90 |
| Capital outlay | - | 29,325 | 29,325 | - |
| Total economic development | 9,000 | 38,325 | 38,235 | 90 |
| Total expenditures | 18,926 | 48,251 | 45,992 | 2,259 |
| Excess (deficiency) of revenues over expenditures | 64,483 | 64,483 | 31,884 | (32,599) |
| Other financing sources (uses): | | | | |
| Advances – in | - | 29,325 | 29,325 | - |
| Advances – out | (65,000) | (94,325) | (65,000) | 29,325 |
| Total other financing sources (uses) | (65,000) | (65,000) | (35,675) | 29,325 |
| Net change in fund balance | (517) | (517) | (3,791) | (3,274) |
| Prior year encumbrances | 9,000 | 9,000 | 9,000 | - |
| Fund balance, beginning of year | 9,644 | 9,644 | 9,644 | - |
| Fund balance, end of year | \$ 18,127 | \$ 18,127 | \$ 14,853 | \$ (3,274) |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------|-------------------------|-------------------------|--------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental revenue | \$ 214,000 | \$ 214,000 | \$ 220,877 | \$ 6,877 |
| Interest | <u>-</u> | <u>-</u> | <u>149</u> | <u>149</u> |
| Total revenues | <u>214,000</u> | <u>214,000</u> | <u>221,026</u> | <u>7,026</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation | | | | |
| Department of public service | | | | |
| Materials and supplies | 177,663 | 177,663 | 85,133 | 92,530 |
| Contractual services | <u>105,299</u> | <u>105,299</u> | <u>105,299</u> | <u>-</u> |
| Total expenditures | <u>282,962</u> | <u>282,962</u> | <u>190,432</u> | <u>92,530</u> |
| Net change in fund balance | (68,962) | (68,962) | 30,594 | 99,556 |
| Prior year encumbrances | 4,663 | 4,663 | 4,663 | - |
| Fund balance, beginning of year | <u>89,327</u> | <u>89,327</u> | <u>89,327</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>25,028</u></u> | \$ <u><u>25,028</u></u> | \$ <u><u>124,584</u></u> | \$ <u><u>99,556</u></u> |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------------|--------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property and other taxes | \$ 852,743 | \$ 852,743 | \$ 858,670 | \$ 5,927 |
| Charges for services | 1,263,320 | 1,291,320 | 1,321,103 | 29,783 |
| Intergovernmental revenue | 109,721 | 109,721 | 113,575 | 3,854 |
| Other revenue | <u>49,000</u> | <u>49,000</u> | <u>64,834</u> | <u>15,834</u> |
| Total revenues | <u>2,274,784</u> | <u>2,302,784</u> | <u>2,358,182</u> | <u>55,398</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Leisure time activities | | | | |
| Recreation department | | | | |
| Salaries | 868,523 | 861,992 | 833,327 | 28,665 |
| Benefits | 266,995 | 272,928 | 255,796 | 17,132 |
| Materials and supplies | 156,898 | 162,398 | 147,791 | 14,607 |
| Contractual services | 985,865 | 1,011,865 | 886,657 | 125,208 |
| Capital outlay | <u>94,614</u> | <u>96,304</u> | <u>85,245</u> | <u>11,059</u> |
| Total expenditures | <u>2,372,895</u> | <u>2,405,487</u> | <u>2,208,816</u> | <u>196,671</u> |
| Excess (deficiency) of revenues over expenditures | <u>(98,111)</u> | <u>(102,703)</u> | <u>149,366</u> | <u>252,069</u> |
| Other financing sources (uses): | | | | |
| Issuance of capital assets | - | - | 506 | 506 |
| Transfers – in | 30,000 | 30,000 | - | (30,000) |
| Transfers – out | <u>(95,404)</u> | <u>(95,404)</u> | <u>(95,404)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(65,404)</u> | <u>(65,404)</u> | <u>(94,898)</u> | <u>(29,494)</u> |
| Net change in fund balance | (163,515) | (168,107) | 54,468 | 222,575 |
| Prior year encumbrances | 45,113 | 45,113 | 45,113 | - |
| Fund balance, beginning of year | <u>137,106</u> | <u>137,106</u> | <u>137,106</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>18,704</u></u> | \$ <u><u>14,112</u></u> | \$ <u><u>236,687</u></u> | \$ <u><u>222,575</u></u> |

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, 2012

| | <u>Budget</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---------------------------------|------------------------|------------------------|------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Fund balance, beginning of year | \$ <u>3,065</u> | \$ <u>3,065</u> | \$ <u>3,065</u> | \$ <u>-</u> |
| Fund balance, end of year | \$ <u><u>3,065</u></u> | \$ <u><u>3,065</u></u> | \$ <u><u>3,065</u></u> | \$ <u><u>-</u></u> |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------|------------|------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property and other taxes | \$ 250,000 | \$ 250,000 | \$ 284,063 | \$ 34,063 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Fire department | | | | |
| Materials and supplies | 46,402 | 46,402 | 21,549 | 24,853 |
| Contractual services | 14,800 | 14,800 | 12,331 | 2,469 |
| Capital outlay | 567,051 | 568,633 | 437,045 | 131,588 |
| Total fire department | 628,253 | 629,835 | 470,925 | 158,910 |
| Police department | | | | |
| Materials and supplies | 15,000 | 15,000 | 12,137 | 2,863 |
| Contractual services | 10,800 | 10,800 | 10,800 | - |
| Capital outlay | 90,500 | 90,500 | 86,188 | 4,312 |
| Total police department | 116,300 | 116,300 | 109,125 | 7,175 |
| Total current expenditures | 744,553 | 746,135 | 580,050 | 166,085 |
| Debt service: | | | | |
| Principal | 73,000 | 73,000 | 73,000 | - |
| Interest and fiscal charges | 2,591 | 2,591 | 2,591 | - |
| Total debt service | 75,591 | 75,591 | 75,591 | - |
| Total expenditures | 820,144 | 821,726 | 655,641 | 166,085 |
| Excess (deficiency) of revenues over expenditures | (570,144) | (571,726) | (371,578) | 200,148 |
| Other financing sources (uses): | | | | |
| Issuance of debt | 452,000 | 452,000 | 452,000 | - |
| Net change in fund balance | (118,144) | (119,726) | 80,422 | 200,148 |
| Prior year encumbrances | 70,453 | 70,453 | 70,453 | - |
| Fund balance, beginning of year | 146,100 | 146,100 | 146,100 | - |
| Fund balance, end of year | \$ 98,409 | \$ 96,827 | \$ 296,975 | \$ 200,148 |

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, 2012

| | <u>Budget</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------|------------------------|------------------------|------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Fund balance, beginning of year | \$ <u>2,773</u> | \$ <u>2,773</u> | \$ <u>2,773</u> | \$ <u>-</u> |
| Fund balance, end of year | \$ <u><u>2,773</u></u> | \$ <u><u>2,773</u></u> | \$ <u><u>2,773</u></u> | \$ <u><u>-</u></u> |

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------|--------------------------|--------------------------|--------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 88,000 | \$ 88,000 | \$ 95,881 | \$ 7,881 |
| Investment earnings | - | - | 733 | 733 |
| Total revenues | <u>88,000</u> | <u>88,000</u> | <u>96,614</u> | <u>8,614</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation | | | | |
| Service department | | | | |
| Materials and supplies | 106,500 | 106,500 | 35,371 | 71,129 |
| Contractual services | <u>10,000</u> | <u>10,000</u> | - | <u>10,000</u> |
| Total expenditures | <u>116,500</u> | <u>116,500</u> | <u>35,371</u> | <u>81,129</u> |
| Net change in fund balance | (28,500) | (28,500) | 61,243 | 89,743 |
| Prior year encumbrances | 2,000 | 2,000 | 2,000 | - |
| Fund balance, beginning of year | <u>511,377</u> | <u>511,377</u> | <u>511,377</u> | - |
| Fund balance, end of year | \$ <u><u>484,877</u></u> | \$ <u><u>484,877</u></u> | \$ <u><u>574,620</u></u> | \$ <u><u>89,743</u></u> |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------|--------------------------|--------------------------|--------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental revenue | \$ 1,145,000 | \$ 1,145,000 | \$ 1,182,531 | \$ 37,531 |
| Interest | - | - | 871 | 871 |
| Total revenues | <u>1,145,000</u> | <u>1,145,000</u> | <u>1,183,402</u> | <u>38,402</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation | | | | |
| Service department | | | | |
| Salaries | 234,711 | 241,861 | 233,732 | 8,129 |
| Benefits | 107,162 | 100,994 | 75,984 | 25,010 |
| Materials and supplies | 510,650 | 465,256 | 415,380 | 49,876 |
| Contractual services | 256,045 | 292,439 | 211,679 | 80,760 |
| Capital outlay | <u>564,022</u> | <u>573,022</u> | <u>406,829</u> | <u>166,193</u> |
| Total expenditures | <u>1,672,590</u> | <u>1,673,572</u> | <u>1,343,604</u> | <u>329,968</u> |
| Net change in fund balance | (527,590) | (528,572) | (160,202) | 368,370 |
| Prior year encumbrances | 93,217 | 93,217 | 93,217 | - |
| Fund balance, beginning of year | <u>552,723</u> | <u>552,723</u> | <u>552,723</u> | - |
| Fund balance, end of year | \$ <u><u>118,350</u></u> | \$ <u><u>117,368</u></u> | \$ <u><u>485,738</u></u> | \$ <u><u>368,370</u></u> |

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|----------|----------|----------|---|
| | Original | Final | | |
| Expenditures: | | | | |
| Current: | | | | |
| Public health and welfare | | | | |
| Mayor's Court | | | | |
| Contractual services | \$ - | \$ 2,000 | \$ 1,655 | \$ 345 |
| Capital outlay | - | 19,500 | 17,774 | 1,726 |
| Total expenditures | - | 21,500 | 19,429 | 2,071 |
| Excess (deficiency) of revenues over expenditures | - | (21,500) | (19,429) | 2,071 |
| Other financing sources (uses): | | | | |
| Advances – in | - | 21,500 | 21,500 | - |
| Net change in fund balance | - | - | 2,071 | 2,071 |
| Fund balance, beginning of year | - | - | - | - |
| Fund balance, end of year | \$ - | \$ - | \$ 2,071 | \$ 2,071 |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------------|------------------------|----------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Municipal income tax | \$ 1,827,527 | \$ 1,827,527 | \$ 1,886,550 | \$ 59,023 |
| Intergovernmental revenue | <u>-</u> | <u>-</u> | <u>3,562</u> | <u>3,562</u> |
| Total revenues | <u>1,827,527</u> | <u>1,827,527</u> | <u>1,890,112</u> | <u>62,585</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Basic utility services | | | | |
| Service department | | | | |
| Contractual services | <u>2,136,406</u> | <u>2,136,406</u> | <u>2,109,487</u> | <u>26,919</u> |
| Excess (deficiency) of revenues over expenditures | (308,879) | (308,879) | (219,375) | 89,504 |
| Other financing sources (uses): | | | | |
| Transfers – in | <u>270,000</u> | <u>270,000</u> | <u>172,000</u> | <u>(98,000)</u> |
| Net change in fund balance | (38,879) | (38,879) | (47,375) | (8,496) |
| Prior year encumbrances | 2,906 | 2,906 | 2,906 | - |
| Fund balance, beginning of year | <u>44,916</u> | <u>44,916</u> | <u>44,916</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>8,943</u></u> | \$ <u><u>8,943</u></u> | \$ <u><u>447</u></u> | \$ <u><u>(8,496)</u></u> |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|----------------|----------------|-----------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 14,400 | \$ 14,400 | \$ 7,545 | \$ (6,855) |
| Intergovernmental revenue | <u>14,400</u> | <u>14,400</u> | <u>10,800</u> | <u>(3,600)</u> |
| Total revenues | <u>28,800</u> | <u>28,800</u> | <u>18,345</u> | <u>(10,455)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public health and welfare | | | | |
| Division of youth services | | | | |
| Salaries | 23,400 | 23,400 | 17,483 | 5,917 |
| Benefits | 4,216 | 4,216 | 3,380 | 836 |
| Materials and supplies | 2,666 | 2,666 | 1,989 | 677 |
| Contractual services | <u>13,206</u> | <u>13,206</u> | <u>1,658</u> | <u>11,548</u> |
| Total expenditures | <u>43,488</u> | <u>43,488</u> | <u>24,510</u> | <u>18,978</u> |
| Excess (deficiency) of revenues over expenditures | (14,688) | (14,688) | (6,165) | 8,523 |
| Other financing sources (uses): | | | | |
| Advances – out | <u>(6,000)</u> | <u>(6,000)</u> | <u>(6,000)</u> | <u>-</u> |
| Net change in fund balance | (20,688) | (20,688) | (12,165) | 8,523 |
| Prior year encumbrances | 231 | 231 | 231 | - |
| Fund balance, beginning of year | <u>20,458</u> | <u>20,458</u> | <u>20,458</u> | <u>-</u> |
| Fund balance, end of year | \$ <u>1</u> | \$ <u>1</u> | \$ <u>8,524</u> | \$ <u>8,523</u> |

