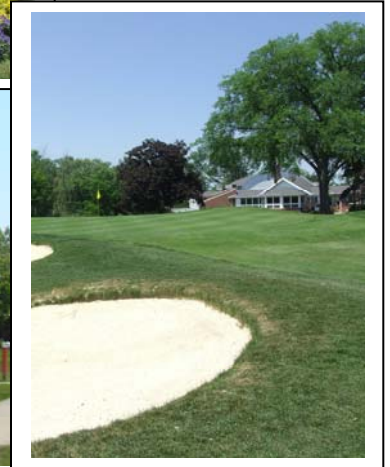


City of North Olmsted, Ohio

Comprehensive Annual Financial Report For the Year Ended December 31, 2011



Issued by the Department of Finance
Carrie B. Copfer, CPA
Director of Finance

Jessica K. Howlett, CPA
Assistant Director of Finance



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of North Olmsted, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

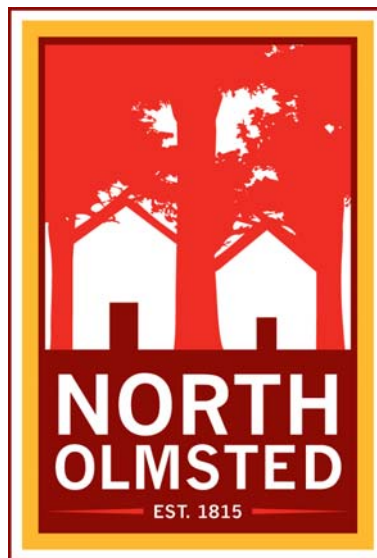
July 18, 2012

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City of North Olmsted, Ohio

Comprehensive Annual Financial Report

December 31, 2011



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

**INTRODUCTORY
SECTION**

City of North Olmsted, Ohio

Comprehensive Annual Financial Report For the Year Ended December 31, 2011

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City of North Olmsted, Ohio

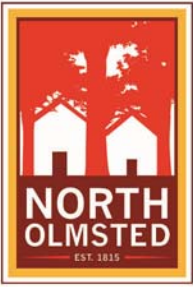
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CITY of NORTH OLMSTED

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

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

June 13, 2012

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, 2011.

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, 2011. The Independent Auditor’s Report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the Independent Auditor’s Report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Basic Information

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

In 1908 the residents voted to incorporate, becoming a village. In 1951 North Olmsted became a city because it had a population of over 5,000 people. The rapid growth was attributed to returning World War II veterans looking to provide a suburban living for their families. At one time the City was considered the fastest growing city in Ohio because it more than doubled in size from 1950 to 1960 and doubled again in 1970. Since the 1970 census, the population of North Olmsted has stayed relatively constant. The 2010 census was 32,718 which represents a four percent decline from the 2000 census.

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

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

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

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

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

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

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

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

Component Unit

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

Budgetary Process

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

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

FACTORS AFFECTING FINANCIAL CONDITION

Summary of Local Economy

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

The largest commercial development in the City includes the Westfield Shopping Mall and the adjacent Great Northern Shopping Center, together constituting a 2.0 million square foot retail complex with approximately 225 stores, professional and medical offices and restaurants; the Great Northern Corporate Center I, II and III, a 267,000 square foot executive office complex; and the Great Northern Technology Center, a 144,000 square foot office complex. All of this development is located adjacent to an interchange on interstate highway I-480. The properties have been developed in phases over the past 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, and again in 2011, the Westfield Group made significant improvements 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 percent credit on up to two percent for taxes paid to their workplace city, can adjust that credit through an ordinance of Council.

The recession that has affected the global, national and regional economies since 2008 appeared to level-off in 2011. Municipal income tax, while still below 2005 collections, increased slightly by 1.1%, with increases in withholding and individual tax collections being offset by declines in net profit business collection. Unemployment in our county was down to eight percent at the end of 2011, though this does not account for those persons who are unemployed but no longer looking for work. In 2011, the City had its largest number of building permits and highest assessed valuation of improvements since 2002. The City acknowledges that some of the projects completed had been discussed prior to the recession, therefore, it expects a slowing of permits in 2012, but the improvements made will help offset the decline in the commercial property values that occurred in 2011. The number of single family home sales increased nominally in 2011 though the decline in average sale price was 4.7%. Foreclosures appear to have leveled off in 2011 at 193, which represents 1.6 percent of the 10,414 housing units and 1,664

condominiums in the City. The State has reduced and eliminated certain intergovernmental revenue streams for the City beginning in 2011. These reductions will negatively impact the City's budget by \$1 million in 2012, growing to \$1.5 million in future years. See Management's Discussion and Analysis for a description of these reductions.

Relevant Financial Policies

Internal Control

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the government are protected from loss, theft or misuse and adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

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

Basis of Accounting

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

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

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

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

Debt Administration

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

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

In April of 2006, the City of North Olmsted received a rating increase to an A1 rating from Moody's Investor Service Inc. for limited tax and an Aa3 rating for unlimited tax. Fitch IBCA affirmed the City's A+ rating in April 2006, and again in August 2009. In April of 2010, under pressure from the federal government, all three rating agencies adjusted the way municipal debts were rated to basing it on the likelihood of default, which is the standard for corporate debt. This will increase the market of potential municipal buyers, and theoretically, reduce the cost of borrowing due to the increased competition. The recalibration caused Moody's Investor Services to raise the City's rating to Aa2 on all outstanding debt,

while Fitch raised the rating to AA-. Moody's affirmed that rating in July 2010 for the general obligation bond issue and all of the City's outstanding debt.

Major Initiatives

In 2011, the City obtained a second year of employee concessions, ranging from 4 to 8 percent, by partnering with the unions and other employee groups. This resulted in a \$1.1 million savings in wages and benefits.

