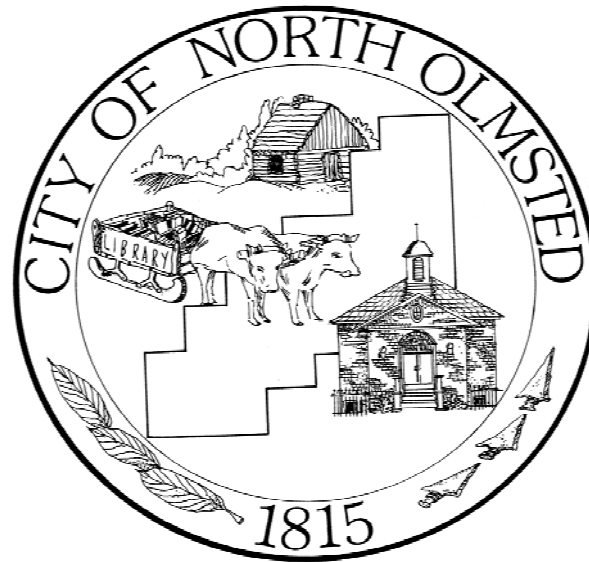


CITY NORTH OLMSTED



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2009

Carrie B. Copfer, CPA
Director of Finance

Leslie A. Bruxvoort, CPA
Assistant Director of Finance



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the City of North Olmsted, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 5, 2010

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City of North Olmsted, Ohio

**Comprehensive Annual Financial Report
December 31, 2009**

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

**INTRODUCTORY
SECTION**

City of North Olmsted, Ohio

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City of North Olmsted

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

Carrie B. Copfer, CPA
Director of Finance

Department of Finance

Phone: (440) 777-8000
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June 28, 2010

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, 2009.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that the City has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Ciuni & Panichi, Inc. (Certified Public Accountants and Business Advisors), have issued an unqualified (“clean”) opinion on the City of North Olmsted’s financial statements for the year ended December 31, 2009. The Independent Auditors’ Report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A 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 2000 census was 34,113.

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



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

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

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

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

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

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

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

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

Component Unit

The North Olmsted Commission on Paratransit, Inc. (N.O.C.O.P.) has been presented as a discretely presented component unit of the primary government, based on the significant services and resources provided by the City. A complete discussion of the City's reporting entity is provided in Notes 1, 16 and 20 of the basic financial statements.

Budgetary Process

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

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

FACTORS AFFECTING FINANCIAL CONDITION

Summary of Local Economy

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

The largest commercial development in the City includes the Westfield Shopping Mall and the adjacent Great Northern Shopping Center, together constituting a 2.0 million square foot retail complex with approximately 225 stores, professional and medical offices and restaurants; the Great Northern Corporate Center I, II and III, a 267,000 square foot executive office complex; and the Great Northern Technology Center, a 144,000 square foot office complex. All of this development is located adjacent to an interchange on interstate highway I-480. The properties have been developed in phases over the past 35 years, and the businesses located in them now provide employment for approximately 6,500 persons. The local economy has developed and redeveloped around this area. In 2007 the Westfield Group made a significant improvement to the mall and its outlying restaurants and other properties to keep its status of top performing mall complexes.

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% credit on up to two percent for taxes paid to their workplace city, can adjust that credit through an ordinance of Council.

The local economy, which is a direct reflection of the region, state, national and global recessions saw another year of dramatic declines in jobs and development, and an increase in many struggling businesses. Retail and automotive sales are major businesses in North Olmsted and they continued to suffer. This is evidenced in the seven percent decline in municipal income tax. Unemployment was at nine percent in the county at the end of 2009.

The county reduced property tax values by ten percent, mirroring the market value decline. The number of home sales dropped again with the credit crisis and any improvements made to enhance value was limited as evidenced by the type of building permits being issued. The number of foreclosures rose to over 200 – a 20% increase from 2008, which represents two percent of the 9,927 housing units and 1,431 condominiums.

The state balanced its biannual budget with federal stimulus dollars and allowed video gaming, but the long-term reality may affect the recovery of the city's local economy in 2010 and beyond.

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

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

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

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

Debt Administration

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

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

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

Cash Management

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

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

Risk Management

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

The City provides health, dental and vision insurance to its employees through a self-insurance plan. An employee committee reviews healthcare costs and trends and makes recommendations to the Administration on changes to contain costs for both employer and employee. The City funds the insurance plan by contributing the expected cost for single and family coverage out of the fund from which the employee's compensation is paid. Employees contribute a portion of this expected cost on a pre-tax basis through payroll withholding. Resources are accumulated in the internal service fund to meet current and future claims. The City has reinsurance for both medical and drug claims in excess of \$75,000 per individual and \$3,350,394 in the aggregate for plan year 2009. Claims in excess of this aggregate are insured by private carriers. The City expects to assume no additional risks in the near future. The City contracts with a third party administrator to process the claims in accordance with the plan.

The City was granted self insurance status by the Bureau of Worker's Compensation and began administering its own program in 2009. Resources are accumulated in an internal service fund based on actual estimates and allocated by payroll dollars. The City has a third party administrator to review, process and pay employee claims. The city maintains excess insurance coverage to protect the City from claims in excess of \$500,000 for police or emergency response officers and \$450,000 for all other employees up to \$1,000,000 maximum per occurrence.

Major Initiatives

The Westshore Council of Governments received a \$100,000 grant from the Fund of Our Economic Future, a collaboration of philanthropies working to strengthen the region's economic competitiveness, to study ways to strengthen and consolidate the staffing, communications, equipment facilities, funding and other fire and medical-related services for greater efficiency within the six west shore communities.

The City of North Olmsted, after performing the annual street rating program, borrowed \$1,010,000 to perform improvements to city streets most in need. Additionally, the City had an Issue I grant from the State and participated with the County to improve Dover Center Road.

The City faced the reality of the pending recession early in 2008 by developing and implementing a plan of restructuring departments and divisions, enhancing revenues where possible, utilizing attrition, and ultimately in 2008, layoffs. This decreased costs by \$700,000. Through partnering with our various employee groups, no City employees received raises in 2009 and their salaries will be reduced by between five to ten percent due to wage concessions in 2010 equaling \$1.3 million city wide. They remain in effect for 2011 if the city's finances do not recover by 2011.

Long-term Financial Planning

The City does not have a formal long-term capital plan; however, the City is layering new borrowing for street improvements at \$1,000,000 annually. The outstanding bonded street debt requirements are reduced substantially in 2013. Therefore, the plan will be reevaluated by 2013.

In 2007 the computer equipment replacement policy scheduled replacements every four years, but in 2008, and again in 2009, with the declining economy the schedule was increased to five years and the warranties were extended where possible. New replacement servers were purchased for the network and the financial system and older ones were utilized for backup purposes.

The City currently does not have a long-range plan for proper fund balance accumulation, though had grown it to approximately ten percent of General Fund revenues through 2007 which provided the City more financial flexibility. This was unable to be continued in 2008 and 2009 due to the recession. However, a plan to balance financial needs to provide basic service and rebuild future financial sustainability is being formulated under the new administration in 2010.

AWARDS AND ACKNOWLEDGEMENTS

GFOA Certificate of Achievement

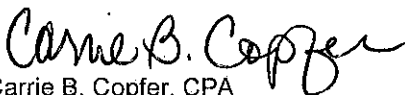
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Olmsted for its comprehensive annual financial report for the fiscal year ended December 31, 2008. This was the tenth year that the city has achieved this prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of North Olmsted has received a Certificate of Achievement for the last eight consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

Acknowledgments

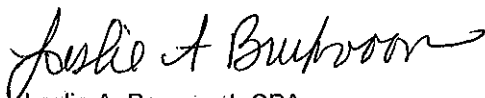
The 2009 Comprehensive Annual Financial Report was prepared by the Finance Department with cooperation from all city departments. We would like to express our appreciation to Ciuni & Panichi, Inc. for their guidance in the preparation of this report.

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

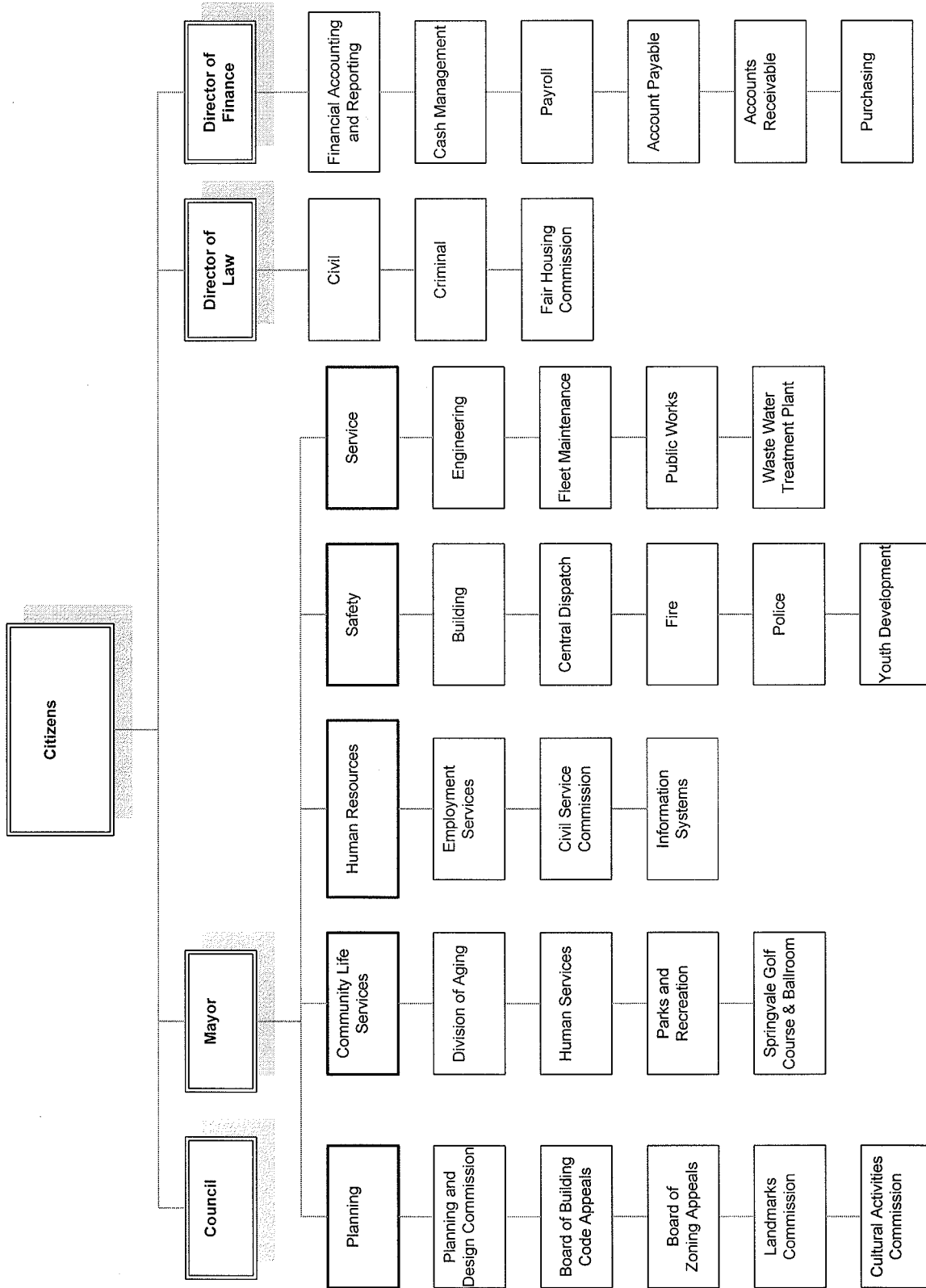
Respectfully submitted,



Carrie B. Copfer, CPA
Director of Finance



Leslie A. Bruxvoort, CPA
Assistant Director of Finance



City of North Olmsted, Ohio

Principal City Officials

December 31, 2009

Elected Officials

Thomas E. O'Grady	Mayor
James M. Dubelko.....	Director of Law
Carrie B. Copfer.....	Director of Finance
Kevin M. Kennedy	President of Council
Louis Brossard	Council Ward 1
Paul R. Barker	Council Ward 2
Nicole Dailey Jones	Council Ward 3
Lawrence R. Orłowski	Council Ward 4
Michael R. Gareau, Jr.....	Council-At-Large
Kevin G. Kearney	Council-At-Large
Mark J. Mahoney	Council-At-Large

Appointed Officials

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of North Olmsted
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

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.



A stylized handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

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**FINANCIAL
SECTION**

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Independent Auditors' Report

Members of the City Council
North Olmsted, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of North Olmsted, Ohio (the "City"), as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2009, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Permanent Improvements Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2009, the City implemented Governmental Accounting Standard Board (GASB) Statements No. 52, *Land and Other Real Estate Held as Investments by Endowments*; GASB Statement No. 55, *Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in AICPA Statements on Auditing Standards*.

Members of the City Council
North Olmsted, Ohio

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2010, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 14 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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.

Cini & Parichi, Inc.

Cleveland, Ohio
June 28, 2010

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2009

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, 2009. 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 2009 are as follows:

- Total net assets are \$58,870,494 at December 31, 2009, which represents a .5 percent decrease from the prior year.
- Total invested in capital assets, net of related debt of \$45,254,067, represents 76.87 percent of total net assets in 2009.
- Total liabilities decreased by \$5,925,653 or 8.09 percent decrease from 2008 primarily from debt service payments.

Using This Comprehensive Annual Financial Report (CAFR)

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

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

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2009

Reporting the City of North Olmsted as a Whole

Statement of Net Assets and Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole considers all financial transactions and measures how the City did financially during fiscal year 2009. The *Statement of Net Assets* and the *Statement of Activities* include assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

Reporting the City of North Olmsted's Most Significant Funds

Fund Financial Statements

The presentation of the City's major funds begins on page 18. Fund financial reports provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds which account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of North Olmsted, the major governmental funds are the General Fund, Permanent Improvements Fund and General Obligation Bond Retirement Fund and the major enterprise funds are North Olmsted Municipal Bus Line (NOMBL) Fund, Springvale Golf Course and Ballroom Fund, and Sewer Revenue Fund.

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2009

Governmental Funds

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

Proprietary Funds

The City of North Olmsted maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities. The City uses enterprise funds to account for the operations of its municipal bus line, golf course and ballroom and sanitary sewer plant and system. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains this type of fund for its self-insurance of health related employee benefits 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 25 of this report.

Fiduciary Funds

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

Notes to the Financial Statements

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

Other Information

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

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2009

The City of North Olmsted as a Whole

The *Statement of Net Assets* looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2009 compared to 2008.

Table 1
Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Assets:						
Current and Other Assets	\$ 30,390,704	\$ 30,618,627	\$ 950,947	\$ 790,066	\$ 31,341,651	\$ 31,408,693
Capital Assets, Net	<u>66,882,536</u>	<u>72,140,038</u>	<u>28,009,644</u>	<u>28,928,367</u>	<u>94,892,180</u>	<u>101,068,405</u>
Total Assets	<u>97,273,240</u>	<u>102,758,665</u>	<u>28,960,591</u>	<u>29,718,433</u>	<u>126,233,831</u>	<u>132,477,098</u>
Liabilities:						
Current Liabilities	11,327,709	12,803,770	541,221	369,955	11,868,930	13,173,725
Long-term Liabilities	<u>39,879,197</u>	<u>43,363,753</u>	<u>15,615,210</u>	<u>16,751,512</u>	<u>55,494,407</u>	<u>60,115,265</u>
Total Liabilities	<u>51,206,906</u>	<u>56,167,523</u>	<u>16,156,431</u>	<u>17,121,467</u>	<u>67,363,337</u>	<u>73,288,990</u>
Net Assets:						
Invested in Capital Assets, Net of Related Debt	32,357,653	34,062,983	12,896,414	12,775,644	45,254,067	46,838,627
Restricted	12,112,003	10,349,564	-	-	12,112,003	10,349,564
Unrestricted	<u>1,596,678</u>	<u>2,178,595</u>	<u>(92,254)</u>	<u>(178,678)</u>	<u>1,504,424</u>	<u>1,999,917</u>
Total Net Assets	\$ <u>46,066,334</u>	\$ <u>46,591,142</u>	\$ <u>12,804,160</u>	\$ <u>12,596,966</u>	\$ <u>58,870,494</u>	\$ <u>59,188,108</u>

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2009

Net assets may serve over time as a useful indicator of a government's financial position. For the City of North Olmsted, total assets exceed total liabilities by \$58,870,494 as of December 31, 2009, which is a .5 percent decrease from the prior year, or a \$317,614 decrease. The City's financial position did not substantially deteriorate after consideration of the economic recession that gripped the county in 2009. At the end of the current year, the City of North Olmsted is able to report positive balances in all three categories of net assets.

The largest portion of the City's net assets (76.9 percent) reflects the investments in capital assets (land, construction in progress, buildings, improvements other than buildings, machinery and equipment, furniture and fixtures and infrastructure) less any related debt to acquire those assets that is still outstanding. These capital assets are used to provide services to the City's citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets for 2009 decreased by \$6,243,267 or 4.7 percent when compared to 2008. Current assets declined by \$67,042 or .2 percent from 2008. Therefore, the decrease in total assets was mainly due to accumulated depreciation on capital assets exceeding the additions and deletions. The net affect of depreciation, additions and deletions on governmental activities was a decrease of \$5,257,502. Business-type activities capital assets decreased by \$918,723, which again is primarily attributed to the accumulated depreciation on capital assets of the sanitary sewer plant and system. The City's total liabilities decreased \$5,925,653 from 2008 to 2009. The total current liabilities declined by \$1,304,795 primarily from the decline in governmental activities unearned revenue as the taxable property value was lowered by a ten percent market decline per the county auditor. Total long term liabilities decreased by \$4,620,858 which can be attributed to the annual debt service payments offset by additional borrowing for capital projects for both governmental and business-type activities.

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

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2009

Table 2
Changes in Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues:						
Program revenues:						
Charges for services	\$ 3,821,114	\$ 3,894,030	\$ 7,657,348	\$ 7,601,232	\$ 11,478,462	\$ 11,495,262
Operating grants and contributions	1,696,873	1,783,155	-	-	1,696,873	1,783,155
Capital grants and contributions	<u>800,379</u>	<u>161,267</u>	<u>124,197</u>	<u>40,886</u>	<u>924,576</u>	<u>202,153</u>
Total program revenues	<u>6,318,366</u>	<u>5,838,452</u>	<u>7,781,545</u>	<u>7,642,118</u>	<u>14,099,911</u>	<u>13,480,570</u>
General revenues:						
Property taxes and other taxes	11,020,701	10,868,791	-	-	11,020,701	10,868,791
Municipal income taxes	12,239,390	13,021,313	-	-	12,239,390	13,021,313
Grants and entitlements	3,462,553	4,145,745	-	-	3,462,553	4,145,745
Other	<u>107,974</u>	<u>592,117</u>	<u>-</u>	<u>-</u>	<u>107,974</u>	<u>592,117</u>
Total general revenues	<u>26,830,618</u>	<u>28,627,966</u>	<u>-</u>	<u>-</u>	<u>26,830,618</u>	<u>28,627,966</u>
Total revenues	<u>33,148,984</u>	<u>34,466,418</u>	<u>7,781,545</u>	<u>7,642,118</u>	<u>40,930,529</u>	<u>42,108,536</u>
Program expenses:						
General government	3,900,267	4,556,304	-	-	3,900,267	4,556,304
Security of persons and property	12,806,773	14,754,497	-	-	12,806,773	14,754,497
Public health welfare	536,943	565,271	-	-	536,943	565,271
Transportation	9,493,814	10,144,063	-	-	9,493,814	10,144,063
Basic utility services	2,111,966	2,162,069	-	-	2,111,966	2,162,069
Leisure time activities	2,493,927	2,618,770	-	-	2,493,927	2,618,770
Economic development	548,066	562,343	-	-	548,066	562,343
Interest and fiscal charges	1,754,255	1,947,244	-	-	1,754,255	1,947,244
NOMBL	-	-	13,158	13,158	13,158	13,158
Springvale	-	-	1,337,078	1,417,950	1,337,078	1,417,950
Sewer	-	-	<u>6,251,896</u>	<u>6,659,020</u>	<u>6,251,896</u>	<u>6,659,020</u>
Total program expenses	<u>33,646,011</u>	<u>37,310,561</u>	<u>7,602,132</u>	<u>8,090,128</u>	<u>41,248,143</u>	<u>45,400,689</u>
Change in net assets before transfers	(497,027)	(2,844,143)	179,413	(448,010)	(317,614)	(3,292,153)
Transfers	<u>(27,781)</u>	<u>528,542</u>	<u>27,781</u>	<u>(528,542)</u>	<u>-</u>	<u>-</u>
Change in net assets	(524,808)	(2,315,601)	207,194	(976,552)	(317,614)	(3,292,153)
Net assets, beginning of year	<u>46,591,142</u>	<u>48,906,743</u>	<u>12,596,966</u>	<u>13,573,518</u>	<u>59,188,108</u>	<u>62,480,261</u>
Net assets, end of year	\$ <u>46,066,334</u>	\$ <u>46,591,142</u>	\$ <u>12,804,160</u>	\$ <u>12,596,966</u>	\$ <u>58,870,494</u>	\$ <u>59,188,108</u>

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2009

Governmental Activities

Overall, total governmental activities revenues declined by \$1,317,434. Program revenues represent 19.1 percent of the total governmental activities revenues. This includes charges for services and both operating and capital grants. Program revenues increased in 2009 by \$479,914. The increase in program revenues is primarily due to the increase in capital grants – one an Issue 1 grant for Dover Center Road resurfacing, including the county participation on the local match, and the other, the Byrnes Justice Safety Equipment grant. No such substantial capital grants were received in 2008. This is offset by the decline in charges for services and operating grants, both directly attributable to the economic recession for the entire year in 2009 reducing the related receipts as they are driven by consumer spending.

General revenues represent the other 80.9 percent of total governmental activities with municipal income taxes at 36.9 percent, property and other local taxes at 33.2 percent and grants, entitlements and other miscellaneous revenues representing the remaining 10.8 percent. General revenues declined in 2009 by \$1,797,348. Property taxes increased by \$151,910 or 1.4 percent, which represents the tax year 2008 before the decline in real property values for tax year 2009. Municipal income taxes declined by \$781,923 or 6 percent from 2008 which is a direct result of the economic recession. Grants and entitlements decreased by \$683,192 or 16.5 percent in 2009. This is primarily due to declines in estate tax revenues of \$441,060 and local government funding of \$189,633, both a direct result of the recession. Other general revenues decreased by \$484,143 in 2009 primarily from reduced investment earnings from the low investments rates on all sources of allowable investments throughout 2009.

Overall, total program expenses decreased by 9.8 percent over 2008 or \$3,664,550. All functional expenses declined due to the full year effect of the changes in the health care plan, and the limit on all but critical capital equipment purchases, materials and supplies, and outside services.

General government represents 11.6 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 decreased by 14.4 percent. In addition to the aforementioned, savings on wages and benefits was achieved from three layoffs at the end of 2008.

Security of persons and property represent 38.1 percent of program expenses. This includes the cost of the police, dispatch, fire and paramedic services. A 13.2 percent decline, \$1,947,724, from 2008 represents a dramatic savings in wages and benefits from the layoff of ten safety personnel at the end of 2008.

Transportation expenses, which represent 28.2 percent of program expenses, decreased by 6.4 percent over the prior year. 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. Program expenses decreased from the stringent management of material and supplies, such as fuel utilization, and the reduction of the brush removal services, which enabled more efficient staffing utilization.

Leisure time activities represent 7.4 percent of program expenses. This is the cost of operating the recreation center and parks, recreational programs and programs provided to senior citizens. Leisure time activities decreased by 4.8 percent for the reasons stated above that affected all functions.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2009

Interest and fiscal charges on debt service are 5.2 percent of program expenses. They ended 9.9 percent less as debt service payments represent more principal and less interest each year.

Business Type Activities

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, but has not been liquidated due to special assessments still owed on the City land. 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. The City is in year two of a five year rate plan increase. Even with the 9.5 percent rate increase in 2009 over 2008, program revenues only went up 1.8 percent, illustrating the decline in both Springvale and WWTP volume in 2009.

Business type activity expenses decreased in 2009 by 6 percent or \$487,996 over the prior year. Both Springvale and WWTP were not immune from the constraints required on materials and supplies and contractual services due to the economic recession. The healthcare plan changes also applied to employees in these business type activities as well.

Financial Analysis of the City's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Information about the City's governmental funds begins on page 18. These funds are accounted for by using the modified accrual basis of accounting.

As of December 31, 2009, the City's governmental funds reported combined ending fund balances of \$14,293,630. Of that amount, \$13,642,414 constitutes unreserved fund balances, which is available for spending at the government's discretion. The \$651,216 of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchases of the prior period.

All governmental funds had total revenues of \$32,971,098 and expenditures of \$35,350,796, leaving a deficiency of revenues under expenditures of \$2,379,698. After consideration of \$3,196,669 in other financing sources and uses, the current year income was \$816,971.

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 2009, the General Fund had total revenues of \$18,545,290 and expenditures of \$18,086,390 resulting in an increase in fund balance of \$408,350, after consideration of \$50,550 in net other financing uses, for an ending General

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2009

Fund balance at December 31, 2009 of \$3,588,760. General Fund revenues decreased from the prior year revenues by 7.7 percent or \$1,551,715 and expenditures were \$3,373,705 less than last year's expenditures and represents a 15 percent decrease. Property tax revenues declined by 3 percent, municipal income taxes decreased by 4.5 percent and intergovernmental revenues decreased by 25 percent, all attributable to the economic recession. Charges for services increased by 13.7 percent as charges were evaluated and the non-resident portion of emergency medical billing was receipted to the general fund to offset economic losses sustained. Labor contracts were settled in 2008, resulting in the payment of up to two years of retroactive wages and benefits on those wages for 2008, making 2008 artificially higher than normal. At the end of 2008, fifteen layoffs occurred resulting in significant reductions in wages and benefits for 2009. Additionally, healthcare plan changes were in effect in 2009 along with major spending reductions on fuel, materials and supplies and contractual services. Where possible the city broadened the use of special revenue funds to transfer operating costs from the general fund. The largest areas affected were general government, security of persons and property and transportation.