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, 2012

| | <u>Budget</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|----------------------------------|--------------------|--------------------|-------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Police department | | | | |
| Other | \$ <u>22,330</u> | \$ <u>22,330</u> | \$ <u>-</u> | \$ <u>22,330</u> |
| Net change in fund balance | (22,330) | (22,330) | - | 22,330 |
| Fund balance, beginning of year | <u>22,330</u> | <u>22,330</u> | <u>22,330</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>-</u></u> | \$ <u><u>-</u></u> | \$ <u><u>22,330</u></u> | \$ <u><u>22,330</u></u> |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Investment income | \$ - | \$ - | \$ 8 | \$ 8 |
| Other revenue | <u>44,970</u> | <u>44,970</u> | <u>38,114</u> | <u>(6,856)</u> |
| Total revenues | <u>44,970</u> | <u>44,970</u> | <u>38,122</u> | <u>(6,848)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Fire department | | | | |
| Materials and supplies | 1,000 | 1,000 | 80 | 920 |
| Police department | | | | |
| Materials and supplies | <u>44,787</u> | <u>44,787</u> | <u>6,146</u> | <u>38,641</u> |
| Total security of persons and property | <u>45,787</u> | <u>45,787</u> | <u>6,226</u> | <u>39,561</u> |
| Leisure time activities | | | | |
| Parks and recreation | | | | |
| Materials and supplies | 36,822 | 36,822 | 16,163 | 20,659 |
| Capital outlay | <u>1,505</u> | <u>6,505</u> | <u>5,474</u> | <u>1,031</u> |
| Total leisure time activities | <u>38,327</u> | <u>43,327</u> | <u>21,637</u> | <u>21,690</u> |
| Public health and welfare | | | | |
| Division of youth and family services | | | | |
| Materials and supplies | <u>71,542</u> | <u>71,542</u> | <u>10,033</u> | <u>61,509</u> |
| Transportation | | | | |
| Public service and properties | | | | |
| Materials and supplies | <u>1,798</u> | <u>1,798</u> | <u>-</u> | <u>1,798</u> |
| Total expenditures | <u>157,454</u> | <u>162,454</u> | <u>37,896</u> | <u>124,558</u> |
| Net change in fund balance | (112,484) | (117,484) | 226 | 117,710 |
| Prior year encumbrances | 2,122 | 2,122 | 2,122 | - |
| Fund balance, beginning of year | <u>237,941</u> | <u>237,941</u> | <u>237,941</u> | <u>-</u> |
| Fund balance, end of year | \$ <u>127,579</u> | \$ <u>122,579</u> | \$ <u>240,289</u> | \$ <u>117,710</u> |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------|------------|------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ - | \$ 16,000 | \$ 16,000 |
| Expenditures: | | | | |
| Current: | | | | |
| General government – legislative and executive | | | | |
| Law department | | | | |
| Salaries | 20,000 | 20,000 | 20,000 | - |
| Benefits | 3,090 | 3,090 | 3,198 | (108) |
| Materials and supplies | 2,250 | 2,250 | 84 | 2,166 |
| Contractual services | 56,100 | 56,100 | 8,973 | 47,127 |
| Total expenditures | 81,440 | 81,440 | 32,255 | 49,185 |
| Net change in fund balance | (81,440) | (81,440) | (16,255) | 65,185 |
| Fund balance, beginning of year | 248,303 | 248,303 | 248,303 | - |
| Fund balance, end of year | \$ 166,863 | \$ 166,863 | \$ 232,048 | \$ 65,185 |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|----------------------------------|------------------------|------------------------|-------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property and other taxes | \$ 213,186 | \$ 213,186 | \$ 214,668 | \$ 1,482 |
| Intergovernmental revenue | <u>27,430</u> | <u>27,430</u> | <u>35,483</u> | <u>8,053</u> |
| Total revenues | <u>240,616</u> | <u>240,616</u> | <u>250,151</u> | <u>9,535</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Fire department | | | | |
| Benefits | 275,074 | 275,074 | 220,739 | 54,335 |
| Contractual services | <u>265</u> | <u>653</u> | <u>512</u> | <u>141</u> |
| Total expenditures | <u>275,339</u> | <u>275,727</u> | <u>221,251</u> | <u>54,476</u> |
| Net change in fund balance | (34,723) | (35,111) | 28,900 | 64,011 |
| Fund balance, beginning of year | <u>39,516</u> | <u>39,516</u> | <u>39,516</u> | - |
| Fund balance, end of year | \$ <u><u>4,793</u></u> | \$ <u><u>4,405</u></u> | \$ <u><u>68,416</u></u> | \$ <u><u>64,011</u></u> |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|----------------------------------|------------------------|------------------------|-------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Fines and forfeitures | \$ - | \$ - | \$ 9,812 | \$ 9,812 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Police department | | | | |
| Materials and supplies | 14,668 | 14,668 | 738 | 13,930 |
| Other | <u>3,021</u> | <u>3,021</u> | <u>-</u> | <u>3,021</u> |
| Total expenditures | <u>17,689</u> | <u>17,689</u> | <u>738</u> | <u>16,951</u> |
| Net change in fund balance | (17,689) | (17,689) | 9,074 | 26,763 |
| Fund balance, beginning of year | <u>20,621</u> | <u>20,621</u> | <u>20,621</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>2,932</u></u> | \$ <u><u>2,932</u></u> | \$ <u><u>29,695</u></u> | \$ <u><u>26,763</u></u> |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|----------------------------------|--------------------------|-------------------------|--------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Fines and forfeiture | \$ <u>210,000</u> | \$ <u>249,200</u> | \$ <u>308,040</u> | \$ <u>58,840</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Law department | | | | |
| Salaries | 18,164 | 18,164 | 18,164 | - |
| Benefits | <u>9,097</u> | <u>9,903</u> | <u>9,903</u> | - |
| Police department | | | | |
| Salaries | 125,000 | 158,000 | 142,661 | 15,339 |
| Benefits | 47,153 | 53,353 | 49,011 | 4,342 |
| Materials and supplies | 10,000 | 10,000 | 4,756 | 5,244 |
| Contractual services | 34,000 | 34,000 | 20,017 | 13,983 |
| Capital outlay | <u>24,000</u> | <u>24,000</u> | <u>20,352</u> | <u>3,648</u> |
| Total expenditures | <u>267,414</u> | <u>307,420</u> | <u>264,864</u> | <u>42,556</u> |
| Net change in fund balance | (57,414) | (58,220) | 43,176 | 101,396 |
| Fund balance, beginning of year | <u>157,628</u> | <u>157,628</u> | <u>157,628</u> | - |
| Fund balance, end of year | \$ <u><u>100,214</u></u> | \$ <u><u>99,408</u></u> | \$ <u><u>200,804</u></u> | \$ <u><u>101,396</u></u> |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|----------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property and other taxes | \$ 213,186 | \$ 213,186 | \$ 214,668 | \$ 1,482 |
| Intergovernmental revenue | <u>27,430</u> | <u>27,430</u> | <u>35,483</u> | <u>8,053</u> |
| Total revenues | <u>240,616</u> | <u>240,616</u> | <u>250,151</u> | <u>9,535</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Police department | | | | |
| Benefits | 278,116 | 278,116 | 220,739 | 57,377 |
| Contractual services | <u>653</u> | <u>653</u> | <u>512</u> | <u>141</u> |
| Total expenditures | <u>278,769</u> | <u>278,769</u> | <u>221,251</u> | <u>57,518</u> |
| Net change in fund balance | (38,153) | (38,153) | 28,900 | 67,053 |
| Fund balance, beginning of year | <u>58,308</u> | <u>58,308</u> | <u>58,308</u> | <u>-</u> |
| Fund balance, end of year | \$ <u>20,155</u> | \$ <u>20,155</u> | \$ <u>87,208</u> | \$ <u>67,053</u> |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------------|------------------------|-------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 27,400 | \$ 27,400 | \$ 21,814 | \$ (5,586) |
| Fines and forfeitures | 500 | 500 | 1,185 | 685 |
| Investment income | - | - | 142 | 142 |
| Other revenue | <u>4,500</u> | <u>4,500</u> | <u>5,597</u> | <u>1,097</u> |
| Total revenues | <u>32,400</u> | <u>32,400</u> | <u>28,738</u> | <u>(3,662)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Leisure time activities | | | | |
| Department of community life services | | | | |
| Materials and supplies | 18,000 | 18,000 | 12,858 | 5,142 |
| Contractual services | <u>39,300</u> | <u>39,300</u> | <u>27,975</u> | <u>11,325</u> |
| Total expenditures | <u>57,300</u> | <u>57,300</u> | <u>40,833</u> | <u>16,467</u> |
| Net change in fund balance | (24,900) | (24,900) | (12,095) | 12,805 |
| Prior year encumbrances | 1,900 | 1,900 | 1,900 | - |
| Fund balance, beginning of year | <u>24,725</u> | <u>24,725</u> | <u>24,725</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>1,725</u></u> | \$ <u><u>1,725</u></u> | \$ <u><u>14,530</u></u> | \$ <u><u>12,805</u></u> |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------|-------------------------|-------------------------|-------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 9,900 | \$ 9,900 | \$ 5,871 | \$ (4,029) |
| Intergovernmental revenue | <u>-</u> | <u>-</u> | <u>10,030</u> | <u>10,030</u> |
| Total revenues | <u>9,900</u> | <u>9,900</u> | <u>15,901</u> | <u>6,001</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public health and welfare | | | | |
| Senior services | | | | |
| Salaries | 12,782 | 13,532 | 13,457 | 75 |
| Benefits | <u>1,976</u> | <u>2,116</u> | <u>2,107</u> | <u>9</u> |
| Total expenditures | <u>14,758</u> | <u>15,648</u> | <u>15,564</u> | <u>84</u> |
| Net change in fund balance | (4,858) | (5,748) | 337 | 6,085 |
| Fund balance, beginning of year | <u>40,512</u> | <u>40,512</u> | <u>40,512</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>35,654</u></u> | \$ <u><u>34,764</u></u> | \$ <u><u>40,849</u></u> | \$ <u><u>6,085</u></u> |

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Public Way Management Fund

For the Year Ended December 31, 2012

| | Budget | | Actual | Variance with |
|---------------------------------|-------------------------|-------------------------|-------------------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| Revenues: | | | | |
| Charges for services | \$ 1,000 | \$ 1,000 | \$ 8,327 | \$ 7,327 |
| Licenses and permits | <u>2,000</u> | <u>2,000</u> | <u>-</u> | <u>(2,000)</u> |
| Total revenues | 3,000 | 3,000 | 8,327 | 5,327 |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation | | | | |
| Public service and properties | | | | |
| Contractual services | <u>17,411</u> | <u>17,411</u> | <u>11,615</u> | <u>5,796</u> |
| Net change in fund balance | (14,411) | (14,411) | (3,288) | 11,123 |
| Prior year encumbrances | 2,411 | 2,411 | 2,411 | - |
| Fund balance, beginning of year | <u>34,237</u> | <u>34,237</u> | <u>34,237</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>22,237</u></u> | \$ <u><u>22,237</u></u> | \$ <u><u>33,360</u></u> | \$ <u><u>11,123</u></u> |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------------|--------------------------|--------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property and other taxes | \$ 781,682 | \$ 781,682 | \$ 787,114 | \$ 5,432 |
| Intergovernmental revenue | <u>100,578</u> | <u>100,578</u> | <u>104,110</u> | <u>3,532</u> |
| Total revenues | <u>882,260</u> | <u>882,260</u> | <u>891,224</u> | <u>8,964</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government – legislative and executive | | | | |
| Finance department | | | | |
| Contractual services | <u>12,000</u> | <u>12,000</u> | <u>1,873</u> | <u>10,127</u> |
| Debt service: | | | | |
| Principal | 570,000 | 570,000 | 570,000 | - |
| Interest and fiscal charges | <u>316,238</u> | <u>316,238</u> | <u>311,238</u> | <u>5,000</u> |
| Total debt service | <u>886,238</u> | <u>886,238</u> | <u>881,238</u> | <u>5,000</u> |
| Total expenditures | <u>898,238</u> | <u>898,238</u> | <u>883,111</u> | <u>15,127</u> |
| Excess (deficiency) of revenues over expenditures | (15,978) | (15,978) | 8,113 | 24,091 |
| Other financing sources (uses) | | | | |
| Transfers – in | <u>-</u> | <u>113,169</u> | <u>113,169</u> | <u>-</u> |
| Net change in fund balance | (15,978) | 97,191 | 121,282 | 24,091 |
| Fund balance, beginning of year | <u>672,233</u> | <u>672,233</u> | <u>672,233</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>656,255</u></u> | \$ <u><u>769,424</u></u> | \$ <u><u>793,515</u></u> | \$ <u><u>24,091</u></u> |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------|-------------------------|--------------------|--------------------|---|
| | Original | Final | | |
| Other financing sources (uses) | | | | |
| Transfers – out | \$ - | \$ (90,952) | \$ (90,952) | \$ - |
| Fund balance, beginning of year | <u>90,952</u> | <u>90,952</u> | <u>90,952</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>90,952</u></u> | \$ <u><u>-</u></u> | \$ <u><u>-</u></u> | \$ <u><u>-</u></u> |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------------------|--------------------------|--------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property and other taxes | \$ 284,248 | \$ 284,248 | \$ 286,223 | \$ 1,975 |
| Intergovernmental revenue | <u>36,574</u> | <u>36,574</u> | <u>37,858</u> | <u>1,284</u> |
| Total revenues | <u>320,822</u> | <u>320,822</u> | <u>324,081</u> | <u>3,259</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government – legislative and executive | | | | |
| Finance | | | | |
| Contractual services | <u>1,000</u> | <u>1,000</u> | <u>681</u> | <u>319</u> |
| Debt service: | | | | |
| Principal | 165,000 | 165,000 | 165,000 | - |
| Interest and fiscal charges | <u>155,613</u> | <u>155,613</u> | <u>150,613</u> | <u>5,000</u> |
| Total debt service | <u>320,613</u> | <u>320,613</u> | <u>315,613</u> | <u>5,000</u> |
| Total expenditures | <u>321,613</u> | <u>321,613</u> | <u>316,294</u> | <u>5,319</u> |
| Net change in fund balance | (791) | (791) | 7,787 | 8,578 |
| Fund balance, beginning of year | <u>539,265</u> | <u>539,265</u> | <u>539,265</u> | - |
| Fund balance, end of year | \$ <u><u>538,474</u></u> | \$ <u><u>538,474</u></u> | \$ <u><u>547,052</u></u> | \$ <u><u>8,578</u></u> |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------|------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 134,839 | \$ 134,839 | \$ 67,419 | \$ (67,420) |
| Fines, licenses, and permits | - | - | 3,945 | 3,945 |
| Total revenues | <u>134,839</u> | <u>134,839</u> | <u>71,364</u> | <u>(63,475)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government – legislative and executive | | | | |
| Division of finance | | | | |
| Capital outlay | 113,586 | 461,086 | 152,338 | 308,748 |
| Division of information services | | | | |
| Capital outlay | <u>4,757</u> | <u>59,757</u> | <u>50,815</u> | <u>8,942</u> |
| Total general government – legislative and executive | 118,343 | 520,843 | 203,153 | 317,690 |
| Leisure time activities | | | | |
| Recreation department | | | | |
| Capital outlay | 79,922 | 79,922 | 79,922 | - |
| Transportation | | | | |
| Department of public service | | | | |
| Capital outlay | <u>672,867</u> | <u>677,200</u> | <u>667,672</u> | <u>9,528</u> |
| Total current expenditures | <u>871,132</u> | <u>1,277,965</u> | <u>950,747</u> | <u>327,218</u> |
| Debt service: | | | | |
| Interest and fiscal charges | <u>6,000</u> | <u>6,000</u> | <u>6,000</u> | <u>-</u> |
| Total expenditures | <u>877,132</u> | <u>1,283,965</u> | <u>956,747</u> | <u>327,218</u> |
| Excess (deficiency) of revenues over expenditures | (742,293) | (1,149,126) | (885,383) | 263,743 |
| Other financing sources (uses): | | | | |
| Issuance of debt | <u>818,700</u> | <u>818,700</u> | <u>821,000</u> | <u>2,300</u> |
| Net change in fund balance | 76,407 | (330,426) | (64,383) | 266,043 |
| Prior year encumbrances | 263,080 | 263,080 | 263,080 | - |
| Fund balance, beginning of year | <u>82,452</u> | <u>82,452</u> | <u>82,452</u> | <u>-</u> |
| Fund balance, end of year | \$ <u>421,939</u> | \$ <u>15,106</u> | \$ <u>281,149</u> | \$ <u>266,043</u> |

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, 2012

| | <u>Budget</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------|--------------------------|--------------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Other financing sources (uses) | | | | |
| Transfers – out | \$ - | \$ (113,169) | \$ (113,169) | \$ - |
| Fund balance, beginning of year | <u>113,169</u> | <u>113,169</u> | <u>113,169</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>113,169</u></u> | \$ <u><u>-</u></u> | \$ <u><u>-</u></u> | \$ <u><u>-</u></u> |

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, 2012

| | <u>Budget</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---------------------------------|--------------------------|--------------------------|--------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Fund balance, beginning of year | \$ <u>250,676</u> | \$ <u>250,676</u> | \$ <u>250,676</u> | \$ <u>-</u> |
| Fund balance, end of year | \$ <u><u>250,676</u></u> | \$ <u><u>250,676</u></u> | \$ <u><u>250,676</u></u> | \$ <u><u>-</u></u> |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|----------------------------------|------------|------------|------------|---|
| | Original | Final | | |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Fire department | | | | |
| Capital outlay | \$ 155,581 | \$ 155,581 | \$ 155,581 | \$ - |
| Net change in fund balance | (155,581) | (155,581) | (155,581) | - |
| Prior year encumbrances | 155,581 | 155,581 | 155,581 | - |
| Fund balance, beginning of year | - | - | - | - |
| Fund balance, end of year | \$ - | \$ - | \$ - | \$ - |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------|--------------------|--------------------|--------------------|---|
| | Original | Final | | |
| Other financing sources (uses) | | | | |
| Transfers – out | \$ (21,708) | \$ (21,708) | \$ (21,708) | \$ - |
| Fund equity, beginning of year | <u>21,708</u> | <u>21,708</u> | <u>21,708</u> | <u>-</u> |
| Fund equity, end of year | \$ <u><u>-</u></u> | \$ <u><u>-</u></u> | \$ <u><u>-</u></u> | \$ <u><u>-</u></u> |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------------|------------------------|-------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ <u>1,313,000</u> | \$ <u>1,426,000</u> | \$ <u>1,474,693</u> | \$ <u>48,693</u> |
| Expenses: | | | | |
| Golf course and ballroom | | | | |
| Salaries | 412,640 | 443,206 | 440,442 | 2,764 |
| Benefits | 101,436 | 104,786 | 105,257 | (471) |
| Materials and supplies | 281,648 | 340,928 | 333,930 | 6,998 |
| Contractual services | 231,465 | 237,465 | 230,199 | 7,266 |
| Capital outlay | <u>14,921</u> | <u>28,121</u> | <u>23,621</u> | <u>4,500</u> |
| Total golf course and ballroom | 1,042,110 | 1,154,506 | 1,133,449 | 21,057 |
| Debt service: | | | | |
| Principal | <u>421,300</u> | <u>421,300</u> | <u>421,300</u> | <u>-</u> |
| Total expenses | <u>1,463,410</u> | <u>1,575,806</u> | <u>1,554,749</u> | <u>21,057</u> |
| Excess (deficiency) of revenues over expenses | <u>(150,410)</u> | <u>(149,806)</u> | <u>(80,056)</u> | <u>69,750</u> |
| Other financing sources (uses): | | | | |
| Issuance of debt | 421,300 | 421,300 | 421,300 | - |
| Transfers – out | <u>(305,292)</u> | <u>(305,292)</u> | <u>(305,292)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>116,008</u> | <u>116,008</u> | <u>116,008</u> | <u>-</u> |
| Net change in fund equity | (34,402) | (33,798) | 35,952 | 69,750 |
| Prior year encumbrances | 11,664 | 11,664 | 11,664 | - |
| Fund equity, beginning of year | <u>23,960</u> | <u>23,960</u> | <u>23,960</u> | <u>-</u> |
| Fund equity, end of year | \$ <u><u>1,222</u></u> | \$ <u><u>1,826</u></u> | \$ <u><u>71,576</u></u> | \$ <u><u>69,750</u></u> |