The City issued \$1,365,000 in bond anticipation notes in June of 2011 for the purpose of improving certain designated City streets, acquiring a rescue squad, acquiring equipment for maintenance at Springvale Golf Course, certain improvements to the bunkers and greens for drainage and ease of play at the Springvale Golf Course, and certain building infrastructure improvements to the Recreation Center.

The City experienced massive rains on top of substantial periods of snowfall in 2011, resulting in calls of flooding from over 700 residents. Although the City continued to move forward with the EPA mandated improvements of \$44 million to the plant and collection system, the City reevaluated staffing in the service department and added several positions to respond to the residents' needs, specifically in the storm sewer system. The City restructured the storm response crew to work more closely with the sanitary sewer crews, since they are both affected during storm events. In addition to acquiring a more efficient camera truck to locate broken or blocked sewer lines, the City also purchased another vector truck to jet the storm sewers, and contracted with the county for an additional crew to work on these initiatives. Additionally, the City is in the process of documenting a five year storm and sanitary plan with a completion date of 2012.

The City actively pursued grant opportunities and was successful in obtaining several grants including a Community Development Block Grant to relocate and expand the community food cupboard, a Surface Water Improvement Fund Grant for storm water improvements to the parking lot at the city hall campus, and a Northeast Ohio Public Energy Council grant for improving energy efficiency in several City buildings.

Long-term Financial Planning

The City does not have a formal long-term capital plan; however, in 2012 the Mayor and his administration began the development of a five year capital plan.

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

In 2011 the City established and began reserving for both separation and 27th pay funds to reduce the spikes in an operating budget when these benefits are paid out in future years.

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, 2010. This was the twelfth consecutive year that the city has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

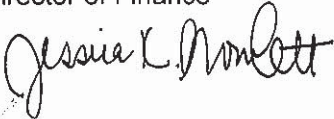
The 2011 Comprehensive Annual Financial Report was prepared by the Finance Department with cooperation from all city departments. We would like to express our appreciation to Ciuni & Panichi, Inc. for their guidance in the preparation of this report.

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

Respectfully submitted,

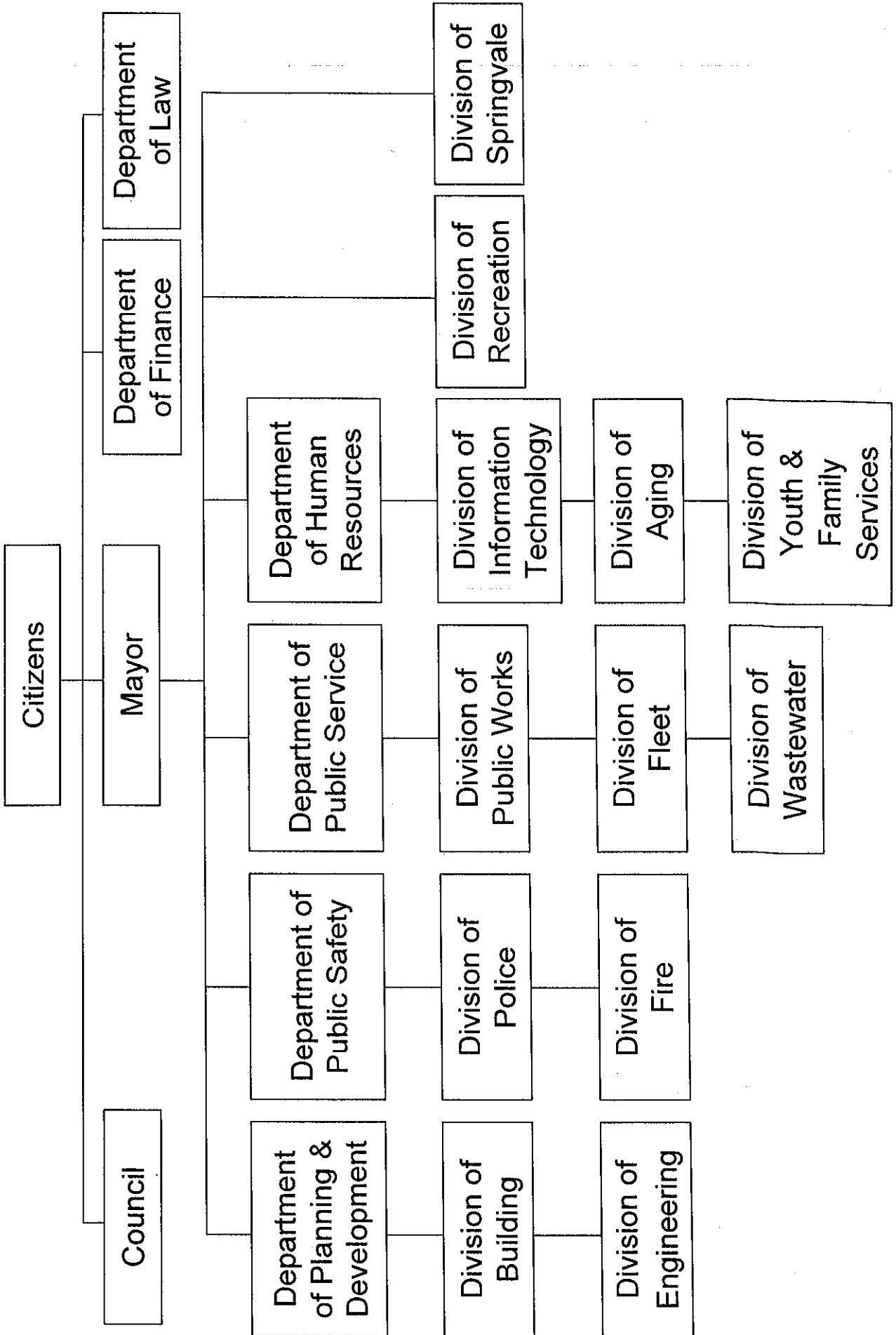


Carrie B. Copfer, CPA
Director of Finance



Jessica K. Howlett, CPA
Assistant Director of Finance

CITY OF NORTH OLMSTED ORGANIZATIONAL CHART



City of North Olmsted, Ohio

Principal City Officials

December 31, 2011

Elected Officials

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

Appointed Officials

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of North Olmsted
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

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.