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 2009, the Permanent Improvements Fund had total revenues of \$2,058,384 and expenditures of \$3,633,165 resulting in a decrease in fund balance of \$36,621, after consideration of \$1,538,160 in net other financing sources, for an ending fund balance at December 31, 2009 of \$2,246,514. Revenues in 2009 increased by \$116,460 from the prior year from matching local share monies from the county for the Dover Road resurfacing project offset by 4.6 percent less in income tax collections due to the economic recession. Expenditures increased from the prior year as another year's worth of notes were borrowed to perform street improvements, which is accounted for in the financing sources long term notes issued.

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 2009, the General Obligation Bond Retirement Fund had total revenues of \$3,373,675 and expenditures of \$4,874,042 resulting in an increase in fund balance of \$201,983, after consideration of \$1,702,350 in net other financing sources, for an ending fund balance at December 31, 2009 of \$2,657,293. The General Obligation Bond Retirement fund revenues decreased in 2009 by \$141,087 primarily from significantly lower investment income as the allowable investment options' earnings had been low for the entire year. The expenditures and transfers in are set by the bonds and are comparable to the prior year in total, though more principal and less interest was paid in 2009.

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 2009. All recommendations for budget amendments are initially presented to the Finance Committee of City Council for review before they are presented to the whole Council for Ordinance enactment on the change. Budgetary modifications between the legal level of control categories may only be made by resolution of the City Council. The City allows intra-department budget modifications if they are within the same legal level of control category. The General Fund supports many of the City's major activities such as the police, fire and service departments, as well as most legislative and administrative activities. The General Fund is

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2009

monitored closely, looking for possible revenue shortfalls or potential overspending by individual departments.

For the General Fund, the original budgeted revenues and other financing sources were \$18,524,151. The final budgeted revenues and other financing sources were \$18,527,120. The City actually received \$18,822,637 in 2009. The excess came primarily from greater than anticipated revenues of \$335,643 in intergovernmental revenues from estate tax collections, local government funds and property tax rollback. The original appropriations, including other financing uses for the General Fund were \$20,298,806. The final appropriations, including other financing uses, were \$20,304,745. The City's actual expenditures, excluding other financing uses ended \$849,675 below the final budgeted amount primarily from limited spending by all divisions in fuel, materials and supplies and outside services. There was a \$629,500 deficiency of revenues over expenditures before the \$2,933 net other financing uses. This resulted in a net reduction of the General Fund balance of \$632,433.

Capital Assets and Debt Administration

Capital Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	\$ 4,054,455	\$ 4,054,455	\$ 2,617,895	\$ 2,617,895	\$ 6,672,350	\$ 6,672,350
Land improvements, not depreciated	-	-	19,453	19,453	19,453	19,453
Construction in progress	154,606	171,537	628,446	-	783,052	171,537
Other non-depreciable assets	23,000	23,000	-	-	23,000	23,000
Land improvements	445,130	496,681	703,361	761,504	1,148,491	1,258,185
Buildings and improvements	16,026,357	16,767,351	7,051,256	7,500,835	23,077,613	24,268,186
Furniture and fixtures	238,301	322,671	-	-	238,301	322,671
Vehicles and equipment	2,136,381	2,367,887	10,678,311	11,440,134	12,814,692	13,808,021
Infrastructure	<u>43,804,306</u>	<u>47,936,456</u>	<u>6,310,922</u>	<u>6,588,546</u>	<u>50,115,228</u>	<u>54,525,002</u>
Total	<u>\$ 66,882,536</u>	<u>\$ 72,140,038</u>	<u>\$ 28,009,644</u>	<u>\$ 28,928,367</u>	<u>\$ 94,892,180</u>	<u>\$ 101,068,405</u>

Total capital assets net of depreciation of the City's governmental activities as of December 31, 2009, were \$66,882,536, which was \$5,257,502 lower than December 31, 2008. The most significant additions were in vehicles of \$271,902 and roads of \$1,596,910. These additions were offset by disposals and annual depreciation expense of \$6,977,643. Business type activities net capital assets decreased by \$918,723 over 2008 which is primarily due to the annual depreciation of \$1,599,941 exceeding the new capital additions, which is primarily the engineering for the significant upgrade of the antiquated wastewater treatment plant and collection system that is approximately 50 percent complete at \$628,446. For additional information see Note 8.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2009

Debt and Other Long-Term Obligations

As of December 31, 2009, the City of North Olmsted had \$55,494,407 in total debt and other long-term obligations outstanding with \$8,038,869 due within one year.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
General obligation bonds	\$ 31,165,433	\$ 35,442,003	\$ 13,313,153	\$ 14,631,498	\$ 44,478,586	\$ 50,073,501
Special assessment bonds	90,000	175,000	-	-	90,000	175,000
OWDA loan	-	-	1,018,076	607,269	1,018,076	607,269
OPWC loans	54,450	68,061	782,001	912,335	836,451	980,396
Police pension	96,629	99,341	-	-	96,629	99,341
Long-term notes	3,215,000	2,370,000	-	-	3,215,000	2,370,000
Compensated absences	4,696,106	4,743,810	501,980	598,789	5,198,086	5,342,599
Settlements and judgments	205,985	208,628	-	-	205,985	208,628
Claims payable	355,594	234,919	-	-	355,594	234,919
Capital leases	-	21,991	-	1,621	-	23,612
Total	\$ <u>39,879,197</u>	\$ <u>43,363,753</u>	\$ <u>15,615,210</u>	\$ <u>16,751,512</u>	\$ <u>55,494,407</u>	\$ <u>60,115,265</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 Special Assessment Bonds are for the Industrial Parkway construction. The property owners pay for this bond which will be repaid in 2010.

The City has several OPWC and OWDA loans outstanding, however, the OPWC loans are no interest loans.

The State of Ohio statute limits the amount of general obligation debt a governmental entity may issue to 10.5 percent of the total assessed valuation. The City's overall legal debt margin was \$59,088,210 at December 31, 2009. This represents the aggregate principal amount of additional voted and unvoted debt which the City may issue over and above what the City currently has outstanding without exceeding the limitation. This calculation does not take into account the City's ability to repay such debt levels within current resources. Additional information concerning the City's debt can be found in Notes 12, 13 and 14 to the basic financial statements.

Economic Factors and Next Year's Budget

In 2010 The City of North Olmsted will continue to feel the effects of the economic recession that gripped the global, national and regional economies in late 2008. In 2010 the City's income tax collections are projected to decline further by 7 percent and property tax collections are expected to be 10 percent lower as the county auditor performed his triennial appraisal lowering property values in the City. The City, by partnering with the unions and other employee groups, obtained concessions ranging from 5 to 10 percent in wages and benefits for 2010 reducing the City's expenses by \$1.3 million each year. The concessions remain in effect in 2011 if the City's finances require them. The State of Ohio's recovery and how they manage their budget shorfalls could negatively impact the City in the next few years.

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2009

Requests for Information

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

City of North Olmsted, Ohio

Statement of Net Assets

December 31, 2009

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		North Olmsted
				Commission on
				Paratransit, Inc.
Assets:				
Equity in pooled cash and cash equivalents	\$ 11,482,613	\$ 998,942	\$ 12,481,555	\$ 39,884
Interest receivable	5,021	-	5,021	-
Accounts receivable	286,199	-	286,199	-
Materials and supplies inventory	318,787	135,601	454,388	-
Prepaid items	86,155	58,242	144,397	-
Internal balances	2,382,911	(2,382,911)	-	-
Intergovernmental receivable	2,456,290	2,045,471	4,501,761	10,417
Income taxes receivable	2,928,151	-	2,928,151	-
Taxes receivable - property and other	10,232,032	-	10,232,032	-
Special assessments receivable	90,000	-	90,000	-
Unamortized bond issuance costs	122,545	95,602	218,147	-
Non-depreciable capital assets	4,232,061	3,265,794	7,497,855	-
Depreciable capital assets, net	<u>62,650,475</u>	<u>24,743,850</u>	<u>87,394,325</u>	-
Total assets	<u>97,273,240</u>	<u>28,960,591</u>	<u>126,233,831</u>	<u>50,301</u>
Liabilities:				
Accounts and contracts payable	824,179	321,992	1,146,171	10,417
Accrued wages and benefits	234,119	57,505	291,624	-
Matured compensated absences	86,381	-	86,381	-
Intergovernmental payable	526,926	98,241	625,167	-
Unearned revenue	9,484,920	-	9,484,920	-
Accrued interest payable	171,184	63,483	234,667	-
Long term liabilities:				
Due within one year	6,245,953	1,792,916	8,038,869	-
Due in more than one year	<u>33,633,244</u>	<u>13,822,294</u>	<u>47,455,538</u>	-
Total liabilities	<u>51,206,906</u>	<u>16,156,431</u>	<u>67,363,337</u>	<u>10,417</u>
Net assets:				
Invested in capital assets, net of related debt	32,357,653	12,896,414	45,254,067	-
Restricted for:				
Debt service	4,516,771	-	4,516,771	-
Capital projects	716,489	-	716,489	-
Community development	71,498	-	71,498	-
Highways and streets	4,582,846	-	4,582,846	-
Public safety	604,339	-	604,339	-
Recreation	148,141	-	148,141	-
Solid waste management	859,742	-	859,742	-
Federal and other grants	612,177	-	612,177	-
Unrestricted	<u>1,596,678</u>	<u>(92,254)</u>	<u>1,504,424</u>	<u>39,884</u>
Total net assets	<u>\$ 46,066,334</u>	<u>\$ 12,804,160</u>	<u>\$ 58,870,494</u>	<u>\$ 39,884</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, 2009

	<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	\$ 3,900,267	\$ 1,245,426	\$ 29,998	\$ -
Security of persons and property	12,806,773	1,132,436	55,111	100,000
Public health and welfare	536,943	32,742	46,530	-
Transportation	9,493,814	230,351	1,442,017	681,725
Basic utility services	2,111,966	-	4,350	-
Leisure time activities	2,493,927	1,158,712	64,267	18,654
Economic development	548,066	21,447	54,600	-
Interest and fiscal charges	<u>1,754,255</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>33,646,011</u>	<u>3,821,114</u>	<u>1,696,873</u>	<u>800,379</u>
Business-type activities:				
NOMBL	13,158	-	-	-
Springvale golf course and ballroom	1,337,078	1,286,334	-	-
Sewer revenue	<u>6,251,896</u>	<u>6,371,014</u>	<u>-</u>	<u>124,197</u>
Total business-type activities	<u>7,602,132</u>	<u>7,657,348</u>	<u>-</u>	<u>124,197</u>
Total primary government	\$ <u>41,248,143</u>	\$ <u>11,478,462</u>	\$ <u>1,696,873</u>	\$ <u>924,576</u>
Component unit:				
North Olmsted Commission on Paratransit, Inc.	\$ <u>125,102</u>	\$ <u>670</u>	\$ <u>125,694</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
Miscellaneous income
Total general revenues
Transfers
Total general revenues and transfers
Change in net assets
Net assets, beginning of year
Net assets, end of year

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

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business- Type Activities	Total	North Olmsted Commission on Paratransit, Inc.
\$ (2,624,843)	\$ -	\$ (2,624,843)	\$ -
(11,519,226)	-	(11,519,226)	-
(457,671)	-	(457,671)	-
(7,139,721)	-	(7,139,721)	-
(2,107,616)	-	(2,107,616)	-
(1,252,294)	-	(1,252,294)	-
(472,019)	-	(472,019)	-
<u>(1,754,255)</u>	<u>-</u>	<u>(1,754,255)</u>	<u>-</u>
<u>(27,327,645)</u>	<u>-</u>	<u>(27,327,645)</u>	<u>-</u>
-	(13,158)	(13,158)	-
-	(50,744)	(50,744)	-
-	243,315	243,315	-
-	179,413	179,413	-
<u>(27,327,645)</u>	<u>179,413</u>	<u>(27,148,232)</u>	<u>-</u>
-	-	-	1,262
5,445,332	-	5,445,332	-
980,005	-	980,005	-
245,060	-	245,060	-
258,119	-	258,119	-
4,092,185	-	4,092,185	-
8,568,516	-	8,568,516	-
1,835,437	-	1,835,437	-
1,835,437	-	1,835,437	-
3,462,553	-	3,462,553	-
84,227	-	84,227	-
23,747	-	23,747	-
26,830,618	-	26,830,618	-
<u>(27,781)</u>	<u>27,781</u>	<u>-</u>	<u>-</u>
<u>26,802,837</u>	<u>27,781</u>	<u>26,830,618</u>	<u>-</u>
(524,808)	207,194	(317,614)	1,262
<u>46,591,142</u>	<u>12,596,966</u>	<u>59,188,108</u>	<u>38,622</u>
<u>\$ 46,066,334</u>	<u>\$ 12,804,160</u>	<u>\$ 58,870,494</u>	<u>\$ 39,884</u>

City of North Olmsted, Ohio

Balance Sheet Governmental Funds

December 31, 2009

	<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:					
Equity in pooled cash and cash equivalents	\$ 1,699,860	\$ 1,897,015	\$ 463,187	\$ 5,719,008	\$ 9,779,070
Income taxes receivable	2,049,705	439,223	-	439,223	2,928,151
Taxes receivable - property and other	4,912,948	-	2,767,573	2,551,511	10,232,032
Special assessments receivable	-	-	-	90,000	90,000
Intergovernmental receivable	1,059,248	210,552	199,931	986,559	2,456,290
Interest receivable	5,021	-	-	-	5,021
Accounts receivable	275,294	-	-	10,905	286,199
Interfund receivable	644,304	-	2,194,106	-	2,838,410
Materials and supplies inventory	318,787	-	-	-	318,787
Prepaid items	66,467	-	-	19,688	86,155
Total assets	<u>\$ 11,031,634</u>	<u>\$ 2,546,790</u>	<u>\$ 5,624,797</u>	<u>\$ 9,816,894</u>	<u>\$ 29,020,115</u>
Liabilities and fund balances:					
Liabilities:					
Accounts and contracts payable	\$ 324,403	\$ 150,276	\$ -	\$ 348,205	\$ 822,884
Accrued wages and benefits	198,161	-	-	35,958	234,119
Matured compensated absences	86,381	-	-	-	86,381
Intergovernmental payable	442,904	-	-	27,899	470,803
Interfund payable	-	-	-	192,400	192,400
Deferred revenue	<u>6,391,025</u>	<u>150,000</u>	<u>2,967,504</u>	<u>3,411,369</u>	<u>12,919,898</u>
Total liabilities	<u>7,442,874</u>	<u>300,276</u>	<u>2,967,504</u>	<u>4,015,831</u>	<u>14,726,485</u>
Fund balances:					
Reserved for encumbrances	399,153	22,126	-	229,937	651,216
Unreserved, reported in:					
General fund	3,189,607	-	-	-	3,189,607
Special revenue funds	-	2,224,388	-	3,602,139	5,826,527
Debt service funds	-	-	2,657,293	1,224,289	3,881,582
Capital projects funds	-	-	-	744,698	744,698
Total fund balances	<u>3,588,760</u>	<u>2,246,514</u>	<u>2,657,293</u>	<u>5,801,063</u>	<u>14,293,630</u>
Total liabilities and fund balances	<u>\$ 11,031,634</u>	<u>\$ 2,546,790</u>	<u>\$ 5,624,797</u>	<u>\$ 9,816,894</u>	<u>\$ 29,020,115</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 Assets of Governmental Activities

December 31, 2009

Total governmental fund balances		\$	14,293,630
<i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			66,882,536
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.			
Property and other taxes	\$	734,053	
Municipal income taxes		999,998	
Intergovernmental		1,531,267	
Special assessments		90,000	
Miscellaneous		<u>79,660</u>	
Total			3,434,978
In the Statement of Activities, interest is accrued on outstanding long-term obligations, whereas in governmental funds, an interest expenditure is reported when due.			(171,184)
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.			122,545
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds.			
OPWC street loan		(54,450)	
Police pension liability		(96,629)	
Settlements and judgments		(205,985)	
General obligation bonds		(31,165,433)	
Long-term notes		(3,215,000)	
Special assessment bonds		(90,000)	
Compensated absences		<u>(4,696,106)</u>	
Total			(39,523,603)
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 Assets.			
Net assets			1,290,531
Internal balances			<u>(263,099)</u>
<i>Net assets of governmental activities</i>		\$	<u>46,066,334</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, 2009

	General	Permanent Improvements	General Obligation Bond Retirement	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Property and other local taxes	\$ 5,068,053	\$ -	\$ 2,850,779	\$ 2,768,513	\$ 10,687,345
Municipal income taxes	8,570,167	1,835,790	-	1,835,790	12,241,747
Charges for services	1,141,130	-	-	1,177,817	2,318,947
Fines, licenses and permits	1,008,746	-	-	202,371	1,211,117
Intergovernmental	2,692,663	222,594	522,519	2,709,035	6,146,811
Special assessments	-	-	-	85,000	85,000
Investment income	58,712	-	377	25,138	84,227
Miscellaneous income	5,819	-	-	190,085	195,904
Total revenues	<u>18,545,290</u>	<u>2,058,384</u>	<u>3,373,675</u>	<u>8,993,749</u>	<u>32,971,098</u>
Expenditures:					
Current:					
General government	3,467,799	-	-	80,572	3,548,371
Security of persons and property	11,553,720	-	-	938,650	12,492,370
Public health and welfare	481,883	-	-	67,526	549,409
Transportation	2,145,666	1,305,847	-	1,497,556	4,949,069
Basic utility services	-	-	-	2,107,623	2,107,623
Leisure time activities	-	-	-	2,208,061	2,208,061
Economic development	415,238	-	-	139,060	554,298
Capital outlay	-	-	-	416,772	416,772
Debt service:					
Principal	21,454	2,270,000	3,734,111	738,249	6,763,814
Interest and fiscal charges	630	53,345	1,123,387	561,630	1,738,992
Note issuance costs	-	3,973	16,544	1,500	22,017
Total expenditures	<u>18,086,390</u>	<u>3,633,165</u>	<u>4,874,042</u>	<u>8,757,199</u>	<u>35,350,796</u>
Excess (deficiency) of revenues over expenditures	<u>458,900</u>	<u>(1,574,781)</u>	<u>(1,500,367)</u>	<u>236,550</u>	<u>(2,379,698)</u>
Other financing sources (uses):					
Sale of capital assets	9,450	-	-	-	9,450
Transfers - in	-	-	1,730,131	60,000	1,790,131
Transfers - out	(60,000)	(1,515,340)	(27,781)	(214,791)	(1,817,912)
Long-term notes issued	-	3,053,500	-	161,500	3,215,000
Total other financing sources (uses)	<u>(50,550)</u>	<u>1,538,160</u>	<u>1,702,350</u>	<u>6,709</u>	<u>3,196,669</u>
Net change in fund balances	408,350	(36,621)	201,983	243,259	816,971
Fund balances, beginning of year	<u>3,180,410</u>	<u>2,283,135</u>	<u>2,455,310</u>	<u>5,557,804</u>	<u>13,476,659</u>
Fund balances, end of year	<u>\$ 3,588,760</u>	<u>\$ 2,246,514</u>	<u>\$ 2,657,293</u>	<u>\$ 5,801,063</u>	<u>\$ 14,293,630</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, 2009

Net change in fund balances - total governmental funds \$ 816,971

*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.

	\$	1,876,776	
Capital outlay		(6,977,643)	
Depreciation expense			
Total			(5,100,867)

In the Statement of Activities, only the gain 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 assets differs from the change in fund balance by the cost of the capital assets. (156,635)

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

		(2,357)	
Municipal income taxes		333,356	
Property and local taxes		16,786	
Charges for services		(85,000)	
Special assessments		(84,899)	
Intergovernmental			
Total			177,886

Issuance of notes is an other financing source in the funds, but increase long-term liabilities in the Statement of Net Assets (3,215,000)

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

		4,270,500	
General obligation bonds		85,000	
Special assessment bonds		2,370,000	
Long-term notes		13,611	
OPWC street loan		2,712	
Police pension liability		21,991	
Capital leases			
Total			6,763,814

(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, 2009

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	11,418	
Compensated absences	47,704	
Claims and judgments	2,643	
Amortization of premium	43,103	
Amortization of loss on refunding	(37,033)	
Amortization of issuance costs	<u>(10,734)</u>	
Total		57,101

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 assets	145,948	
Internal balances	<u>(14,026)</u>	
Total		<u>131,922</u>

Change in net assets of governmental activities \$ (524,808)

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2009

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Property and other local taxes	\$ 5,092,487	\$ 5,092,487	\$ 5,068,053	\$ (24,434)
Municipal income taxes	8,635,793	8,635,793	8,599,864	(35,929)
Charges for services	1,175,620	1,175,620	1,240,707	65,087
Licenses and permits	706,300	706,300	793,100	86,800
Fines and forfeitures	184,500	184,500	219,721	35,221
Intergovernmental	2,308,730	2,311,699	2,647,342	335,643
Investment income	60,000	60,000	54,246	(5,754)
Miscellaneous income	20,000	20,000	20,137	137
Total revenues	<u>18,183,430</u>	<u>18,186,399</u>	<u>18,643,170</u>	<u>456,771</u>
Expenditures:				
Current:				
General government	3,845,151	3,870,459	3,684,640	185,819
Security of persons and property	12,050,341	12,085,342	11,934,430	150,912
Public health and welfare	504,797	506,458	495,104	11,354
Transportation	3,289,324	3,210,969	2,711,666	499,303
Economic development	449,193	449,117	446,830	2,287
Total expenditures	<u>20,138,806</u>	<u>20,122,345</u>	<u>19,272,670</u>	<u>849,675</u>
Excess (deficiency) of revenues over expenditures	<u>(1,955,376)</u>	<u>(1,935,946)</u>	<u>(629,500)</u>	<u>1,306,446</u>
Other financing sources (uses):				
Sales of capital assets	5,000	5,000	13,746	8,746
Advances - in	335,721	335,721	165,721	(170,000)
Advances - out	(100,000)	(122,400)	(122,400)	-
Transfers - out	(60,000)	(60,000)	(60,000)	-
Total other financing sources (uses)	<u>180,721</u>	<u>158,321</u>	<u>(2,933)</u>	<u>(161,254)</u>
Net change in fund balance	(1,774,655)	(1,777,625)	(632,433)	1,145,192
Prior year encumbrances	297,445	297,445	297,445	-
Fund balance, beginning of year	<u>1,487,893</u>	<u>1,487,893</u>	<u>1,487,893</u>	<u>-</u>
Fund balance, end of year	\$ <u>10,683</u>	\$ <u>7,713</u>	\$ <u>1,152,905</u>	\$ <u>1,145,192</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 Balance Budget (Non-GAAP Basis) and Actual - Permanent Improvements Fund

For the Year Ended December 31, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 1,850,527	\$ 1,850,527	\$ 1,842,828	\$ (7,699)
Intergovernmental	<u>273,000</u>	<u>273,000</u>	<u>11,368</u>	<u>(261,632)</u>
Total revenues	<u>2,123,527</u>	<u>2,123,527</u>	<u>1,854,196</u>	<u>(269,331)</u>
Expenditures:				
Current:				
Transportation	<u>1,440,788</u>	<u>1,328,460</u>	<u>1,258,919</u>	<u>69,541</u>
Debt service:				
Principal	2,270,000	2,270,000	2,270,000	-
Interest and fiscal charges	<u>68,345</u>	<u>68,345</u>	<u>68,345</u>	<u>-</u>
Total debt service	<u>2,338,345</u>	<u>2,338,345</u>	<u>2,338,345</u>	<u>-</u>
Total expenditures	<u>3,779,133</u>	<u>3,666,805</u>	<u>3,597,264</u>	<u>69,541</u>
Excess (deficiency) of revenues over expenditures	<u>(1,655,606)</u>	<u>(1,543,278)</u>	<u>(1,743,068)</u>	<u>(199,790)</u>
Other financing sources (uses):				
Long-term notes issued	3,055,000	3,055,000	3,064,527	9,527
Transfers - out	<u>(1,515,340)</u>	<u>(1,515,340)</u>	<u>(1,515,340)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,539,660</u>	<u>1,539,660</u>	<u>1,549,187</u>	<u>9,527</u>
Net change in fund balance	(115,946)	(3,618)	(193,881)	(190,263)
Prior year encumbrances	84,588	84,588	84,588	-
Fund balance, beginning of year	<u>1,923,309</u>	<u>1,923,309</u>	<u>1,923,309</u>	<u>-</u>
Fund balance, end of year	\$ <u>1,891,951</u>	\$ <u>2,004,279</u>	\$ <u>1,814,016</u>	\$ <u>(190,263)</u>

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Fund Net Assets Proprietary Funds