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, 2012

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 7,477,111 | \$ 7,467,111 | \$ 7,436,585 | \$ (30,526) |
| Tap-in fees | - | - | 62,297 | 62,297 |
| Total revenues | <u>7,477,111</u> | <u>7,467,111</u> | <u>7,498,882</u> | <u>31,771</u> |
| Expenses: | | | | |
| Sewer | | | | |
| Salaries | 1,813,816 | 1,756,014 | 1,675,729 | 80,285 |
| Benefits | 613,277 | 633,266 | 604,186 | 29,080 |
| Materials and supplies | 590,290 | 586,290 | 486,474 | 99,816 |
| Contractual services | 1,726,024 | 1,696,415 | 1,317,209 | 379,206 |
| Capital outlay | <u>10,671,218</u> | <u>11,187,263</u> | <u>10,497,547</u> | <u>689,716</u> |
| Total sewer | <u>15,414,625</u> | <u>15,859,248</u> | <u>14,581,145</u> | <u>1,278,103</u> |
| Debt service | | | | |
| Principal | - | 777,246 | 777,246 | - |
| Interest and fiscal charges | <u>36,027</u> | <u>188,320</u> | <u>38,320</u> | <u>150,000</u> |
| Total debt service | <u>36,027</u> | <u>965,566</u> | <u>815,566</u> | <u>150,000</u> |
| Total expenses | <u>15,450,652</u> | <u>16,824,814</u> | <u>15,396,711</u> | <u>1,428,103</u> |
| Excess (deficiency) of revenues over expenses | <u>(7,973,541)</u> | <u>(9,357,703)</u> | <u>(7,897,829)</u> | <u>1,459,874</u> |
| Other financing sources (uses): | | | | |
| Sale of capital assets | - | - | 5,412 | 5,412 |
| Issuance of debt | 10,079,074 | 11,437,460 | 10,452,267 | (985,193) |
| Transfers – out | <u>(1,749,535)</u> | <u>(1,749,535)</u> | <u>(1,749,535)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>8,329,539</u> | <u>9,687,925</u> | <u>8,708,144</u> | <u>(979,781)</u> |
| Net change in fund equity | 355,998 | 330,222 | 810,315 | 480,093 |
| Prior year encumbrances | 290,458 | 290,458 | 290,458 | - |
| Fund equity, beginning of year | <u>1,256,241</u> | <u>1,256,241</u> | <u>1,256,241</u> | <u>-</u> |
| Fund equity, end of year | \$ <u>1,902,697</u> | \$ <u>1,876,921</u> | \$ <u>2,357,014</u> | \$ <u>480,093</u> |

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, 2012

| | Budget | | Actual | Variance with |
|--------------------------------|----------------------------|----------------------------|----------------------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| Revenues: | | | | |
| Charges for services | \$ 2,251,424 | \$ 2,251,424 | \$ 2,039,405 | \$ (212,019) |
| Expenses: | | | | |
| Contractual services | <u>2,769,757</u> | <u>2,769,757</u> | <u>2,607,749</u> | <u>162,008</u> |
| Net change in fund equity | (518,333) | (518,333) | (568,344) | (50,011) |
| Fund equity, beginning of year | <u>2,709,051</u> | <u>2,709,051</u> | <u>2,709,051</u> | <u>-</u> |
| Fund equity, end of year | \$ <u><u>2,190,718</u></u> | \$ <u><u>2,190,718</u></u> | \$ <u><u>2,140,707</u></u> | \$ <u><u>(50,011)</u></u> |

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Equity Budget (Non-GAAP Basis) and Actual – Workers’ Compensation Fund

For the Year Ended December 31, 2012

| | <u>Budget</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--------------------------------|--------------------------|--------------------------|--------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Charges for services | \$ 400,000 | \$ 400,000 | \$ 405,327 | \$ 5,327 |
| Expenses: | | | | |
| Contractual services | <u>321,000</u> | <u>321,000</u> | <u>169,874</u> | <u>151,126</u> |
| Net change in fund equity | 79,000 | 79,000 | 235,453 | 156,453 |
| Fund equity, beginning of year | <u>632,038</u> | <u>632,038</u> | <u>632,038</u> | <u>-</u> |
| Fund equity, end of year | \$ <u><u>711,038</u></u> | \$ <u><u>711,038</u></u> | \$ <u><u>867,491</u></u> | \$ <u><u>156,453</u></u> |

City of North Olmsted, Ohio

Fund Description

For the Year Ended December 31, 2012

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. 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, 2012

| | <u>Beginning Balance 12/31/11</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance 12/31/12</u> |
|---|---|-------------------|-------------------|--|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ <u>568,249</u> | \$ <u>200,535</u> | \$ <u>205,185</u> | \$ <u>563,599</u> |
| Liabilities: | | | | |
| Accounts and contracts payable | \$ 7,479 | \$ 150 | \$ 7,479 | \$ 150 |
| Deposits held and due to others | <u>560,770</u> | <u>200,385</u> | <u>197,706</u> | <u>563,449</u> |
| Total liabilities | \$ <u>568,249</u> | \$ <u>200,535</u> | \$ <u>205,185</u> | \$ <u>563,599</u> |

**STATISTICAL
SECTION**

City of North Olmsted, Ohio

Statistical Section

This part of the City’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.

| <u>Contents</u> | <u>Page(s)</u> |
|---|----------------|
| Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | 142-149 |
| Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and municipal income tax. | 150-154 |
| 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. | 155-159 |
| 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. | 160-161 |
| 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. | 162-169 |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of North Olmsted, Ohio

Net Position by Component Accrual Basis of Accounting

Last Ten Years

| | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 35,550,385 | \$ 36,787,582 | \$ 38,558,141 | \$ 32,357,653 | \$ 34,062,983 | \$ 35,283,840 | \$ 34,684,616 | \$ 36,706,457 | \$ 38,944,202 | \$ 44,107,156 |
| Restricted for: | | | | | | | | | | |
| Debt services | 6,094,752 | 5,196,104 | 4,680,441 | 4,516,771 | 3,609,078 | 3,131,035 | 3,063,298 | 3,324,549 | 3,769,338 | 3,073,546 |
| Capital projects | 623,236 | 797,848 | 597,111 | 716,489 | 622,757 | 1,709,930 | 1,724,072 | 1,990,031 | 1,692,979 | 258,561 |
| Community development | 42,307 | 49,644 | 50,857 | 71,498 | 63,763 | 59,323 | 71,779 | 64,885 | 68,031 | 73,523 |
| Highways and streets | 3,328,866 | 4,224,951 | 4,654,165 | 4,582,846 | 4,042,357 | 3,707,648 | 2,587,209 | 1,426,595 | 1,632,809 | 811,161 |
| Public safety | 825,663 | 615,805 | 642,429 | 604,339 | 531,438 | 560,447 | 492,274 | 641,165 | 484,942 | 461,499 |
| Recreation | 215,836 | 88,177 | 87,335 | 148,141 | 24,215 | 38,575 | 51,999 | 4,366 | 166,263 | 283,588 |
| Solid waste | 577,462 | 509,787 | 672,589 | 859,742 | 1,119,036 | 1,191,771 | 1,054,852 | 666,406 | 374,793 | 502,192 |
| Federal and other grants | 530,871 | 655,170 | 610,274 | 612,177 | 336,920 | 514,869 | 136,985 | 150,409 | 135,510 | 107,253 |
| Unrestricted | <u>6,779,505</u> | <u>6,476,551</u> | <u>4,154,220</u> | <u>1,596,678</u> | <u>2,178,595</u> | <u>2,709,305</u> | <u>5,344,936</u> | <u>2,145,522</u> | <u>1,621,857</u> | <u>775,410</u> |
| Total net position – governmental activities | <u>54,568,883</u> | <u>55,401,619</u> | <u>54,707,562</u> | <u>46,066,334</u> | <u>46,591,142</u> | <u>48,906,743</u> | <u>49,212,020</u> | <u>47,120,385</u> | <u>48,890,724</u> | <u>50,453,889</u> |
| Business-type activities: | | | | | | | | | | |
| Net investment in capital assets | 13,838,058 | 13,329,367 | 13,079,015 | 12,896,414 | 12,775,644 | 12,986,719 | 13,247,138 | 14,009,805 | 14,330,592 | 14,708,996 |
| Unrestricted | <u>1,573,485</u> | <u>948,996</u> | <u>577,913</u> | <u>(92,254)</u> | <u>(178,678)</u> | <u>586,799</u> | <u>935,392</u> | <u>896,297</u> | <u>1,349,733</u> | <u>2,228,273</u> |
| Total net position – business-type activities | <u>15,411,543</u> | <u>14,278,363</u> | <u>13,656,928</u> | <u>12,804,160</u> | <u>12,596,966</u> | <u>13,573,518</u> | <u>14,182,530</u> | <u>14,906,102</u> | <u>15,680,325</u> | <u>16,937,269</u> |
| Primary government: | | | | | | | | | | |
| Net investment in capital assets | 49,388,443 | 50,116,949 | 51,637,156 | 45,254,067 | 46,838,627 | 48,270,559 | 47,931,754 | 50,716,262 | 53,274,794 | 58,816,152 |
| Restricted | 12,238,993 | 12,137,486 | 11,995,201 | 12,112,003 | 10,349,564 | 10,913,598 | 9,182,468 | 8,268,406 | 8,324,665 | 5,571,323 |
| Unrestricted | <u>8,352,990</u> | <u>7,425,547</u> | <u>4,732,133</u> | <u>1,504,424</u> | <u>1,999,917</u> | <u>3,296,104</u> | <u>6,280,328</u> | <u>3,041,819</u> | <u>2,971,590</u> | <u>3,003,683</u> |
| Total net position – primary government | <u>\$ 69,980,426</u> | <u>\$ 69,679,982</u> | <u>\$ 68,364,490</u> | <u>\$ 58,870,494</u> | <u>\$ 59,188,108</u> | <u>\$ 62,480,261</u> | <u>\$ 63,394,550</u> | <u>\$ 62,026,487</u> | <u>\$ 64,571,049</u> | <u>\$ 67,391,158</u> |

Source: City financial records

City of North Olmsted, Ohio

Changes in Net Position Accrual Basis of Accounting

Last Ten Years

| | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|--|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 1,528,928 | \$ 1,599,848 | \$ 1,247,442 | \$ 1,245,426 | \$ 1,294,947 | \$ 1,380,444 | \$ 1,377,673 | \$ 2,112,111 | \$ 2,028,781 | \$ 1,913,520 |
| Security of persons and property | 1,287,158 | 1,206,279 | 1,191,835 | 1,132,436 | 983,509 | 913,899 | 919,841 | 960,897 | 658,766 | 675,496 |
| Public health and welfare | 17,015 | 20,989 | 40,077 | 32,742 | 35,723 | 34,924 | 17,076 | 8,140 | 6,470 | 8,910 |
| Transportation | 283,571 | 257,183 | 173,141 | 230,351 | 370,720 | 257,444 | 234,374 | 261,165 | 132,714 | 123,303 |
| Basic utility services | - | - | - | - | - | - | 10,379 | 88,498 | - | 16,931 |
| Leisure time activities | 1,413,519 | 1,282,907 | 1,226,424 | 1,158,712 | 1,188,305 | 1,115,611 | 1,132,666 | 991,352 | 1,080,826 | 1,092,362 |
| Economic development | 19,421 | 21,206 | 19,875 | 21,447 | 20,826 | 20,771 | 18,969 | 14,752 | - | - |
| Total charges for services | <u>4,549,612</u> | <u>4,388,412</u> | <u>3,898,794</u> | <u>3,821,114</u> | <u>3,894,030</u> | <u>3,723,093</u> | <u>3,710,978</u> | <u>4,436,915</u> | <u>3,907,557</u> | <u>3,830,522</u> |
| Operating grants and contributions: | | | | | | | | | | |
| General government | 41,442 | 11,260 | 48,547 | 29,998 | 53,548 | 259,898 | 18,911 | 134,699 | 54,304 | 39,683 |
| Security of persons and property | 98,957 | 26,322 | 54,646 | 55,111 | 73,554 | 52,724 | 69,342 | 39,828 | 122,702 | 102,673 |
| Public health and welfare | 63,112 | 60,327 | 63,017 | 46,530 | 53,436 | 42,152 | 63,097 | 36,582 | - | - |
| Transportation | 1,510,295 | 1,381,255 | 1,603,510 | 1,442,017 | 1,506,885 | 1,532,237 | 1,576,013 | 1,393,585 | 1,281,106 | 1,166,058 |
| Basic utility services | - | 3,282 | 3,634 | 4,350 | - | 8,018 | - | - | - | - |
| Leisure time activities | 9,500 | 62,491 | 69,136 | 64,267 | 75,757 | 71,678 | 75,495 | 63,915 | 69,406 | 73,190 |
| Community environment | - | - | - | - | - | - | - | 21,601 | - | - |
| Economic development | - | 65,000 | 15,400 | 54,600 | 19,975 | - | - | 27,503 | - | - |
| Total operating grants and contributions | <u>1,723,306</u> | <u>1,609,937</u> | <u>1,857,890</u> | <u>1,696,873</u> | <u>1,783,155</u> | <u>1,966,707</u> | <u>1,802,858</u> | <u>1,717,713</u> | <u>1,527,518</u> | <u>1,381,604</u> |
| Capital grants and contributions: | | | | | | | | | | |
| General government | 67,419 | 134,839 | - | - | - | - | - | - | - | 1,037,239 |
| Security of persons and property | 316,485 | 288,228 | - | 100,000 | - | - | 47,834 | 313,443 | - | - |
| Public health and welfare | - | 105,000 | - | - | - | - | - | - | - | - |
| Transportation | 299,061 | 246,967 | 8,162,080 | 681,725 | 161,267 | 1,086,471 | 2,966,101 | 609,370 | - | - |
| Basic utility services | - | - | - | - | - | - | - | - | - | 942,051 |
| Leisure time activities | - | - | - | 18,654 | - | 112,200 | - | - | - | - |
| Total capital grants and contributions | <u>682,965</u> | <u>775,034</u> | <u>8,162,080</u> | <u>800,379</u> | <u>161,267</u> | <u>1,198,671</u> | <u>3,013,935</u> | <u>922,813</u> | <u>-</u> | <u>1,979,290</u> |
| Total governmental activities program revenues | <u>6,955,883</u> | <u>6,773,383</u> | <u>13,918,764</u> | <u>6,318,366</u> | <u>5,838,452</u> | <u>6,888,471</u> | <u>8,527,771</u> | <u>7,077,441</u> | <u>5,435,075</u> | <u>7,191,416</u> |

(Continued)

City of North Olmsted, Ohio

Changes in Net Position Accrual Basis of Accounting (Continued)