Linda C. Dandson

President

Jeffrey R. Emer

Executive Director

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**FINANCIAL
SECTION**

Independent Auditor's 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, 2011, 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, 2011, and the respective changes in financial position, and, where applicable, cash flows, 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, 2011, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and GASB Statement No. 59, *Financial Instruments Omnibus*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2012 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.

Members of the City Council
North Olmsted, Ohio

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 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 13, 2012

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2011

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, 2011. 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 2011 are as follows:

- The total assets of the City exceeded total liabilities at the close of 2011 by \$69,679,982. This is an increase of \$1,315,492 over 2010 net assets. Net assets of the City's governmental activities increased \$694,057, which represents a 1.3% increase from 2010. Net assets of the business-type activities increased \$621,435, or 4.6% from 2010.
- Total liabilities decreased by \$3,509,920, or 5.7% from 2010. The main factor affecting this decrease was the retirement of approximately \$2.6 million in various purpose and golf course improvement bonds during 2011.
- The General Fund reported a fund balance of \$6,538,943 at the end of the 2011, which is an increase in \$2,047,282 from 2010. While General Fund expenditures remained relatively unchanged from 2010 to 2011, revenues (excluding other financing sources) increased by 6.3%, or \$1,156,080.
- The City established Separation Pay and 27th Pay funds in 2011, both of which are included with the City's General Fund for reporting purposes. These funds will be used to account for the resources set aside for the payment of accumulated sick and vacation leave upon termination and for the 27th payrolls that are experienced every 13 years.

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, 2011

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 2011. The *Statement of Net Assets* includes assets and liabilities, and the *Statement of Activities* includes revenues and expenses; however, they both use the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net 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 and End of Year

Reporting the City of North Olmsted's Most Significant Funds

Fund Financial Statements

The presentation of the City's major funds begins on page 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 the North Olmsted Municipal Bus Line (NOMBL) Fund, Springvale Golf Course and Ballroom Fund, and Sewer Revenue Fund.

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2011

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 within the financial statements.

Proprietary Funds

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

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found beginning on page 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 non-major governmental funds are presented, as well as individual detailed budgetary comparisons for all funds. This information can be found starting on page 67 of this report.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2011

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 2011 compared to 2010.

Table 1
Net Assets

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|--|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| Assets: | | | | | | |
| Current and Other Assets | \$ 34,270,711 | \$ 31,842,736 | \$ 1,871,343 | \$ 1,404,583 | \$ 36,142,054 | \$ 33,247,319 |
| Capital Assets, Net | <u>64,521,701</u> | <u>69,434,775</u> | <u>27,217,564</u> | <u>27,393,653</u> | <u>91,739,265</u> | <u>96,828,428</u> |
| Total Assets | <u>98,792,412</u> | <u>101,277,511</u> | <u>29,088,907</u> | <u>28,798,236</u> | <u>127,881,319</u> | <u>130,075,747</u> |
| Liabilities: | | | | | | |
| Current Liabilities | 10,727,243 | 10,828,875 | 444,864 | 286,177 | 11,172,107 | 11,115,052 |
| Long-term Liabilities | <u>32,663,550</u> | <u>35,741,074</u> | <u>14,365,680</u> | <u>14,855,131</u> | <u>47,029,230</u> | <u>50,596,205</u> |
| Total Liabilities | <u>43,390,793</u> | <u>46,569,949</u> | <u>14,810,544</u> | <u>15,141,308</u> | <u>58,201,337</u> | <u>61,711,257</u> |
| Net Assets: | | | | | | |
| Invested in Capital Assets, Net of Related Debt | 36,787,582 | 38,558,141 | 13,329,367 | 13,079,015 | 50,116,949 | 51,637,156 |
| Restricted | 12,137,486 | 11,995,201 | - | - | 12,137,486 | 11,995,201 |
| Unrestricted | <u>6,476,551</u> | <u>4,154,220</u> | <u>948,996</u> | <u>577,913</u> | <u>7,425,547</u> | <u>4,732,133</u> |
| Total Net Assets | \$ <u>55,401,619</u> | \$ <u>54,707,562</u> | \$ <u>14,278,363</u> | \$ <u>13,656,928</u> | \$ <u>69,679,982</u> | \$ <u>68,364,490</u> |

Net 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 \$69,679,982 as of December 31, 2011, which is a 1.9 percent, or \$1,315,492, increase from the prior year. At the end of the current year, the City of North Olmsted is able to report positive balances in all three categories of net assets.

The largest portion of the City's net assets (71.9 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 remains outstanding. These capital assets are used to provide services to the City's citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2011

Total assets for 2011 decreased by \$2,194,428 or 1.7 percent when compared to 2010. Current assets increased by \$2,894,735 or 8.7 percent from 2010. The decrease in total assets was mainly due to depreciation expense exceeding capital additions in 2011. The net effect of depreciation, additions and deletions on governmental activities was a decrease of \$4,913,074. Business-type activities capital assets decreased by \$176,089, which is primarily attributed to the accumulated depreciation on capital assets of the sanitary sewer plant and system exceeding the additions.

The City's total liabilities decreased \$3,509,920 from 2010 to 2011. The total current liabilities increased by \$57,055, primarily from an increase in unearned revenue, which is a result of additional property tax collections levied to fund the 2012 fiscal year, offset by a decrease in matured compensated absences, which is a result of timing differences related to retirement severance payments. Total long-term liabilities decreased by \$3,566,975 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.