December 31, 2009

	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	\$ 21,708	\$ 75,243	\$ 901,991	\$ 998,942	\$ 1,703,543
Materials and supplies inventory	-	3,597	132,004	135,601	-
Intergovernmental receivable	-	-	2,045,471	2,045,471	-
Prepaid items	-	7,584	50,658	58,242	-
Total current assets	<u>21,708</u>	<u>86,424</u>	<u>3,130,124</u>	<u>3,238,256</u>	<u>1,703,543</u>
Non-current assets:					
Unamortized bond issuance costs	-	39,691	55,911	95,602	-
Non-depreciable capital assets	391,537	2,245,811	628,446	3,265,794	-
Depreciable capital assets, net	-	2,911,404	21,832,446	24,743,850	-
Total non-current assets	<u>391,537</u>	<u>5,196,906</u>	<u>22,516,803</u>	<u>28,105,246</u>	<u>-</u>
Total assets	<u>413,245</u>	<u>5,283,330</u>	<u>25,646,927</u>	<u>31,343,502</u>	<u>1,703,543</u>
Liabilities:					
Current:					
Accounts and contracts payable	-	9,011	312,981	321,992	1,295
Accrued wages and benefits	-	4,426	53,079	57,505	-
Intergovernmental payable	-	4,332	93,909	98,241	56,123
Interfund payable	-	2,164,705	481,305	2,646,010	-
Accrued interest payable	-	17,748	45,735	63,483	-
Claims payable	-	-	-	-	283,827
Accrued compensated absences	-	15,245	181,485	196,730	-
General obligation bond payable	-	344,500	1,053,500	1,398,000	-
OWDA loan payable	-	-	67,853	67,853	-
OPWC loan payable	-	-	130,333	130,333	-
Total current liabilities	<u>-</u>	<u>2,559,967</u>	<u>2,420,180</u>	<u>4,980,147</u>	<u>341,245</u>
Long-term liabilities:					
Claims payable	-	-	-	-	71,767
Accrued compensated absences	-	37,498	267,752	305,250	-
General obligation bonds payable	-	4,233,943	7,681,210	11,915,153	-
OWDA loan payable	-	-	950,223	950,223	-
OPWC loan payable	-	-	651,668	651,668	-
Total long-term liabilities	<u>-</u>	<u>4,271,441</u>	<u>9,550,853</u>	<u>13,822,294</u>	<u>71,767</u>
Total liabilities	<u>-</u>	<u>6,831,408</u>	<u>11,971,033</u>	<u>18,802,441</u>	<u>413,012</u>
Net assets:					
Invested in capital assets, net of related debt	391,537	578,772	11,926,105	12,896,414	-
Unrestricted (deficit)	<u>21,708</u>	<u>(2,126,850)</u>	<u>1,749,789</u>	<u>(355,353)</u>	<u>1,290,531</u>
Total net assets (deficit)	\$ <u>413,245</u>	\$ <u>(1,548,078)</u>	\$ <u>13,675,894</u>	\$ <u>12,541,061</u>	\$ <u>1,290,531</u>

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

263,099
Net assets business-type activities \$ 12,804,160

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2009

	Business-Type Activities - Enterprise Funds				Governmental
	NOMBL	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Funds
Operating revenues:					
Charges for services	\$ -	\$ 1,286,334	\$ 6,370,783	\$ 7,657,117	\$ 2,646,449
Operating expenses:					
Salaries	-	354,038	1,621,117	1,975,155	-
Benefits	-	94,806	684,304	779,110	-
Contractual services	13,158	254,651	1,585,683	1,853,492	544,170
Materials and supplies	-	228,925	442,514	671,439	-
Claims	-	-	-	-	1,956,331
Depreciation	-	171,364	1,428,577	1,599,941	-
Total operating expenses	<u>13,158</u>	<u>1,103,784</u>	<u>5,762,195</u>	<u>6,879,137</u>	<u>2,500,501</u>
Operating income (loss)	<u>(13,158)</u>	<u>182,550</u>	<u>608,588</u>	<u>777,980</u>	<u>145,948</u>
Non-operating revenues (expenses):					
Gain on disposal of capital assets	-	-	231	231	-
Interest and fiscal charges	-	(236,437)	(500,584)	(737,021)	-
Total non-operating revenues (expenses)	<u>-</u>	<u>(236,437)</u>	<u>(500,353)</u>	<u>(736,790)</u>	<u>-</u>
Income (loss) before contributions and transfers	(13,158)	(53,887)	108,235	41,190	145,948
Capital contributions	-	-	124,197	124,197	-
Transfers - in	-	-	27,781	27,781	-
Change in net assets	(13,158)	(53,887)	260,213	193,168	145,948
Net assets (deficit), beginning of year	<u>426,403</u>	<u>(1,494,191)</u>	<u>13,415,681</u>		<u>1,144,583</u>
Net assets (deficit), end of year	\$ <u>413,245</u>	\$ <u>(1,548,078)</u>	\$ <u>13,675,894</u>		\$ <u>1,290,531</u>
Some amounts reported for business-type activities in the Statement of Activities are different because a portion of the net expense of the internal service funds are reported with business-type activities:				<u>14,026</u>	
Change in net assets business-type activities				\$ <u>207,194</u>	

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

Statement of Cash Flows Proprietary Funds

For the Year Ended December 31, 2009

	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	\$ -	\$ 1,287,086	\$ 5,945,521	\$ 7,232,607	\$ 2,646,449
Cash payments for goods and services	(13,158)	-	(946,449)	(959,607)	(486,752)
Cash paid to suppliers for materials and supplies	-	(235,078)	(431,617)	(666,695)	-
Cash payments for employee services and benefits	-	(473,911)	(2,463,371)	(2,937,282)	-
Cash paid for claims	-	-	-	-	(1,835,656)
Net cash provided by (used for) operating activities	<u>(13,158)</u>	<u>578,097</u>	<u>2,104,084</u>	<u>2,669,023</u>	<u>324,041</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	-	-	(681,218)	(681,218)	-
Proceeds from sale of capital assets	-	-	231	231	-
Tap-in fees	-	-	124,197	124,197	-
Proceeds from capital debt	-	-	471,450	471,450	-
Capital leases principal paid	-	-	(1,621)	(1,621)	-
Interest paid on capital leases	-	-	(45)	(45)	-
Loan principal paid - OPWC	-	-	(130,334)	(130,334)	-
Loan principal paid - OWDA	-	-	(60,643)	(60,643)	-
General obligation bonds principal paid	-	(329,000)	(997,500)	(1,326,500)	-
Interest paid	-	(225,699)	(498,918)	(724,617)	-
Net cash used for capital and related financing activities	<u>-</u>	<u>(554,699)</u>	<u>(1,774,401)</u>	<u>(2,329,100)</u>	<u>-</u>
Cash flows from noncapital financing activities:					
Transfers - in	<u>-</u>	<u>-</u>	<u>27,781</u>	<u>27,781</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(13,158)	23,398	357,464	367,704	324,041
Cash and cash equivalents, beginning of year	<u>34,866</u>	<u>51,845</u>	<u>544,527</u>	<u>631,238</u>	<u>1,379,502</u>
Cash and cash equivalents, end of year	\$ <u><u>21,708</u></u>	\$ <u><u>75,243</u></u>	\$ <u><u>901,991</u></u>	\$ <u><u>998,942</u></u>	\$ <u><u>1,703,543</u></u>

(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, 2009

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>NOMBL</u>	<u>Springvale Golf Course and Ballroom</u>	<u>Sewer Revenue</u>	<u>Total</u>	<u>Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ (13,158)	\$ 182,550	\$ 608,588	\$ 777,980	\$ 145,948
Adjustments:					
Depreciation	-	171,364	1,428,577	1,599,941	-
(Increase) decrease in assets and increase (decrease) in liabilities:					
Materials and supplies inventory	-	(221)	18,957	18,736	-
Intergovernmental receivable	-	-	(425,262)	(425,262)	-
Prepaid items	-	576	4,732	5,308	-
Accounts and contracts payable	-	(6,229)	199,145	192,916	1,295
Accrued salaries and benefits	-	435	3,055	3,490	-
Intergovernmental payable	-	(14,248)	(3,855)	(18,103)	56,123
Interfund payable	-	254,560	356,266	610,826	-
Claims payable	-	-	-	-	120,675
Accrued compensated absences	-	(10,690)	(86,119)	(96,809)	-
Net cash provided by (used for) operating activities	\$ <u>(13,158)</u>	\$ <u>578,097</u>	\$ <u>2,104,084</u>	\$ <u>2,669,023</u>	\$ <u>324,041</u>

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, 2009

Assets:	
Equity in pooled cash and cash equivalents	\$ <u>255,314</u>
Liabilities:	
Accounts and contracts payable	\$ 26,714
Deposits held and due to others	<u>228,600</u>
Total liabilities	\$ <u>255,314</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2009

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

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

Information in the following notes to the basic financial statements is applicable to the primary government. Information relative to the component unit is presented in Note 20.

The City is associated with two jointly governed organizations, the West Shore Council of Governments and the Northeast Ohio Public Energy Council. These organizations are presented in Note 17 to the basic financial statements.

Note 2: Summary of Significant Accounting Policies

The financial statements of the City of North Olmsted have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB codification, pronouncements and interpretations issued after November 30, 1989, to its business-type activities and enterprise funds. The more significant of the City's accounting policies are described below.

A. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type. The activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 2: Summary of Significant Accounting Policies (continued)

A. Basis of Presentation (continued)

Government-wide Financial Statements (continued)

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

Fund Financial Statements

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Governmental Funds (continued)

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

Permanent Improvements Fund - The Permanent Improvements Special Revenue 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 to a particular purpose.

Proprietary Funds

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

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

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

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

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

Internal Service 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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Fiduciary Funds

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

C. Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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, 2009, but which were levied to finance year 2010 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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Expenses/Expenditures

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

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

E. Budgetary Data

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the category level (salaries, benefits, materials and supplies, contractual services, capital outlay, etc). Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

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

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

F. Pooled Cash and Cash Equivalents

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

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 2: Summary of Significant Accounting Policies (continued)

F. Pooled Cash and Cash Equivalents (continued)

During 2009, investments were limited to repurchase agreements, non negotiable certificates of deposit, United States Government Obligations, Money Market Savings accounts and federally backed agency securities.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue for 2009 consisted of:

	Actual <u>Interest Credited</u>	From (to) other <u>City Funds</u>
General	\$ 58,712	\$ 47,080
Special Revenue Funds:		
Endowment and Grant	17	(1,283)
Senior Center	706	443
Debt Service Fund:		
General Obligation Bond Retirement	377	(3,833)
Special Assessment Bond Retirement	24,415	23,873
All others	-	(66,280)
	<u>\$ 84,227</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, 2009 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 2: Summary of Significant Accounting Policies (continued)

I. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide Statement of Net Assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide Statement of Net Assets and in the respective funds.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	5 to 40 years
Buildings and improvements	8 to 40 years
Furniture and fixtures	10 to 20 years
Vehicles and equipment	2 to 25 years
Roads	10 to 30 years
Bridges and culverts	35 to 50 years
Sanitary sewer lines	50 years

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

J. Interfund Balances

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 2: Summary of Significant Accounting Policies (continued)

K. Compensated Absences

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

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

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

M. Fund Balance Reserves

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

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide Statement of Net Assets reports \$12,112,003 of restricted net assets, none of which is restricted by enabling legislation. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 2: Summary of Significant Accounting Policies (continued)

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sewer services, golf and self-insurance programs. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating.

P. Bond Issuance Costs

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

Q. Deferred Loss on Refunding

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

R. Bond Premiums

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

S. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

T. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 2: Summary of Significant Accounting Policies (continued)

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither occurred in 2009.

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 28, 2010, the date the financial statements were available to be issued.

X. Comparative Data/Reclassifications

Prior year data presented in the Management's Discussion and Analysis and Statistical Section have been reclassified in order to be comparative and provide an understanding of the changes in financial position and operations. Certain reclassifications have been made to the 2008 financial statements in order to conform to the 2009 presentation.

Note 3: Change in Accounting Principles

For 2009, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, GASB Statement No. 55, *Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in AICPA Statements on Auditing Standards*.

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments are also required to report the changes in fair value as investment income to disclose the methods and significant assumptions employed to determine fair value. The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. The implementation of this statement did not result in any change to the financial statements.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 3: Change in Accounting Principles (continued)

GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants (AICPA) auditing literature into the GASB's accounting and financial reporting literature for state and local governments. The statement's guidance addresses related party transactions, going concern considerations and subsequent events from the AICPA literature. The implementation of this statement did not result in any change to the financial statements.

Note 4: Accountability

There are deficits in the Springvale Golf Course and Ballroom Fund and the Workers' Compensation Fund of \$1,548,078 and \$98,584, 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 deficit in the Workers' Compensation Fund is 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 deficit in this fund and provides operating transfers when cash is required, not when accruals occur.

Note 5: Budgetary Basis of Accounting

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 5: Budgetary Basis of Accounting (continued)

	<u>Net Change in Fund Balance</u>	
	<u>General</u>	<u>Permanent Improvements</u>
GAAP basis	\$ 408,350	\$ (36,621)
Increase (decrease) due to:		
Revenue accruals	267,897	(193,161)
Expenditure accruals	(761,725)	118,900
Outstanding encumbrances	<u>(546,955)</u>	<u>(82,999)</u>
Budget basis	\$ <u>(632,433)</u>	\$ <u>(193,881)</u>

Note 6: Deposits and Investments

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

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

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

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

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies can be invested in the following obligations:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 6: Deposits and Investments (continued)

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

Investments 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 \$12,736,869 and the bank balance was \$12,878,763. Of the bank balance \$8,274,562 was covered by Federal depository insurance and \$4,604,201 was uninsured and collateralized with securities held by the pledging institution's trust department, not in the City's name.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 6: Deposits and Investments (continued)

Investments

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

Custodial Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The securities underlying the repurchase agreements are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that requires securities shall be delivered into the custody of the finance director or governing board or an agent designated by the finance director or governing board. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed.

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

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

Note 7: Receivables

Receivables at December 31, 2009, consisted primarily of municipal income taxes, property and other taxes, special assessments, accounts (billings for user charged services and court fines), and intergovernmental receivables arising from grants, entitlements and shared revenues.

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

Special assessments expected to be collected in more than one year amount to \$90,000 in the Special Assessment Bond Retirement Fund.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 7: Receivables (Continued)

A. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2009 for real and public utility property taxes represents collections of the 2008 taxes. Property tax payments received during 2009 for tangible personal property (other than public utility property) are for 2009 taxes.

2009 real property taxes are levied after October 1, 2009, on the assessed value as of January 1, 2009, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010. 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. 2009 public utility property taxes which became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes. Tangible personal property used in business (except for public utilities) is currently assessed for *ad valorem* taxation purposes and is being phased out – the assessment percentage for all property including inventory for 2009 is zero.

The full tax rate for all City operations for the year ended December 31, 2009, was \$13.20 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2009 property tax receipts were based as follows:

Real estate	
Residential/Agriculture	\$ 628,928,720
Commercial/Industrial/Mineral	253,939,380
Tangible personal property	
Public utility	11,624,510
General tangible personal property	<u>15,831,601</u>
Total valuation	\$ <u>910,324,211</u>

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

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 7: Receivables (continued)

A. Property Taxes (continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of North Olmsted. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2009 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 2009 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, 2009

Note 7: Receivables (continued)

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental activities:	
Local government	\$ 595,234
Homestead and rollback	599,784
Gasoline tax	519,500
Estate tax	123,872
CAT tax reimbursement	72,691
Public utility reimbursement	52,612
Permissive tax	34,553
Court fines	30,460
Auto registration	16,172
North Olmsted City School District	13,592
Prisoner care reimbursement	1,018
City of Cleveland reimbursement	5,459
Miscellaneous	8,647
Miscellaneous grants	7,381
Ohio Department of Natural Resources grant	18,654
Cuyahoga County grant - H1N1	20,000
Cuyahoga County grant - streets	210,552
Fair Housing grant	38,310
OPWC grant	72,399
NOACA grant	<u>15,400</u>
Total governmental activities	<u>2,456,290</u>
Business-type activities:	
Sewer charges	1,950,210
City of Fairview Park	<u>95,261</u>
Total business-type activities	<u>2,045,471</u>
Total	<u>\$ 4,501,761</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 \$95,261 has been recorded on the Statement of Net Assets.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 8: Capital Assets

A summary of changes in capital assets during 2009 follows:

	<u>Balance</u> <u>12/31/08</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/09</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,054,455	\$ -	\$ -	\$ 4,054,455
Art	23,000	-	-	23,000
Construction in progress	<u>171,537</u>	<u>94,027</u>	<u>(110,958)</u>	<u>154,606</u>
Total capital assets not being depreciated	<u>4,248,992</u>	<u>94,027</u>	<u>(110,958)</u>	<u>4,232,061</u>
Capital assets, being depreciated:				
Land improvements	953,428	-	-	953,428
Buildings and improvements	28,979,996	18,500	-	28,998,496
Furniture and fixtures	766,423	6,395	-	772,818
Vehicles and equipment	9,283,509	271,902	(485,397)	9,070,014
Infrastructure:				
Roads	126,366,301	1,596,910	(624,383)	127,338,828
Bridges and culverts	<u>3,101,565</u>	<u>-</u>	<u>-</u>	<u>3,101,565</u>
Total capital assets, being depreciated	<u>169,451,222</u>	<u>1,893,707</u>	<u>(1,109,780)</u>	<u>170,235,149</u>
Less accumulated depreciation:				
Land improvements	(456,747)	(51,551)	-	(508,298)
Buildings and improvements	(12,212,645)	(759,494)	-	(12,972,139)
Furniture and fixtures	(443,752)	(90,765)	-	(534,517)
Vehicles and equipment	(6,915,622)	(503,408)	485,397	(6,933,633)
Infrastructure:				
Roads	(80,085,662)	(5,498,170)	467,748	(85,116,084)
Bridges and culverts	<u>(1,445,748)</u>	<u>(74,255)</u>	<u>-</u>	<u>(1,520,003)</u>
Total accumulated depreciation	<u>(101,560,176)</u>	<u>(6,977,643)</u>	<u>953,145</u>	<u>(107,584,674)</u>
Total capital assets, being depreciated, net	<u>67,891,046</u>	<u>(5,083,936)</u>	<u>(156,635)</u>	<u>62,650,475</u>
Total governmental capital assets, net	\$ <u>72,140,038</u>	\$ <u>(4,989,909)</u>	\$ <u>(267,593)</u>	\$ <u>66,882,536</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 8: Capital Assets (continued)

	<u>Balance</u> <u>12/31/08</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/09</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 2,617,895	\$ -	\$ -	\$ 2,617,895
Land improvements, not depreciated	19,453	-	-	19,453
Construction in progress	<u>-</u>	<u>628,446</u>	<u>-</u>	<u>628,446</u>
Total capital assets not being depreciated	<u>2,637,348</u>	<u>628,446</u>	<u>-</u>	<u>3,265,794</u>
Capital assets, being depreciated:				
Land improvements	1,170,155	-	-	1,170,155
Buildings and improvements	23,216,653	-	-	23,216,653
Furniture and fixtures	23,058	-	-	23,058
Vehicles and equipment	34,700,136	52,772	(25,101)	34,727,807
Sanitary sewer lines	<u>14,064,897</u>	<u>-</u>	<u>-</u>	<u>14,064,897</u>
Total capital assets, being depreciated	<u>73,174,899</u>	<u>52,772</u>	<u>(25,101)</u>	<u>73,202,570</u>
Less accumulated depreciation:				
Land improvements	(408,651)	(58,143)	-	(466,794)
Buildings and improvements	(15,715,818)	(449,579)	-	(16,165,397)
Furniture and fixtures	(23,058)	-	-	(23,058)
Vehicles and equipment	(23,260,002)	(814,595)	25,101	(24,049,496)
Sanitary sewer lines	<u>(7,476,351)</u>	<u>(277,624)</u>	<u>-</u>	<u>(7,753,975)</u>
Total accumulated depreciation	<u>(46,883,880)</u>	<u>(1,599,941)</u>	<u>25,101</u>	<u>(48,458,720)</u>
Total capital assets, being depreciated, net	<u>26,291,019</u>	<u>(1,547,169)</u>	<u>-</u>	<u>24,743,850</u>
Total business-type capital assets, net	\$ <u>28,928,367</u>	\$ <u>(918,723)</u>	\$ <u>-</u>	\$ <u>28,009,644</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 435,366
Security of persons and property	481,487
Transportation	5,722,460
Leisure time activities	<u>338,330</u>
Total	\$ <u>6,977,643</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 9: Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. 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 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 2009, member and employer contribution rates were consistent across all three plans. For the year ended December 31, 2009, the members of all three plans were required to contribute 10.0 percent of their annual covered salary to fund pension obligations. The City contributed 14.0 percent of covered payroll.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$628,178, \$593,691, and \$703,990, respectively, 87 percent has been contributed for 2009, the remaining 13 percent has been recorded as a liability and 100 percent of contributions have been made for 2008 and 2007. Contributions to the member-directed plan for 2009 were \$1,697 made by the City of North Olmsted and \$1,212 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.

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 9: Defined Benefit Pension Plans (continued)

B. Ohio Police and Fire Pension Fund (continued)

authorized by state statute. The City's contributions to OP&F for police and firefighters (not including health care contributions) were \$469,825 and \$514,449 for the year ended December 31, 2009, \$534,077 and \$592,075 for the year ended December 31, 2008, and \$470,468 and \$534,082 for the year ended December 31, 2007. The full amount has been contributed for 2008 and 2007. For 2009, 73 percent for police and 72 percent for firefighters has been contributed with the remainder being reported as a liability.

Note 10: Postemployment Benefits

A. Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare 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 recipients and qualified survivor recipients is available. 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 that may be obtained by 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 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 2009, the City contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units. 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, 2009

Note 10: Postemployment 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 Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of the post employment health care benefits. For 2009, the employer contribution allocated to the health care plan was 7.0 percent from January 1 through March 31, 2009 and 5.5 percent from April 1 through December 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. 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, 2009, 2008, and 2007 were \$454,882, \$593,691, and \$463,048, respectively. The full amount has been contributed for 2008 and 2007. For 2009, 87 percent has been contributed for 2009 with the remainder being reported as a liability.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008, which allowed additional funds to be allocated to the health care plan.

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 postemployment health care plan administered by OP&F. OP&F provides healthcare 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 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, 2009

Note 10: Postemployment 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, 2009, 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, 2009, 2008, and 2007 were \$718,387 and \$715,506, \$816,631 and \$823,470, and \$719,370 and \$742,812, respectively, of which \$248,562 and \$201,057, \$282,554 and \$231,395, and \$248,902 and \$208,730, respectively, was allocated to the healthcare plan. The full amount has been contributed for 2008 and 2007. For 2009, 73 percent for police and 72 percent for firefighters has been contributed, with the remainder being reported as a liability.

Note 11: 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, 2009

Note 11: 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 the monthly premium for the self-insurance plan. The City contracts with a third party administrator to direct this program. During 2009, self-insurance was in effect for claims up to \$75,000 per covered individual and \$3,350,394 in aggregate. This aggregate includes both medical and drug coverage. Claims in excess of this aggregated are insured by private carriers.

The claims liability of \$246,081 as estimated by the third party administrator and reported in the Hospitalization Internal Service Fund at December 31, 2009, 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 2009 and 2008 were as follows:

	<u>2009</u>	<u>2008</u>
Unpaid claims, beginning of year	\$ 234,919	\$ 356,382
Incurred claims	1,832,795	2,241,318
Claims payments	<u>(1,821,633)</u>	<u>(2,362,781)</u>
Unpaid claims, end of year	<u>\$ 246,081</u>	<u>\$ 234,919</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 Employee Benefits 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 \$109,513 reported in the Employee Benefits 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 2009 were as follows:

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 11: Risk Management (continued)

C. Workers' Compensation Program (continued)

	<u>2009</u>
Unpaid claims, beginning of year	\$ -
Incurred claims	147,791
Claims payments	<u>(38,278)</u>
Unpaid claims, end of year	<u>\$ 109,513</u>

Note 12: Long-Term Obligations

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

	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
Governmental activities:				
General obligation bonds				
Various purpose, series 1996	1996	2016	3.70-6.20%	\$ 21,655,000
Various purpose, series 2000	2000	2020	4.50-5.375	5,650,000
Library improvements	2001	2020	3.15-5.5	10,750,000
Various purpose, series 2001	2001	2021	3.30-5.125	2,305,000
Refunding, series 2001	2001	2012	3.15-5.0	7,652,000
Various purpose refunding, series 2006	2006	2021	4.00-4.25	9,120,000
Library improvements refunding	2006	2020	4.00-5.25	6,795,000
Fire station improvement bonds	2006	2025	4.00-4.25	3,990,000
Capital improvements bonds	2006	2021	4.00-4.375	7,325,000
Special assessment bonds - Industrial Park Road	1990	2010	6.00-7.25	1,010,000
OPWC street loan	1994	2014	0	272,240
Police pension	1968	2031	4.25	272,250
Long-term bond anticipation notes	2008	2009	2.35	2,370,000
Long-term bond anticipation notes	2009	2010	2.00	3,215,000
Business-type activities:				
General obligation bonds				
Various purpose, series 1996	1996	2021	3.70-6.20	20,550,000
Various purpose, series 2000	2000	2020	4.50-5.375	1,195,000
Golf course improvements	2001	2021	3.30-5.125	2,500,000
Various purpose and golf course improvements refunding, series 2006	2006	2021	4.00-4.25	10,525,000
Capital improvement bonds	2006	2021	4.00-4.375	450,000
Golf course and ballroom improvements	2007	2011	4.25	112,000
OWDA sanitary sewer loan	1997	2017	4.12	1,060,795
OWDA sanitary sewer loan	2008	2014	3.20	50,000
OWDA sanitary sewer loan	2009	2015	3.20	1,235,383
OPWC sanitary sewer loan	1994	2014	0	272,250

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 12: Long-Term Obligations (continued)

Changes in long-term obligations during the year ended December 31, 2009, consisted of the following:

	Balance 12/31/08	Increase	Decrease	Balance 12/31/09	Amounts Due in One Year
Governmental activities:					
General obligation bonds:					
Various purpose bonds 1996	\$ 4,110,000	\$ -	\$ 1,340,000	\$ 2,770,000	\$ 1,365,000
Various purpose bonds 2000	1,160,000	-	565,000	595,000	595,000
Various purpose bonds 2001	615,000	-	150,000	465,000	160,000
Various purpose bonds refunding	9,038,000	-	21,000	9,017,000	21,000
Premium on various purpose bonds	157,164	-	12,090	145,074	-
Loss on refunding	<u>(180,809)</u>	-	<u>(13,908)</u>	<u>(166,901)</u>	<u>-</u>
Total various purpose bonds	<u>14,899,355</u>	<u>-</u>	<u>2,074,182</u>	<u>12,825,173</u>	<u>2,141,000</u>
Library improvements	1,000,000	-	490,000	510,000	510,000
Library improvements refunding	6,755,000	-	10,000	6,745,000	10,000
Premium on library improvements bonds	372,154	-	31,013	341,141	-
Loss on refunding	<u>(277,506)</u>	-	<u>(23,125)</u>	<u>(254,381)</u>	<u>-</u>
Total library improvements bonds	<u>7,849,648</u>	<u>-</u>	<u>507,888</u>	<u>7,341,760</u>	<u>520,000</u>
Refunding 2001	3,215,000	-	765,000	2,450,000	780,000
Capital improvements bonds	5,853,000	-	779,500	5,073,500	668,500
Fire station improvement bonds	<u>3,625,000</u>	<u>-</u>	<u>150,000</u>	<u>3,475,000</u>	<u>150,000</u>
Total general obligation bonds	35,442,003	-	4,276,570	31,165,433	4,259,500
Special assessment bonds:					
Industrial Park Road	175,000	-	85,000	90,000	90,000
OPWC street loan	68,061	-	13,611	54,450	13,612
Police pension liability	99,341	-	2,712	96,629	2,828
Long-term notes	2,370,000	3,215,000	2,370,000	3,215,000	-
Capital leases	21,991	-	21,991	-	-
Settlements and judgments	208,628	7,357	10,000	205,985	-
Claims payable	234,919	1,980,586	1,859,911	355,594	283,827
Compensated absences payable	<u>4,743,810</u>	<u>1,192,482</u>	<u>1,240,186</u>	<u>4,696,106</u>	<u>1,596,186</u>
Total governmental activities	\$ <u>43,363,753</u>	\$ <u>6,395,425</u>	\$ <u>9,879,981</u>	\$ <u>39,879,197</u>	\$ <u>6,245,953</u>
Business - type activities:					
General obligation bonds:					
Various purpose bonds 1996	\$ 3,295,000	\$ -	\$ 1,040,000	\$ 2,255,000	\$ 1,095,000
Various purpose bonds 2000	150,000	-	75,000	75,000	75,000
Golf course improvements	450,000	-	105,000	345,000	110,000
Various purpose and golf course improvements bonds refunding	10,422,000	-	24,000	10,398,000	29,000
Unamortized premium	181,378	-	13,952	167,426	-
Unamortized loss	<u>(287,380)</u>	-	<u>(22,107)</u>	<u>(265,273)</u>	<u>-</u>
Total various purpose and golf course improvements bonds	14,210,998	-	1,235,845	12,975,153	1,309,000
Capital improvement bonds	352,000	-	60,500	291,500	66,500
Golf course and ballroom improvement bonds	<u>68,500</u>	<u>-</u>	<u>22,000</u>	<u>46,500</u>	<u>22,500</u>
Total general obligation bonds	14,631,498	-	1,318,345	13,313,153	1,398,000
OWDA sanitary sewer loans	607,269	471,450	60,643	1,018,076	67,853
OPWC sanitary sewer loan	912,335	-	130,334	782,001	130,333
Capital leases	1,621	-	1,621	-	-
Compensated absences payable	<u>598,789</u>	<u>191,813</u>	<u>288,622</u>	<u>501,980</u>	<u>196,730</u>
Total business - type activities	\$ <u>16,751,512</u>	\$ <u>663,263</u>	\$ <u>1,799,565</u>	\$ <u>15,615,210</u>	\$ <u>1,792,916</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 12: Long-Term Obligations (continued)

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

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

Compensated absences are generally paid from the General Fund and Recreation Fund and the Springvale Golf Course and Ballroom and Sewer Revenue Funds. The police pension liability is paid from the General Fund. The OWDA and OPWC loans liability are payable semiannually from the General Obligation Bond Retirement, and Sewer Bond Funds. The OPWC loans are interest free. Claims and judgments will be paid from the General Fund.