Last Ten Years

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 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 | 1,476,024 | 1,166,214 | 1,304,849 | 1,286,334 | 1,309,635 | 1,236,571 | 1,311,244 | 1,316,095 | 1,234,847 | 1,356,442 |
| Sewer | <u>7,327,028</u> | <u>6,673,982</u> | <u>6,769,950</u> | <u>6,371,014</u> | <u>6,291,597</u> | <u>5,902,415</u> | <u>5,705,603</u> | <u>5,897,826</u> | <u>5,704,261</u> | <u>5,996,694</u> |
| Total charges for services | <u>8,803,052</u> | <u>7,840,196</u> | <u>8,074,799</u> | <u>7,657,348</u> | <u>7,601,232</u> | <u>7,140,594</u> | <u>7,048,124</u> | <u>8,405,362</u> | <u>11,464,532</u> | <u>11,850,147</u> |
| Capital grants and contributions: | | | | | | | | | | |
| Sewer | <u>62,299</u> | <u>187,887</u> | <u>71,428</u> | <u>124,197</u> | <u>40,886</u> | <u>141,130</u> | <u>471,157</u> | <u>185,705</u> | <u>362,240</u> | <u>135,336</u> |
| Total business-type activities program revenues | <u>8,865,351</u> | <u>8,028,083</u> | <u>8,146,227</u> | <u>7,781,545</u> | <u>7,642,118</u> | <u>7,281,724</u> | <u>7,519,281</u> | <u>8,591,067</u> | <u>11,826,772</u> | <u>11,985,483</u> |
| Total primary government program revenues | <u>15,821,234</u> | <u>14,801,466</u> | <u>22,064,991</u> | <u>14,099,911</u> | <u>13,480,570</u> | <u>14,170,195</u> | <u>16,047,052</u> | <u>15,668,508</u> | <u>17,261,847</u> | <u>19,176,899</u> |
| Expenses: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | 3,886,834 | 3,582,339 | 3,276,027 | 3,900,267 | 4,556,304 | 4,272,866 | 4,272,186 | 4,165,796 | 4,483,169 | 4,537,200 |
| Security of persons and property | 12,847,883 | 11,367,748 | 11,627,831 | 12,806,773 | 14,754,497 | 14,450,742 | 14,334,131 | 13,245,013 | 12,377,981 | 12,210,303 |
| Public health services | 527,602 | 489,183 | 467,464 | 536,943 | 565,271 | 567,033 | 549,892 | 546,222 | 471,085 | 437,691 |
| Transportation | 10,524,273 | 10,125,472 | 9,184,733 | 9,493,814 | 10,144,063 | 9,877,064 | 9,899,888 | 10,358,230 | 9,405,883 | 9,155,956 |
| Basic utility services | 2,100,931 | 2,306,879 | 2,246,112 | 2,111,966 | 2,162,069 | 1,806,726 | 1,678,150 | 1,645,096 | 1,579,622 | 1,681,386 |
| Leisure time activities | 2,472,946 | 2,414,279 | 2,519,617 | 2,493,927 | 2,618,770 | 2,451,564 | 2,479,209 | 2,594,345 | 2,827,622 | 2,447,232 |
| Community environment | - | - | - | - | - | - | - | 24,843 | - | - |
| Economic development | 476,253 | 432,497 | 377,094 | 548,066 | 562,343 | 343,280 | 156,942 | 202,149 | - | - |
| Interest and fiscal charges | <u>1,197,352</u> | <u>1,370,320</u> | <u>1,580,084</u> | <u>1,754,255</u> | <u>1,947,244</u> | <u>2,125,469</u> | <u>2,320,133</u> | <u>2,344,396</u> | <u>2,213,332</u> | <u>2,354,210</u> |
| Total governmental activities expenses | <u>34,034,074</u> | <u>32,088,717</u> | <u>31,278,962</u> | <u>33,646,011</u> | <u>37,310,561</u> | <u>35,894,744</u> | <u>35,690,531</u> | <u>35,126,090</u> | <u>33,358,694</u> | <u>32,823,978</u> |

(Continued)

City of North Olmsted, Ohio

Changes in Net Position Accrual Basis of Accounting (Continued)

Last Ten Years

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Business-type activities: | | | | | | | | | | |
| NOMBL | - | - | - | 13,158 | 13,158 | 13,158 | 42,057 | 984,208 | 4,714,687 | 4,467,129 |
| Springvale Golf Course and Ballroom | 1,561,234 | 1,393,346 | 1,403,969 | 1,337,078 | 1,417,950 | 1,470,220 | 1,451,094 | 1,480,190 | 1,412,396 | 1,509,294 |
| Sewer revenue | <u>5,959,665</u> | <u>5,950,651</u> | <u>5,965,290</u> | <u>6,251,896</u> | <u>6,659,020</u> | <u>6,735,440</u> | <u>6,752,055</u> | <u>6,900,892</u> | <u>7,024,422</u> | <u>6,702,118</u> |
| Total business-type activities expenses | <u>7,520,899</u> | <u>7,343,997</u> | <u>7,369,259</u> | <u>7,602,132</u> | <u>8,090,128</u> | <u>8,218,818</u> | <u>8,245,206</u> | <u>9,365,290</u> | <u>13,151,505</u> | <u>12,678,541</u> |
| Total primary government expenses | <u>41,554,973</u> | <u>39,432,714</u> | <u>38,648,221</u> | <u>41,248,143</u> | <u>45,400,689</u> | <u>44,113,562</u> | <u>43,935,737</u> | <u>44,491,380</u> | <u>46,510,199</u> | <u>45,502,519</u> |
| Net (expense) revenue: | | | | | | | | | | |
| Governmental activities | (27,078,191) | (25,315,334) | (17,360,198) | (27,327,645) | (31,472,109) | (29,006,273) | (27,162,760) | (28,048,649) | (27,923,619) | (25,632,562) |
| Business-type activities | <u>1,344,452</u> | <u>684,086</u> | <u>776,968</u> | <u>179,413</u> | <u>(448,010)</u> | <u>(937,094)</u> | <u>(725,925)</u> | <u>(774,223)</u> | <u>(1,324,733)</u> | <u>(693,058)</u> |
| Total primary government net expense | <u>(25,733,739)</u> | <u>(24,631,248)</u> | <u>(16,583,230)</u> | <u>(27,148,232)</u> | <u>(31,920,119)</u> | <u>(29,943,367)</u> | <u>(27,888,685)</u> | <u>(28,822,872)</u> | <u>(29,248,352)</u> | <u>(26,325,620)</u> |
| General revenues and other changes in net position: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes and other local taxes | 9,743,908 | 9,782,378 | 9,895,600 | 11,020,701 | 10,868,791 | 11,396,531 | 10,701,905 | 10,354,341 | 10,507,940 | 10,238,732 |
| Municipal income taxes | 13,286,957 | 12,197,549 | 12,142,212 | 12,239,390 | 13,021,313 | 13,014,677 | 14,164,807 | 12,159,878 | 12,491,922 | 10,927,745 |
| Grants and entitlements | 2,919,512 | 3,736,906 | 3,954,223 | 3,462,553 | 4,145,745 | 3,492,684 | 3,429,556 | 3,102,792 | 3,088,546 | 2,906,433 |
| Investment earnings | 40,217 | 37,499 | 62,463 | 84,227 | 531,565 | 1,029,342 | 917,948 | 596,488 | 240,155 | 295,832 |
| Gain on sale of capital assets | 9,086 | - | - | - | - | - | - | - | - | - |
| Other | 34,503 | 35,478 | 22,728 | 23,747 | 60,552 | 95,844 | 42,532 | 64,811 | 31,891 | 43,411 |
| Transfers | 211,272 | 62,651 | (75,800) | (27,781) | 528,542 | (328,082) | (2,353) | - | - | (46,256) |
| Special item – sale of capital assets | - | 156,930 | - | - | - | - | - | - | - | - |
| Total governmental activities general revenues and other changes in net position | <u>26,245,455</u> | <u>26,009,391</u> | <u>26,001,426</u> | <u>26,802,837</u> | <u>29,156,508</u> | <u>28,700,996</u> | <u>29,254,395</u> | <u>26,278,310</u> | <u>26,360,454</u> | <u>24,365,897</u> |

(Continued)

City of North Olmsted, Ohio

Changes in Net Position Accrual Basis of Accounting (Continued)

Last Ten Years

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|---|-------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|
| Business-type activities: | | | | | | | | | | |
| Other | - | - | - | - | - | - | - | - | 67,789 | 22,295 |
| Transfers | <u>(211,272)</u> | <u>(62,651)</u> | <u>75,800</u> | <u>27,781</u> | <u>(528,542)</u> | <u>328,082</u> | <u>2,353</u> | - | - | <u>46,256</u> |
| Total business-type activities general revenues and other changes in net position | <u>(211,272)</u> | <u>(62,651)</u> | <u>75,800</u> | <u>27,781</u> | <u>(528,542)</u> | <u>328,082</u> | <u>2,353</u> | - | <u>67,789</u> | <u>68,551</u> |
| Total primary government general revenues and other changes in net position | <u>26,034,183</u> | <u>25,946,740</u> | <u>26,077,226</u> | <u>26,830,618</u> | <u>28,627,966</u> | <u>29,029,078</u> | <u>29,256,748</u> | <u>26,278,310</u> | <u>26,428,243</u> | <u>24,434,448</u> |
| Change in net position: | | | | | | | | | | |
| Governmental activities | (832,736) | 694,057 | 8,641,228 | (524,808) | (2,315,601) | (305,277) | 2,091,635 | (1,770,339) | (1,563,165) | (1,266,665) |
| Business-type activities | <u>1,133,180</u> | <u>621,435</u> | <u>852,768</u> | <u>207,194</u> | <u>(976,552)</u> | <u>(609,012)</u> | <u>(723,572)</u> | <u>(774,223)</u> | <u>(1,256,944)</u> | <u>(624,507)</u> |
| Total primary government change in net position | \$ <u>300,444</u> | \$ <u>1,315,492</u> | \$ <u>9,493,996</u> | \$ <u>(317,614)</u> | \$ <u>(3,292,153)</u> | \$ <u>(914,289)</u> | \$ <u>1,368,063</u> | \$ <u>(2,544,562)</u> | \$ <u>(2,820,109)</u> | \$ <u>(1,891,172)</u> |

Source: City financial records

City of North Olmsted, Ohio

Fund Balances, Governmental Funds Modified Accrual Basis of Accounting

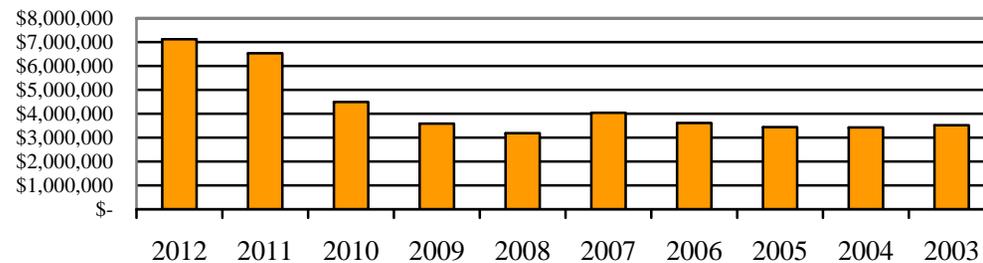
Last Ten Years

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 988,055 | \$ 910,466 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Assigned | 1,799,392 | 875,618 | - | - | - | - | - | - | - | - |
| Unassigned | 4,338,011 | 4,752,859 | - | - | - | - | - | - | - | - |
| Reserved | - | - | 870,953 | 399,153 | 142,013 | 180,744 | 64,773 | 42,139 | 165,032 | 124,397 |
| Unreserved | - | - | <u>3,620,708</u> | <u>3,189,607</u> | <u>3,038,397</u> | <u>3,862,969</u> | <u>3,553,794</u> | <u>3,403,317</u> | <u>3,265,274</u> | <u>3,396,867</u> |
| Total General Fund | <u>7,125,458</u> | <u>6,538,943</u> | <u>4,491,661</u> | <u>3,588,760</u> | <u>3,180,410</u> | <u>4,043,713</u> | <u>3,618,567</u> | <u>3,445,456</u> | <u>3,430,306</u> | <u>3,521,264</u> |
| All other governmental funds | | | | | | | | | | |
| Nonspendable | 17,671 | 16,322 | - | - | - | - | - | - | - | - |
| Restricted | 8,868,220 | 7,848,577 | - | - | - | - | - | - | - | - |
| Committed | 1,920,873 | 2,791,841 | - | - | - | - | - | - | - | - |
| Unassigned | (55,939) | (56,562) | - | - | - | - | - | - | - | - |
| Reserved | - | - | 423,390 | 252,063 | 256,447 | 221,861 | 2,117,205 | 426,875 | 608,054 | 2,704,397 |
| Unreserved (deficit), reported in: | | | | | | | | | | |
| Special revenue funds | - | - | 5,290,424 | 5,826,527 | 5,833,486 | 6,024,628 | 4,433,601 | 2,721,488 | 2,151,294 | 1,633,313 |
| Debt service funds | - | - | 4,074,995 | 3,881,582 | 3,609,078 | 3,131,035 | 3,063,298 | 3,324,549 | 3,069,420 | 2,366,735 |
| Capital projects funds | - | - | <u>569,830</u> | <u>744,698</u> | <u>597,238</u> | <u>1,599,829</u> | <u>1,873,259</u> | <u>5,496,444</u> | <u>4,985,705</u> | <u>1,606,038</u> |
| Total all other governmental funds | <u>10,750,825</u> | <u>10,600,178</u> | <u>10,358,639</u> | <u>10,704,870</u> | <u>10,296,249</u> | <u>10,977,353</u> | <u>11,487,363</u> | <u>11,969,356</u> | <u>10,814,473</u> | <u>8,310,483</u> |
| Total governmental funds | \$ <u>17,876,283</u> | \$ <u>17,139,121</u> | \$ <u>14,850,300</u> | \$ <u>14,293,630</u> | \$ <u>13,476,659</u> | \$ <u>15,021,066</u> | \$ <u>15,105,930</u> | \$ <u>15,414,812</u> | \$ <u>14,244,779</u> | \$ <u>11,831,747</u> |

In 2011, the City implemented GASB 54.