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City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2011

Table 2
Changes in Net Assets

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|---------------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 4,388,412 | \$ 3,898,794 | \$ 7,840,196 | \$ 8,074,799 | \$ 12,228,608 | \$ 11,973,593 |
| Operating grants and contributions | 1,183,988 | 1,857,890 | - | - | 1,183,988 | 1,857,890 |
| Capital grants and contributions | <u>775,034</u> | <u>8,162,080</u> | <u>187,887</u> | <u>71,428</u> | <u>962,921</u> | <u>8,233,508</u> |
| Total program revenues | <u>6,347,434</u> | <u>13,918,764</u> | <u>8,028,083</u> | <u>8,146,227</u> | <u>14,375,517</u> | <u>22,064,991</u> |
| General revenues: | | | | | | |
| Property taxes and other taxes | 9,782,378 | 9,895,600 | - | - | 9,782,378 | 9,895,600 |
| Municipal income taxes | 12,197,549 | 12,142,212 | - | - | 12,197,549 | 12,142,212 |
| Grants and entitlements | 4,162,855 | 3,954,223 | - | - | 4,162,855 | 3,954,223 |
| Other | <u>72,977</u> | <u>85,191</u> | <u>-</u> | <u>-</u> | <u>72,977</u> | <u>85,191</u> |
| Total general revenues | <u>26,215,759</u> | <u>26,077,226</u> | <u>-</u> | <u>-</u> | <u>26,215,759</u> | <u>26,077,226</u> |
| Total revenues | <u>32,563,193</u> | <u>39,995,990</u> | <u>8,028,083</u> | <u>8,146,227</u> | <u>40,591,276</u> | <u>48,142,217</u> |
| Program expenses: | | | | | | |
| General government | 3,582,339 | 3,276,027 | - | - | 3,582,339 | 3,276,027 |
| Security of persons and property | 11,367,748 | 11,627,831 | - | - | 11,367,748 | 11,627,831 |
| Public health and welfare | 489,183 | 467,464 | - | - | 489,183 | 467,464 |
| Transportation | 10,125,472 | 9,184,733 | - | - | 10,125,472 | 9,184,733 |
| Basic utility services | 2,306,879 | 2,246,112 | - | - | 2,306,879 | 2,246,112 |
| Leisure time activities | 2,414,279 | 2,519,617 | - | - | 2,414,279 | 2,519,617 |
| Economic development | 432,497 | 377,094 | - | - | 432,497 | 377,094 |
| Interest and fiscal charges | 1,370,320 | 1,580,084 | - | - | 1,370,320 | 1,580,084 |
| NOMBL | - | - | - | - | - | - |
| Springvale | - | - | 1,393,346 | 1,403,969 | 1,393,346 | 1,403,969 |
| Sewer | - | - | <u>5,950,651</u> | <u>5,965,290</u> | <u>5,950,651</u> | <u>5,965,290</u> |
| Total program expenses | <u>32,088,717</u> | <u>31,278,962</u> | <u>7,343,997</u> | <u>7,369,259</u> | <u>39,432,714</u> | <u>38,648,221</u> |
| Change in net assets before | | | | | | |
| Transfers and special items | 474,476 | 8,717,028 | 684,086 | 776,968 | 1,158,562 | 9,493,996 |
| Transfers | 62,651 | (75,800) | (62,651) | 75,800 | - | - |
| Special item – sale of capital assets | <u>156,930</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>156,930</u> | <u>-</u> |
| Change in net assets | 694,057 | 8,641,228 | 621,435 | 852,768 | 1,315,492 | 9,493,996 |
| Net assets, beginning of year | <u>54,707,562</u> | <u>46,066,334</u> | <u>13,656,928</u> | <u>12,804,160</u> | <u>68,364,490</u> | <u>58,870,494</u> |
| Net assets, end of year | \$ <u>55,401,619</u> | \$ <u>54,707,562</u> | \$ <u>14,278,363</u> | \$ <u>13,656,928</u> | \$ <u>69,679,982</u> | \$ <u>68,364,490</u> |

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2011

Governmental Activities

Overall, total governmental activities revenues decreased by \$7,432,797. Program revenues represent 19.5 percent of the total governmental activities revenues. This includes charges for services and both operating and capital grants. Program revenues decreased in 2011 by \$7,571,330. The decrease in program revenues is primarily due to a decrease in capital grants and contributions of \$7,387,046. In 2010, \$8,062,080 was contributed by Cuyahoga County for the completion of the Crocker/Stearns road project and was capitalized by the City. The City did not receive a similar capital contribution in 2011.

General revenues represent the other 80.5 percent of total governmental activities with municipal income taxes at 37.5 percent, property and other local taxes at 30.0 percent and grants, entitlements and other miscellaneous revenues representing the remaining 13.0 percent. General revenues increased in 2011 by \$138,533.

Municipal income tax revenue, which comprises the City's largest source of general revenues, increased by \$55,337, or 0.5 percent, from 2010. This increase can be attributed to an improving local economy in 2011 compared to 2010, which was the City's smallest collection year since 2003 (on a cash-basis). Property and other local taxes decreased by \$113,222 or 1.1 percent, which reflects the decline in real property values for tax year 2010 (collection year 2011). Grants and entitlements increased by \$208,632 or 5.3 percent in 2011. This increase was primarily a result of the City receiving its largest ever estate tax settlement in 2011, offset by a decline in state-levied taxes, including the distributions of the commercial activity tax, which the State began phasing out in 2011. Other general revenues decreased by \$12,214 in 2011 primarily from reduced investment rates earned on all sources of allowable investments throughout 2011.

In total, the City's governmental activities experienced a 2.6 percent increase in 2011 expenses, or \$809,755. A major factor contributing to the overall increase in expenses was an increase in salaries and benefits. In 2010, City employees conceded to 10 percent wage reductions in the form of furloughs, reduced workdays, or reduced workweeks. These wage concessions were reduced to 8 percent during 2011, resulting in increased salary and benefit expenditures.