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 2011. The City has not yet collected the total proceeds to be received on this loan and as a result, the debt maturity schedule below does not reflect any amounts for principal or interest. When the loan is finalized, the principal and interest will be included below.

In 2006, the City defeased a portion of library improvement bonds, various general obligation bonds and golf course improvement bonds in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City’s financial statements. At December 31, 2009, \$26,040,000 of the defeased bonds are still outstanding.

In 2001, the City defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City’s basic financial statements. At December 31, 2009, \$2,495,000 of bonds outstanding are considered to be defeased.

The City’s overall legal debt margin was \$59,088,210 at December 31, 2009. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2009, are as follows:

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 12: Long-Term Obligations (continued)

Year	Governmental Activities				
	General Obligation Bonds		Special Assessments		OPWC Loans
	Principal	Interest	Principal	Interest	Principal
2010	\$ 4,259,500	\$ 1,462,153	\$ 90,000	\$ 6,750	\$ 13,612
2011	3,829,000	1,252,013	-	-	13,612
2012	3,723,000	1,063,043	-	-	13,613
2013	2,942,000	904,172	-	-	13,613
2014	3,017,000	778,491	-	-	-
2015-2019	7,311,000	2,123,625	-	-	-
2020-2024	4,889,000	599,407	-	-	-
2025-2029	1,130,000	56,500	-	-	-
Totals	\$ <u>31,100,500</u>	\$ <u>8,239,404</u>	\$ <u>90,000</u>	\$ <u>6,750</u>	\$ <u>54,450</u>

Year	Governmental Activities		Total	
	Police Pension		Governmental Activities	
	Principal	Interest	Principal	Interest
2010	\$ 2,828	\$ 4,077	\$ 4,365,940	\$ 1,472,980
2011	2,950	3,956	3,845,562	1,255,969
2012	3,077	3,829	3,739,690	1,066,872
2013	3,209	3,697	2,958,822	907,869
2014	3,347	3,559	3,020,347	782,050
2015-2019	19,017	15,511	7,330,017	2,139,136
2020-2024	23,467	11,060	4,912,467	610,467
2025-2029	28,958	5,569	1,158,958	62,069
2030-2031	9,776	415	9,776	415
Totals	\$ <u>96,629</u>	\$ <u>51,673</u>	\$ <u>31,341,579</u>	\$ <u>8,297,827</u>

Year	Business-Type Activities			
	General Obligation Bonds		OWDA Loans	
	Principal	Interest	Principal	Interest
2010	\$ 1,398,000	\$ 624,949	\$ 67,853	\$ 21,435
2011	1,410,000	543,885	70,589	18,700
2012	1,462,000	461,265	73,435	15,854
2013	1,538,000	401,585	76,396	12,893
2014	1,613,000	338,186	74,021	9,811
2015-2019	4,959,000	695,085	184,389	11,552
2020-2023	1,031,000	64,643	-	-
Totals	\$ <u>13,411,000</u>	\$ <u>3,129,598</u>	\$ <u>546,683</u>	\$ <u>90,245</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 12: Long-Term Obligations (continued)

Year	Business-Type		Total	
	Activities		Business-Type Activities	
	OPWC Loans	Principal	Principal	Interest
2010	\$ 130,333	\$ 1,596,186	\$ 646,384	
2011	130,333	1,610,922	562,585	
2012	130,333	1,665,768	477,119	
2013	130,334	1,744,730	414,478	
2014	130,334	1,817,355	347,997	
2015-2019	130,334	5,273,723	706,637	
2020-2023	-	1,031,000	64,643	
Totals	\$ <u>782,001</u>	\$ <u>14,739,684</u>	\$ <u>3,219,843</u>	

Note 13: Lease Obligations

The City entered into lease agreements for several copiers. The City's lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases". Capital lease payments have been reclassified and are reflected as debt service expenses in the basic financial statements. These expenditures are reflected as capital outlay expenditures on a budgetary basis. Capital assets acquired by lease have been originally capitalized as machinery and equipment in the amount of \$90,624. Accumulated depreciation as of December 31, 2009 for machinery and equipment was \$43,004, leaving a current book value of \$47,620 for machinery and equipment. The capital leases were completed during the fiscal year and principal and interest payments totaled \$21,991 and \$741, respectively for governmental activities and \$1,621 and \$45, respectively for business-type activities.

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, 2009.

Year	Governmental Activities	Business-Type Activities
2010	\$ 1,447	\$ 69,650
2011	1,447	69,650
2012	1,447	-
2013	598	-
Total minimum lease payments	\$ <u>4,939</u>	\$ <u>139,300</u>

The total cost for leases in 2009 were \$1,321 and \$69,650 for governmental activities and business-type activities, respectively.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 14: Compensated Absences

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

Note 15: Construction and Other Significant Commitments

At December 31, 2009, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
Senior Center improvements	\$ 157,860	\$ 15,555	\$ 142,305
Wastewater Treatment Plan improvements	1,232,247	628,446	603,801
Equipment	62,264	-	62,264
Plans and surveys	8,640	-	8,640
Total	\$ 1,461,011	\$ 644,001	\$ 817,010

Note 16: Interfund Transfers and Balances

A. Interfund Transfers

Interfund transfers for the year ended December 31, 2009 consisted of the following:

	Transfer From				Total
	General Fund	Permanent Improvements Fund	General Obligation Bond Retirement Fund	Nonmajor Governmental Funds	
Transfer to:					
General Obligation Bond Retirement Fund	\$ -	\$ 1,515,340	\$ -	\$ 214,791	\$ 1,730,131
Nonmajor Governmental Funds	60,000	-	-	-	60,000
Sewer Revenue Fund	-	-	27,781	-	27,781
	\$ 60,000	\$ 1,515,340	\$ 27,781	\$ 214,791	\$ 1,817,912

The transfers to the General Obligation Bond Retirement Fund and Sewer Revenue Fund were made for the payment of debt. The transfer to the CDBG Fund from the General Fund was for the City's share of the Senior Center building improvements.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 16: Interfund Transfers and Balances (continued)

B. Interfund Balances

As of December 31, 2009, interfund balances were as follows:

Due to:	Due from:			Total
	Non-Major Governmental Funds	Springvale Golf Course and Ballroom Fund	Sewer Fund	
General Fund	\$ 192,400	\$ 353,894	\$ 98,010	\$ 644,304
General Obligation Bond Retirement Fund	-	1,810,811	383,295	2,194,106
	<u>\$ 192,400</u>	<u>\$ 2,164,705</u>	<u>\$ 481,305</u>	<u>\$ 2,838,410</u>

The General Obligation Bond Retirement Fund loaned the Springvale Golf Course and Ballroom Fund and Sewer Revenue 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 Community Development Block Grant Fund, Federal Grants Fund and Community Diversion Fund were to help pay operating expenses.

Note 17: Jointly Governed Organizations

A. West Shore Council of Governments

The West Shore Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The Board is comprised of one member from each of the six participating entities. The Board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the Board. Each city's degree of control is limited to its representation on the Board. In 2009, the City contributed \$67,225. Complete financial information can be obtained from the City of Bay Village 350 Dover Center Road, Bay Village, Ohio 44140.

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

B. Northeast Ohio Public Energy Council (NOPEC)

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity and natural gas. NOPEC is currently comprised of over 100 communities who have been authorized by ballot to purchase electricity and natural gas on behalf of their citizens. The intent of NOPEC is to provide electricity and natural gas at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity and natural gas to the citizens of its member communities.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 17: Jointly Governed Organizations (continued)

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

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of North Olmsted did not contribute to NOPEC during 2008. Financial information can be obtained by contacting the Board Chairman, 1615 Clark Avenue, Cleveland, Ohio, 44109.

Note 18: Contingent Liabilities

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

Note 19: Subsequent Events

On April 1, 2010, the City issued \$4,390,000 in capital improvement and equipment notes for the purposes of improving certain designated City streets, acquiring a Sewer Jet Truck and all related equipment. The capital improvement, vehicle and equipment notes are to mature in September 2010 have an interest rate of 1.30 percent.

Note 20: Component Unit

A. Summary of Significant Accounting Policies

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2009

Note 20: Component Unit (continued)

A. Summary of Significant Accounting Policies (continued)

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

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

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

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

Permanently restricted net assets comprise those assets contributed to the N.O.C.O.P. by donors who have indicated an intention that the assets are to remain in perpetuity as permanent endowments of the N.O.C.O.P. Investment income generated by these assets is reported as unrestricted or temporarily restricted, depending upon whether the donors have limited the expenditure of income to a particular purpose or purposes or have indicated that such income is to be available for the general purposes of the N.O.C.O.P. At December 31, 2009, all of the assets of the N.O.C.O.P. are unrestricted.

Accounts and Intergovernmental Receivables - Accounts and intergovernmental receivables are derived from fares and services within the three communities. At December 31, 2009, there were no accounts receivable to report and intergovernmental receivables were reported at \$10,417.

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 \$39,884 and the bank balance was \$39,884, all of which was covered by the Federal Deposit Insurance Coverage (FDIC).

City of North Olmsted, Ohio

Combining Statements
Non-Major Governmental Funds

For the Year Ended December 31, 2009

Non-Major Special Revenue Funds

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

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

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

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

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

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

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 and emergency medical service nonresident ambulance receipts. Expenditures are restricted to safety equipment and up to 15% for capital improvements or building maintenance for safety use. 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 - Accounts for 25% of the resident emergency medical service's receipts. Expenditures are restricted to capital improvements for the Fire Division of the Department of Public Safety.

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

City of North Olmsted, Ohio

Combining Statements
Non-Major Governmental Funds

For the Year Ended December 31, 2009

Non-Major Special Revenue Funds (continued)

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.

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.

City of North Olmsted, Ohio

Combining Statements
Non-Major Governmental Funds

For the Year Ended December 31, 2009

Non-Major Special Revenue Funds (continued)

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.

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.

Issue I Fund - Accounts for Issue I grant monies received and the related expenditures paid directly to the contractors on the City's behalf.

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, 2009

	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	\$ 3,724,101	\$ 1,224,289	\$ 770,618	\$ 5,719,008
Income taxes receivable	439,223	-	-	439,223
Taxes receivable - property and other	1,394,898	1,156,613	-	2,551,511
Special assessments receivable	-	90,000	-	90,000
Intergovernmental receivable	850,546	63,614	72,399	986,559
Accounts receivable	10,905	-	-	10,905
Prepaid items	19,688	-	-	19,688
Total assets	<u>\$ 6,439,361</u>	<u>\$ 2,534,516</u>	<u>\$ 843,017</u>	<u>\$ 9,816,894</u>
Liabilities and fund balances:				
Liabilities:				
Accounts and contracts payable	\$ 269,768	\$ -	\$ 78,437	\$ 348,205
Accrued wages and benefits	35,958	-	-	35,958
Intergovernmental payable	27,899	-	-	27,899
Interfund payable	192,400	-	-	192,400
Deferred revenue	<u>2,101,142</u>	<u>1,310,227</u>	<u>-</u>	<u>3,411,369</u>
Total liabilities	<u>2,627,167</u>	<u>1,310,227</u>	<u>78,437</u>	<u>4,015,831</u>
Fund balances:				
Reserved for encumbrances	210,055	-	19,882	229,937
Unreserved, reported in:				
Special revenue funds	3,602,139	-	-	3,602,139
Debt service funds	-	1,224,289	-	1,224,289
Capital projects funds	-	-	<u>744,698</u>	<u>744,698</u>
Total fund balances	<u>3,812,194</u>	<u>1,224,289</u>	<u>764,580</u>	<u>5,801,063</u>
Total liabilities and fund balances	<u>\$ 6,439,361</u>	<u>\$ 2,534,516</u>	<u>\$ 843,017</u>	<u>\$ 9,816,894</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, 2009

	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	\$ 1,659,877	\$ 1,108,636	\$ -	\$ 2,768,513
Municipal income taxes	1,835,790	-	-	1,835,790
Charges for services	1,172,696	-	5,121	1,177,817
Fines, licenses and permits	200,796	-	1,575	202,371
Intergovernmental	2,088,873	148,989	471,173	2,709,035
Special assessments	-	85,000	-	85,000
Investment income	723	24,415	-	25,138
Miscellaneous income	190,085	-	-	190,085
Total revenues	<u>7,148,840</u>	<u>1,367,040</u>	<u>477,869</u>	<u>8,993,749</u>
Expenditures:				
Current:				
General government	79,735	-	837	80,572
Security of persons and property	938,650	-	-	938,650
Public health and welfare	67,526	-	-	67,526
Transportation	1,497,556	-	-	1,497,556
Basic utility services	2,107,623	-	-	2,107,623
Leisure time activities	2,208,061	-	-	2,208,061
Economic development	60,623	-	78,437	139,060
Capital outlay	-	-	416,772	416,772
Debt service:				
Principal	3,249	735,000	-	738,249
Interest and fiscal charges	111	561,519	-	561,630
Note issuance costs	-	-	1,500	1,500
Total expenditures	<u>6,963,134</u>	<u>1,296,519</u>	<u>497,546</u>	<u>8,757,199</u>
Excess (deficiency) of revenues over expenditures	<u>185,706</u>	<u>70,521</u>	<u>(19,677)</u>	<u>236,550</u>
Other financing sources (uses):				
Transfers - in	60,000	-	-	60,000
Transfers - out	(214,791)	-	-	(214,791)
Long-term notes issued	-	-	161,500	161,500
Total other financing sources (uses)	<u>(154,791)</u>	<u>-</u>	<u>161,500</u>	<u>6,709</u>
Net change in fund balances	30,915	70,521	141,823	243,259
Fund balances, beginning of year	<u>3,781,279</u>	<u>1,153,768</u>	<u>622,757</u>	<u>5,557,804</u>
Fund balances, end of year	\$ <u>3,812,194</u>	\$ <u>1,224,289</u>	\$ <u>764,580</u>	\$ <u>5,801,063</u>

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Special Revenue Funds

December 31, 2009

	<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	\$ 43,583	\$ 154,143	\$ 15,818	\$ 71,848	\$ 7,848	\$ 157,589
Income taxes receivable	-	-	-	-	-	-
Taxes receivable - property and other	-	-	-	-	-	-
Intergovernmental receivable	-	-	103	-	-	35,400
Accounts receivable	2,338	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	<u>\$ 45,921</u>	<u>\$ 154,143</u>	<u>\$ 15,921</u>	<u>\$ 71,848</u>	<u>\$ 7,848</u>	<u>\$ 192,989</u>
Liabilities and fund balances:						
Liabilities:						
Accounts and contracts payable	\$ 2,838	\$ 1,277	\$ -	\$ 350	\$ -	\$ 82,063
Accrued wages and benefits	-	-	-	-	-	-
Intergovernmental payable	-	-	50	-	-	-
Interfund payable	-	100,000	-	-	-	90,000
Deferred revenue	-	-	-	-	-	15,400
Total liabilities	<u>2,838</u>	<u>101,277</u>	<u>50</u>	<u>350</u>	<u>-</u>	<u>187,463</u>
Fund balances:						
Reserved for encumbrances	22,664	142,305	-	1,406	-	-
Unreserved (deficit)	<u>20,419</u>	<u>(89,439)</u>	<u>15,871</u>	<u>70,092</u>	<u>7,848</u>	<u>5,526</u>
Total fund balances	<u>43,083</u>	<u>52,866</u>	<u>15,871</u>	<u>71,498</u>	<u>7,848</u>	<u>5,526</u>
Total liabilities and fund balances	<u>\$ 45,921</u>	<u>\$ 154,143</u>	<u>\$ 15,921</u>	<u>\$ 71,848</u>	<u>\$ 7,848</u>	<u>\$ 192,989</u>

(Continued)

<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>
\$ 95,208	\$ 183,883	\$ 3,065	\$ 297,526	\$ 2,773	\$ 328,606	\$ 1,145,316
-	-	-	-	-	-	-
-	921,175	-	13,059	-	-	-
106,000	85,543	-	-	-	40,713	494,959
-	-	-	-	-	-	-
-	19,688	-	-	-	-	-
<u>\$ 201,208</u>	<u>\$ 1,210,289</u>	<u>\$ 3,065</u>	<u>\$ 310,585</u>	<u>\$ 2,773</u>	<u>\$ 369,319</u>	<u>\$ 1,640,275</u>
\$ -	\$ 108,281	\$ -	\$ 3,500	\$ -	\$ -	\$ 61,116
-	15,210	-	-	-	-	19,391
-	17,050	-	-	-	-	5,421
-	-	-	-	-	-	-
<u>71,447</u>	<u>988,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,323</u>	<u>317,490</u>
<u>71,447</u>	<u>1,128,605</u>	<u>-</u>	<u>3,500</u>	<u>-</u>	<u>26,323</u>	<u>403,418</u>
-	30,821	-	-	-	-	4,402
<u>129,761</u>	<u>50,863</u>	<u>3,065</u>	<u>307,085</u>	<u>2,773</u>	<u>342,996</u>	<u>1,232,455</u>
<u>129,761</u>	<u>81,684</u>	<u>3,065</u>	<u>307,085</u>	<u>2,773</u>	<u>342,996</u>	<u>1,236,857</u>
<u>\$ 201,208</u>	<u>\$ 1,210,289</u>	<u>\$ 3,065</u>	<u>\$ 310,585</u>	<u>\$ 2,773</u>	<u>\$ 369,319</u>	<u>\$ 1,640,275</u>

City of North Olmsted, Ohio

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

December 31, 2009

	<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	\$ 420,565	\$ 5,029	\$ 22,297	\$ 209,749	\$ 253,506
Income taxes receivable	439,223	-	-	-	-
Taxes receivable - property and other	-	-	-	-	-
Intergovernmental receivable	-	2,400	-	-	38,310
Accounts receivable	-	-	-	8,567	-
Prepaid items	-	-	-	-	-
Total assets	<u>\$ 859,788</u>	<u>\$ 7,429</u>	<u>\$ 22,297</u>	<u>\$ 218,316</u>	<u>\$ 291,816</u>
Liabilities and fund balances:					
Liabilities:					
Accounts and contracts payable	\$ 46	\$ 818	\$ -	\$ 7,326	\$ -
Accrued wages and benefits	-	470	-	-	692
Intergovernmental payable	-	212	-	200	215
Interfund payable	-	2,400	-	-	-
Deferred revenue	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,310</u>
Total liabilities	<u>150,046</u>	<u>3,900</u>	<u>-</u>	<u>7,526</u>	<u>39,217</u>
Fund balances:					
Reserved for encumbrances	-	-	-	-	-
Unreserved (deficit)	<u>709,742</u>	<u>3,529</u>	<u>22,297</u>	<u>210,790</u>	<u>252,599</u>
Total fund balances	<u>709,742</u>	<u>3,529</u>	<u>22,297</u>	<u>210,790</u>	<u>252,599</u>
Total liabilities and fund balances	<u>\$ 859,788</u>	<u>\$ 7,429</u>	<u>\$ 22,297</u>	<u>\$ 218,316</u>	<u>\$ 291,816</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>
\$ 28,773	\$ 43,646	\$ 54,786	\$ 43,773	\$ 38,021	\$ 35,292	\$ 61,458	\$ 3,724,101
-	-	-	-	-	-	-	439,223
230,332	-	-	230,332	-	-	-	1,394,898
16,722	-	11,933	16,722	-	1,741	-	850,546
-	-	-	-	-	-	-	10,905
-	-	-	-	-	-	-	19,688
<u>\$ 275,827</u>	<u>\$ 43,646</u>	<u>\$ 66,719</u>	<u>\$ 290,827</u>	<u>\$ 38,021</u>	<u>\$ 37,033</u>	<u>\$ 61,458</u>	<u>\$ 6,439,361</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,153	\$ -	\$ -	\$ 269,768
-	-	-	-	-	195	-	35,958
-	-	4,599	-	-	152	-	27,899
-	-	-	-	-	-	-	192,400
<u>247,054</u>	<u>-</u>	<u>-</u>	<u>247,054</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,101,142</u>
<u>247,054</u>	<u>-</u>	<u>4,599</u>	<u>247,054</u>	<u>2,153</u>	<u>347</u>	<u>-</u>	<u>2,627,167</u>
-	-	-	-	220	-	8,237	210,055
<u>28,773</u>	<u>43,646</u>	<u>62,120</u>	<u>43,773</u>	<u>35,648</u>	<u>36,686</u>	<u>53,221</u>	<u>3,602,139</u>
<u>28,773</u>	<u>43,646</u>	<u>62,120</u>	<u>43,773</u>	<u>35,868</u>	<u>36,686</u>	<u>61,458</u>	<u>3,812,194</u>
<u>\$ 275,827</u>	<u>\$ 43,646</u>	<u>\$ 66,719</u>	<u>\$ 290,827</u>	<u>\$ 38,021</u>	<u>\$ 37,033</u>	<u>\$ 61,458</u>	<u>\$ 6,439,361</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, 2009

	Casualty Loss	CDBG	Alcohol Education	Economic Development	FEMA Grant	Federal Grants
Revenues:						
Property and other local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	-	-	-	-	-	-
Charges for services	46,186	-	-	8,100	-	-
Fines, licenses and permits	-	-	3,588	-	-	-
Intergovernmental	-	100,000	-	-	-	174,600
Investment income	-	-	-	-	-	-
Miscellaneous income	-	-	-	13,347	-	-
Total revenues	<u>46,186</u>	<u>100,000</u>	<u>3,588</u>	<u>21,447</u>	<u>-</u>	<u>174,600</u>
Expenditures:						
Current:						
General government	46,495	-	-	-	-	-
Security of persons and property	-	-	1,162	-	-	99,074
Public health and welfare	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Basic utility services	-	-	-	-	-	-
Leisure time activities	-	16,833	-	-	-	-
Economic development	-	-	-	13,712	-	46,911
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>46,495</u>	<u>16,833</u>	<u>1,162</u>	<u>13,712</u>	<u>-</u>	<u>145,985</u>
Excess (deficiency) of revenues over expenditures	<u>(309)</u>	<u>83,167</u>	<u>2,426</u>	<u>7,735</u>	<u>-</u>	<u>28,615</u>
Other financing sources (uses):						
Transfers - in	-	60,000	-	-	-	-
Transfers - out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(309)	143,167	2,426	7,735	-	28,615
Fund balances (deficit), beginning of year	<u>43,392</u>	<u>(90,301)</u>	<u>13,445</u>	<u>63,763</u>	<u>7,848</u>	<u>(23,089)</u>
Fund balances, end of year	\$ <u>43,083</u>	\$ <u>52,866</u>	\$ <u>15,871</u>	\$ <u>71,498</u>	\$ <u>7,848</u>	\$ <u>5,526</u>

(Continued)