Source: City financial records

Fund Balance
General Fund, Last Ten Years



City of North Olmsted, Ohio

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

Last Ten Years

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|---|--------------------|-------------------|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|
| Revenues: | | | | | | | | | | |
| Property taxes | \$ 9,799,407 | \$ 9,924,695 | \$ 9,985,313 | \$ 10,687,345 | \$ 10,928,075 | \$ 11,300,024 | \$ 10,743,737 | \$ 10,519,830 | \$ 10,476,303 | \$ 10,000,703 |
| Income taxes | 12,655,722 | 12,346,450 | 11,770,310 | 12,241,747 | 12,823,445 | 13,347,091 | 13,716,789 | 12,310,815 | 12,416,225 | 11,658,413 |
| Charges for services | 2,552,793 | 2,384,556 | 2,414,501 | 2,318,947 | 2,306,911 | 2,429,928 | 2,400,889 | 2,485,102 | 1,930,702 | 2,002,103 |
| Fines, licenses and permits | 1,628,181 | 1,670,972 | 1,212,137 | 1,211,117 | 1,233,366 | 1,336,750 | 1,326,848 | 1,456,374 | 1,754,093 | 1,786,733 |
| Intergovernmental | 5,770,274 | 6,409,008 | 5,802,595 | 6,146,811 | 6,151,099 | 7,020,463 | 7,731,605 | 5,568,035 | 4,787,581 | 6,310,281 |
| Special assessments | - | - | 90,000 | 85,000 | 75,000 | 70,000 | 70,000 | 65,000 | 60,000 | 55,000 |
| Interest | 40,217 | 37,499 | 62,463 | 84,227 | 531,565 | 1,029,342 | 917,948 | 596,488 | 240,155 | 295,832 |
| Miscellaneous | 176,983 | 181,063 | 208,977 | 195,904 | 214,157 | 273,269 | 206,726 | 242,574 | 247,967 | 180,826 |
| Total revenues | <u>32,623,577</u> | <u>32,954,243</u> | <u>31,546,296</u> | <u>32,971,098</u> | <u>34,263,618</u> | <u>36,806,867</u> | <u>37,114,542</u> | <u>33,244,218</u> | <u>31,913,026</u> | <u>32,289,891</u> |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 3,662,591 | 3,646,056 | 3,457,202 | 3,548,371 | 4,303,141 | 4,010,702 | 4,180,324 | 3,192,461 | 4,674,713 | 4,263,938 |
| Security of persons and property | 12,436,324 | 11,513,761 | 11,947,782 | 12,492,370 | 14,436,087 | 14,045,123 | 14,547,145 | 13,168,505 | 12,865,169 | 11,604,760 |
| Public health and welfare | 513,659 | 628,225 | 477,740 | 549,409 | 563,943 | 560,468 | 543,475 | 615,365 | 471,376 | 442,111 |
| Transportation | 5,990,651 | 5,163,746 | 4,422,054 | 4,949,069 | 5,702,600 | 5,522,720 | 4,981,748 | 4,817,442 | 3,863,076 | 5,311,916 |
| Basic utility services | 2,100,931 | 2,306,879 | 2,246,112 | 2,107,623 | 2,165,012 | 1,884,985 | 1,690,898 | 1,648,006 | 1,579,709 | 1,681,386 |
| Leisure time activities | 2,198,920 | 2,287,806 | 2,343,545 | 2,208,061 | 2,409,455 | 2,405,799 | 2,264,816 | 2,420,164 | 2,271,632 | 2,212,675 |
| Community environment | - | - | - | - | - | - | - | 22,372 | 37,593 | - |
| Economic development | 738,357 | 468,200 | 556,467 | 554,298 | 544,560 | 341,877 | 155,170 | 175,375 | - | - |
| Capital outlay | 833,444 | 376,161 | 122,399 | 416,772 | 834,099 | 3,152,670 | 4,514,283 | 3,023,674 | 3,858,779 | 6,348,743 |
| Debt Service: | | | | | | | | | | |
| Principal | 4,770,492 | 4,002,500 | 7,588,715 | 6,763,814 | 5,803,153 | 4,120,931 | 14,009,002 | 10,733,612 | 5,933,612 | 5,007,897 |
| Interest and fiscal charge | 1,183,155 | 1,368,647 | 1,606,408 | 1,738,992 | 1,951,582 | 2,077,473 | 2,322,655 | 2,147,630 | 2,229,548 | 2,378,765 |
| Note issuance costs | 23,250 | 17,426 | 25,522 | 22,017 | 12,000 | 13,250 | - | - | - | - |
| Bond issuance costs | - | - | 83,872 | - | - | - | 329,670 | - | - | - |
| Total expenditures | <u>34,451,774</u> | <u>31,779,407</u> | <u>34,877,818</u> | <u>35,350,796</u> | <u>38,725,632</u> | <u>38,135,998</u> | <u>49,539,186</u> | <u>41,964,606</u> | <u>37,785,207</u> | <u>39,252,191</u> |
| Excess of revenues over (under) expenditures | <u>(1,828,197)</u> | <u>1,174,836</u> | <u>(3,331,522)</u> | <u>(2,379,698)</u> | <u>(4,462,014)</u> | <u>(1,329,131)</u> | <u>(12,424,644)</u> | <u>(8,720,388)</u> | <u>(5,872,181)</u> | <u>(6,962,300)</u> |

(Continued)

City of North Olmsted, Ohio

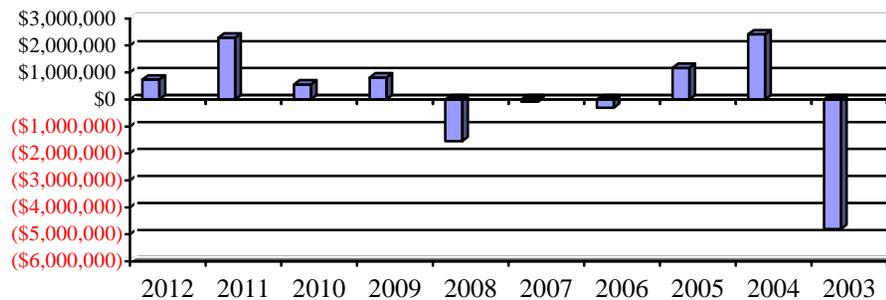
Changes in Fund Balances, Governmental Funds Modified Accrual Basis of Accounting (Continued)

Last Ten Years

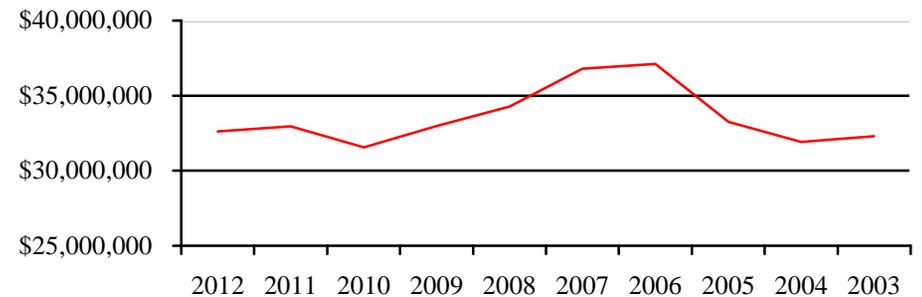
| | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|---|-------------------|---------------------|-------------------|-------------------|-----------------------|--------------------|---------------------|---------------------|---------------------|-----------------------|
| Other financing sources (uses): | | | | | | | | | | |
| Issuance of notes | 2,468,700 | 880,000 | - | 3,215,000 | 2,370,000 | 1,560,000 | 500,000 | 9,860,000 | 7,725,000 | 2,195,000 |
| Inception of capital leases | - | - | 59,763 | - | - | - | 63,782 | 19,316 | - | - |
| Bond proceeds | - | - | 3,715,000 | - | - | - | 27,230,000 | - | - | - |
| Premium on bonds | - | - | 168,945 | - | - | - | 658,627 | - | - | - |
| Payment to bond escrow agent | - | - | - | - | - | - | (16,354,414) | - | - | - |
| Sale of capital assets | 12,300 | 171,334 | 20,284 | 9,450 | 27,527 | 12,349 | 20,120 | 11,105 | 560,213 | 11,447 |
| Transfers – in | 2,382,025 | 3,147,873 | 1,860,769 | 1,790,131 | 2,616,630 | 2,492,750 | 1,858,626 | 2,067,962 | 2,147,358 | 2,025,546 |
| Transfers – out | (2,297,666) | (3,085,222) | (1,936,569) | (1,817,912) | (2,096,550) | (2,820,832) | (1,860,979) | (2,067,962) | (2,147,358) | (2,071,802) |
| Total other financing sources (uses) | 2,565,359 | 1,113,985 | 3,888,192 | 3,196,669 | 2,917,607 | 1,244,267 | 12,115,762 | 9,890,421 | 8,285,213 | 2,160,191 |
| Net change in fund balances | \$ 737,162 | \$ 2,288,821 | \$ 556,670 | \$ 816,971 | \$ (1,544,407) | \$ (84,864) | \$ (308,882) | \$ 1,170,033 | \$ 2,413,032 | \$ (4,802,109) |
| Debt service as a percentage of noncapital expenditures | 19.21% | 18.33% | 36.66% | 25.49% | 21.38% | 18.89% | 38.30% | 34.02% | 24.52% | 23.36% |

Source: City financial records

Net Change in Fund Balance, Governmental Funds



Governmental Funds Revenues



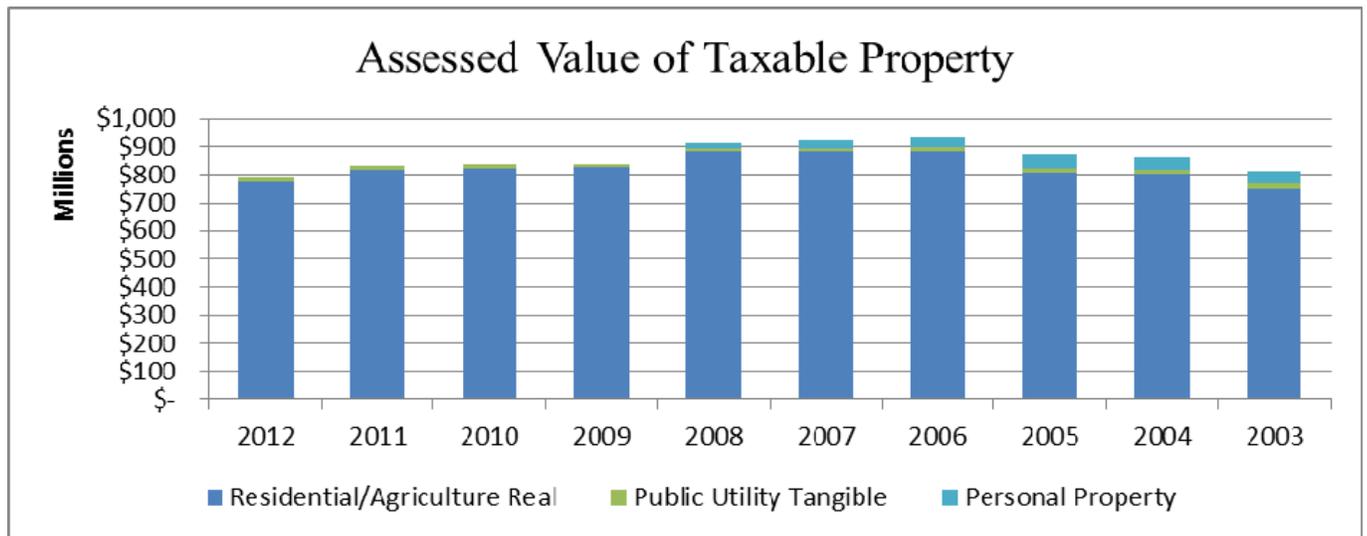
City of North Olmsted, Ohio

Assessed Valuations and Estimated Actual Values of Taxable Property

Last Ten Years

| Tax Year | Real Property | Public Utility Property | Tangible Personal Property | Total | Estimated True Values of Taxable Property | Total Direct Tax Rate | Ratio |
|----------|----------------|-------------------------|----------------------------|----------------|---|-----------------------|-------|
| 2012 | \$ 775,022,110 | \$ 13,514,220 | \$ - | \$ 788,536,330 | \$ 2,233,813,966 | \$ 13.30 | 35.3% |
| 2011 | 818,595,110 | 12,549,000 | - | 831,144,110 | 2,353,103,398 | 13.30 | 35.3 |
| 2010 | 825,718,930 | 11,747,350 | - | 837,466,280 | 2,372,546,204 | 13.30 | 35.3 |
| 2009 | 827,569,610 | 11,432,430 | - | 839,002,040 | 2,377,475,998 | 13.30 | 35.3 |
| 2008 | 882,868,100 | 11,624,510 | 15,831,601 | 910,324,211 | 2,799,034,922 | 13.20 | 32.5 |
| 2007 | 881,650,600 | 10,087,260 | 30,291,306 | 922,029,166 | 2,781,506,682 | 13.20 | 33.1 |
| 2006 | 881,661,360 | 14,502,800 | 39,487,817 | 935,651,977 | 2,758,639,748 | 13.20 | 33.9 |
| 2005 | 806,908,240 | 14,685,560 | 49,409,433 | 871,003,233 | 2,549,646,856 | 13.30 | 34.2 |
| 2004 | 802,181,840 | 15,808,350 | 47,369,486 | 865,359,676 | 2,529,519,101 | 13.30 | 34.2 |
| 2003 | 751,348,000 | 16,129,090 | 46,312,966 | 813,790,056 | 2,380,327,473 | 13.60 | 34.2 |

Source: Cuyahoga County Fiscal Officer, based upon tax year valuations



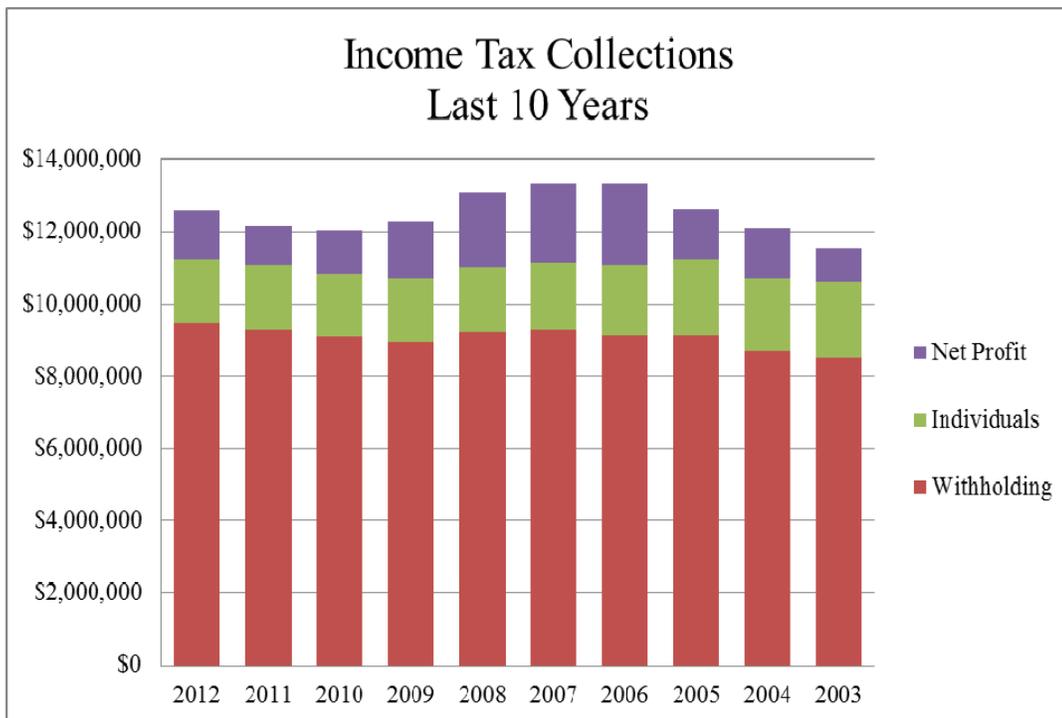
City of North Olmsted, Ohio

Income Tax Revenue Collections (Cash Basis)

Last Ten Years

| Collection Year | Tax Rate | Total Tax Collected | Taxes from Withholding | Percentage of Taxes from Withholding | Taxes from Individuals | Percentage of Taxes from Individuals | Taxes from Net Profits | Percentage of Taxes from Net Profits |
|-----------------|----------|---------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|
| 2012 | 2.00% | \$ 12,577,000 | \$ 9,479,691 | 75.4% | \$ 1,744,443 | 13.9% | \$ 1,352,866 | 10.7% |
| 2011 | 2.00 | 12,162,050 | 9,275,836 | 76.3 | 1,814,680 | 14.9 | 1,071,534 | 8.8 |
| 2010 | 2.00 | 12,026,344 | 9,090,112 | 75.6 | 1,722,631 | 14.3 | 1,213,601 | 10.1 |
| 2009 | 2.00 | 12,285,520 | 8,970,962 | 73.0 | 1,727,948 | 14.1 | 1,586,610 | 12.9 |
| 2008 | 2.00 | 13,069,739 | 9,217,837 | 70.5 | 1,797,199 | 13.8 | 2,054,703 | 15.7 |
| 2007 | 2.00 | 13,330,936 | 9,275,262 | 69.6 | 1,880,178 | 14.1 | 2,175,496 | 16.3 |
| 2006 | 2.00 | 13,328,675 | 9,134,372 | 68.5 | 1,967,779 | 14.8 | 2,226,524 | 16.7 |
| 2005 | 2.00 | 12,613,174 | 9,137,415 | 72.4 | 2,065,620 | 16.4 | 1,410,139 | 11.2 |
| 2004 | 2.00 | 12,098,602 | 8,694,555 | 71.9 | 2,001,020 | 16.5 | 1,403,027 | 11.6 |
| 2003 | 2.00 | 11,548,120 | 8,516,041 | 73.7 | 2,110,004 | 18.3 | 922,075 | 8.0 |