The City's largest program function is security of persons and property, which represents 35.4 percent of program expenses in 2011. This includes the cost of providing police, dispatch, fire and paramedic services. Security of persons and property expenses decreased by 2.2 percent, or \$260,083, from 2010. Although the City's safety forces received the aforementioned 2 percent reduction in wage concessions in 2011, salaries and benefits for this program decreased in 2011 due to changes in staffing levels. The City had two fewer police employees and one less fire employee on staff in 2011. In 2010, the City paid an overtime settlement to the firefighters, in the amount of \$194,571. The City did not have a similar payment in 2011. The City also received a Byrne Justice Assistance Grant in which the majority of the grant was expensed in 2010, resulting in decreased expenditures in 2011.

The City's second largest program function is transportation, which represents 31.6 percent of program expenses in 2011. This includes the cost of providing all public works services such as street and storm channel maintenance and improvements, public property maintenance, snow removal, brush removal and equipment maintenance. Transportation expenses increased by \$940,739, or 10.2 percent, from the prior year. This increase can be attributed to an increase in salaries and benefits due to the reduction in employee wage concessions from 10 percent in 2010 to 8 percent in 2011, as well as an increase in staffing levels in the

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2011

service department in 2011. The City hired four additional service employees in order to meet the level of services demanded by the weather conditions and flooding issues experienced in 2011.

General government represents 11.2 percent of program expenses. This includes all the general governmental expenses used by the entire City such as council, mayor administration, finance, law, etc. These expenses increased by \$306,312, or 9.4 percent, over 2010. The increase in general government expenses can be attributed to an increase in salaries and benefits resulting from the 2 percent reduction in employee wage concessions during 2011 compared to 2010. The City also expended grant money on an energy audit of the City's buildings in 2011 and this expense is also included in general government.

Business-Type Activities

Overall, total business-type activities revenue decreased by \$118,144, or 1.5 percent, in 2011. Charges for services are the primary source of program revenues for the business-type activities. The municipal bus line (NOMBL) has not operated since 2005. The Springvale Golf Course and Ballroom (Springvale) has both golf and event revenues. The sewer plant and collection system operations (WWTP) represent the largest share of the charges for services. The City is in year four of a five year rate plan increase. Even with the 9.5 percent rate increase in 2011 over 2010, sewer charges for services decreased by 1.5 percent in 2011. In 2011, the amount billed to the City of Fairview Park for their share of the sewer system's expenditures (calculated per agreement) was less than 2010 based on flow measurements. This also resulted in reduced intergovernmental receivables reported at the end of the year. Springvale charges for services decreased by 10.6 percent in 2011. Although Springvale had a record year in the number of ballroom and event rentals, the number of golf outings and rounds of golf played in 2011 was significantly less than 2010 due to the adverse weather conditions experienced throughout 2011.

Business-type activities expense decreased in 2011 by 0.3 percent, or \$25,262, from the prior year. WWTP expenses decreased by 0.3 percent, which was mostly related to less spending on contractual services in 2011, including bio-solid removal, which the City began hauling itself during 2011. The cost savings here was offset by the expense of additional overtime worked in 2011 during periods of record rainfall, and the increase in salaries and benefits resulting from the reduction of wage concessions from 10 percent in 2010 to 8 percent in 2011. Springvale expenses decreased by 0.8 percent in 2011, which is a result of reduced salaries and benefits. Part-time staffing levels were reduced throughout the year to mirror the reduction in golf outing activity due to inclement weather.

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.

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2011

As of December 31, 2011, the City's governmental funds reported combined ending fund balances of \$17,139,121. Of that amount, \$4,696,297 constitutes unassigned fund balances, which is available for spending at the government's discretion. The remaining \$12,442,824 fund balance is reported as nonspendable, restricted, committed or assigned to indicate that it is not available for new spending because it has already been set-aside for specified purposes or it cannot be used to liquidate future liabilities because it will not be in a spendable form in the next year.

All governmental funds had total revenues of \$32,954,243 and expenditures of \$31,779,407, resulting in an excess of revenues over expenditures of \$1,174,836. After consideration of \$1,113,985 in net other financing sources, the current year net change in fund balance was \$2,288,821.

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 2011, the General Fund had total revenues of \$19,499,063 and expenditures of \$17,254,296, resulting in an increase in fund balance of \$2,047,282 after consideration of \$197,485 in net other financing uses, for an ending fund balance at December 31, 2011 of \$6,538,943. General Fund revenues increased by 6.3 percent, or \$1,156,080, from 2010, while expenditures decreased by \$106,115, or 0.6 percent. Property tax revenues in the General Fund increased by 4.0 percent, as the general operating tax rate increased from 6.4 mills in tax year 2009 (collection year 2010) to 6.7 in tax year 2010 (collection year 2011). Municipal income taxes increased by 4.9 percent, which is attributable to increased collections in 2011, and January and February 2012 collections on amounts receivable. Intergovernmental revenues increased by 8.7 percent, which was primarily due to a \$360,187 increase in estate taxes received in 2011. Fines, licenses and permits increased by \$405,838, or 40.9 percent, from 2010 due to an increase in building activity in 2011. The City issued more building permits in 2011 than were issued in any year for the last ten years, and 641 more permits than were issued in 2010.

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 2011, the permanent improvements fund had total revenues of \$1,862,503 and expenditures of \$1,269,583, resulting in a decrease in fund balance of \$185,214 after consideration of \$778,134 in net other financing uses, for an ending fund balance at December 31, 2011 of \$1,896,655. Revenues in 2011 increased by \$86,288 from the prior year as income tax collections increased in 2011 as did January and February 2012 collections on amounts receivable at December 31, 2011. Expenditures decreased from the prior year as the City did not make any principal payments on the long-term notes in 2011. The bond principal payment was made out of the bond retirement fund in 2011.