<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>
\$ -	\$ 950,259	\$ -	\$ 234,488	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	1,061,925	-	-	-	-	-
-	-	-	-	-	-	-
215,963	197,051	-	-	-	94,328	1,164,371
-	-	-	-	-	-	-
-	75,234	-	-	-	-	-
<u>215,963</u>	<u>2,284,469</u>	<u>-</u>	<u>234,488</u>	<u>-</u>	<u>94,328</u>	<u>1,164,371</u>
-	-	-	-	-	-	-
-	-	-	82,380	-	-	-
-	-	-	-	-	-	-
241,051	-	-	-	-	54,855	1,194,887
-	-	-	-	-	-	-
-	2,107,865	-	-	-	-	-
-	-	-	-	-	-	-
-	3,249	-	-	-	-	-
-	111	-	-	-	-	-
<u>241,051</u>	<u>2,111,225</u>	<u>-</u>	<u>82,380</u>	<u>-</u>	<u>54,855</u>	<u>1,194,887</u>
<u>(25,088)</u>	<u>173,244</u>	<u>-</u>	<u>152,108</u>	<u>-</u>	<u>39,473</u>	<u>(30,516)</u>
-	-	-	-	-	-	-
-	(74,353)	-	(140,438)	-	-	-
-	(74,353)	-	(140,438)	-	-	-
(25,088)	98,891	-	11,670	-	39,473	(30,516)
<u>154,849</u>	<u>(17,207)</u>	<u>3,065</u>	<u>295,415</u>	<u>2,773</u>	<u>303,523</u>	<u>1,267,373</u>
\$ <u>129,761</u>	\$ <u>81,684</u>	\$ <u>3,065</u>	\$ <u>307,085</u>	\$ <u>2,773</u>	\$ <u>342,996</u>	\$ <u>1,236,857</u>

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, 2009

	Solid Waste Management	Community Diversion	Drug Enforcement	Endowment and Grant	Fair Capacity Housing
Revenues:					
Property and other local taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	1,835,790	-	-	-	-
Charges for services	-	11,790	-	2,279	-
Fines, licenses and permits	-	-	-	-	-
Intergovernmental	12,892	12,000	-	3,500	-
Investment income	-	-	-	17	-
Miscellaneous income	-	-	-	96,072	-
Total revenues	<u>1,848,682</u>	<u>23,790</u>	<u>-</u>	<u>101,868</u>	<u>-</u>
Expenditures:					
Current:					
General government	-	-	-	2,644	30,596
Security of persons and property	-	-	-	2,950	-
Public health and welfare	-	28,282	-	10,755	-
Transportation	-	-	-	-	-
Basic utility services	2,107,623	-	-	-	-
Leisure time activities	-	-	-	54,825	-
Economic development	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>2,107,623</u>	<u>28,282</u>	<u>-</u>	<u>71,174</u>	<u>30,596</u>
Excess (deficiency) of revenues over expenditures	<u>(258,941)</u>	<u>(4,492)</u>	<u>-</u>	<u>30,694</u>	<u>(30,596)</u>
Other financing sources (uses):					
Transfers - in	-	-	-	-	-
Transfers - out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(258,941)	(4,492)	-	30,694	(30,596)
Fund balances (deficit), beginning of year	<u>968,683</u>	<u>8,021</u>	<u>22,297</u>	<u>180,096</u>	<u>283,195</u>
Fund balances, end of year	<u>\$ 709,742</u>	<u>\$ 3,529</u>	<u>\$ 22,297</u>	<u>\$ 210,790</u>	<u>\$ 252,599</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>
\$ 237,565	\$ -	\$ -	\$ 237,565	\$ -	\$ -	\$ -	\$ 1,659,877
-	-	-	-	-	-	-	1,835,790
-	-	-	-	18,111	7,561	16,744	1,172,696
-	260	177,148	-	1,800	-	18,000	200,796
44,599	-	-	44,599	-	24,970	-	2,088,873
-	-	-	-	706	-	-	723
-	-	-	-	5,432	-	-	190,085
<u>282,164</u>	<u>260</u>	<u>177,148</u>	<u>282,164</u>	<u>26,049</u>	<u>32,531</u>	<u>34,744</u>	<u>7,148,840</u>
-	-	-	-	-	-	-	79,735
262,847	12,281	230,109	247,847	-	-	-	938,650
-	-	-	-	-	28,489	-	67,526
-	-	-	-	-	-	6,763	1,497,556
-	-	-	-	-	-	-	2,107,623
-	-	-	-	28,538	-	-	2,208,061
-	-	-	-	-	-	-	60,623
-	-	-	-	-	-	-	3,249
-	-	-	-	-	-	-	111
<u>262,847</u>	<u>12,281</u>	<u>230,109</u>	<u>247,847</u>	<u>28,538</u>	<u>28,489</u>	<u>6,763</u>	<u>6,963,134</u>
<u>19,317</u>	<u>(12,021)</u>	<u>(52,961)</u>	<u>34,317</u>	<u>(2,489)</u>	<u>4,042</u>	<u>27,981</u>	<u>185,706</u>
-	-	-	-	-	-	-	60,000
-	-	-	-	-	-	-	(214,791)
-	-	-	-	-	-	-	(154,791)
19,317	(12,021)	(52,961)	34,317	(2,489)	4,042	27,981	30,915
<u>9,456</u>	<u>55,667</u>	<u>115,081</u>	<u>9,456</u>	<u>38,357</u>	<u>32,644</u>	<u>33,477</u>	<u>3,781,279</u>
\$ <u>28,773</u>	\$ <u>43,646</u>	\$ <u>62,120</u>	\$ <u>43,773</u>	\$ <u>35,868</u>	\$ <u>36,686</u>	\$ <u>61,458</u>	\$ <u>3,812,194</u>

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Debt Service Funds

December 31, 2009

	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	\$ 626,437	\$ 85,984	\$ 511,868	\$ 1,224,289
Taxes receivable - property and other	849,105	-	307,508	1,156,613
Special assessments receivable	-	90,000	-	90,000
Intergovernmental receivable	<u>45,439</u>	<u>-</u>	<u>18,175</u>	<u>63,614</u>
Total assets	<u>\$ 1,520,981</u>	<u>\$ 175,984</u>	<u>\$ 837,551</u>	<u>\$ 2,534,516</u>
Liabilities and fund balances:				
Liabilities:				
Deferred revenue	\$ 894,544	\$ 90,000	\$ 325,683	\$ 1,310,227
Fund balances:				
Unreserved	<u>626,437</u>	<u>85,984</u>	<u>511,868</u>	<u>1,224,289</u>
Total liabilities and fund balances	<u>\$ 1,520,981</u>	<u>\$ 175,984</u>	<u>\$ 837,551</u>	<u>\$ 2,534,516</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, 2009

	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	\$ 791,883	\$ -	\$ 316,753	\$ 1,108,636
Intergovernmental	106,421	-	42,568	148,989
Special assessments	-	85,000	-	85,000
Investment income	-	24,415	-	24,415
Total revenues	<u>898,304</u>	<u>109,415</u>	<u>359,321</u>	<u>1,367,040</u>
Expenditures:				
Debt service:				
Principal	500,000	85,000	150,000	735,000
Interest and fiscal charges	<u>377,793</u>	<u>14,713</u>	<u>169,013</u>	<u>561,519</u>
Total expenditures	<u>877,793</u>	<u>99,713</u>	<u>319,013</u>	<u>1,296,519</u>
Net change in fund balances	20,511	9,702	40,308	70,521
Fund balances, beginning of year	<u>605,926</u>	<u>76,282</u>	<u>471,560</u>	<u>1,153,768</u>
Fund balances, end of year.	\$ <u>626,437</u>	\$ <u>85,984</u>	\$ <u>511,868</u>	\$ <u>1,224,289</u>

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Capital Projects Funds

December 31, 2009

	Capital Improvements	Library Construction	Building and Land Acquisition and Improvement	Issue I	Fire Construction	Total
Assets:						
Equity in pooled cash and cash equivalents	\$ 275,829	\$ 113,169	\$ 221,196	\$ 6,038	\$ 154,386	\$ 770,618
Intergovernmental receivable	-	-	-	72,399	-	72,399
Total assets	<u>\$ 275,829</u>	<u>\$ 113,169</u>	<u>\$ 221,196</u>	<u>\$ 78,437</u>	<u>\$ 154,386</u>	<u>\$ 843,017</u>
Liabilities and fund balances:						
Liabilities:						
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ 78,437	\$ -	\$ 78,437
Fund balances:						
Reserved for encumbrances	19,657	-	-	-	225	19,882
Unreserved	<u>256,172</u>	<u>113,169</u>	<u>221,196</u>	<u>-</u>	<u>154,161</u>	<u>744,698</u>
Total fund balances	<u>275,829</u>	<u>113,169</u>	<u>221,196</u>	<u>-</u>	<u>154,386</u>	<u>764,580</u>
Total liabilities and fund balances	<u>\$ 275,829</u>	<u>\$ 113,169</u>	<u>\$ 221,196</u>	<u>\$ 78,437</u>	<u>\$ 154,386</u>	<u>\$ 843,017</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, 2009

	Capital Improvements	Library Construction	Building and Land Acquisition and Improvement	Issue I	Fire Construction	Total
Revenues:						
Charges for services	\$ -	\$ -	\$ -	\$ 5,121	\$ -	\$ 5,121
Fines, licenses, and permits	1,575	-	-	-	-	1,575
Intergovernmental	-	-	-	471,173	-	471,173
Total revenues	<u>1,575</u>	<u>-</u>	<u>-</u>	<u>476,294</u>	<u>-</u>	<u>477,869</u>
Expenditures:						
Current:						
General government	837	-	-	-	-	837
Economic development	-	-	-	78,437	-	78,437
Capital outlay	13,362	-	-	397,857	5,553	416,772
Debt service:						
Note issuance costs	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500</u>
Total expenditures	<u>15,699</u>	<u>-</u>	<u>-</u>	<u>476,294</u>	<u>5,553</u>	<u>497,546</u>
Excess (deficiency) of revenues over expenditures	(14,124)	-	-	-	(5,553)	(19,677)
Other financing sources (uses):						
Long-term notes issued	<u>161,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,500</u>
Net change in fund balances	147,376	-	-	-	(5,553)	141,823
Fund balances, beginning of year	<u>128,453</u>	<u>113,169</u>	<u>221,196</u>	<u>-</u>	<u>159,939</u>	<u>622,757</u>
Fund balances, end of year	\$ <u>275,829</u>	\$ <u>113,169</u>	\$ <u>221,196</u>	\$ <u>-</u>	\$ <u>154,386</u>	\$ <u>764,580</u>

City of North Olmsted, Ohio

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

December 31, 2009

	<u>Hospitalization</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ <u>1,635,196</u>	\$ <u>68,347</u>	\$ <u>1,703,543</u>
Liabilities:			
Current liabilities:			
Accounts and contracts payable	-	1,295	1,295
Intergovernmental payable	-	56,123	56,123
Claims payable	<u>246,081</u>	<u>37,746</u>	<u>283,827</u>
Total current liabilities	<u>246,081</u>	<u>95,164</u>	<u>341,245</u>
Long-term liabilities:			
Claims payable	<u>-</u>	<u>71,767</u>	<u>71,767</u>
Total liabilities	<u>246,081</u>	<u>166,931</u>	<u>413,012</u>
Net assets:			
Unrestricted	\$ <u>1,389,115</u>	\$ <u>(98,584)</u>	\$ <u>1,290,531</u>

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2009

	<u>Hospitalization</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Operating revenues:			
Charges for services	\$ <u>2,646,449</u>	\$ <u>-</u>	\$ <u>2,646,449</u>
Operating expenses:			
Contractual services	364,560	179,610	544,170
Claims	<u>1,832,795</u>	<u>123,536</u>	<u>1,956,331</u>
Total operating expenses	<u>2,197,355</u>	<u>303,146</u>	<u>2,500,501</u>
Change in net assets	449,094	(303,146)	145,948
Net assets, beginning of year	<u>940,021</u>	<u>204,562</u>	<u>1,144,583</u>
Net assets (deficit), end of year	\$ <u>1,389,115</u>	\$ <u>(98,584)</u>	\$ <u>1,290,531</u>

City of North Olmsted, Ohio

Combining Statement of Cash Flows Non-Major Internal Service Funds

For the Year Ended December 31, 2009

	<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	\$ 2,646,449	\$ -	\$ 2,646,449
Cash payments for goods and services	(364,560)	(122,192)	(486,752)
Cash paid for claims	<u>(1,821,633)</u>	<u>(14,023)</u>	<u>(1,835,656)</u>
Net cash provided by (used for) operating activities	<u>460,256</u>	<u>(136,215)</u>	<u>324,041</u>
Net increase (decrease) in cash and cash equivalents	460,256	(136,215)	324,041
Cash and cash equivalents, beginning of year	<u>1,174,940</u>	<u>204,562</u>	<u>1,379,502</u>
Cash and cash equivalents, end of year	\$ <u>1,635,196</u>	\$ <u>68,347</u>	\$ <u>1,703,543</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 449,094	\$ (303,146)	\$ 145,948
Adjustments:			
Changes in assets/liabilities:			
Increase in accounts and contracts payable	-	1,295	1,295
Increase in intergovernmental payable	-	56,123	56,123
Increase in claims payable	<u>11,162</u>	<u>109,513</u>	<u>120,675</u>
Net cash provided by (used for) operating activities	\$ <u>460,256</u>	\$ <u>(136,215)</u>	\$ <u>324,041</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, 2009

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Property and other local taxes	\$ 5,092,487	\$ 5,092,487	\$ 5,068,053	\$ (24,434)
Municipal income taxes	8,635,793	8,635,793	8,599,864	(35,929)
Charges for services	1,175,620	1,175,620	1,240,707	65,087
Licenses and permits	706,300	706,300	793,100	86,800
Fines and forfeitures	184,500	184,500	219,721	35,221
Intergovernmental	2,308,730	2,311,699	2,647,342	335,643
Investment income	60,000	60,000	54,246	(5,754)
Miscellaneous income	<u>20,000</u>	<u>20,000</u>	<u>20,137</u>	<u>137</u>
Total revenues	<u>18,183,430</u>	<u>18,186,399</u>	<u>18,643,170</u>	<u>456,771</u>
Expenditures:				
Current:				
General government - legislative and executive				
Council				
Salaries	156,511	189,523	189,507	16
Benefits	45,874	46,038	42,623	3,415
Materials and supplies	850	850	839	11
Contractual services	<u>9,480</u>	<u>10,280</u>	<u>9,446</u>	<u>834</u>
Total council	<u>212,715</u>	<u>246,691</u>	<u>242,415</u>	<u>4,276</u>
Mayor				
Salaries	176,824	177,224	177,224	-
Benefits	62,284	62,500	61,444	1,056
Materials and supplies	28,490	31,490	26,243	5,247
Contractual services	<u>16,245</u>	<u>18,195</u>	<u>17,158</u>	<u>1,037</u>
Total mayor	<u>283,843</u>	<u>289,409</u>	<u>282,069</u>	<u>7,340</u>
Finance department				
Salaries	342,384	342,384	338,255	4,129
Benefits	141,113	142,300	138,051	4,249
Materials and supplies	12,526	12,526	7,587	4,939
Contractual services	689,006	634,646	568,399	66,247
Capital outlay	<u>356</u>	<u>356</u>	<u>40</u>	<u>316</u>
Total finance department	<u>1,185,385</u>	<u>1,132,212</u>	<u>1,052,332</u>	<u>79,880</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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Law department				
Salaries	259,193	256,443	243,438	13,005
Benefits	93,395	93,395	90,654	2,741
Materials and supplies	400	400	134	266
Contractual services	11,950	21,400	13,403	7,997
Capital outlay	<u>55</u>	<u>55</u>	<u>40</u>	<u>15</u>
Total law department	<u>364,993</u>	<u>371,693</u>	<u>347,669</u>	<u>24,024</u>
Information systems				
Salaries	53,002	53,002	52,546	456
Benefits	24,535	25,792	25,594	198
Materials and supplies	8,254	6,604	6,482	122
Contractual services	58,821	60,471	56,351	4,120
Capital outlay	<u>15,274</u>	<u>15,274</u>	<u>15,267</u>	<u>7</u>
Total information systems	<u>159,886</u>	<u>161,143</u>	<u>156,240</u>	<u>4,903</u>
Department of human resources				
Salaries	166,117	166,117	165,517	600
Benefits	66,298	66,523	66,469	54
Materials and supplies	700	700	595	105
Contractual services	163,076	163,076	162,987	89
Capital outlay	<u>55</u>	<u>55</u>	<u>40</u>	<u>15</u>
Total department of human resources	<u>396,246</u>	<u>396,471</u>	<u>395,608</u>	<u>863</u>
Civil service department				
Salaries	2,250	2,250	-	2,250
Benefits	365	365	17	348
Materials and supplies	100	100	-	100
Contractual services	<u>960</u>	<u>960</u>	<u>390</u>	<u>570</u>
Total civil service department	<u>3,675</u>	<u>3,675</u>	<u>407</u>	<u>3,268</u>
Boards and commissions				
Salaries	45,079	45,079	45,071	8
Benefits	23,017	23,094	23,078	16
Materials and supplies	1,400	1,400	923	477
Contractual services	<u>1,700</u>	<u>1,700</u>	<u>770</u>	<u>930</u>
Total boards and commissions	<u>71,196</u>	<u>71,273</u>	<u>69,842</u>	<u>1,431</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, 2009

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Building department				
Salaries	594,854	594,854	589,797	5,057
Benefits	256,721	262,621	246,549	16,072
Materials and supplies	12,510	12,510	9,685	2,825
Contractual services	59,175	58,755	38,154	20,601
Capital outlay	<u>3,881</u>	<u>3,881</u>	<u>3,659</u>	<u>222</u>
Total building department	<u>927,141</u>	<u>932,621</u>	<u>887,844</u>	<u>44,777</u>
Engineering department				
Salaries	58,000	58,000	57,822	178
Benefits	12,515	13,715	13,600	115
Materials and supplies	1,080	1,080	256	824
Contractual services	<u>168,476</u>	<u>192,476</u>	<u>178,536</u>	<u>13,940</u>
Total engineering department	<u>240,071</u>	<u>265,271</u>	<u>250,214</u>	<u>15,057</u>
Total general government - legislative and executive	<u>3,845,151</u>	<u>3,870,459</u>	<u>3,684,640</u>	<u>185,819</u>
Security of persons and property				
Safety director				
Salaries	112,037	114,088	114,088	-
Benefits	28,151	28,609	28,608	1
Materials and supplies	2,526	2,526	2,131	395
Contractual services	337	337	-	337
Capital outlay	<u>55</u>	<u>55</u>	<u>40</u>	<u>15</u>
Total safety director	<u>143,106</u>	<u>145,615</u>	<u>144,867</u>	<u>748</u>
Fire department				
Salaries	3,279,192	3,319,616	3,304,660	14,956
Benefits	1,382,183	1,399,492	1,396,019	3,473
Materials and supplies	11,483	11,483	8,217	3,266
Contractual services	260,533	260,533	260,485	48
Capital outlay	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total fire department	<u>4,934,891</u>	<u>4,992,624</u>	<u>4,969,381</u>	<u>23,243</u>
Central dispatch				
Salaries	446,700	501,597	487,070	14,527
Benefits	173,187	172,327	168,640	3,687
Materials and supplies	1,000	1,000	233	767
Contractual services	<u>32,977</u>	<u>32,977</u>	<u>17,609</u>	<u>15,368</u>
Total central dispatch	<u>653,864</u>	<u>707,901</u>	<u>673,552</u>	<u>34,349</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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Police department				
Salaries	4,200,153	4,152,689	4,123,800	28,889
Benefits	1,637,329	1,624,515	1,619,041	5,474
Materials and supplies	82,964	52,964	44,752	8,212
Contractual services	<u>398,034</u>	<u>409,034</u>	<u>359,037</u>	<u>49,997</u>
Total police department	<u>6,318,480</u>	<u>6,239,202</u>	<u>6,146,630</u>	<u>92,572</u>
Total security of persons and property	<u>12,050,341</u>	<u>12,085,342</u>	<u>11,934,430</u>	<u>150,912</u>
Public health and welfare				
Division of youth services				
Salaries	56,546	56,902	56,902	-
Benefits	22,989	23,083	22,850	233
Materials and supplies	700	700	568	132
Contractual services	840	840	451	389
Capital outlay	<u>315</u>	<u>315</u>	<u>167</u>	<u>148</u>
Total division of youth services	<u>81,390</u>	<u>81,840</u>	<u>80,938</u>	<u>902</u>
Department of community life services				
Salaries	215,307	215,317	214,471	846
Benefits	81,720	82,420	82,235	185
Materials and supplies	1,150	1,001	166	835
Contractual services	125,120	125,770	117,214	8,556
Capital outlay	<u>110</u>	<u>110</u>	<u>80</u>	<u>30</u>
Total department of community life services	<u>423,407</u>	<u>424,618</u>	<u>414,166</u>	<u>10,452</u>
Total public health and welfare	<u>504,797</u>	<u>506,458</u>	<u>495,104</u>	<u>11,354</u>
Transportation				
Service director				
Salaries	125,731	125,731	114,762	10,969
Benefits	45,546	45,965	38,920	7,045
Materials and supplies	1,600	1,600	1,339	261
Contractual services	<u>569,237</u>	<u>533,287</u>	<u>495,781</u>	<u>37,506</u>
Total service director	<u>742,114</u>	<u>706,583</u>	<u>650,802</u>	<u>55,781</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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Service department				
Salaries	594,310	596,310	576,387	19,923
Benefits	318,036	311,245	279,722	31,523
Materials and supplies	75,007	78,118	50,657	27,461
Contractual services	279,117	327,709	306,908	20,801
Capital outlay	<u>20,195</u>	<u>30,195</u>	<u>23,387</u>	<u>6,808</u>
Total service department	<u>1,286,665</u>	<u>1,343,577</u>	<u>1,237,061</u>	<u>106,516</u>
Fleet maintenance department				
Salaries	435,709	425,979	403,432	22,547
Benefits	215,807	208,201	183,131	25,070
Materials and supplies	589,213	506,813	227,454	279,359
Contractual services	14,556	14,556	9,706	4,850
Capital outlay	<u>5,260</u>	<u>5,260</u>	<u>80</u>	<u>5,180</u>
Total fleet maintenance	<u>1,260,545</u>	<u>1,160,809</u>	<u>823,803</u>	<u>337,006</u>
Total transportation	<u>3,289,324</u>	<u>3,210,969</u>	<u>2,711,666</u>	<u>499,303</u>
Economic development				
Planning department				
Salaries	121,828	121,828	121,827	1
Benefits	43,365	43,289	42,858	431
Materials and supplies	400	400	280	120
Contractual services	<u>283,600</u>	<u>283,600</u>	<u>281,865</u>	<u>1,735</u>
Total economic development	<u>449,193</u>	<u>449,117</u>	<u>446,830</u>	<u>2,287</u>
Total expenditures	<u>20,138,806</u>	<u>20,122,345</u>	<u>19,272,670</u>	<u>849,675</u>
Excess (deficiency) of revenues over expenditures	<u>(1,955,376)</u>	<u>(1,935,946)</u>	<u>(629,500)</u>	<u>1,306,446</u>
Other financing sources (uses):				
Sale of capital assets	5,000	5,000	13,746	8,746
Advances - in	335,721	335,721	165,721	(170,000)
Advances - out	(100,000)	(122,400)	(122,400)	-
Transfers - out	<u>(60,000)</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>180,721</u>	<u>158,321</u>	<u>(2,933)</u>	<u>(161,254)</u>
Net change in fund balance	(1,774,655)	(1,777,625)	(632,433)	1,145,192
Prior year encumbrances	297,445	297,445	297,445	-
Fund balance, beginning of year	<u>1,487,893</u>	<u>1,487,893</u>	<u>1,487,893</u>	<u>-</u>
Fund balance, end of year	\$ <u>10,683</u>	\$ <u>7,713</u>	\$ <u>1,152,905</u>	\$ <u>1,145,192</u>

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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 1,850,527	\$ 1,850,527	\$ 1,842,828	\$ (7,699)
Intergovernmental	<u>273,000</u>	<u>273,000</u>	<u>11,368</u>	<u>(261,632)</u>
Total revenues	<u>2,123,527</u>	<u>2,123,527</u>	<u>1,854,196</u>	<u>(269,331)</u>
Expenditures:				
Current:				
Transportation Service				
Contractual services	175,158	123,760	114,544	9,216
Capital outlay	<u>1,265,630</u>	<u>1,204,700</u>	<u>1,144,375</u>	<u>60,325</u>
Total transportation	<u>1,440,788</u>	<u>1,328,460</u>	<u>1,258,919</u>	<u>69,541</u>
Debt service:				
Principal	2,270,000	2,270,000	2,270,000	-
Interest and fiscal charges	<u>68,345</u>	<u>68,345</u>	<u>68,345</u>	<u>-</u>
Total debt service	<u>2,338,345</u>	<u>2,338,345</u>	<u>2,338,345</u>	<u>-</u>
Total expenditures	<u>3,779,133</u>	<u>3,666,805</u>	<u>3,597,264</u>	<u>69,541</u>
Excess (deficiency) of revenues over expenditures	<u>(1,655,606)</u>	<u>(1,543,278)</u>	<u>(1,743,068)</u>	<u>(199,790)</u>
Other financing sources (uses):				
Long-term notes issued	3,055,000	3,055,000	3,064,527	9,527
Transfers - out	<u>(1,515,340)</u>	<u>(1,515,340)</u>	<u>(1,515,340)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,539,660</u>	<u>1,539,660</u>	<u>1,549,187</u>	<u>9,527</u>
Net change in fund balance	(115,946)	(3,618)	(193,881)	(190,263)
Prior year encumbrances	84,588	84,588	84,588	-
Fund balance, beginning of year	<u>1,923,309</u>	<u>1,923,309</u>	<u>1,923,309</u>	<u>-</u>
Fund balance, end of year	\$ <u>1,891,951</u>	\$ <u>2,004,279</u>	\$ <u>1,814,016</u>	\$ <u>(190,263)</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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other local taxes	\$ 2,864,523	\$ 2,864,523	\$ 2,850,780	\$ (13,743)
Intergovernmental	427,773	427,773	522,518	94,745
Investment income	<u>40,000</u>	<u>40,000</u>	<u>61,272</u>	<u>21,272</u>
Total revenues	<u>3,332,296</u>	<u>3,332,296</u>	<u>3,434,570</u>	<u>102,274</u>
Expenditures:				
Debt service:				
Principal	5,246,933	5,251,589	5,251,589	-
Interest and fiscal charges	<u>1,862,265</u>	<u>1,864,636</u>	<u>1,864,627</u>	<u>9</u>
Total expenditures	<u>7,109,198</u>	<u>7,116,225</u>	<u>7,116,216</u>	<u>9</u>
Excess (deficiency) of revenues over expenditures	(3,776,902)	(3,783,929)	(3,681,646)	102,283
Other financing sources (uses):				
Transfers - in	<u>3,739,048</u>	<u>3,744,505</u>	<u>3,384,965</u>	<u>(359,540)</u>
Net change in fund balance	(37,854)	(39,424)	(296,681)	(257,257)
Fund balance, beginning of year	<u>759,868</u>	<u>759,868</u>	<u>759,868</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>722,014</u></u>	\$ <u><u>720,444</u></u>	\$ <u><u>463,187</u></u>	\$ <u><u>(257,257)</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, 2009