Source: City Finance Department



City of North Olmsted, Ohio

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

Last Ten Years

| City of North Olmsted | | | | | | | | | | |
|-----------------------|--------------------------|------------------------|--------------|-------------------|--------------------------------|--------------|------------------------|----------------------------|----------------------------------|--------------|
| <u>Tax Year</u> | <u>General Operating</u> | <u>Debt Retirement</u> | | <u>Recreation</u> | <u>Police and Fire Pension</u> | <u>Total</u> | <u>School District</u> | <u>Cuyahoga County (a)</u> | <u>Polaris Vocational School</u> | <u>Total</u> |
| | | <u>General</u> | <u>Sewer</u> | | | | | | | |
| 2012 | \$ 6.70 | \$ 4.80 | \$ - | \$ 1.20 | \$ 0.60 | \$ 13.30 | \$ 91.40 | \$ 20.80 | \$ 2.40 | \$ 127.90 |
| 2011 | 6.70 | 4.80 | - | 1.20 | 0.60 | 13.30 | 91.40 | 20.80 | 2.40 | 127.90 |
| 2010 | 6.70 | 4.80 | - | 1.20 | 0.60 | 13.30 | 91.40 | 20.90 | 2.40 | 128.00 |
| 2009 | 6.40 | 5.10 | - | 1.20 | 0.60 | 13.30 | 83.50 | 20.60 | 2.40 | 119.80 |
| 2008 | 6.50 | 4.90 | - | 1.20 | 0.60 | 13.20 | 83.50 | 20.60 | 2.40 | 119.70 |
| 2007 | 6.50 | 4.90 | - | 1.20 | 0.60 | 13.20 | 83.50 | 20.20 | 2.40 | 119.30 |
| 2006 | 6.60 | 4.80 | - | 1.20 | 0.60 | 13.20 | 77.00 | 20.20 | 2.40 | 112.80 |
| 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 |

(a) Includes Metroparks and Library Millage

Source: Cuyahoga County Fiscal Officer

City of North Olmsted, Ohio

Real Property Tax Levies, and Collections

Last Ten Years

| <u>Collection Year</u> | <u>Total Tax Levy</u> | <u>Current Collections</u> | <u>Percentage of Current Collections to Tax Levy</u> | <u>Delinquent Collections</u> | <u>Total Collections(1)</u> | <u>Percentage of Total Collections to Tax Levy</u> | <u>Accumulated Outstanding Delinquent Taxes</u> | <u>Delinquent Taxes to Total Tax Levy</u> |
|------------------------|-----------------------|----------------------------|--|-------------------------------|-----------------------------|--|---|---|
| 2012 | \$ 11,066,789 | \$ 10,627,072 | 96.03% | \$ 263,342 | \$ 10,890,414 | 98.41% | \$ 384,324 | 3.5% |
| 2011 | 11,146,571 | 10,756,740 | 96.50 | 251,889 | 11,008,629 | 98.76 | 440,506 | 4.0 |
| 2010 | 11,800,535 | 10,623,422 | 90.03 | 391,697 | 11,015,119 | 93.34 | 574,690 | 4.9 |
| 2009 | 11,802,571 | 11,300,029 | 95.74 | 235,982 | 11,536,011 | 97.74 | 659,686 | 5.6 |
| 2008 | 11,804,175 | 11,399,614 | 96.57 | 293,573 | 11,693,187 | 99.06 | 400,697 | 3.4 |
| 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 |

Source: Cuyahoga County Fiscal Officer

(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

2012 and 2003

| <u>Name of Taxpayer</u> | <u>December 31, 2012</u> | |
|---|---------------------------|--|
| | <u>Assessed Value (1)</u> | <u>Percent of Total Assessed Value</u> |
| Great Northern Partnership | \$ 30,486,410 | 3.67% |
| BRE DDR Great Northern LLC | 20,927,520 | 2.52 |
| Cleveland Electric Illuminating Company | 11,728,060 | 1.41 |
| PWA Great Northern Corporation | 8,586,030 | 1.03 |
| Butternut Ridge Apartments, LLC | 6,437,520 | 0.77 |
| B&G Properties Ltd. | 5,494,620 | 0.66 |
| Moen, Inc. | 5,206,390 | 0.63 |
| Higbee Company | 4,579,300 | 0.55 |
| May Stores 74 Corp. | 4,285,060 | 0.52 |
| Water Tower Square Ltd. | 3,957,490 | 0.48 |
| Total | \$ <u>101,688,400</u> | <u>12.24%</u> |

| <u>Name of Taxpayer</u> | <u>December 31, 2003</u> | |
|--------------------------------|---------------------------|--|
| | <u>Assessed Value (1)</u> | <u>Percent of Total Assessed Value</u> |
| DDRC Great Northern LTD | \$ 21,805,960 | 2.67% |
| Great Northern Partnership | 20,445,640 | 2.50 |
| Great Northern Properties | 6,967,390 | 0.85 |
| Butternut Ridge Appt. LLC | 5,642,880 | 0.69 |
| Higbee Company | 5,117,880 | 0.63 |
| B&G Properties LTD Partnership | 5,012,880 | 0.61 |
| May Stores 74 Corp | 4,967,310 | 0.61 |
| Water Tower Square LTD | 4,790,670 | 0.59 |
| Wal Mart | 4,305,810 | 0.53 |
| Country Club Hotel Assoc LLC | 3,694,360 | 0.45 |
| Total | \$ <u>82,750,780</u> | <u>10.13%</u> |

Source: Cuyahoga County Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2012 and 2003 collections were based.

City of North Olmsted, Ohio

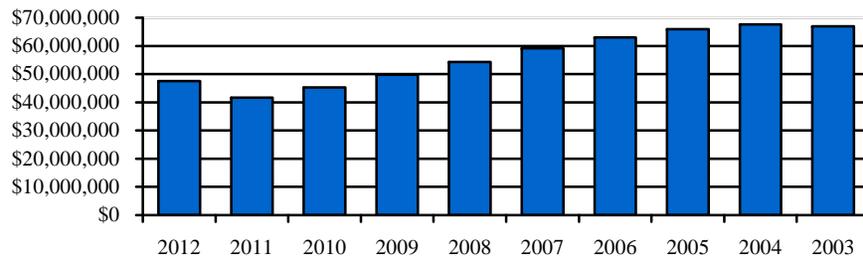
Ratio of Outstanding Debt to Total Personal Income and Debt per Capita

Last Ten Years

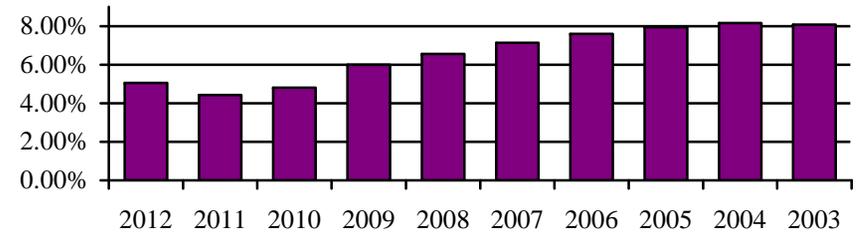
| Year | Governmental Activities | | | | | | Business-Type Activities | | | | | Total Debt | Percentage of Personal Income | Per Capita |
|------|--------------------------|--------------------------|------------|-----------------|----------------|----------------|--------------------------|-----------------|----------------|---------------|------------|---------------|-------------------------------|------------|
| | General Obligation Bonds | Special Assessment Bonds | OPWC Loans | Long Term Notes | Capital Leases | Police Pension | General Obligation Bonds | Long Term Notes | Capital Leases | OWDA Loans | OPWC Loans | | | |
| 2012 | \$ 22,895,878 | \$ - | \$ 20,418 | \$ 2,468,700 | \$ 27,443 | \$ 87,774 | \$ 9,255,248 | \$ 421,300 | \$ 1,838 | \$ 11,896,042 | \$ 456,167 | \$ 47,530,808 | 5.05% | \$ 1,453 |
| 2011 | 26,786,843 | - | 27,224 | 880,000 | 40,052 | 90,851 | 10,765,047 | 485,000 | 2,653 | 2,114,162 | 521,335 | 41,713,167 | 4.43 | 1,275 |
| 2010 | 30,783,808 | - | 40,837 | - | 51,989 | 93,801 | 12,222,846 | - | 3,427 | 1,436,697 | 651,668 | 45,285,073 | 4.81 | 1,385 |
| 2009 | 31,165,433 | 90,000 | 54,450 | 3,215,000 | - | 96,629 | 13,313,153 | - | - | 1,018,076 | 782,001 | 49,734,742 | 6.00 | 1,458 |
| 2008 | 35,442,003 | 175,000 | 68,061 | 2,370,000 | 21,991 | 99,341 | 14,631,498 | - | 1,621 | 607,269 | 912,335 | 54,329,119 | 6.55 | 1,593 |
| 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 | 7.13 | 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 | 7.59 | 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 | 7.94 | 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 | 8.15 | 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 | 8.07 | 1,964 |

Note: Population and Personal Income are presented on page 161.

Total Outstanding Debt, Last Ten Years



City Debt as a Percentage of Personal Income



City of North Olmsted, Ohio

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

Last Ten Years

| <u>Tax Year</u> | <u>Population (1)</u> | | <u>Assessed (2)</u> <u>Value</u> | | <u>Gross (3)</u> <u>Bonded</u> <u>Debt</u> | | <u>Debt Service</u> <u>Monies Available</u> |
|-----------------|-----------------------|-----|-------------------------------------|----|--|----|--|
| 2012 | 32,718 | (a) | \$ 788,536,330 | \$ | 32,151,126 | \$ | 5,657,199 |
| 2011 | 32,718 | (a) | 831,144,110 | | 37,551,890 | | 4,698,520 |
| 2010 | 32,718 | (a) | 837,466,280 | | 43,006,654 | | 4,074,995 |
| 2009 | 34,113 | (b) | 839,002,040 | | 44,478,586 | | 3,881,582 |
| 2008 | 34,113 | (b) | 910,324,211 | | 50,073,501 | | 3,609,078 |
| 2007 | 34,113 | (b) | 922,029,166 | | 55,457,416 | | 3,131,035 |
| 2006 | 34,113 | (b) | 935,651,977 | | 60,545,831 | | 3,063,298 |
| 2005 | 34,113 | (b) | 871,003,233 | | 53,075,000 | | 3,324,549 |
| 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 |

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

(a) 2010 Federal Census

(b) 2000 Federal Census

(2) Source: Cuyahoga County Fiscal Officer, valuations based upon the tax year

(3) Includes all general obligation bonded debt

| | <u>Net Bonded Debt</u> | <u>Ratio of Net Bonded Debt to Assessed Valuation</u> | <u>Net Bonded Debt Per Capita</u> |
|----|----------------------------|---|---|
| \$ | 26,493,927 | 3.36% | \$ 810 |
| | 32,853,370 | 3.95 | 1,004 |
| | 38,931,659 | 4.65 | 1,190 |
| | 40,597,004 | 4.84 | 1,190 |
| | 46,464,423 | 5.10 | 1,362 |
| | 52,326,381 | 5.68 | 1,534 |
| | 57,482,533 | 6.14 | 1,685 |
| | 49,750,451 | 5.71 | 1,458 |
| | 55,747,415 | 6.44 | 1,634 |
| | 60,245,162 | 7.40 | 1,766 |

City of North Olmsted, Ohio

Computation of Direct and Overlapping General Obligation Debt

December 31, 2012

| | <u>General Obligation Debt Outstanding</u> | <u>Percentage Applicable to City (1)</u> | <u>Amount Applicable to City of North Olmsted</u> |
|---|--|--|---|
| Jurisdiction: | | | |
| Direct: | | | |
| City of North Olmsted (1) | | | |
| General obligation bonds | \$ 22,895,878 | 100.00% | \$ 22,895,878 |
| General obligation bond anticipation notes | 2,468,700 | 100.00% | 2,468,700 |
| Capital lease payable | 27,443 | 100.00% | 27,443 |
| OPWC loans | <u>20,418</u> | 100.00% | <u>20,418</u> |
| Total direct debt | <u>25,412,439</u> | | <u>25,412,439</u> |
| Overlapping: | | | |
| North Olmsted School District | 170,000 | 100.00% | 170,000 |
| North Olmsted/Olmsted Falls School District | 17,300,695 | 1.64% | 283,731 |
| Cuyahoga County | 341,075,645 | 2.85% | 9,720,656 |
| Greater Cleveland Regional Transit Authority | <u>129,495,000</u> | 2.85% | <u>3,690,608</u> |
| Total overlapping debt | <u>488,041,340</u> | | <u>13,864,995</u> |
| Total | \$ <u><u>513,453,779</u></u> | | \$ <u><u>39,277,434</u></u> |

Source: Cuyahoga County Fiscal Officer

(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

| | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Assessed valuation | \$ <u>788,536,330</u> | \$ <u>831,144,110</u> | \$ <u>837,466,280</u> | \$ <u>839,002,040</u> | \$ <u>910,324,211</u> | \$ <u>922,029,166</u> | \$ <u>935,651,977</u> | \$ <u>871,003,233</u> | \$ <u>865,359,676</u> | \$ <u>813,790,056</u> |
| Overall debt limitation – 10 1/2 % of assessed valuation | \$ 82,796,315 | \$ 87,270,132 | \$ 87,933,959 | \$ 88,095,214 | \$ 95,584,042 | \$ 96,813,062 | \$ 98,243,458 | \$ 91,455,339 | \$ 90,862,766 | \$ 85,447,956 |
| Outstanding debt: | | | | | | | | | | |
| General obligation debt | 32,151,126 | 37,551,890 | 43,006,654 | 44,568,586 | 50,248,501 | 55,707,416 | 60,865,831 | 53,465,000 | 58,005,000 | 62,130,000 |
| General obligation bond anticipation notes | 2,890,000 | 1,365,000 | - | 3,215,000 | 2,370,000 | 1,560,000 | - | 10,175,000 | 7,175,000 | 2,195,000 |
| OPWC loan | - | - | - | - | - | - | - | - | - | 136,123 |
| Police pension liability | - | - | - | - | - | - | - | - | - | 111,314 |
| Less: Amount available in debt service fund | <u>(5,657,199)</u> | <u>(4,698,520)</u> | <u>(4,074,995)</u> | <u>(3,881,582)</u> | <u>(3,609,078)</u> | <u>(3,131,035)</u> | <u>(3,063,298)</u> | <u>(3,324,549)</u> | <u>(1,802,585)</u> | <u>(1,369,838)</u> |
| Total outstanding debt | <u>29,383,927</u> | <u>34,218,370</u> | <u>38,931,659</u> | <u>43,902,004</u> | <u>49,009,423</u> | <u>54,136,381</u> | <u>57,802,533</u> | <u>60,315,451</u> | <u>63,377,415</u> | <u>63,202,599</u> |
| Less exemptions: | | | | | | | | | | |
| Bonds and notes issued in anticipation of levy for special assessments | - | - | - | 90,000 | 175,000 | 250,000 | 320,000 | 390,000 | 455,000 | 515,000 |
| General obligation bonds and notes that are considered self supporting | 5,625,000 | 6,823,000 | 7,961,000 | 8,693,000 | 9,665,000 | 10,577,000 | 11,433,000 | 12,145,000 | 12,580,000 | 13,295,000 |
| Securities issued to pay final judgments and settlements | - | 16,000 | 34,000 | 49,000 | 64,000 | 79,000 | 93,000 | 104,000 | 114,000 | 124,000 |
| Securities to extent authorizing legislation contains covenants to appropriate, levy and collect municipal income taxes | <u>2,312,000</u> | <u>3,617,000</u> | <u>4,867,000</u> | <u>6,063,000</u> | <u>7,220,000</u> | <u>8,333,000</u> | <u>9,412,000</u> | <u>10,524,000</u> | <u>11,483,000</u> | <u>12,433,000</u> |
| Total exemptions | <u>7,937,000</u> | <u>10,456,000</u> | <u>12,862,000</u> | <u>14,895,000</u> | <u>17,124,000</u> | <u>19,239,000</u> | <u>21,258,000</u> | <u>23,163,000</u> | <u>24,632,000</u> | <u>26,367,000</u> |
| Net debt within 10 1/2% | | | | | | | | | | |
| Limitation | <u>21,446,927</u> | <u>23,762,370</u> | <u>26,069,659</u> | <u>29,007,004</u> | <u>31,885,423</u> | <u>34,897,381</u> | <u>36,544,533</u> | <u>37,152,451</u> | <u>38,745,415</u> | <u>36,835,599</u> |
| Overall debt margin | \$ <u>61,349,388</u> | \$ <u>63,507,762</u> | \$ <u>61,864,300</u> | \$ <u>59,088,210</u> | \$ <u>63,698,619</u> | \$ <u>61,915,681</u> | \$ <u>61,698,925</u> | \$ <u>54,302,888</u> | \$ <u>52,117,351</u> | \$ <u>48,612,357</u> |
| Unvoted debt limitation 5 1/2 of assessed value | \$ 43,369,498 | \$ 45,712,926 | \$ 46,060,645 | \$ 46,145,112 | \$ 50,067,832 | \$ 50,711,604 | \$ 51,460,859 | \$ 47,905,178 | \$ 47,594,782 | \$ 44,758,453 |
| Amount of principal of unvoted bonds and notes subject to 5 1/2% | <u>12,096,927</u> | <u>14,412,370</u> | <u>16,009,659</u> | <u>17,627,004</u> | <u>20,505,423</u> | <u>22,892,381</u> | <u>27,047,000</u> | <u>23,987,451</u> | <u>25,665,415</u> | <u>26,855,599</u> |
| Unvoted debt margin | \$ <u>31,272,571</u> | \$ <u>31,300,556</u> | \$ <u>30,050,986</u> | \$ <u>28,518,108</u> | \$ <u>29,562,409</u> | \$ <u>27,819,223</u> | \$ <u>24,413,859</u> | \$ <u>23,917,727</u> | \$ <u>21,929,367</u> | \$ <u>17,902,854</u> |

Source: Cuyahoga County Fiscal Officer and City Financial Records

Note: Assessed valuations based upon the tax year.