The General Obligation Bond Retirement Fund accounts for resources that are used for payments of principal and interest and fiscal charges on general obligation debt. In 2011, the general obligation bond retirement fund had total revenues of \$2,874,180 and expenditures of \$4,163,159 resulting in an increase in fund balance of \$594,013 after consideration of \$1,882,992 in net other financing sources, for an ending fund balance at December 31, 2011 of \$3,396,070. The General Obligation Bond Retirement Fund revenues decreased by \$277,184 in 2011. This was due to the tax rate for general obligation debt decreasing from 5.1 mills in tax year 2009 (collection year 2010) to 4.8 mills in tax year 2010 (collection year 2011), resulting in less property tax and homestead and rollback revenue in this fund. The expenditures and transfers in are set by the bond payments and decreased from the prior year due to the retirement of a 2000 various purpose bond in 2010.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2011

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. The City amended its General Fund budget at various times throughout fiscal year 2011. All recommendations for budget amendments are initially presented to the Finance Committee of City Council for review before they are presented to the whole Council for Ordinance enactment on the change. Budgetary modifications between the legal level of control categories may only be made by resolution of the City Council. The City allows intra-department budget modifications if they are within the same legal level of control category. The General Fund supports many of the City's major activities such as the police, fire and service departments, as well as most legislative and administrative activities. The General Fund is monitored closely, looking for possible revenue shortfalls or potential overspending by individual departments.

For the General Fund, the original budgeted revenues and other financing sources were \$17,962,507. The final budgeted revenues and other financing sources were \$18,087,493. The City actually received \$19,409,472 in 2011. The excess came primarily from greater than anticipated intergovernmental revenues of \$3,099,688, which was primarily due to an increase in estate tax collections in 2011, and also licenses and permits of \$1,170,552, which was a result of a greater number of building permits issued in 2011 than was anticipated. The original appropriations, including other financing uses for the General Fund were \$20,252,011. The final appropriations, including other financing uses, were \$20,475,455. Actual expenditures, excluding other financing uses ended \$1,797,035 below the final budgeted amount. This was most notable in security of persons and property and transportation. These variances were primarily due to lower than planned staffing levels in the police and fire departments during 2011, and less expended on various outside services, including utilities, than was expected in 2011. There was a \$1,384,537 excess of revenues over expenditures before the \$653,485 net other financing uses. This resulted in a net increase of the General Fund balance of \$731,052.

Capital Assets and Debt Administration

Capital Assets

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Totals</u> | |
|---------------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</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 | 39,185 | 18,986 | 1,820,883 | 1,232,247 | 1,860,068 | 1,251,233 |
| Other non-depreciable assets | 23,000 | 23,000 | - | - | 23,000 | 23,000 |
| Land improvements | 755,058 | 397,501 | 960,063 | 652,602 | 1,715,121 | 1,050,103 |
| Buildings and improvements | 15,339,834 | 15,438,311 | 6,199,788 | 6,605,358 | 21,539,622 | 22,043,669 |
| Furniture and fixtures | 118,394 | 170,046 | - | - | 118,394 | 170,046 |
| Vehicles and equipment | 1,960,501 | 2,060,222 | 9,786,647 | 10,232,731 | 11,747,148 | 12,292,953 |
| Infrastructure | <u>42,231,274</u> | <u>47,272,254</u> | <u>5,812,835</u> | <u>6,033,367</u> | <u>48,044,109</u> | <u>53,305,621</u> |
| Total | <u>\$ 64,521,701</u> | <u>\$ 69,434,775</u> | <u>\$ 27,217,564</u> | <u>\$ 27,393,653</u> | <u>\$ 91,739,265</u> | <u>\$ 96,828,428</u> |

Total capital assets net of depreciation of the City's governmental activities as of December 31, 2011, were \$64,521,701, which was \$4,913,074 lower than December 31, 2010. The most significant additions were in roads of \$1,065,467 and building improvements of \$674,184. Building improvements in 2011 include the completion of the City's emergency food pantry and various improvements that were made at the recreation

City of North Olmsted

*Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2011*

center. The additions were offset by annual depreciation expense of \$7,333,901. Business-type activities net capital assets decreased by \$176,089 from 2010 which is primarily due to the annual depreciation of \$1,580,072 exceeding the new capital additions of \$1,408,033. The most significant additions to business-type activities in 2011 were improvements made to Springvale Golf Course, golf course maintenance equipment, and engineering for the upgrade of the antiquated wastewater treatment plant and collection system. For additional information see Note 9 to the basic financial statements.

Debt and Other Long-Term Obligations

As of December 31, 2011, the City of North Olmsted had \$47,029,230 in total debt and other long-term obligations outstanding with \$7,925,994 due within one year.

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Totals</u> | |
|--------------------------|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| General obligation bonds | \$ 26,786,843 | \$ 30,783,808 | \$ 10,765,047 | \$ 12,222,846 | \$ 37,551,890 | \$ 43,006,654 |
| OWDA loan | - | - | 2,114,162 | 1,436,697 | 2,114,162 | 1,436,697 |
| OPWC loans | 27,224 | 40,837 | 521,335 | 651,668 | 548,559 | 692,505 |
| Police pension | 90,851 | 93,801 | - | - | 90,851 | 93,801 |
| Long-term notes | 880,000 | - | 485,000 | - | 1,365,000 | - |
| Compensated absences | 4,479,203 | 4,527,146 | 477,483 | 540,493 | 4,956,686 | 5,067,639 |
| Claims payable | 359,377 | 243,493 | - | - | 359,377 | 243,493 |
| Capital leases | 40,052 | 51,989 | 2,653 | 3,427 | 42,705 | 55,416 |
| Total | <u>\$ 32,663,550</u> | <u>\$ 35,741,074</u> | <u>\$ 14,365,680</u> | <u>\$ 14,855,131</u> | <u>\$ 47,029,230</u> | <u>\$ 50,596,205</u> |

The general obligation bonds are composed of many various purposes which include street and storm improvements, sanitary sewer improvements, equipment, computerization, golf course purchase and improvements, recreation center and parks improvements, city building improvements and new library and fire station construction. Many revenue sources assist in the payment of debt service.