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ <u>18,000</u>	\$ <u>43,000</u>	\$ <u>43,849</u>	\$ <u>849</u>
Expenditures:				
Current:				
General government - legislative and executive				
Department of human resources				
Contractual services	<u>65,958</u>	<u>90,958</u>	<u>81,970</u>	<u>8,988</u>
Net change in fund balance	(47,958)	(47,958)	(38,121)	9,837
Prior year encumbrances	15,958	15,958	15,958	-
Fund balance, beginning of year	<u>43,082</u>	<u>43,082</u>	<u>43,082</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>11,082</u></u>	\$ <u><u>11,082</u></u>	\$ <u><u>20,919</u></u>	\$ <u><u>9,837</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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 245,586	\$ 245,586	\$ 124,000	\$ (121,586)
Expenditures:				
Current:				
Leisure time activities				
Planning department				
Contractual services	28,044	28,044	27,101	943
Capital outlay	142,172	142,172	138,080	4,092
Total expenditures	170,216	170,216	165,181	5,035
Excess (deficiency) of revenues over expenditures	75,370	75,370	(41,181)	(116,551)
Other financing sources (uses):				
Advances - in	100,000	100,000	100,000	-
Advances - out	(265,721)	(265,721)	(165,721)	100,000
Transfers - in	60,000	60,000	60,000	-
Total other financing sources (uses)	(105,721)	(105,721)	(5,721)	100,000
Net change in fund balance	(30,351)	(30,351)	(46,902)	(16,551)
Prior year encumbrances	8,133	8,133	8,133	-
Fund balance, beginning of year	49,330	49,330	49,330	-
Fund balance, end of year	\$ 27,112	\$ 27,112	\$ 10,561	\$ (16,551)

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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ <u>2,000</u>	\$ <u>2,000</u>	\$ <u>3,868</u>	\$ <u>1,868</u>
Expenditures:				
Current:				
Security of persons and property				
Police department				
Materials and supplies	<u>11,306</u>	<u>11,306</u>	<u>1,112</u>	<u>10,194</u>
Net change in fund balance	(9,306)	(9,306)	2,756	12,062
Fund balance, beginning of year	<u>13,062</u>	<u>13,062</u>	<u>13,062</u>	-
Fund balance, end of year	\$ <u><u>3,756</u></u>	\$ <u><u>3,756</u></u>	\$ <u><u>15,818</u></u>	\$ <u><u>12,062</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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 5,000	\$ 5,000	\$ 8,100	\$ 3,100
Miscellaneous income	<u>9,000</u>	<u>9,000</u>	<u>13,347</u>	<u>4,347</u>
Total revenues	<u>14,000</u>	<u>14,000</u>	<u>21,447</u>	<u>7,447</u>
Expenditures:				
Current:				
Economic development				
Finance department				
Salaries	4,433	4,433	4,433	-
Benefits	<u>863</u>	<u>863</u>	<u>863</u>	<u>-</u>
Total economic development	5,296	5,296	5,296	-
Planning department				
Contractual services	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total expenditures	<u>15,296</u>	<u>15,296</u>	<u>15,296</u>	<u>-</u>
Net change in fund balance	(1,296)	(1,296)	6,151	7,447
Fund balance, beginning of year	<u>63,941</u>	<u>63,941</u>	<u>63,941</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>62,645</u></u>	\$ <u><u>62,645</u></u>	\$ <u><u>70,092</u></u>	\$ <u><u>7,447</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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fund balance, beginning of year	\$ <u>7,848</u>	\$ <u>7,848</u>	\$ <u>7,848</u>	\$ <u>-</u>
Fund balance, end of year	\$ <u><u>7,848</u></u>	\$ <u><u>7,848</u></u>	\$ <u><u>7,848</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 - Federal Grants Fund

For the Year Ended December 31, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 70,000	\$ 170,000	\$ 154,600	\$ (15,400)
Expenditures:				
Current:				
Security of persons and property				
Safety department				
Salaries	-	4,100	4,095	5
Benefits	-	900	896	4
Materials and supplies	-	1,024	1,024	-
Contractual services	-	13,976	3,681	10,295
Capital outlay	-	100,000	89,378	10,622
Total security of persons and property	-	120,000	99,074	20,926
Economic development				
Planning				
Contractual services	64,671	64,671	64,671	-
Total expenditures	64,671	184,671	163,745	20,926
Excess (deficiency) of revenues over expenditures	5,329	(14,671)	(9,145)	5,526
Other financing sources (uses):				
Advances - in	-	20,000	20,000	-
Advances - out	(70,000)	(70,000)	-	70,000
Total other financing sources (uses)	(70,000)	(50,000)	20,000	70,000
Net change in fund balance	(64,671)	(64,671)	10,855	75,526
Prior year encumbrances	64,671	64,671	64,671	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 75,526	\$ 75,526

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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 215,000	\$ 215,000	\$ 215,828	\$ 828
Expenditures:				
Current:				
Transportation				
Department of public service				
Materials and supplies	190,000	190,000	136,689	53,311
Contractual services	140,000	140,000	104,362	35,638
Total expenditures	330,000	330,000	241,051	88,949
Net change in fund balance	(115,000)	(115,000)	(25,223)	89,777
Fund balance, beginning of year	120,431	120,431	120,431	-
Fund balance, end of year	\$ 5,431	\$ 5,431	\$ 95,208	\$ 89,777

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, 2009

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Property and other local taxes	\$ 954,840	\$ 954,840	\$ 950,260	\$ (4,580)
Charges for services	1,120,168	1,085,956	1,103,120	17,164
Intergovernmental	148,762	148,762	178,397	29,635
Miscellaneous income	<u>38,000</u>	<u>38,000</u>	<u>38,607</u>	<u>607</u>
Total revenues	<u>2,261,770</u>	<u>2,227,558</u>	<u>2,270,384</u>	<u>42,826</u>
Expenditures:				
Current:				
Leisure time activities				
Recreation department				
Salaries	917,869	876,169	854,968	21,201
Benefits	309,064	308,164	299,586	8,578
Materials and supplies	134,329	122,079	104,906	17,173
Contractual services	877,013	908,259	892,716	15,543
Capital outlay	<u>20,000</u>	<u>43,944</u>	<u>42,727</u>	<u>1,217</u>
Total expenditures	<u>2,258,275</u>	<u>2,258,615</u>	<u>2,194,903</u>	<u>63,712</u>
Excess (deficiency) of revenues over expenditures	<u>3,495</u>	<u>(31,057)</u>	<u>75,481</u>	<u>106,538</u>
Other financing sources (uses):				
Transfers - out	<u>(74,353)</u>	<u>(74,353)</u>	<u>(74,353)</u>	<u>-</u>
Net change in fund balance	(70,858)	(105,410)	1,128	106,538
Prior year encumbrances	17,242	17,242	17,242	-
Fund balance, beginning of year	<u>112,951</u>	<u>112,951</u>	<u>112,951</u>	<u>-</u>
Fund balance, end of year	\$ <u>59,335</u>	\$ <u>24,783</u>	\$ <u>131,321</u>	\$ <u>106,538</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, 2009

	<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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other local taxes	\$ 280,000	\$ 280,000	\$ 238,550	\$ (41,450)
Expenditures:				
Current:				
Security of persons and property				
Fire department				
Materials and supplies	40,100	40,100	36,517	3,583
Contractual services	15,800	16,300	15,841	459
Capital outlay	21,474	20,974	10,526	10,448
Total fire department	77,374	77,374	62,884	14,490
Police department				
Materials and supplies	5,540	5,540	5,540	-
Contractual services	10,800	10,800	10,800	-
Capital outlay	9,103	9,103	3,964	5,139
Total police department	25,443	25,443	20,304	5,139
Total expenditures	102,817	102,817	83,188	19,629
Excess (deficiency) of revenues over expenditures	177,183	177,183	155,362	(21,821)
Other financing sources (uses):				
Transfers - out	(140,438)	(140,438)	(140,438)	-
Net change in fund balance	36,745	36,745	14,924	(21,821)
Prior year encumbrances	6,919	6,919	6,919	-
Fund balance, beginning of year	272,156	272,156	272,156	-
Fund balance, end of year	\$ 315,820	\$ 315,820	\$ 293,999	\$ (21,821)

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, 2009

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

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 94,000	\$ 94,000	\$ 94,674	\$ 674
Expenditures:				
Current:				
Transportation				
Service department				
Materials and supplies	100,485	100,485	9,280	91,205
Contractual services	<u>50,000</u>	<u>50,000</u>	<u>48,825</u>	<u>1,175</u>
Total expenditures	<u>150,485</u>	<u>150,485</u>	<u>58,105</u>	<u>92,380</u>
Net change in fund balance	(56,485)	(56,485)	36,569	93,054
Prior year encumbrances	15,485	15,485	15,485	-
Fund balance, beginning of year	<u>276,552</u>	<u>276,552</u>	<u>276,552</u>	-
Fund balance, end of year	\$ <u><u>235,552</u></u>	\$ <u><u>235,552</u></u>	\$ <u><u>328,606</u></u>	\$ <u><u>93,054</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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,181,800	\$ 1,181,800	\$ 1,167,653	\$ (14,147)
Expenditures:				
Current:				
Transportation				
Service department				
Salaries	572,300	568,350	543,071	25,279
Benefits	243,716	247,666	235,655	12,011
Materials and supplies	416,057	416,057	315,846	100,211
Contractual services	211,850	211,850	114,831	97,019
Capital outlay	73,713	91,593	82,108	9,485
Total expenditures	1,517,636	1,535,516	1,291,511	244,005
Net change in fund balance	(335,836)	(353,716)	(123,858)	229,858
Prior year encumbrances	168,290	168,290	168,290	-
Fund balance, beginning of year	1,006,060	1,006,060	1,006,060	-
Fund balance, end of year	\$ 838,514	\$ 820,634	\$ 1,050,492	\$ 229,858

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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 1,850,527	\$ 1,850,527	\$ 1,842,828	\$ (7,699)
Intergovernmental	<u>17,500</u>	<u>17,500</u>	<u>12,218</u>	<u>(5,282)</u>
Total revenues	<u>1,868,027</u>	<u>1,868,027</u>	<u>1,855,046</u>	<u>(12,981)</u>
Expenditures:				
Current:				
Basic utility services				
Service department				
Benefits	-	4,500	4,350	150
Contractual services	<u>2,316,222</u>	<u>2,316,222</u>	<u>2,103,261</u>	<u>212,961</u>
Total expenditures	<u>2,316,222</u>	<u>2,320,722</u>	<u>2,107,611</u>	<u>213,111</u>
Net change in fund balance	(448,195)	(452,695)	(252,565)	200,130
Prior year encumbrances	2,200	2,200	2,200	-
Fund balance, beginning of year	<u>670,930</u>	<u>670,930</u>	<u>670,930</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>224,935</u></u>	\$ <u><u>220,435</u></u>	\$ <u><u>420,565</u></u>	\$ <u><u>200,130</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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 25,800	\$ 23,400	\$ 21,390	\$ (2,010)
Intergovernmental	-	-	2,647	2,647
Total revenues	<u>25,800</u>	<u>23,400</u>	<u>24,037</u>	<u>637</u>
Expenditures:				
Current:				
Public health and welfare				
Department of community life services				
Salaries	21,216	21,216	19,548	1,668
Benefits	4,054	4,054	3,812	242
Materials and supplies	500	500	413	87
Contractual services	<u>6,350</u>	<u>6,350</u>	<u>4,692</u>	<u>1,658</u>
Total expenditures	<u>32,120</u>	<u>32,120</u>	<u>28,465</u>	<u>3,655</u>
Excess (deficiency) of revenues over expenditures	(6,320)	(8,720)	(4,428)	4,292
Other financing sources (uses):				
Advances - in	-	2,400	2,400	-
Net change in fund balance	(6,320)	(6,320)	(2,028)	4,292
Fund balance, beginning of year	<u>6,849</u>	<u>6,849</u>	<u>6,849</u>	-
Fund balance, end of year	\$ <u><u>529</u></u>	\$ <u><u>529</u></u>	\$ <u><u>4,821</u></u>	\$ <u><u>4,292</u></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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 19,720	\$ 19,720
Expenditures:				
Current:				
Security of persons and property				
Police department				
Other	2,221	2,221	-	2,221
Net change in fund balance	(2,221)	(2,221)	19,720	21,941
Fund balance, beginning of year	2,577	2,577	2,577	-
Fund balance, end of year	\$ 356	\$ 356	\$ 22,297	\$ 21,941

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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 17	\$ 17
Miscellaneous income	<u>112,428</u>	<u>112,428</u>	<u>93,602</u>	<u>(18,826)</u>
Total revenues	<u>112,428</u>	<u>112,428</u>	<u>93,619</u>	<u>(18,809)</u>
Expenditures:				
Current:				
General government - legislative and executive				
Mayor				
Materials and supplies	-	300	300	-
Contractual services	<u>2,344</u>	<u>2,344</u>	<u>2,344</u>	<u>-</u>
Total general government - legislative and executive	<u>2,344</u>	<u>2,644</u>	<u>2,644</u>	<u>-</u>
Security of persons and property				
Fire department				
Materials and supplies	1,145	1,145	-	1,145
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total fire department	<u>6,145</u>	<u>6,145</u>	<u>-</u>	<u>6,145</u>
Police department				
Materials and supplies	<u>21,000</u>	<u>21,000</u>	<u>2,950</u>	<u>18,050</u>
Total security of persons and property	<u>27,145</u>	<u>27,145</u>	<u>2,950</u>	<u>24,195</u>
Leisure time activities				
Parks and recreation				
Materials and supplies	82,009	82,009	50,112	31,897
Contractual services	7,500	7,500	4,718	2,782
Capital outlay	<u>1,500</u>	<u>1,500</u>	<u>271</u>	<u>1,229</u>
Total leisure time activities	<u>91,009</u>	<u>91,009</u>	<u>55,101</u>	<u>35,908</u>
Public health and welfare				
Youth services				
Materials and supplies	<u>6,449</u>	<u>6,449</u>	<u>566</u>	<u>5,883</u>
Department of community services				
Materials and supplies	<u>10,000</u>	<u>10,000</u>	<u>3,983</u>	<u>6,017</u>
Department of public service				
Materials and supplies	<u>1,799</u>	<u>1,799</u>	<u>500</u>	<u>1,299</u>
Total public health and welfare	<u>18,248</u>	<u>18,248</u>	<u>5,049</u>	<u>13,199</u>
Total expenditures	<u>138,746</u>	<u>139,046</u>	<u>65,744</u>	<u>73,302</u>

(Continued)

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Net change in fund balance	(26,318)	(26,618)	27,875	54,493
Prior year encumbrances	330	330	330	-
Fund balance, beginning of year	<u>179,540</u>	<u>179,540</u>	<u>179,540</u>	<u>-</u>
Fund balance, end of year	\$ <u>153,552</u>	\$ <u>153,252</u>	\$ <u>207,745</u>	\$ <u>54,493</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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
General government - legislative and executive				
Law department				
Salaries	\$ 25,487	\$ 27,287	\$ 25,484	\$ 1,803
Benefits	4,543	4,543	4,543	-
Materials and supplies	2,250	2,250	91	2,159
Contractual services	<u>56,100</u>	<u>56,100</u>	<u>697</u>	<u>55,403</u>
Total expenditures	<u>88,380</u>	<u>90,180</u>	<u>30,815</u>	<u>59,365</u>
Net change in fund balance	(88,380)	(90,180)	(30,815)	59,365
Fund balance, beginning of year	<u>284,321</u>	<u>284,321</u>	<u>284,321</u>	-
Fund balance, end of year	\$ <u><u>195,941</u></u>	\$ <u><u>194,141</u></u>	\$ <u><u>253,506</u></u>	\$ <u><u>59,365</u></u>

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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other local taxes	\$ 238,711	\$ 238,711	\$ 237,565	\$ (1,146)
Intergovernmental	<u>29,680</u>	<u>29,680</u>	<u>44,599</u>	<u>14,919</u>
Total revenues	<u>268,391</u>	<u>268,391</u>	<u>282,164</u>	<u>13,773</u>
Expenditures:				
Current:				
Security of persons and property				
Fire department				
Benefits	<u>277,847</u>	<u>277,847</u>	<u>262,847</u>	<u>15,000</u>
Net change in fund balance	(9,456)	(9,456)	19,317	28,773
Fund balance, beginning of year	<u>9,456</u>	<u>9,456</u>	<u>9,456</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>28,773</u></u>	\$ <u><u>28,773</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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 3,000	\$ 3,000	\$ 260	\$ (2,740)
Expenditures:				
Current:				
Security of persons and property				
Police department				
Materials and supplies	43,667	43,667	11,085	32,582
Other	15,000	15,000	1,196	13,804
Total expenditures	58,667	58,667	12,281	46,386
Net change in fund balance	(55,667)	(55,667)	(12,021)	43,646
Fund balance, beginning of year	55,667	55,667	55,667	-
Fund balance, end of year	\$ -	\$ -	\$ 43,646	\$ 43,646

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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 135,000	\$ 173,000	\$ 173,961	\$ 961
Expenditures:				
Current:				
Security of persons and property				
Law department				
Salaries	13,004	13,004	13,004	-
Benefits	6,839	6,839	6,839	-
Total law department	19,843	19,843	19,843	-
Police department				
Salaries	90,000	104,000	95,274	8,726
Benefits	25,835	35,400	34,385	1,015
Materials and supplies	85,000	77,500	71,803	5,697
Contractual services	17,200	17,200	12,056	5,144
Capital outlay	1,220	1,220	-	1,220
Total police department	219,255	235,320	213,518	21,802
Total expenditures	239,098	255,163	233,361	21,802
Net change in fund balance	(104,098)	(82,163)	(59,400)	22,763
Fund balance, beginning of year	114,186	114,186	114,186	-
Fund balance, end of year	\$ 10,088	\$ 32,023	\$ 54,786	\$ 22,763

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, 2009

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Property and other local taxes	\$ 238,711	\$ 238,711	\$ 237,565	\$ (1,146)
Intergovernmental	<u>29,680</u>	<u>29,680</u>	<u>44,599</u>	<u>14,919</u>
Total revenues	<u>268,391</u>	<u>268,391</u>	<u>282,164</u>	<u>13,773</u>
Expenditures:				
Current:				
Security of persons and property				
Police department				
Benefits	<u>277,847</u>	<u>277,847</u>	<u>247,847</u>	<u>30,000</u>
Net change in fund balance	(9,456)	(9,456)	34,317	43,773
Fund balance, beginning of year	<u>9,456</u>	<u>9,456</u>	<u>9,456</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>43,773</u></u>	\$ <u><u>43,773</u></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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 20,000	\$ 20,000	\$ 18,111	\$ (1,889)
Fines and forfeitures	2,000	2,000	1,800	(200)
Investment income	-	-	706	706
Miscellaneous income	<u>3,500</u>	<u>3,500</u>	<u>5,432</u>	<u>1,932</u>
Total revenues	<u>25,500</u>	<u>25,500</u>	<u>26,049</u>	<u>549</u>
Expenditures:				
Current:				
Leisure time activities				
Department of community life services				
Materials and supplies	17,822	17,822	10,897	6,925
Contractual services	<u>31,580</u>	<u>31,580</u>	<u>21,057</u>	<u>10,523</u>
Total expenditures	<u>49,402</u>	<u>49,402</u>	<u>31,954</u>	<u>17,448</u>
Net change in fund balance	(23,902)	(23,902)	(5,905)	17,997
Prior year encumbrances	3,551	3,551	3,551	-
Fund balance, beginning of year	<u>37,144</u>	<u>37,144</u>	<u>37,144</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>16,793</u></u>	\$ <u><u>16,793</u></u>	\$ <u><u>34,790</u></u>	\$ <u><u>17,997</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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 7,400	\$ 7,400	\$ 7,637	\$ 237
Intergovernmental	<u>13,390</u>	<u>13,390</u>	<u>12,539</u>	<u>(851)</u>
Total revenues	<u>20,790</u>	<u>20,790</u>	<u>20,176</u>	<u>(614)</u>
Expenditures:				
Current:				
Public health and welfare				
Department of community life services				
Salaries	14,749	14,749	13,951	798
Benefits	<u>2,816</u>	<u>2,816</u>	<u>2,689</u>	<u>127</u>
Total expenditures	<u>17,565</u>	<u>17,565</u>	<u>16,640</u>	<u>925</u>
Net change in fund balances	3,225	3,225	3,536	311
Fund balance, beginning of year	<u>31,756</u>	<u>31,756</u>	<u>31,756</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>34,981</u></u>	\$ <u><u>34,981</u></u>	\$ <u><u>35,292</u></u>	\$ <u><u>311</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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 5,000	\$ 5,000	\$ 22,614	\$ 17,614
Licenses and permits	<u>40,000</u>	<u>40,000</u>	<u>18,000</u>	<u>(22,000)</u>
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>40,614</u>	<u>(4,386)</u>
Expenditures:				
Current:				
Transportation				
Public service and properties				
Contractual services	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance	30,000	30,000	25,614	(4,386)
Fund balance, beginning of year	<u>27,607</u>	<u>27,607</u>	<u>27,607</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>57,607</u></u>	\$ <u><u>57,607</u></u>	\$ <u><u>53,221</u></u>	\$ <u><u>(4,386)</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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other local taxes	\$ 795,700	\$ 795,700	\$ 791,883	\$ (3,817)
Intergovernmental	<u>80,936</u>	<u>80,936</u>	<u>106,421</u>	<u>25,485</u>
Total revenues	<u>876,636</u>	<u>876,636</u>	<u>898,304</u>	<u>21,668</u>
Expenditures:				
Debt service:				
Principal	500,000	500,000	500,000	-
Interest and fiscal charges	<u>402,793</u>	<u>402,793</u>	<u>377,793</u>	<u>25,000</u>
Total expenditures	<u>902,793</u>	<u>902,793</u>	<u>877,793</u>	<u>25,000</u>
Net change in fund balance	(26,157)	(26,157)	20,511	46,668
Fund balance, beginning of year	<u>605,926</u>	<u>605,926</u>	<u>605,926</u>	-
Fund balance, end of year	\$ <u><u>579,769</u></u>	\$ <u><u>579,769</u></u>	\$ <u><u>626,437</u></u>	\$ <u><u>46,668</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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	\$ 98,125	\$ 98,125	\$ 109,415	\$ 11,290
Expenditures:				
Current:				
General government - legislative and executive				
Finance department				
Contractual services	1,000	1,083	1,083	-
Debt service:				
Principal	85,000	85,000	85,000	-
Interest and fiscal charges	14,325	14,325	13,630	695
Total debt service	99,325	99,325	98,630	695
Total expenditures	100,325	100,408	99,713	695
Net change in fund balance	(2,200)	(2,283)	9,702	11,985
Fund balance, beginning of year	76,282	76,282	76,282	-
Fund balance, end of year	\$ 74,082	\$ 73,999	\$ 85,984	\$ 11,985

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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other local taxes	\$ 318,280	\$ 318,280	\$ 316,753	\$ (1,527)
Intergovernmental	<u>32,374</u>	<u>32,374</u>	<u>42,568</u>	<u>10,194</u>
Total revenues	<u>350,654</u>	<u>350,654</u>	<u>359,321</u>	<u>8,667</u>
Expenditures:				
Debt service:				
Principal	150,000	150,000	150,000	-
Interest and fiscal charges	<u>174,013</u>	<u>174,013</u>	<u>169,013</u>	<u>5,000</u>
Total expenditures	<u>324,013</u>	<u>324,013</u>	<u>319,013</u>	<u>5,000</u>
Net change in fund balance	26,641	26,641	40,308	13,667
Fund balance, beginning of year	<u>471,560</u>	<u>471,560</u>	<u>471,560</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>498,201</u></u>	\$ <u><u>498,201</u></u>	\$ <u><u>511,868</u></u>	\$ <u><u>13,667</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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ -	\$ -	\$ 1,575	\$ 1,575
Expenditures:				
Current:				
General government - legislative and executive				
Finance department				
Capital outlay	114,423	114,423	20,494	93,929
Information systems				
Capital outlay	158,500	158,500	13,362	145,138
Total general government - legislative and executive	272,923	272,923	33,856	239,067
Debt service:				
Interest and fiscal charge	1,500	1,500	1,500	-
Total expenditures	274,423	274,423	35,356	239,067
Excess (deficiency) of revenues over expenditures	(274,423)	(274,423)	(33,781)	240,642
Other financing sources (uses):				
Long-term notes issued	160,000	160,000	161,500	1,500
Net change in fund balance	(114,423)	(114,423)	127,719	242,142
Prior year encumbrances	19,657	19,657	19,657	-
Fund balance, beginning of year	108,796	108,796	108,796	-
Fund balance, end of year	\$ 14,030	\$ 14,030	\$ 256,172	\$ 242,142