City of North Olmsted, Ohio

Principal Employers

Last Ten Years

| 2012 | | 2011 | | 2010 | |
|-------------------------------------|-------------------------------|-------------------------------------|-------------------------------|--|-------------------------------|
| Employer | Percent of Total Income Taxes | Employer | Percent of Total Income Taxes | Employer | Percent of Total Income Taxes |
| Moen Incorporated | 8.52% | Moen Incorporated | 8.56% | Moen Incorporated | 8.03% |
| North Olmsted School District | 5.08 | North Olmsted School District | 5.36 | North Olmsted School District | 5.3 |
| The City of North Olmsted | 2.27 | The City of North Olmsted | 2.21 | The City of North Olmsted | 2.23 |
| Factory Mutual Insurance Company | 1.29 | Factory Mutual Insurance Company | 1.36 | Factory Mutual Insurance Company | 1.28 |
| Bernie Moreno Companies | 1.19 | Advanstar Communications, Inc. | 1.24 | Advanstar Communications, Inc. | 1.25 |
| Advanstar Communications, Inc. | 1.10 | United Transportation | 1.12 | AT&T Mobility | 1.13 |
| United Transportation | 1.05 | Heartland Payment Systems, Inc. | 1.04 | Heartland Employment Services, Inc. | 0.99 |
| Riser Foods Company | 1.03 | Bernie Moreno Companies | 1.00 | Wal Mart Associates, Inc. | 0.93 |
| Ganley Westside Imports | 1.01 | Heartland Employment Services, Inc. | 0.99 | Heartland Payment Systems, Inc. | 0.92 |
| Wal Mart Associates, Inc. | <u>0.96</u> | Cargill, Inc. | <u>0.98</u> | Sunnyside Automotive, Inc. | <u>0.90</u> |
| | <u>23.50%</u> | | <u>23.86%</u> | | <u>23.29%</u> |
| 2009 | | 2008 | | 2007 | |
| Moen Incorporated | | Moen Incorporated | | Moen Incorporated | |
| North Olmsted School District | | North Olmsted School District | | North Olmsted School District | |
| The City of North Olmsted | | The City of North Olmsted | | The City of North Olmsted | |
| Advanstar Communications, Inc. | | Advanstar Communications, Inc. | | Factory Mutual Insurance Company | |
| Factory Mutual Insurance Company | | Cingular Wireless Employee Services | | Wal Mart Associates, Inc. | |
| AT&T Mobility | | Factory Mutual Insurance Company | | Sunnyside Cars, Inc. | |
| Heartland Employment Services, Inc. | | Sunnyside Automotive, Inc. | | Heartland Employment Services, Inc. | |
| Wal Mart Associates, Inc. | | Heartland Employment Services, Inc. | | Cingular Wireless Employee Services | |
| Sunnyside Automotive, Inc. | | Wal Mart Associates, Inc. | | Merrill Lynch Pierce Kenner & P. Craig | |
| Riser Foods Company | | Riser Foods Company | | GMAC-GM Payroll Services | |
| 2006 | | 2005 | | 2004 | |
| North Olmsted School District | | Dillards Department Stores | | Factory Mutual Insurance Co. | |
| 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 | |
| Dillards 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. | |

Source: Regional Income Tax Agency based on payroll withholding.

City of North Olmsted, Ohio

Demographic and Economic Statistics

Last Ten Years

| Year | Population (1) | Employed in County (2) | Unemployment Rate (2) | | | School (3) Enrollment | Number of Residential Property Sales (4) | Averages Sales Price of Residential Property (4) | Total Personal Income (5) | Personal Income Per Capita |
|------|----------------|------------------------------|-----------------------|-------|------|--------------------------|---|---|---------------------------------|----------------------------------|
| | | | County | State | US | | | | | |
| 2012 | 32,718 (a) | 579,600 | 7.3% | 7.2% | 8.1% | 4,107 | 368 | \$ 111,541 | \$ 940,773,372 | \$ 28,754 (a) |
| 2011 | 32,718 (a) | 593,400 | 8.0 | 8.6 | 8.9 | 4,117 | 202 | 126,710 | 940,773,372 | 28,754 (a) |
| 2010 | 32,718 (a) | 574,600 | 9.5 | 10.1 | 9.6 | 4,193 | 224 | 136,610 | 940,773,372 | 28,754 (a) |
| 2009 | 34,113 (b) | 581,200 | 9.2 | 10.8 | 9.3 | 4,314 | 231 | 136,856 | 829,935,177 | 24,329 (b) |
| 2008 | 34,113 (b) | 601,800 | 6.8 | 6.5 | 5.8 | 4,366 | 229 | 138,164 | 829,935,177 | 24,329 (b) |
| 2007 | 34,113 (b) | 617,900 | 6.1 | 5.6 | 4.6 | 4,587 | 306 | 147,677 | 829,935,177 | 24,329 (b) |
| 2006 | 34,113 (b) | 622,876 | 5.6 | 5.4 | 4.8 | 4,613 | 522 | 145,449 | 829,935,177 | 24,329 (b) |
| 2005 | 34,113 (b) | 629,000 | 5.9 | 5.8 | 5.1 | 4,577 | 287 | 146,324 | 829,935,177 | 24,329 (b) |
| 2004 | 34,113 (b) | 637,400 | 6.2 | 6.1 | 5.5 | 4,556 | 581 | 146,554 | 829,935,177 | 24,329 (b) |
| 2003 | 34,113 (b) | 629,600 | 6.8 | 6.1 | 6.0 | 4,468 | 552 | 188,169 | 829,935,177 | 24,329 (b) |

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

(a) 2010 Federal Census

(b) 2000 Federal Census

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

(3) Source: North Olmsted Board of Education

(4) Source: Cuyahoga County Fiscal Officer

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

City of North Olmsted, Ohio

Full Time City Employees By Function or Program

Last Ten Years

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Function/program: | | | | | | | | | | |
| General government: | | | | | | | | | | |
| Council | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Mayor | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 2 | 2 | 2 |
| Mayor's court | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| General clerical | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Boards and commissions | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 |
| Finance | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Law | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Information systems | 1 | 2 | 1 | 1 | 1 | 1 | 0 | 1 | 1 | 2 |
| Human resources | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Building | 9 | 9 | 9 | 9 | 12 | 9 | 11 | 12 | 10 | 10 |
| Engineering | 0 | 0 | 0 | 0 | 0 | 4 | 4 | 5 | 6 | 6 |
| Total | <u>25</u> | <u>25</u> | <u>25</u> | <u>26</u> | <u>29</u> | <u>31</u> | <u>32</u> | <u>34</u> | <u>33</u> | <u>35</u> |
| Security of persons and property: | | | | | | | | | | |
| Safety director | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Fire | 42 | 42 | 43 | 41 | 46 | 47 | 46 | 48 | 45 | 46 |
| Dispatch | 8 | 8 | 8 | 8 | 8 | 8 | 9 | 9 | 8 | 9 |
| Corrections | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 |
| Police | 43 | 44 | 46 | 50 | 55 | 57 | 55 | 57 | 57 | 57 |
| Youth Services (see Public health and welfare) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 |
| Fire clerk | 1 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Police clerk | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 6 |
| Total | <u>103</u> | <u>105</u> | <u>107</u> | <u>109</u> | <u>120</u> | <u>124</u> | <u>122</u> | <u>125</u> | <u>121</u> | <u>123</u> |
| Leisure time activities: | | | | | | | | | | |
| Senior center | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Recreation | 9 | 8 | 7 | 9 | 10 | 12 | 12 | 10 | 11 | 12 |
| Springvale | 4 | 4 | 4 | 3 | 4 | 4 | 4 | 4 | 4 | 4 |
| Total | <u>16</u> | <u>15</u> | <u>14</u> | <u>14</u> | <u>16</u> | <u>18</u> | <u>18</u> | <u>16</u> | <u>17</u> | <u>18</u> |
| Public health and welfare: | | | | | | | | | | |
| Community life services (a) | 0 | 0 | 0 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Youth services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 |
| Total | <u>0</u> | <u>0</u> | <u>0</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>3</u> | <u>3</u> | <u>3</u> |
| Transportation: | | | | | | | | | | |
| Service director | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Public service and properties | | | | | | | | | | |
| Public works administrative | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Animal warden | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Building maintenance | 2 | 2 | 3 | 3 | 4 | 5 | 5 | 5 | 5 | 5 |
| Road | 8 | 7 | 9 | 9 | 5 | 7 | 7 | 7 | 7 | 7 |
| Forestry | 7 | 6.5 | 4 | 3.5 | 7 | 7 | 7 | 9 | 9 | 9 |
| Storm | 6 | 7.5 | 3 | 3.5 | 4 | 5 | 6 | 6 | 6 | 6 |
| Subtotal | <u>23</u> | <u>24</u> | <u>20</u> | <u>20</u> | <u>21</u> | <u>25</u> | <u>26</u> | <u>28</u> | <u>28</u> | <u>28</u> |
| Fleet | 7 | 7 | 7 | 7 | 8 | 8 | 8 | 8 | 8 | 8 |
| Bus | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 59 | 61 |
| Total | <u>31</u> | <u>32</u> | <u>28</u> | <u>29</u> | <u>31</u> | <u>35</u> | <u>36</u> | <u>38</u> | <u>97</u> | <u>99</u> |
| Economic development | | | | | | | | | | |
| Planning | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 0 |
| Basic utility services: | | | | | | | | | | |
| Wastewater treatment plant | 29 | 29 | 28 | 27 | 29 | 32 | 35 | 37 | 37 | 37 |
| Total | <u>206</u> | <u>208</u> | <u>204</u> | <u>209</u> | <u>229</u> | <u>244</u> | <u>247</u> | <u>255</u> | <u>310</u> | <u>315</u> |

Source: City payroll records

(a) See security of persons and property

City of North Olmsted, Ohio

Operating Indicators by Function/Program

Last Ten Years

| Function/Program: | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General government: | | | | | | | | | | |
| Council and clerk | | | | | | | | | | |
| Number of ordinances and resolutions submitted | 133 | 143 | 162 | 152 | 165 | 158 | 203 | 191 | 206 | 182 |
| Number of ordinances and resolutions passed | 131 | 143 | 159 | 147 | 135 | 146 | 182 | 177 | 169 | 173 |
| Finance | | | | | | | | | | |
| Agency ratings | | | | | | | | | | |
| Fitch IBCA | AA- | AA- | AA- | A+ |
| Moody's Financial Services – General Limited Tax | Aa2 | Aa2 | Aa2 | A1 | A1 | A1 | A1 | A2 | A2 | A2 |
| Moody's Financial Services – General Unlimited Tax | Aa2 | Aa2 | Aa2 | Aa3 | Aa3 | Aa3 | Aa3 | A1 | A1 | A1 |
| Law | | | | | | | | | | |
| Real property complaints filed | 59 | 39 | 38 | 22 | 18 | 7 | 17 | 12 | 11 | N/A |
| Real property fines collected | \$ 23,655 | \$ 575 | \$ 7,405 | \$ 13,675 | \$ 9,858 | \$ 3,350 | \$ 2,173 | \$ 1,130 | \$ 1,450 | N/A |
| Criminal cases prosecuted | 1,088 | 873 | 922 | 927 | 1,304 | 730 | 933 | 674 | N/A | N/A |
| Traffic cases prosecuted | 1,274 | 1,536 | 1,062 | 1,228 | 1,509 | 1,415 | 1,916 | 1,994 | N/A | N/A |
| Building | | | | | | | | | | |
| Estimated valuation of permits issued | \$ 39,405,961 | \$ 48,029,378 | \$ 15,650,821 | \$ 13,933,125 | \$ 15,151,105 | \$ 30,631,703 | \$ 39,828,613 | \$ 29,279,863 | \$ 30,239,136 | \$ 31,540,971 |
| Number of permits issued | 1,605 | 1,744 | 1,103 | 1,142 | 1,203 | 1,284 | 1,312 | 1,444 | 1,465 | 1,482 |
| Security of persons and property: | | | | | | | | | | |
| Police | | | | | | | | | | |
| Number of criminal arrests | 2,431 | 2,010 | 2,028 | 2,062 | 2,100 | 1,882 | 2,058 | 2,249 | 1,877 | 2,063 |
| Number of DUI arrests | 81 | 110 | 93 | 130 | 154 | 94 | 124 | 146 | 175 | 183 |
| Number of motor vehicle accidents | 867 | 791 | 751 | 753 | 850 | 869 | 833 | 869 | 908 | 939 |
| Number of prisoners confined | 1,468 | 1,349 | 1,413 | 1,465 | 1,741 | 1,539 | 1,614 | 1,853 | 1,644 | 1,743 |
| Number of traffic citations issued | 8,549 | 7,916 | 7,635 | 8,809 | 7,594 | 7,643 | 9,460 | 15,616 | 12,759 | 17,682 |
| Number of parking citations issued | 1,730 | 1,976 | 2,013 | 2,136 | 2,092 | 2,242 | 1,775 | 2,476 | 2,353 | 2,702 |

(Continued)

City of North Olmsted, Ohio

Operating Indicators by Function/Program (Continued)

Last Ten Years

| | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Fire | | | | | | | | | | |
| Number of fire responses | 728 | 801 | 703 | 700 | 810 | 811 | 733 | 711 | 679 | 723 |
| Number of squad responses | 3,128 | 3,111 | 2,971 | 2,871 | 2,833 | 2,685 | 2,646 | 2,579 | 2,455 | 2,631 |
| Total number of emergency responses | 3,856 | 3,912 | 3,674 | 3,571 | 3,643 | 3,496 | 3,379 | 3,290 | 3,134 | 3,354 |
| Number of runs per day | 10.5 | 10.7 | 10.1 | 10.3 | 10.0 | 9.6 | 9.2 | 9.0 | 8.6 | 9.1 |
| Public health and welfare: | | | | | | | | | | |
| Youth and family services | | | | | | | | | | |
| Food cupboard distributions | 1,413 | 1,213 | 1,147 | 1,154 | 693 | 398 | 376 | 340 | 370 | N/A |
| Holiday adopt-a-family | 62 | 64 | 52 | 51 | 37 | 38 | 33 | 30 | 20 | 26 |
| Senior center | | | | | | | | | | |
| Hot lunch program – meals served | 6,583 | 7,234 | 8,223 | 8,909 | 8,935 | 9,237 | 9,399 | 9,179 | 7,443 | N/A |
| Meals on wheels clients served | 63 | 74 | 68 | 71 | 63 | 82 | 80 | 58 | N/A | N/A |
| Leisure time activities: | | | | | | | | | | |
| Senior center | | | | | | | | | | |
| Cabin rentals | 190 | 185 | 358 | 547 | 645 | 569 | 516 | 513 | 508 | 408 |
| Activity participants except hot lunch program | 23,219 | 24,222 | 19,978 | 10,930 | 11,624 | 11,498 | 10,092 | 11,529 | N/A | N/A |
| Springvale Golf Course and Ballroom | | | | | | | | | | |
| Number of golf rounds | 22,625 | 15,723 | 23,083 | 19,934 | 23,358 | 22,278 | 27,499 | 27,585 | 25,024 | 26,835 |
| Number of golf outings | 41 | 34 | 47 | 44 | 47 | 46 | 66 | 53 | 55 | 68 |
| Number of ballroom rentals | 62 | 64 | 56 | 54 | 52 | 51 | 56 | 60 | 76 | 91 |
| Recreation | | | | | | | | | | |
| Skate programs and events participants | 5,041 | 5,033 | 4,897 | 6,714 | 8,938 | 10,011 | 11,116 | 12,231 | 10,373 | 10,093 |
| Pool programs | 1,055 | 481 | 1,315 | 1,013 | 2,883 | N/A | N/A | N/A | 2,444 | 2,514 |
| Summer camp participants | 222 | 220 | 225 | 163 | 434 | 428 | 367 | 225 | 119 | N/A |