The City has several OPWC and OWDA loans outstanding, however, the OPWC loans are interest-free loans.

The State of Ohio statute limits the amount of general obligation debt a governmental entity may issue to 10.5 percent of the total assessed valuation. The City's overall legal debt margin was \$63,507,762 at December 31, 2011. This represents the aggregate principal amount of additional voted and unvoted debt which the City may issue over and above what the City currently has outstanding without exceeding the limitation. This calculation does not take into account the City's ability to repay such debt levels within current resources. Additional information concerning the City's debt can be found in Notes 13, 14, and 15 to the basic financial statements.

Economic Factors and Next Year's Budget

In 2011, The City of North Olmsted continued to feel the effects of the economic recession that gripped the global, national and regional economies since 2008. The decline in municipal income tax leveled off in 2011 and is remaining steady into 2012. The State of Ohio, in an effort to balance its budget beginning in July 2011, reduced intergovernmental revenues by 25% (\$300,000), and by 50% (\$600,000) in fiscal year 2012 and beyond, as well as accelerating the elimination of the CAT tax distributions by \$337,000 and \$400,000 in 2011 and 2012, respectively. The State of Ohio, effective January 1, 2013, will eliminate the estate tax

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2011

which provides to the City \$500,000, on average, annually. To offset these permanent revenue reductions, the City administration and City Council are reviewing additional revenue opportunities including a mayor's court and various grants, along with constantly reviewing operations to gain efficiency and cost containment.

Requests for Information

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

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City of North Olmsted, Ohio

Statement of Net Assets

December 31, 2011

| | Primary Government | | | Component Unit |
|---|-------------------------|--------------------------|----------------------|---|
| | Governmental Activities | Business-Type Activities | Total | North Olmsted Commission on Paratransit, Inc. |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 15,582,810 | \$ 1,604,030 | \$ 17,186,840 | \$ 37,136 |
| Interest receivable | 267 | - | 267 | - |
| Accounts receivable | 302,267 | - | 302,267 | - |
| Materials and supplies inventory | 282,271 | 203,412 | 485,683 | - |
| Prepaid items | 75,533 | 48,535 | 124,068 | - |
| Internal balances | 2,470,506 | (2,470,506) | - | - |
| Intergovernmental receivable | 2,331,717 | 2,400,347 | 4,732,064 | 13,388 |
| Income taxes receivable | 3,081,141 | - | 3,081,141 | - |
| Taxes receivable - property and other | 9,968,087 | - | 9,968,087 | - |
| Unamortized bond issuance costs | 176,112 | 85,525 | 261,637 | - |
| Non-depreciable capital assets | 4,116,640 | 4,458,231 | 8,574,871 | - |
| Depreciable capital assets, net | <u>60,405,061</u> | <u>22,759,333</u> | <u>83,164,394</u> | - |
| Total assets | <u>98,792,412</u> | <u>29,088,907</u> | <u>127,881,319</u> | <u>50,524</u> |
| Liabilities: | | | | |
| Accounts and contracts payable | 435,182 | 260,916 | 696,098 | 11,051 |
| Accrued wages and benefits | 318,660 | 64,375 | 383,035 | - |
| Matured compensated absences | 6,401 | - | 6,401 | - |
| Intergovernmental payable | 414,515 | 69,959 | 484,474 | - |
| Unearned revenue | 9,450,170 | - | 9,450,170 | - |
| Accrued interest payable | 102,315 | 49,614 | 151,929 | - |
| Long term liabilities: | | | | |
| Due within one year | 5,939,397 | 1,986,597 | 7,925,994 | - |
| Due in more than one year | <u>26,724,153</u> | <u>12,379,083</u> | <u>39,103,236</u> | - |
| Total liabilities | <u>43,390,793</u> | <u>14,810,544</u> | <u>58,201,337</u> | <u>11,051</u> |
| Net assets: | | | | |
| Invested in capital assets, net of related debt | 36,787,582 | 13,329,367 | 50,116,949 | - |
| Restricted for: | | | | |
| Debt service | 5,196,104 | - | 5,196,104 | - |
| Capital projects | 797,848 | - | 797,848 | - |
| Community development | 49,644 | - | 49,644 | - |
| Highways and streets | 4,224,951 | - | 4,224,951 | - |
| Public safety | 615,805 | - | 615,805 | - |
| Recreation | 88,177 | - | 88,177 | - |
| Solid waste management | 509,787 | - | 509,787 | - |
| Federal and other grants | 655,170 | - | 655,170 | - |
| Unrestricted | <u>6,476,551</u> | <u>948,996</u> | <u>7,425,547</u> | <u>39,473</u> |
| Total net assets | <u>\$ 55,401,619</u> | <u>\$ 14,278,363</u> | <u>\$ 69,679,982</u> | <u>\$ 39,473</u> |