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, 2009

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
General government - legislative and executive				
Engineering department				
Capital outlay	\$ <u>55,628</u>	\$ <u>58,338</u>	\$ <u>58,337</u>	\$ <u>1</u>
Net change in fund balance	(55,628)	(58,338)	(58,337)	1
Prior year encumbrances	52,560	52,560	52,560	-
Fund balance, beginning of year	<u>118,946</u>	<u>118,946</u>	<u>118,946</u>	-
Fund balance, end of year	\$ <u><u>115,878</u></u>	\$ <u><u>113,168</u></u>	\$ <u><u>113,169</u></u>	\$ <u><u>1</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, 2009

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund balance, beginning of year	\$ <u>221,196</u>	\$ <u>221,196</u>	\$ <u>221,196</u>	\$ <u>-</u>
Fund Balance, end of year	\$ <u><u>221,196</u></u>	\$ <u><u>221,196</u></u>	\$ <u><u>221,196</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 - Issue I Fund

For the Year Ended December 31, 2009

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ -	\$ -	\$ 5,121	\$ 5,121
Intergovernmental	<u>809,548</u>	<u>809,548</u>	<u>398,774</u>	<u>(410,774)</u>
Total revenues	<u>809,548</u>	<u>809,548</u>	<u>403,895</u>	<u>(405,653)</u>
Expenditures:				
Current:				
Transportation				
Engineering department				
Contractual services	68,117	100,000	100,000	-
Capital outlay	<u>741,431</u>	<u>376,294</u>	<u>303,895</u>	<u>72,399</u>
Total expenditures	<u>809,548</u>	<u>476,294</u>	<u>403,895</u>	<u>72,399</u>
Net change in fund balance	-	333,254	-	(333,254)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>-</u></u>	\$ <u><u>333,254</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(333,254)</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, 2009

	<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				
Fire department				
Capital outlay	\$ <u>5,862</u>	\$ <u>11,354</u>	\$ <u>5,777</u>	\$ <u>5,577</u>
Net change in fund balance	(5,862)	(11,354)	(5,777)	5,577
Prior year encumbrances	5,862	5,862	5,862	-
Fund balance, beginning of year	<u>154,076</u>	<u>154,076</u>	<u>154,076</u>	-
Fund balance, end of year	\$ <u><u>154,076</u></u>	\$ <u><u>148,584</u></u>	\$ <u><u>154,161</u></u>	\$ <u><u>5,577</u></u>

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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenses:				
Bus line				
Other	\$ 13,200	\$ 13,200	\$ 13,158	\$ 42
Net change in fund equity	(13,200)	(13,200)	(13,158)	42
Fund equity, beginning of year	34,866	34,866	34,866	-
Fund equity, end of year	\$ 21,666	\$ 21,666	\$ 21,708	\$ 42

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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,350,000	\$ 1,295,000	\$ 1,287,086	\$ (7,914)
Expenses:				
Golf course and ballroom				
Salaries	394,600	380,638	378,405	2,233
Benefits	105,131	99,093	95,507	3,586
Contractual services	302,300	288,300	240,052	48,248
Materials and supplies	226,413	209,413	202,512	6,901
Capital outlay	17,019	13,019	2,820	10,199
Total expenses	1,045,463	990,463	919,296	71,167
Excess (deficiency) of revenues over expenses	304,537	304,537	367,790	63,253
Other financing sources (uses):				
Transfers - in	-	1	-	(1)
Transfers - out	(354,680)	(354,680)	(354,680)	-
Total other financing sources (uses)	(354,680)	(354,679)	(354,680)	(1)
Net change in fund equity	(50,143)	(50,142)	13,110	63,252
Prior year encumbrances	5,563	5,563	5,563	-
Fund equity, beginning of year	46,282	46,282	46,282	-
Fund equity, end of year	\$ 1,702	\$ 1,703	\$ 64,955	\$ 63,252

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, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 6,290,600	\$ 6,290,300	\$ 5,945,521	\$ (344,779)
Tap - in fees	-	-	124,197	124,197
Total revenues	<u>6,290,600</u>	<u>6,290,300</u>	<u>6,069,718</u>	<u>(220,582)</u>
Expenses:				
Sewer				
Salaries	1,901,525	1,901,525	1,776,902	124,623
Benefits	750,068	750,068	686,469	63,599
Materials and supplies	597,049	591,292	462,686	128,606
Contractual services	2,965,858	2,965,858	2,760,462	205,396
Capital outlay	<u>181,331</u>	<u>181,331</u>	<u>96,059</u>	<u>85,272</u>
Total expenses	<u>6,395,831</u>	<u>6,390,074</u>	<u>5,782,578</u>	<u>607,496</u>
Excess (deficiency) of revenues over expenses	<u>(105,231)</u>	<u>(99,774)</u>	<u>287,140</u>	<u>386,914</u>
Other financing sources (uses):				
Sale of capital assets	-	-	231	231
Loan proceeds	1,232,247	1,232,247	468,257	(763,990)
Transfers - out	<u>(1,654,238)</u>	<u>(1,659,695)</u>	<u>(1,300,155)</u>	<u>359,540</u>
Total other financing sources (uses)	<u>(421,991)</u>	<u>(427,448)</u>	<u>(831,667)</u>	<u>(404,219)</u>
Net change in fund equity	(527,222)	(527,222)	(544,527)	(17,305)
Prior year encumbrances	83,906	83,906	83,906	-
Fund equity, beginning of year	<u>460,621</u>	<u>460,621</u>	<u>460,621</u>	<u>-</u>
Fund equity, end of year	\$ <u><u>17,305</u></u>	\$ <u><u>17,305</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(17,305)</u></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, 2009

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ <u>3,084,730</u>	\$ <u>3,084,730</u>	\$ <u>2,646,449</u>	\$ <u>(438,281)</u>
Expenses:				
Claims	<u>3,360,394</u>	<u>3,360,394</u>	<u>2,186,193</u>	<u>1,174,201</u>
Net change in fund equity	(275,664)	(275,664)	460,256	735,920
Fund equity, beginning of year	<u>1,174,940</u>	<u>1,174,940</u>	<u>1,174,940</u>	<u>-</u>
Fund equity, end of year	\$ <u><u>899,276</u></u>	\$ <u><u>899,276</u></u>	\$ <u><u>1,635,196</u></u>	\$ <u><u>735,920</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, 2009

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenses:				
Claims	\$ <u>197,251</u>	\$ <u>197,251</u>	\$ <u>136,215</u>	\$ <u>61,036</u>
Net change in fund equity	(197,251)	(197,251)	(136,215)	61,036
Fund equity, beginning of year	<u>204,562</u>	<u>204,562</u>	<u>204,562</u>	<u>-</u>
Fund equity, end of year	\$ <u><u>7,311</u></u>	\$ <u><u>7,311</u></u>	\$ <u><u>68,347</u></u>	\$ <u><u>61,036</u></u>

City of North Olmsted, Ohio

Fund Description

For the Year Ended December 31, 2009

Fiduciary Funds

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

Agency Fund

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

City of North Olmsted, Ohio

Statement of Changes in Assets and Liabilities Deposits Fund

For the Year Ended December 31, 2009

	<u>Beginning Balance 12/31/08</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 12/31/09</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>357,709</u>	\$ <u>102,485</u>	\$ <u>204,880</u>	\$ <u>255,314</u>
Liabilities:				
Accounts and contracts payable	\$ 132,940	\$ 26,714	\$ 132,940	\$ 26,714
Deposits held and due to others	<u>224,769</u>	<u>75,771</u>	<u>71,940</u>	<u>228,600</u>
Total liabilities	\$ <u>357,709</u>	\$ <u>102,485</u>	\$ <u>204,880</u>	\$ <u>255,314</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.	135-142
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	143-147
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.	148-152
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.	153-154
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.	155-161

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

City of North Olmsted, Ohio

Net Assets by Component Accrual Basis of Accounting

Last Seven Years

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental activities:							
Invested in capital assets, net of related debt \$	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	4,516,771	3,609,078	3,131,035	3,063,298	3,324,549	3,769,338	3,073,546
Capital projects	716,489	622,757	1,709,930	1,724,072	1,990,031	1,692,979	258,561
Community development	71,498	63,763	59,323	71,779	64,885	68,031	73,523
Highways and streets	4,582,846	4,042,357	3,707,648	2,587,209	1,426,595	1,632,809	811,161
Public safety	604,339	531,438	560,447	492,274	641,165	484,942	461,499
Recreation	148,141	24,215	38,575	51,999	4,366	166,263	283,588
Solid waste	859,742	1,119,036	1,191,771	1,054,852	666,406	374,793	502,192
Federal and other grants	612,177	336,920	514,869	136,985	150,409	135,510	107,253
Unrestricted	<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 assets – governmental activities	<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:							
Invested in capital assets, net of related debt	12,896,414	12,775,644	12,986,719	13,247,138	14,009,805	14,330,592	14,708,996
Unrestricted	<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 assets – business-type activities	<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:							
Invested in capital assets, net of related debt	45,254,067	46,838,627	48,270,559	47,931,754	50,716,262	53,274,794	58,816,152
Restricted	12,112,003	10,349,564	10,913,598	9,182,468	8,268,406	8,324,665	5,571,323
Unrestricted	<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 assets – primary government \$	<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 Assets Accrual Basis of Accounting

Last Seven Years

Program revenues:	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental activities:							
Charges for services:							
General government	\$ 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	1,132,436	983,509	913,899	919,841	960,897	658,766	675,496
Public health and welfare	32,742	35,723	34,924	17,076	8,140	6,470	8,910
Transportation	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	1,158,712	1,188,305	1,115,611	1,132,666	991,352	1,080,826	1,092,362
Economic development	21,447	20,826	20,771	18,969	14,752	-	-
Total charges for services	<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	29,998	53,548	259,898	18,911	134,699	54,304	39,683
Security of persons and property	55,111	73,554	52,724	69,342	39,828	122,702	102,673
Public health and welfare	46,530	53,436	42,152	63,097	36,582	-	-
Transportation	1,442,017	1,506,885	1,532,237	1,576,013	1,393,585	1,281,106	1,166,058
Basic utility services	4,350	-	8,018	-	-	-	-
Leisure time activities	64,267	75,757	71,678	75,495	63,915	69,406	73,190
Community environment	-	-	-	-	21,601	-	-
Economic development	54,600	19,975	-	-	27,503	-	-
Total operating grants and contributions	<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	-	-	-	-	-	-	1,037,239
Security of persons and property	100,000	-	-	47,834	313,443	-	-
Transportation	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>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>6,318,366</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 Assets Accrual Basis of Accounting (Continued)

Last Seven Years

	<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	1,286,334	1,309,635	1,236,571	1,311,244	1,316,095	1,234,847	1,356,442
Sewer	<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>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>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>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>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	3,900,267	4,556,304	4,272,866	4,272,186	4,165,796	4,483,169	4,537,200
Security of persons and property	12,806,773	14,754,497	14,450,742	14,334,131	13,245,013	12,377,981	12,210,303
Public health services	536,943	565,271	567,033	549,892	546,222	471,085	437,691
Transportation	9,493,814	10,144,063	9,877,064	9,899,888	10,358,230	9,405,883	9,155,956
Basic utility services	2,111,966	2,162,069	1,806,726	1,678,150	1,645,096	1,579,622	1,681,386
Leisure time activities	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	548,066	562,343	343,280	156,942	202,149	-	-
Interest and fiscal charges	<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>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 Assets Accrual Basis of Accounting (Continued)

Last Seven Years

	2009	2008	2007	2006	2005	2004	2003
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	1,337,078	1,417,950	1,470,220	1,451,094	1,480,190	1,412,396	1,509,294
Sewer revenue	<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>7,602,132</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>41,248,143</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	(27,327,645)	(31,472,109)	(29,006,273)	(27,162,760)	(28,048,649)	(27,923,619)	(25,632,562)
Business-type activities	<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>(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 assets:							
Governmental activities:							
Property taxes and other local taxes	11,020,701	10,868,791	11,396,531	10,701,905	10,354,341	10,507,940	10,238,732
Municipal income taxes	12,239,390	13,021,313	13,014,677	14,164,807	12,159,878	12,491,922	10,927,745
Grants and entitlements	3,462,553	4,145,745	3,492,684	3,429,556	3,102,792	3,088,546	2,906,433
Investment earnings	84,227	531,565	1,029,342	917,948	596,488	240,155	295,832
Other	23,747	60,552	95,844	42,532	64,811	31,891	43,411
Transfers	<u>(27,781)</u>	<u>528,542</u>	<u>(328,082)</u>	<u>(2,353)</u>	<u>-</u>	<u>-</u>	<u>(46,256)</u>
Total governmental activities general revenues and other changes in net assets	<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 Assets Accrual Basis of Accounting (Continued)

Last Seven Years

	<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>27,781</u>	<u>(528,542)</u>	<u>328,082</u>	<u>2,353</u>	<u>-</u>	<u>-</u>	<u>46,256</u>
Total business-type activities general revenues and other changes in net assets	<u>27,781</u>	<u>(528,542)</u>	<u>328,082</u>	<u>2,353</u>	<u>-</u>	<u>67,789</u>	<u>68,551</u>
Total primary government general revenues and other changes in net assets	<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 assets:							
Governmental activities	(524,808)	(2,315,601)	(305,277)	2,091,635	(1,770,339)	(1,563,165)	(1,266,665)
Business-type activities	<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 assets	\$ <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>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
General fund										
Reserved	\$ 399,153	\$ 142,013	\$ 180,744	\$ 64,773	\$ 42,139	\$ 165,032	\$ 124,397	\$ 303,831	\$ 517,702	\$ 367,976
Unreserved	<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>	<u>2,550,238</u>	<u>1,879,264</u>	<u>2,271,628</u>
Total general fund	<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>	<u>2,854,069</u>	<u>2,396,966</u>	<u>2,639,604</u>
All other governmental funds										
Reserved	252,063	256,447	221,861	2,117,205	426,875	608,054	2,704,397	3,556,983	2,867,537	2,187,066
Unreserved (deficit), reported in:										
Special revenue funds	5,826,527	5,833,486	6,024,628	4,433,601	2,721,488	2,151,294	1,633,313	2,047,338	1,819,163	1,437,388
Debt service funds	3,881,582	3,609,078	3,131,035	3,063,298	3,324,549	3,069,420	2,366,735	2,247,661	1,728,375	-
Capital projects funds	<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>	<u>5,927,805</u>	<u>6,760,256</u>	<u>130,835</u>
Total all other governmental funds	<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>	<u>13,779,787</u>	<u>13,175,331</u>	<u>3,755,289</u>
Total governmental funds	\$ <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>	\$ <u>16,633,856</u>	\$ <u>15,572,297</u>	\$ <u>6,394,893</u>

Source: City financial records

City of North Olmsted, Ohio

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

Last Ten Years

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Revenues:										
Property taxes	\$ 10,687,345	\$ 10,928,075	\$ 11,300,024	\$ 10,743,737	\$ 10,519,830	\$ 10,476,303	\$ 10,000,703	\$ 10,154,593	\$ 10,114,983	\$ 8,607,246
Income taxes	12,241,747	12,823,445	13,347,091	13,716,789	12,310,815	12,416,225	11,658,413	11,328,050	11,121,341	10,858,123
Charges for services	2,318,947	2,306,911	2,429,928	2,400,889	2,485,102	1,930,702	2,002,103	2,073,941	2,075,553	2,110,397
Fines, licenses and permits	1,211,117	1,233,366	1,336,750	1,326,848	1,456,374	1,754,093	1,786,733	1,413,825	1,295,674	1,086,160
Intergovernmental	6,146,811	6,151,099	7,020,463	7,731,605	5,568,035	4,787,581	6,310,281	6,218,117	5,003,181	5,439,266
Special assessments	85,000	75,000	70,000	70,000	65,000	60,000	55,000	116,813	102,808	91,734
Interest	84,227	531,565	1,029,342	917,948	596,488	240,155	295,832	363,807	937,639	684,382
Miscellaneous	195,904	214,157	273,269	206,726	242,574	247,967	180,826	378,776	318,536	611,619
Total revenues	32,971,098	34,263,618	36,806,867	37,114,542	33,244,218	31,913,026	32,289,891	32,047,922	30,969,715	29,488,927
Expenditures:										
Current:										
General government	3,548,371	4,303,141	4,010,702	4,180,324	3,192,461	4,674,713	4,263,938	4,367,055	4,100,839	4,991,317
Security of persons and property	12,492,370	14,436,087	14,045,123	14,547,145	13,168,505	12,865,169	11,604,760	11,685,896	11,046,278	9,776,330
Public health and welfare	549,409	563,943	560,468	543,475	615,365	471,376	442,111	453,113	471,538	103,558
Transportation	4,949,069	5,702,600	5,522,720	4,981,748	4,817,442	3,863,076	5,311,916	5,213,922	6,473,806	5,970,202
Basic utility services	2,107,623	2,165,012	1,884,985	1,690,898	1,648,006	1,579,709	1,681,386	1,607,984	1,603,503	1,591,668
Leisure time activities	2,208,061	2,409,455	2,405,799	2,264,816	2,420,164	2,271,632	2,212,675	2,161,359	2,087,516	2,063,492
Community environment	-	-	-	-	22,372	37,593	-	-	-	-
Economic development	554,298	544,560	341,877	155,170	175,375	-	-	218,058	180,354	100,606
Other	-	-	-	-	-	-	-	-	-	3,256
Capital outlay	416,772	834,099	3,152,670	4,514,283	3,023,674	3,858,779	6,348,743	1,453,736	3,421,177	1,024,423
Debt Service:										
Principal	6,763,814	5,803,153	4,120,931	14,009,002	10,733,612	5,933,612	5,007,897	3,342,539	2,982,456	2,219,605
Interest and fiscal charge	1,738,992	1,951,582	2,077,473	2,322,655	2,147,630	2,229,548	2,378,765	2,552,217	2,757,715	2,317,332
Note issuance costs	22,017	12,000	13,250	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	329,670	-	-	-	-	-	-
Total expenditures	35,350,796	38,725,632	38,135,998	49,539,186	41,964,606	37,785,207	39,252,191	33,055,879	35,125,182	30,161,789
Excess of revenues over (under) expenditures	(2,379,698)	(4,462,014)	(1,329,131)	(12,424,644)	(8,720,388)	(5,872,181)	(6,962,300)	(1,007,957)	(4,155,467)	(672,862)

(Continued)

City of North Olmsted, Ohio

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

Last Ten Years

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Other financing sources (uses):										
Issuance of notes	3,215,000	2,370,000	1,560,000	500,000	9,860,000	7,725,000	2,195,000	1,865,000	-	-
Inception of capital leases	-	-	-	63,782	19,316	-	-	-	-	-
Bond proceeds	-	-	-	27,230,000	-	-	-	-	20,838,026	5,667,489
Premium on bonds	-	-	-	658,627	-	-	-	-	-	-
Payment to bond escrow agent	-	-	-	(16,354,414)	-	-	-	-	(7,518,674)	-
Sale of capital assets	9,450	27,527	12,349	20,120	11,105	560,213	11,447	13,206	13,519	30,741
Transfers in	1,790,131	2,616,630	2,492,750	1,858,626	2,067,962	2,147,358	2,025,546	2,199,625	1,893,621	2,239,517
Other financing uses	-	-	-	-	-	-	-	-	-	(16,716)
Transfers out	<u>(1,817,912)</u>	<u>(2,096,550)</u>	<u>(2,820,832)</u>	<u>(1,860,979)</u>	<u>(2,067,962)</u>	<u>(2,147,358)</u>	<u>(2,071,802)</u>	<u>(2,008,315)</u>	<u>(1,893,621)</u>	<u>(2,013,095)</u>
Total other financing sources (uses)	<u>3,196,669</u>	<u>2,917,607</u>	<u>1,244,267</u>	<u>12,115,762</u>	<u>9,890,421</u>	<u>8,285,213</u>	<u>2,160,191</u>	<u>2,069,516</u>	<u>13,332,871</u>	<u>5,907,936</u>
Net change in fund balances	\$ <u>816,971</u>	\$ <u>(1,544,407)</u>	\$ <u>(84,864)</u>	\$ <u>(308,882)</u>	\$ <u>1,170,033</u>	\$ <u>2,413,032</u>	\$ <u>(4,802,109)</u>	\$ <u>1,061,559</u>	\$ <u>9,177,404</u>	\$ <u>5,235,074</u>
Debt service as a percentage of noncapital expenditures	25.55%	21.42%	18.93%	39.07%	34.02%	24.52%	23.36%	18.44%	18.38%	15.55%

Source: City financial records

City of North Olmsted, Ohio

Assessed Valuations and Estimated Actual Values of Taxable Property

Last Ten Years

<u>Year</u>	<u>Real Property</u>	<u>Public Utility Property</u>	<u>Tangible Personal Property</u>	<u>Total</u>	<u>Estimated True Values of Taxable Property</u>	<u>Total Direct Tax Rate</u>	<u>Ratio</u>
2009	\$ 827,569,610	\$ 11,432,430	\$ -	\$ 839,002,040	\$ 2,788,995,572	\$ 13.20	32.6%
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
2002	748,692,910	17,173,070	50,671,362	816,537,342	2,376,154,188	13.60	34.4
2001	745,461,810	20,789,070	48,393,017	814,643,897	2,365,041,094	13.70	34.4
2000	668,471,450	22,399,090	45,819,672	736,690,212	2,137,995,297	12.70	34.5

Source: Cuyahoga County Auditor, based upon tax year valuations

City of North Olmsted, Ohio

Income Tax Revenue Collections (Cash Basis)

Last Ten Years

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes from Individuals</u>	<u>Percentage of Taxes from Individuals</u>	<u>Taxes from Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>
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
2002	2.00	11,391,003	8,198,490	72.0	2,094,315	18.4	1,098,198	9.6
2001	2.00	10,971,259	8,020,823	73.1	2,148,819	19.6	801,617	7.3
2000	2.00	10,852,183	7,571,202	69.8	1,948,943	18.0	1,332,038	12.2

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>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>							
2009	\$ 6.40	\$ 5.00	\$ -	\$ 1.20	\$ 0.60	\$ 13.20	\$ 83.50	\$ 20.60	\$ 2.40	\$ 119.70
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
2002	7.00	4.10	0.70	1.20	0.60	13.60	77.00	17.60	2.40	110.60
2001	7.00	4.10	0.80	1.20	0.60	13.70	69.10	17.60	2.40	102.80
2000	7.00	3.00	0.90	1.20	0.60	12.70	69.10	16.70	2.40	100.90

(a) Includes Metroparks and Library Millage

Source: Cuyahoga County Auditor

City of North Olmsted, Ohio

Real Property Tax Levies And Collections

Last Ten Years

<u>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>
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
2002	10,454,645	10,057,703	96.20	331,751	10,389,454	99.38	463,462	4.4
2001	10,477,350	10,135,765	96.74	256,101	10,391,866	99.18	534,176	5.1
2000	8,767,921	8,462,625	96.52	211,462	8,674,087	98.93	468,359	5.3

Source: Cuyahoga County Auditor

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

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

City of North Olmsted, Ohio

Principal Taxpayers - Real Estate Tax

2009 and 2005

<u>Name of Taxpayer</u>	<u>December 31, 2009</u>	
	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Great Northern Partnership	\$ 29,579,140	3.25%
DDR MDT Great Northern	22,867,310	2.51
Cleveland Electric Illuminating Company	9,719,460	1.07
Duke Realty Ohio	7,074,730	0.78
Butternut Ridge Apartments LLC	5,985,000	0.66
B&G Properties LTD Partnership	5,855,170	0.64
Moen, Inc.	5,654,680	0.62
Water Tower Square LTD Partnership	4,638,730	0.51
Higbee Company	4,550,010	0.50
Wal Mart	4,200,010	0.46
Total	\$ <u>100,124,240</u>	<u>11.00%</u>

<u>Name of Taxpayer</u>	<u>December 31, 2005</u>	
	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Great Northern Partnership	\$ 23,068,675	2.67%
DDR MDT Great Northern	21,056,035	2.43
Higbee Company	6,213,025	0.72
Butternut Ridge Appt. LLC	5,642,875	0.65
Water Tower Square LTD Partnership	4,790,660	0.55
B&G Properties LTD Partnership	4,762,625	0.55
WEA Great Northern Mall LLC	4,305,805	0.50
Wal Mart	3,603,495	0.42
Sears Roebuck Company	3,514,980	0.41
Tech Park Associates Company	3,021,655	0.35
Total	\$ <u>79,979,830</u>	<u>9.25%</u>

Source: Cuyahoga County Auditor

(1) The amounts presented represent the assessed values upon which 2009 and 2005 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	OWDA Loans	Long Term Notes	Capital Leases	Intergovernmental Payable	Police Pension	General Obligation Bonds	Long Term Notes	Capital Leases	OWDA Loans	OPWC Loans				
2009	\$ 31,165,433	\$ 90,000	\$ 54,450	\$ -	\$ 3,215,000	\$ -	\$ -	\$ 96,629	\$ 13,313,153	\$ -	\$ -	\$1,018,076	\$ 782,001	\$ 49,734,742	5.83%	\$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	6.37%	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	7.34	1,734	
2006	43,600,143	320,000	95,288	-	-	62,755	-	104,434	16,945,688	-	4,711	662,621	1,173,000	62,968,640	7.82	1,846	
2005	35,635,000	390,000	108,899	-	9,860,000	15,754	-	106,825	17,440,000	315,000	6,139	712,161	1,303,334	65,893,112	8.30	1,932	
2004	39,115,000	455,000	122,511	-	7,175,000	-	-	109,117	18,435,000	-	26,176	759,721	1,433,667	67,631,192	8.23	1,983	
2003	42,230,000	515,000	136,123	-	2,195,000	-	-	111,314	19,385,000	-	51,402	805,381	1,564,001	66,993,221	8.15	1,964	
2002	45,130,000	570,000	149,736	172,176	1,865,000	-	45,103	113,422	20,290,000	-	75,713	849,216	1,694,334	70,954,700	8.55	2,080	
2001	48,075,000	620,000	163,349	333,686	-	-	-	-	21,155,000	-	-	891,299	1,824,667	73,063,001	8.80	2,142	
2000	36,960,000	670,000	176,962	485,695	-	-	-	-	19,385,000	-	-	931,700	1,955,000	60,564,357	7.28	1,775	

Note: Population and Personal Income are presented on page 155.