(Continued)

City of North Olmsted, Ohio

Operating Indicators by Function/Program (Continued)

Last Ten Years

| | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|----------|----------|
| Transportation: | | | | | | | | | | |
| Snowfall in inches | 33.80 | 57.15 | 62.9 | 59.5 | 80.0 | 76.3 | 34.6 | 108.4 | 95.8 | 98.6 |
| Street salting and plowing – number of hours | 1,010 | 2,229 | 2,936 | 3,152 | 3,350 | 4,485 | 1,472 | 5,402 | 3,911 | N/A |
| Street asphalt and concrete repair – number of hours | 5,006 | N/A | 3,849 | 5,236 | 4,926 | 7,581 | 6,848 | 4,828 | 5,670 | N/A |
| Tree planting and maintenance – number of hours | 1,264 | 2,698 | 2,115 | 2,908 | 2,431 | 2,268 | 2,344 | 2,895 | 3,085 | N/A |
| Vehicle maintenance and repair – number of hours | 8,445 | 8,098 | 8,070 | 7,765 | 7,258 | 7,777 | N/A | N/A | N/A | N/A |
| Street improvements - asphalt overlay/recycling - square feet | 395,239 | 437,693 | 430,765 | 515,374 | 406,035 | 933,633 | 975,487 | 701,439 | 489,863 | N/A |
| Cost of road salt purchased | \$ 108,432 | \$ 268,423 | \$ 258,409 | \$ 206,112 | \$ 309,145 | \$ 197,716 | N/A | N/A | N/A | N/A |
| Cost of unleaded and diesel fuel used | \$ 538,795 | \$ 527,070 | \$ 392,702 | \$ 345,075 | \$ 652,631 | \$ 502,617 | \$ 397,941 | \$ 449,771 | N/A | N/A |
| Wastewater: | | | | | | | | | | |
| Sanitary sewer rate per 1,000 cubic ft. | \$ 58.18 | \$ 52.27 | \$ 47.74 | \$ 43.60 | \$ 39.81 | \$ 36.26 | \$ 36.26 | \$ 36.26 | \$ 36.26 | \$ 36.26 |
| Total 1,000 cubic feet billed | 129,072 | 136,367 | 138,580 | 163,332 | 148,582 | 148,605 | 144,016 | 148,445 | 151,164 | 152,628 |
| Total flow of wastewater treatment plant (billions of gallons) | 2,150 | 2,510 | 1,505 | 1,595 | 1,699 | 1,805 | 1,822 | 2,009 | 2,014 | 2,120 |
| Average daily flow (millions of gallons per day) | 5.870 | 6.874 | 4.121 | 4.395 | 4.861 | 4.939 | 4.214 | 4.461 | 5.390 | 5.390 |
| Tons of wet sludge removed | 5,048 | 5,644 | 5,532 | 5,242 | 5,246 | 5,438 | 5,525 | 5,359 | 5,648 | 6,247 |

N/A: Not available

Source: Various City Divisions

City of North Olmsted, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

| | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| General government: | | | | | | | | | | |
| Number of administrative vehicles | 8 | 8 | 8 | 8 | 10 | 11 | 10 | 10 | 10 | 10 |
| Security of persons and property: | | | | | | | | | | |
| Fire: | | | | | | | | | | |
| Number of stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of vehicles | 14 | 12 | 12 | 12 | 14 | 14 | 14 | 14 | 14 | 13 |
| Police: | | | | | | | | | | |
| Number of stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of vehicles | 25 | 25 | 24 | 26 | 29 | 27 | 28 | 28 | 28 | 28 |
| Leisure time activities: | | | | | | | | | | |
| Recreation: | | | | | | | | | | |
| Number of parks | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Number of pools | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Recreation center facility | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of vehicles | 5 | 8 | 10 | 6 | 6 | 6 | 6 | 8 | 5 | 4 |
| Springvale Golf Course and Ballroom: | | | | | | | | | | |
| Number of acres | | | | | | | | | | |
| (18 hole golf course) | 132 | 132 | 132 | 132 | 132 | 132 | 132 | 132 | 132 | 132 |
| Square footage of ballroom | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Number of vehicles | 1 | 2 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 1 |
| Senior center: | | | | | | | | | | |
| Senior center facility | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of vehicles | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 |
| Transportation: | | | | | | | | | | |
| Streets: | | | | | | | | | | |
| Miles of streets | 146 | 146 | 146 | 146 | 146 | 146 | 145 | 145 | 145 | 145 |
| Number of street lights | 2,633 | 2,633 | 2,633 | 2,633 | 2,633 | 2,633 | 2,362 | 2,362 | 2,362 | 2,362 |
| Number of service vehicles | 55 | 51 | 45 | 43 | 46 | 44 | 46 | 46 | 42 | 44 |
| Wastewater: | | | | | | | | | | |
| Miles of sanitary sewers | 176 | 176 | 176 | 176 | 176 | 176 | 175 | 175 | 175 | 175 |
| Miles of storm sewers | 152 | 152 | 152 | 152 | 152 | 152 | 151 | 151 | 151 | 151 |
| Number of vehicles | 21 | 17 | 17 | 18 | 17 | 17 | 17 | 17 | 17 | 17 |

City of North Olmsted, Ohio

Capital Assets by Function

Last Ten Years

| | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Governmental activities: | | | | | | | | | | |
| General government: | | | | | | | | | | |
| Non-depreciable | | | | | | | | | | |
| Land and art | \$ 4,119,592 | \$ 3,728,055 | \$ 3,728,055 | \$ 3,728,055 | \$ 3,728,055 | \$ 3,728,055 | \$ 3,728,055 | \$ 3,728,055 | \$ 3,705,055 | \$ 3,712,536 |
| CIP | - | - | 18,986 | - | - | - | 254,987 | 288,158 | 134,465 | 5,451,463 |
| Other capital assets | | | | | | | | | | |
| Cost | 14,768,258 | 14,289,159 | 13,863,148 | 13,821,102 | 13,729,777 | 12,854,218 | 12,326,485 | 12,043,287 | 12,023,709 | 5,193,388 |
| Net book value | 8,717,046 | 8,802,130 | 8,828,478 | 9,146,041 | 9,543,887 | 9,075,066 | 8,843,845 | 8,865,854 | 9,136,769 | 1,997,027 |
| Security of persons and property: | | | | | | | | | | |
| <i>Fire:</i> | | | | | | | | | | |
| Non-depreciable | | | | | | | | | | |
| Land | 349,400 | 349,400 | 349,400 | 349,400 | 349,400 | 349,400 | - | - | - | - |
| CIP | - | - | - | - | - | - | 2,166,808 | 433,895 | - | - |
| Other capital assets | | | | | | | | | | |
| Cost | 10,034,683 | 9,468,972 | 9,521,134 | 9,543,303 | 9,543,303 | 9,543,303 | 5,669,892 | 5,310,749 | 5,302,466 | 5,054,346 |
| Net book value | 5,922,426 | 5,621,875 | 5,863,147 | 6,103,581 | 6,394,553 | 6,735,628 | 3,157,763 | 3,032,411 | 3,247,466 | 2,947,042 |
| <i>Police:</i> | | | | | | | | | | |
| Other capital assets | | | | | | | | | | |
| Cost | 2,903,904 | 2,940,562 | 2,883,521 | 2,888,984 | 3,269,628 | 3,147,006 | 3,274,082 | 3,152,905 | 2,893,512 | 2,633,713 |
| Net book value | 762,733 | 833,760 | 833,697 | 934,353 | 1,032,175 | 1,082,266 | 1,147,013 | 1,081,959 | 983,193 | 977,251 |
| Public health and welfare: | | | | | | | | | | |
| <i>Youth and family:</i> | | | | | | | | | | |
| Other capital assets | | | | | | | | | | |
| Cost | 165,706 | 165,706 | - | - | - | - | - | - | - | - |
| Net book value | 155,764 | 162,392 | - | - | - | - | - | - | - | - |
| Leisure time activities: | | | | | | | | | | |
| <i>Recreation:</i> | | | | | | | | | | |
| Non-depreciable | | | | | | | | | | |
| CIP | - | - | - | - | - | - | 12,284 | - | - | 98,005 |
| Other capital assets | | | | | | | | | | |
| Cost | 9,968,018 | 9,927,018 | 9,436,242 | 9,331,565 | 9,268,061 | 9,198,799 | 9,029,953 | 9,032,171 | 8,941,133 | 8,815,998 |
| Net book value | 1,333,282 | 1,563,183 | 1,333,826 | 1,533,088 | 1,797,927 | 2,026,002 | 2,091,819 | 2,319,717 | 2,526,462 | 2,659,549 |
| <i>Senior center:</i> | | | | | | | | | | |
| Non-depreciable | | | | | | | | | | |
| CIP | - | - | - | 16,833 | - | - | - | 18,541 | - | - |
| Other capital assets | | | | | | | | | | |
| Cost | 696,496 | 696,496 | 687,186 | 539,328 | 537,262 | 537,262 | 519,066 | 480,903 | 340,491 | 322,846 |
| Net book value | 383,564 | 402,082 | 415,593 | 267,723 | 285,590 | 303,456 | 321,322 | 300,072 | 162,348 | 153,983 |

(Continued)

City of North Olmsted, Ohio

Capital Assets by Function (Continued)

Last Ten Years

| | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Transportation: | | | | | | | | | | |
| Non-depreciable | | | | | | | | | | |
| CIP | 253,095 | 39,185 | - | 137,773 | 171,537 | - | - | 102,546 | - | - |
| Other capital assets | | | | | | | | | | |
| Cost | 4,405,211 | 3,857,118 | 3,707,236 | 3,670,474 | 3,635,325 | 3,632,741 | 3,682,027 | 3,360,309 | 3,228,825 | 2,925,187 |
| Net book value | 1,243,141 | 788,365 | 791,339 | 861,383 | 900,458 | 1,018,743 | 1,061,013 | 801,278 | 704,307 | 547,836 |
| Infrastructure | | | | | | | | | | |
| Cost | 141,635,998 | 140,178,515 | 139,422,954 | 130,440,393 | 129,467,866 | 128,983,810 | 128,076,170 | 126,253,887 | 124,938,751 | 124,765,980 |
| Net book value | 37,722,781 | 42,231,274 | 47,272,254 | 43,804,306 | 47,936,456 | 52,478,902 | 55,977,893 | 58,243,624 | 61,511,648 | 66,012,005 |
| Totals: | | | | | | | | | | |
| Non-depreciable | | | | | | | | | | |
| Land and art | 4,468,992 | 4,077,455 | 4,077,455 | 4,077,455 | 4,077,455 | 4,077,455 | 3,728,055 | 3,728,055 | 3,705,055 | 3,712,536 |
| CIP | 253,095 | 39,185 | 18,986 | 154,606 | 171,537 | - | 2,434,079 | 843,140 | 134,465 | 5,549,468 |
| Other capital assets | | | | | | | | | | |
| Cost | 42,942,276 | 41,345,031 | 40,098,467 | 39,794,756 | 39,983,356 | 38,913,329 | 34,501,505 | 33,380,324 | 32,730,136 | 24,945,478 |
| Net book value | 18,517,956 | 18,173,787 | 18,066,080 | 18,846,169 | 19,954,590 | 20,241,161 | 16,622,775 | 16,401,291 | 16,760,545 | 9,282,688 |
| Infrastructure | | | | | | | | | | |
| Cost | 141,635,998 | 140,178,515 | 139,422,954 | 130,440,393 | 129,467,866 | 128,983,810 | 128,076,170 | 126,253,887 | 124,938,751 | 124,765,980 |
| Net book value | <u>37,722,781</u> | <u>42,231,274</u> | <u>47,272,254</u> | <u>43,804,306</u> | <u>47,936,456</u> | <u>52,478,902</u> | <u>55,977,893</u> | <u>58,243,624</u> | <u>61,511,648</u> | <u>66,012,005</u> |
| Total governmental activities-cost | <u>\$ 189,300,361</u> | <u>\$ 185,640,186</u> | <u>\$ 183,617,862</u> | <u>\$ 174,467,210</u> | <u>\$ 173,700,214</u> | <u>\$ 171,974,594</u> | <u>\$ 168,739,809</u> | <u>\$ 164,205,406</u> | <u>\$ 161,508,407</u> | <u>\$ 158,973,462</u> |
| Total governmental activities-net book value | <u>\$ 60,962,824</u> | <u>\$ 64,521,701</u> | <u>\$ 69,434,775</u> | <u>\$ 66,882,536</u> | <u>\$ 72,140,038</u> | <u>\$ 76,797,518</u> | <u>\$ 78,762,802</u> | <u>\$ 79,216,110</u> | <u>\$ 82,111,713</u> | <u>\$ 84,556,697</u> |
| Business-type activities: | | | | | | | | | | |
| Springvale Golf Course and Ballroom: | | | | | | | | | | |
| Cost | \$ 7,401,729 | \$ 7,386,087 | \$ 6,906,494 | \$ 6,896,158 | \$ 6,894,216 | \$ 6,902,678 | \$ 6,931,673 | \$ 6,928,445 | \$ 6,915,563 | \$ 6,915,069 |
| Net book value | 5,161,855 | 5,351,051 | 4,993,308 | 5,157,215 | 5,328,579 | 5,509,561 | 5,637,324 | 5,813,900 | 6,009,015 | 6,204,470 |
| Sewer revenue: | | | | | | | | | | |
| Cost | 81,116,335 | 70,628,454 | 69,798,659 | 69,008,076 | 68,353,901 | 68,347,944 | 68,372,826 | 68,227,491 | 68,114,361 | 67,935,873 |
| Net book value | 30,706,798 | 21,474,976 | 22,008,808 | 22,460,892 | 23,208,251 | 24,630,309 | 26,023,751 | 27,285,455 | 28,604,057 | 29,936,248 |

(Continued)

City of North Olmsted, Ohio

Capital Assets by Function (Continued)

Last Ten Years

| | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| NOMBL: | | | | | | | | | | |
| Cost | - | 564,130 | 564,130 | 564,130 | 564,130 | 544,677 | 564,462 | 571,462 | 571,462 | 571,462 |
| Net book value | - | 391,537 | 391,537 | 391,537 | 391,537 | 372,084 | 372,084 | 372,084 | 372,084 | 374,062 |
| Total business-type activities cost | \$ <u>88,518,064</u> | \$ <u>78,578,671</u> | \$ <u>77,269,283</u> | \$ <u>76,468,364</u> | \$ <u>75,812,247</u> | \$ <u>75,795,299</u> | \$ <u>75,868,961</u> | \$ <u>75,727,398</u> | \$ <u>75,601,386</u> | \$ <u>75,422,404</u> |
| Total business-type activities net book value | \$ <u>35,868,653</u> | \$ <u>27,217,564</u> | \$ <u>27,393,653</u> | \$ <u>28,009,644</u> | \$ <u>28,928,367</u> | \$ <u>30,511,954</u> | \$ <u>32,033,159</u> | \$ <u>33,471,439</u> | \$ <u>34,985,156</u> | \$ <u>36,514,780</u> |

Source: City Finance Department – capital asset inventory.