City of North Olmsted, Ohio

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

Last Ten Years

<u>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>
2009	34,113	b	\$ 839,002,040	\$	44,478,586	\$	2,657,293
2008	34,113	b	910,324,211		50,073,501		2,455,310
2007	34,113	b	922,029,166		55,457,416		2,050,397
2006	34,113	b	935,651,977		60,545,831		1,441,806
2005	34,113	b	871,003,233		53,075,000		2,168,871
2004	34,113	b	865,359,676		57,550,000		1,802,585
2003	34,113	b	813,790,056		61,615,000		1,369,838
2002	34,113	b	816,537,342		65,420,000		1,625,402
2001	34,113	b	814,643,897		69,230,000		1,876,456
2000	34,113	b	736,690,212		56,345,000		1,199,962

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

(a) 1990 Federal Census

(b) 2000 Federal Census

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

(3) Includes all general obligation bonded debt

	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Valuation</u>	<u>Net Bonded Debt Per Capita</u>
\$	41,821,293	4.98%	\$ 1,226
	47,618,191	5.23	1,396
	53,407,019	5.89	1,566
	59,104,025	6.32	1,733
	50,906,129	5.84	1,492
	55,747,415	6.44	1,634
	60,245,162	7.40	1,766
	63,794,598	7.81	1,870
	67,353,544	8.27	1,974
	55,145,038	7.49	1,617

City of North Olmsted, Ohio

Computation of Direct and Overlapping General Obligation Debt

December 31, 2009

	<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	\$ 31,165,433	100.00%	\$ 31,165,433
Special assessment bonds	90,000	100.00	90,000
General obligation bond anticipation notes	3,215,000	100.00	3,215,000
OPWC loans	54,450	100.00	54,450
Police pension	96,629	100.00	96,629
Total direct debt	<u>34,621,512</u>		<u>34,621,512</u>
Overlapping:			
North Olmsted School District	425,000	100.00	425,000
North Olmsted/Olmsted Falls School District	22,431,747	2.35	527,146
Cuyahoga County	336,472,572	2.83	9,522,174
Greater Cleveland Regional Transit Authority	<u>163,025,000</u>	2.83	<u>4,613,608</u>
Total overlapping debt	<u>522,354,319</u>		<u>15,087,928</u>
Total	\$ <u><u>556,975,831</u></u>		\$ <u><u>49,709,440</u></u>

Source: Cuyahoga County Auditor

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

City of North Olmsted, Ohio

Legal Debt Margin

Last Ten Years

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Assessed valuation	\$ <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>	\$ <u>816,537,342</u>	\$ <u>814,643,897</u>	\$ <u>736,690,212</u>
Overall debt limitation – 10 1/2 % of assessed valuation	\$ 88,095,214	\$ 95,584,042	\$ 96,813,062	\$ 98,243,458	\$ 91,455,339	\$ 90,862,766	\$ 85,447,956	\$ 85,736,421	\$ 85,537,609	\$ 77,352,472
Outstanding debt:										
General obligation debt	44,568,586	50,248,501	55,707,416	60,865,831	53,465,000	58,005,000	62,130,000	65,990,000	69,850,000	57,015,000
General obligation bond anticipation notes	3,215,000	2,370,000	1,560,000	-	10,175,000	7,175,000	2,195,000	200,000	300,000	2,750,000
OPWC loan	-	-	-	-	-	-	136,123	-	-	-
Police pension liability	-	-	-	-	-	-	111,314	-	-	-
Less: Amount available in debt service fund	<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>	<u>(1,625,402)</u>	<u>(1,876,156)</u>	<u>(1,199,962)</u>
Total outstanding debt	<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>	<u>64,564,598</u>	<u>68,273,844</u>	<u>58,565,038</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	570,000	620,000	670,000
General obligation bonds and notes that are considered self supporting	8,693,000	9,665,000	10,577,000	11,433,000	12,145,000	12,580,000	13,295,000	13,975,000	14,625,000	19,385,000
Securities issued to pay final judgments and settlements	49,000	64,000	79,000	93,000	104,000	114,000	124,000	138,000	149,000	154,000
Securities to extent authorizing legislation contains covenants to appropriate, levy and collect municipal income taxes	<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>	<u>13,323,000</u>	<u>16,207,000</u>	<u>14,519,000</u>
Total exemptions	<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>	<u>28,006,000</u>	<u>31,601,000</u>	<u>34,728,000</u>
Net debt within 10 1/2% limitation	<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>	<u>36,558,598</u>	<u>36,672,844</u>	<u>23,837,038</u>
Overall debt margin	\$ <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>	\$ <u>49,177,823</u>	\$ <u>48,864,765</u>	\$ <u>53,515,434</u>
Unvoted debt limitation 5 1/2 of assessed value	\$ 46,145,112	\$ 50,067,832	\$ 50,711,604	\$ 51,460,859	\$ 47,905,178	\$ 47,594,782	\$ 44,758,453	\$ 44,909,554	\$ 44,805,414	\$ 40,517,962
Amount of principal of unvoted bonds and notes subject to 5 1/2%	<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>	<u>25,473,598</u>	<u>25,932,844</u>	<u>23,837,038</u>
Unvoted debt margin	\$ <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>	\$ <u>19,435,956</u>	\$ <u>18,872,570</u>	\$ <u>16,680,924</u>

Note: Assessed valuations based upon the tax year.

City of North Olmsted, Ohio

Principal Employers

Last Ten Years

2009		2008		2007	
Employer	Percent of Total Income Taxes	Employer	Percent of Total Income Taxes	Employer	Percent of Total Income Taxes
Moen Incorporated	6.93%	Moen Incorporated	6.76%	Moen Incorporated	7.75%
North Olmsted School District	5.45	North Olmsted School District	4.92	North Olmsted School District	4.88
The City of North Olmsted	2.45	The City of North Olmsted	2.55	The City of North Olmsted	2.39
Advanstar Communications, Inc.	1.68	Advanstar Communications, Inc.	1.57	Factory Mutual Insurance Company	1.12
Factory Mutual Insurance Company	1.34	Cingular Wireless Employee Services	1.22	Wal Mart Associates, Inc.	0.92
AT&T Mobility	1.20	Factory Mutual Insurance Company	1.22	Sunnyside Cars, Inc.	0.91
Heartland Employment Services, Inc.	0.99	Sunnyside Automotive, Inc.	0.92	Heartland Employment Services, Inc.	0.90
Wal Mart Associates, Inc.	0.96	Heartland Employment Services, Inc.	0.89	Cingular Wireless Employee Services	0.85
Sunnyside Automotive, Inc.	0.87	Wal Mart Associates, Inc.	0.87	Merrill Lynch Pierce Kenner & P. Craig	0.83
Riser Foods Company	<u>0.87</u>	Riser Foods Company	<u>0.84</u>	GMAC-GM Payroll Services	<u>0.82</u>
	<u>22.74%</u>		<u>21.76%</u>		<u>21.37%</u>
2006		2005		2004	
North Olmsted School District		Dillard's 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	
Dillard Department Stores		North Olmsted School District		North Olmsted School District	
Sears, Roebuck & Company		Riser Foods Company		Riser Foods Company	
Olmsted Manor Nursing Center		Sunnyside Cars, Inc.		Sunnyside Cars, Inc.	
Sunnyside Cars, Inc.		Wal Mart Associates, Inc.		Wal Mart Associates, Inc.	
2003		2002		2001 and 2000	
Factory Mutual Insurance Co.		Factory Mutual Insurance Co.		Factory Mutual Insurance Co.	
GMAC-GM Payroll Services		GMAC-GM Payroll Services		GMAC-GM Payroll Services	
Heartland Employment Services, Inc.		Heartland Employment Services, Inc.		Kaufmans	
May Department Stores		May Department Stores		Merrill Lynch P F & Smith	
Moen Incorporated		Moen Incorporated		Moen Incorporated	
The City of North Olmsted		The City of North Olmsted		The City of North Olmsted	
North Olmsted School District		North Olmsted School District		North Olmsted School District	
Riser Foods Company		Riser Foods Company		Riser Foods Company	
Sunnyside Cars, Inc.		Sunnyside Cars, Inc.		Sunnyside Cars, Inc.	
Wal Mart Associates, Inc.		Wal Mart Associates, Inc.		Wal Mart Associates, Inc.	

Source: Regional Income Tax Agency based on payroll withholding.

Note: This information is not available for years prior to 2000.

City of North Olmsted, Ohio

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Population (1)</u>	Employed in <u>County(2)</u>	<u>Unemployment Rate (2)</u>			<u>School (3) Enrollment</u>	<u>Total Personal Income(2)</u>	<u>Personal Income Per Capital</u>
			<u>County</u>	<u>State</u>	<u>US</u>			
2009	34,113 b	581,200	9.2%	10.8%	9.3%	4,314	\$ 852,795,765 \$	24,999
2008	34,113 b	601,800	6.8	6.5	5.8	4,366	852,795,765	24,999
2007	34,113 b	617,900	6.1	5.6	4.6	4,587	805,411,545	23,610
2006	34,113 b	622,876	5.6	5.4	4.8	4,613	805,411,545	23,610
2005	34,113 b	629,000	5.9	5.8	5.1	4,577	794,414,837	23,288
2004	34,113 b	637,400	6.2	6.1	5.5	4,556	821,979,594	24,096
2003	34,113 b	629,600	6.8	6.1	6.0	4,468	821,979,594	24,096
2002	34,113 b	624,900	6.7	5.7	5.8	4,663	829,935,177	24,329
2001	34,113 b	648,300	4.6	4.3	4.8	4,714	829,935,177	24,329
2000	34,113 b	649,500	4.6	4.1	4.0	4,863	832,149,116	24,394

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

(a) 1990 Federal Census

(b) 2000 Federal Census

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

Note: 2009 personal income estimate not available

(3) Source: North Olmsted Board of Education

City of North Olmsted, Ohio

Full Time City Employees By Function or Program

Last Ten Years

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Function/program:										
General government:										
Council	1	1	1	1	1	1	1	1	1	1
Mayor	2	2	3	3	2	2	2	2	1	1
General clerical	1	1	1	1	1	1	1	1	1	1
Boards and commissions	1	1	1	1	1	1	2	2	2	2
Finance	6	6	6	6	6	6	6	6	7	7
Law	2	2	2	2	2	2	2	2	0	0
Information systems	1	1	1	0	1	1	2	2	2	2
Human resources	3	3	3	3	3	3	3	3	3	3
Building	9	12	9	11	12	10	10	11	10	11
Engineering	0	0	4	4	5	6	6	7	8	8
Total	<u>26</u>	<u>29</u>	<u>31</u>	<u>32</u>	<u>34</u>	<u>33</u>	<u>35</u>	<u>37</u>	<u>35</u>	<u>36</u>
Security of persons and property:										
Safety director	2	2	2	2	2	2	2	2	2	2
Fire	41	46	47	46	48	45	46	47	48	45
Dispatch	8	8	8	9	9	8	9	9	10	8
Corrections	1	1	2	2	2	2	2	3	3	2
Police	50	55	57	55	57	57	57	57	56	57
Fire clerk	1	1	1	1	1	1	1	1	2	2
Police clerk	5	6	6	6	6	6	6	7	8	7
Total	<u>108</u>	<u>119</u>	<u>123</u>	<u>121</u>	<u>125</u>	<u>121</u>	<u>123</u>	<u>126</u>	<u>129</u>	<u>123</u>
Leisure time activities:										
Senior center	2	2	2	2	2	2	2	2	2	2
Recreation	9	10	12	12	10	11	12	12	12	10
Springvale	3	4	4	4	4	4	4	4	4	4
Total	<u>14</u>	<u>16</u>	<u>18</u>	<u>18</u>	<u>16</u>	<u>17</u>	<u>18</u>	<u>18</u>	<u>18</u>	<u>16</u>
Public health and welfare:										
Community life services	2	2	2	2	2	2	2	2	2	2
Youth services	1	1	1	1	1	1	1	1	1	1
Total	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Transportation:										
Service director	2	2	2	2	2	2	2	2	2	2
Public service and properties										
Public works administrative	0	0	0	0	0	0	0	0	2	2
Animal warden	1	1	1	1	1	1	1	1	1	1
Building maintenance	3	4	5	5	5	5	5	6	6	6
Road	9	5	7	7	7	7	7	7	9	9
Forestry	3.5	7	7	7	9	9	9	10	12	12
Storm	3.5	4	5	6	6	6	6	8	13	14
Subtotal	<u>20</u>	<u>21</u>	<u>25</u>	<u>26</u>	<u>28</u>	<u>28</u>	<u>28</u>	<u>32</u>	<u>43</u>	<u>44</u>
Fleet	7	8	8	8	8	8	8	8	9	9
Bus	0	0	0	0	0	59	61	61	66	69
Total	<u>27</u>	<u>31</u>	<u>35</u>	<u>36</u>	<u>38</u>	<u>97</u>	<u>99</u>	<u>103</u>	<u>120</u>	<u>124</u>
Economic development										
Planning	2	2	2	2	2	2	0	0	0	0
Basic utility services:										
Wastewater treatment plant	27	29	32	35	37	37	37	36	33	35
Total	<u>209</u>	<u>229</u>	<u>244</u>	<u>247</u>	<u>255</u>	<u>310</u>	<u>315</u>	<u>323</u>	<u>338</u>	<u>337</u>

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

City of North Olmsted, Ohio

Operating Indicators by Function/Program

Last Eight Years

Function/Program:	2009	2008	2007	2006	2005	2004	2003	2002
General government:								
Council and clerk								
Number of ordinances and resolutions submitted	152	165	158	203	191	206	182	209
Number of ordinances and resolutions passed	147	135	146	182	177	169	173	184
Finance								
Agency ratings								
Fitch IBCA	A+	A+	A+	A+	A+	A+	A+	A+
Moody's Financial Services - General Limited Tax	A1	A1	A1	A1	A2	A2	A2	A2
Moody's Financial Services - General Unlimited Tax	Aa3	Aa3	Aa3	Aa3	A1	A1	A1	A1
Law								
Real property complaints filed	22	18	7	17	12	11	N/A	N/A
Real property fines collected	\$ 13,675	\$ 9,858	\$ 3,350	\$ 2,173	\$ 1,130	\$ 1,450	N/A	N/A
Criminal cases prosecuted	927	1,304	730	933	674	N/A	N/A	N/A
Traffic cases prosecuted	1,228	1,509	1,415	1,916	1,994	N/A	N/A	N/A
Building								
Estimated valuation of permits issued	\$ 13,933,125	\$ 15,151,105	\$ 30,631,703	\$ 39,828,613	\$ 29,279,863	\$ 30,239,136	\$ 31,540,971	\$ 51,295,838
Number of permits issued	1,142	1,203	1,284	1,312	1,444	1,465	1,482	1,455
Security of persons and property:								
Police								
Number of traffic citations issued	8,809	7,594	7,643	9,460	15,616	12,759	17,682	16,506
Number of parking citations issued	2,136	2,092	2,242	1,775	2,476	2,353	2,702	2,770
Number of criminal arrests	2,062	2,100	1,882	2,058	2,249	1,877	2,063	2,166
Fire								
Number of fire responses	700	810	811	733	711	679	723	N/A
Number of squad responses	2,871	2,833	2,685	2,646	2,579	2,455	2,631	N/A
Total number of emergency responses	3,571	3,643	3,496	3,379	3,290	3,134	3,354	3,228
Number of runs per day	10.3	10.0	9.6	9.2	9.0	8.6	9.1	8.8

(Continued)

City of North Olmsted, Ohio

Operating Indicators by Function/Program (Continued)

Last Eight Years

	2009	2008	2007	2006	2005	2004	2003	2002
Public health and welfare:								
<i>Community life services</i>								
Cabin rentals	547	645	569	516	513	508	408	N/A
Food cupboard distributions	1,154	693	398	376	340	370	N/A	N/A
Holiday adopt-a-family	51	37	38	33	30	20	26	34
Leisure time activities:								
<i>Senior center</i>								
Hot lunch program - meals served	8,909	8,935	9,237	9,399	9,179	7,443	N/A	N/A
Meals on wheels clients served	71	63	82	80	58	N/A	N/A	N/A
Activity participants except hot lunch program	10,930	11,624	11,498	10,092	11,529	N/A	N/A	N/A
<i>Springvale golf course and ballroom</i>								
Number of golf rounds	19,934	23,358	22,278	27,499	27,585	25,024	26,835	N/A
Number of golf outings	44	47	46	66	53	55	68	N/A
Number of ballroom rentals	54	52	51	56	60	76	91	N/A
<i>Recreation</i>								
Skate programs and events participants	6,714	8,938	10,011	11,116	12,231	10,373	10,093	8,856
Pool programs	1,013	2,883	N/A	N/A	N/A	2,444	2,514	2,558
Summer camp participants	163	434	428	367	225	119	N/A	N/A
Transportation:								
Snowfall in inches	59.5	80	76.30	34.60	108.40	95.80	98.60	69.80
Street salting and plowing - number of hours	3,152	3,350	4,485	1,472	5,402	3,911	N/A	N/A
Street asphalt and concrete repair - number of hours	5,236	4,926	7,581	6,848	4,828	5,670	N/A	N/A
Tree planting and maintenance - number of hours	2,908	2,431	2,268	2,344	2,895	3,085	N/A	N/A
Wastewater:								
Sanitary sewer rate per 1,000 cubic feet	\$ 43.60	\$ 39.81	\$ 36.26	\$ 36.26	\$ 36.26	\$ 36.26	\$ 36.26	\$ 36.26
Total 1,000 cubic feet billed	163,332	148,582	148,605	144,016	148,445	151,164	152,628	166,827
Total flow of wastewater treatment plant (billions of gallons)	1,595	1,699	1,805	1,822	2,009	2,014	2,120	1,933
Average daily flow (millions of gallons per day)	4,395	4,861	4,939	4,214	4,461	5,390	5,390	4,370
Tons of wet sludge removed	5,242	5,246	5,438	5,525	5,359	5,648	6,247	6,249

N/A: Not available

Source: Various City Divisions

City of North Olmsted, Ohio

Capital Assets Statistics by Function/Program

Last Eight Years

	2009	2008	2007	2006	2005	2004	2003	2002
General government:								
Number of administrative vehicles	8	10	11	10	10	10	10	10
Security of persons and property:								
<i>Fire:</i>								
Number of stations	2	2	2	2	2	2	2	2
Number of vehicles	12	14	14	14	14	14	13	15
<i>Police:</i>								
Number of stations	1	1	1	1	1	1	1	1
Number of vehicles	26	29	27	28	28	28	28	28
Leisure time activities:								
<i>Recreation:</i>								
Number of parks	4	4	4	4	4	4	4	4
Number of pools	2	2	2	2	2	2	2	2
Recreation center facility	1	1	1	1	1	1	1	1
Number of vehicles	6	6	6	6	8	5	4	4
<i>Springvale golf course and ballroom:</i>								
Number of acres (18 hole golf course)	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
Number of vehicles	2	2	2	2	2	2	1	2
<i>Senior center:</i>								
Senior center facility	1	1	1	1	1	1	1	1
Number of vehicles	1	1	1	0	0	0	0	0
Transportation:								
<i>Streets:</i>								
Miles of streets	146	146	146	145	145	145	145	145
Number of street lights	2,633	2,633	2,633	2,362	2,362	2,362	2,362	2,362
Number of service vehicles	43	46	44	46	46	42	44	44
Wastewater:								
Miles of sanitary sewers	176	176	176	175	175	175	175	175
Miles of storm sewers	152	152	152	151	151	151	151	151
Number of vehicles	18	17	17	17	17	17	17	17

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

City of North Olmsted, Ohio

Capital Assets by Function

Last Eight Years

	2009	2008	2007	2006	2005	2004	2003	2002
Governmental activities:								
General government:								
Non-depreciable								
Land and art	\$ 3,728,055	\$ 3,728,055	\$ 3,728,055	\$ 3,728,055	\$ 3,728,055	\$ 3,705,055	\$ 3,712,536	\$ 3,712,536
CIP	-	-	-	254,987	288,158	134,465	5,451,463	423,692
Other capital assets								
Cost	13,821,102	13,729,777	12,854,218	12,326,485	12,043,287	12,023,709	5,193,388	5,272,427
Net book value	9,146,041	9,543,887	9,075,066	8,843,845	8,865,854	9,136,769	1,997,027	2,111,241
Security of persons and property:								
Fire:								
Non-depreciable								
Land	349,400	349,400	349,400	-	-	-	-	-
CIP	-	-	-	2,166,808	433,895	-	-	-
Other capital assets								
Cost	9,543,303	9,543,303	9,543,303	5,669,892	5,310,749	5,302,466	5,054,346	5,036,437
Net book value	6,103,581	6,394,553	6,735,628	3,157,763	3,032,411	3,247,466	2,947,042	3,100,706
Police:								
Other capital assets								
Cost	2,888,984	3,269,628	3,147,006	3,274,082	3,152,905	2,893,512	2,633,713	2,563,021
Net book value	934,353	1,032,175	1,082,266	1,147,013	1,081,959	983,193	977,251	1,032,607
Leisure time activities:								
Recreation:								
Non-depreciable								
CIP	-	-	-	12,284	-	-	98,005	78,024
Other capital assets								
Cost	9,331,565	9,268,061	9,198,799	9,029,953	9,032,171	8,941,133	8,815,998	8,803,470
Net book value	1,533,088	1,797,927	2,026,002	2,091,819	2,319,717	2,526,462	2,659,549	2,892,112
Senior center:								
Non-depreciable								
CIP	16,833	-	-	-	18,541	-	-	-
Other capital assets								
Cost	539,328	537,262	537,262	519,066	480,903	340,491	322,846	322,846
Net book value	267,723	285,590	303,456	321,322	300,072	162,348	153,983	162,579

(Continued)

City of North Olmsted, Ohio

Capital Assets by Function (Continued)

Last Eight Years

	2009	2008	2007	2006	2005	2004	2003	2002
Transportation:								
Non-depreciable								
CIP	137,773	171,537	-	-	102,546	-	-	-
Other capital assets								
Cost	3,670,474	3,635,325	3,632,741	3,682,027	3,360,309	3,228,825	2,925,187	2,891,034
Net book value	861,383	900,458	1,018,743	1,061,013	801,278	704,307	547,836	655,772
Infrastructure								
Cost	130,440,393	129,467,866	128,983,810	128,076,170	126,253,887	124,938,751	124,765,980	123,532,616
Net book value	43,804,306	47,936,456	52,478,902	55,977,893	58,243,624	61,511,648	66,012,005	69,290,696
Totals:								
Non-depreciable								
Land and art	4,077,455	4,077,455	4,077,455	3,728,055	3,728,055	3,705,055	3,712,536	3,712,536
CIP	154,606	171,537	-	2,434,079	843,140	134,465	5,549,468	501,716
Other capital assets								
Cost	39,794,756	39,983,356	38,913,329	34,501,505	33,380,324	32,730,136	24,945,478	24,889,235
Net book value	18,846,169	19,954,590	20,241,161	16,622,775	16,401,291	16,760,545	9,282,688	9,955,017
Infrastructure								
Cost	130,440,393	129,467,866	128,983,810	128,076,170	126,253,887	124,938,751	124,765,980	123,532,616
Net book value	43,804,306	47,936,456	52,478,902	55,977,893	58,243,624	61,511,648	66,012,005	69,290,696
Total governmental activities-cost	\$ 174,467,210	\$ 173,700,214	\$ 171,974,594	\$ 168,739,809	\$ 164,205,406	\$ 161,508,407	\$ 158,973,462	\$ 152,636,103
Total governmental activities-net book value	\$ 66,882,536	\$ 72,140,038	\$ 76,797,518	\$ 78,762,802	\$ 79,216,110	\$ 82,111,713	\$ 84,556,697	\$ 83,459,965
Business-type activities:								
Springvale golf course and ballroom:								
Cost	\$ 6,896,158	\$ 6,894,216	\$ 6,902,678	\$ 6,931,673	\$ 6,928,445	\$ 6,915,563	\$ 6,915,069	\$ 6,915,069
Net book value	5,157,215	5,328,579	5,509,561	5,637,324	5,813,900	6,009,015	6,204,470	6,387,523
Sewer revenue:								
Cost	69,008,076	68,353,901	68,347,944	68,372,826	68,227,491	68,114,361	67,935,873	67,808,647
Net book value	22,460,892	23,208,251	24,630,309	26,023,751	27,285,455	28,604,057	29,936,248	31,340,389

(Continued)

City of North Olmsted, Ohio

Capital Assets by Function (Continued)

Last Eight Years

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
NOMBL:								
Cost	564,130	564,130	544,677	564,462	571,462	571,462	571,462	571,462
Net book value	<u>391,537</u>	<u>391,537</u>	<u>372,084</u>	<u>372,084</u>	<u>372,084</u>	<u>372,084</u>	<u>374,062</u>	<u>378,019</u>
Total business-type activities cost	\$ <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>	\$ <u>75,295,178</u>
Total business-type activities net book value	\$ <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>	\$ <u>38,105,931</u>

Source: City Finance Department - capital asset inventory

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

Honorable Mayor and
Members of City Council
North Olmsted, Ohio

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of North Olmsted (the "City"), as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 28, 2010, wherein we noted the City adopted *GASB Statement Nos. 52, 55, and 56*, as disclosed in Note 3. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Honorable Mayor and
Members of City Council
North Olmsted, Ohio

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Compliance and Other Matters

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

This report is intended solely for the information and use of management, City Council, others within the entity, and the Auditor of State's Office and is not intended to be and should not be used by anyone other than these specified parties.

Cini & Parichi, Inc.

Cleveland, Ohio
June 28, 2010



Mary Taylor, CPA
Auditor of State

CITY OF NORTH OLMSTED

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 17, 2010**