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

City of North Olmsted, Ohio

Statement of Activities

For the Year Ended December 31, 2011

| | <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 | \$ 3,582,339 | \$ 1,599,848 | \$ 11,260 | \$ 134,839 |
| Security of persons and property | 11,367,748 | 1,206,279 | 26,322 | 288,228 |
| Public health and welfare | 489,183 | 20,989 | 60,327 | 105,000 |
| Transportation | 10,125,472 | 257,183 | 955,306 | 246,967 |
| Basic utility services | 2,306,879 | - | 3,282 | - |
| Leisure time activities | 2,414,279 | 1,282,907 | 62,491 | - |
| Economic development | 432,497 | 21,206 | 65,000 | - |
| Interest and fiscal charges | <u>1,370,320</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total governmental activities | <u>32,088,717</u> | <u>4,388,412</u> | <u>1,183,988</u> | <u>775,034</u> |
| Business-type activities: | | | | |
| NOMBL | - | - | - | - |
| Springvale Golf Course and Ballroom | 1,393,346 | 1,166,214 | - | - |
| Sewer revenue | <u>5,950,651</u> | <u>6,673,982</u> | <u>-</u> | <u>187,887</u> |
| Total business-type activities | <u>7,343,997</u> | <u>7,840,196</u> | <u>-</u> | <u>187,887</u> |
| Total primary government | \$ <u>39,432,714</u> | \$ <u>12,228,608</u> | \$ <u>1,183,988</u> | \$ <u>962,921</u> |
| Component unit: | | | | |
| North Olmsted Commission on Paratransit, Inc. | \$ <u>132,742</u> | \$ <u>-</u> | \$ <u>132,646</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
- Special item – sale of capital assets
- Total general revenues, transfers and special item
- 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. |
| \$ (1,836,392) | \$ - | \$ (1,836,392) | \$ - |
| (9,846,919) | - | (9,846,919) | - |
| (302,867) | - | (302,867) | - |
| (8,666,016) | - | (8,666,016) | - |
| (2,303,597) | - | (2,303,597) | - |
| (1,068,881) | - | (1,068,881) | - |
| (346,291) | - | (346,291) | - |
| <u>(1,370,320)</u> | <u>-</u> | <u>(1,370,320)</u> | <u>-</u> |
| <u>(25,741,283)</u> | <u>-</u> | <u>(25,741,283)</u> | <u>-</u> |
| - | - | - | - |
| - | (227,132) | (227,132) | - |
| <u>-</u> | <u>911,218</u> | <u>911,218</u> | <u>-</u> |
| <u>-</u> | <u>684,086</u> | <u>684,086</u> | <u>-</u> |
| <u>(25,741,283)</u> | <u>684,086</u> | <u>(25,057,197)</u> | <u>-</u> |
| - | - | - | (96) |
| 5,068,021 | - | 5,068,021 | - |
| 859,664 | - | 859,664 | - |
| 214,917 | - | 214,917 | - |
| 215,646 | - | 215,646 | - |
| 3,424,130 | - | 3,424,130 | - |
| 8,538,285 | - | 8,538,285 | - |
| 1,829,632 | - | 1,829,632 | - |
| 1,829,632 | - | 1,829,632 | - |
| 4,162,855 | - | 4,162,855 | - |
| 37,499 | - | 37,499 | - |
| <u>35,478</u> | <u>-</u> | <u>35,478</u> | <u>-</u> |
| 26,215,759 | - | 26,215,759 | - |
| 62,651 | (62,651) | - | - |
| <u>156,930</u> | <u>-</u> | <u>156,930</u> | <u>-</u> |
| <u>26,435,340</u> | <u>(62,651)</u> | <u>26,372,689</u> | <u>-</u> |
| 694,057 | 621,435 | 1,315,492 | (96) |
| <u>54,707,562</u> | <u>13,656,928</u> | <u>68,364,490</u> | <u>39,569</u> |
| \$ <u>55,401,619</u> | \$ <u>14,278,363</u> | \$ <u>69,679,982</u> | \$ <u>39,473</u> |

City of North Olmsted, Ohio

Balance Sheet Governmental Funds

December 31, 2011

| | <u>General</u> | <u>Permanent Improvements</u> | <u>General Obligation Bond Retirement</u> | <u>Non-Major Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|-----------------------------|-----------------------------------|---|---|---|
| Assets: | | | | | |
| Current assets: | | | | | |
| Equity in pooled cash and cash equivalents | \$ 4,411,229 | \$ 1,618,934 | \$ 1,067,646 | \$ 5,143,912 | \$ 12,241,721 |
| Income taxes receivable | 2,156,799 | 462,171 | - | 462,171 | 3,081,141 |
| Taxes receivable - property and other | 5,012,977 | - | 2,469,608 | 2,485,502 | 9,968,087 |
| Intergovernmental receivable | 994,728 | 246,967 | 173,392 | 916,630 | 2,331,717 |
| Interest receivable | 49 | - | 218 | - | 267 |
| Accounts receivable | 300,289 | - | - | 1,978 | 302,267 |
| Interfund receivable | 142,198 | - | 2,328,206 | - | 2,470,404 |
| Materials and supplies inventory | 282,271 | - | - | - | 282,271 |
| Prepaid items | 59,211 | - | - | 16,322 | 75,533 |
| Non-current assets: | | | | | |
| Advances to other funds | <u>568,984</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>568,984</u> |
| Total assets | \$ <u>13,928,735</u> | \$ <u>2,328,072</u> | \$ <u>6,039,070</u> | \$ <u>9,026,515</u> | \$ <u>31,322,392</u> |
| Liabilities and fund balances: | | | | | |
| Liabilities: | | | | | |
| Accounts and contracts payable | \$ 234,035 | \$ 1,000 | \$ - | \$ 199,230 | \$ 434,265 |
| Accrued wages and benefits | 275,027 | - | - | 43,633 | 318,660 |
| Matured compensated absences | 6,401 | - | - | - | 6,401 |
| Intergovernmental payable | 369,666 | - | - | 35,109 | 404,775 |
| Interfund payable | - | - | - | 142,198 | 142,198 |
| Deferred revenue | <u>6,504,663</u> | <u>430,417</u> | <u>2,643,000</u> | <u>3,298,892</u> | <u>12,876,972</u> |
| Total liabilities | <u>7,389,792</u> | <u>431,417</u> | <u>2,643,000</u> | <u>3,719,062</u> | <u>14,183,271</u> |
| Fund balances: | | | | | |
| Nonspendable | 910,466 | - | - | 16,322 | 926,788 |
| Restricted | - | - | 3,396,070 | 4,452,507 | 7,848,577 |
| Committed | - | 1,896,655 | - | 895,186 | 2,791,841 |
| Assigned | 875,618 | - | - | - | 875,618 |
| Unassigned (deficit) | <u>4,752,859</u> | <u>-</u> | <u>-</u> | <u>(56,562)</u> | <u>4,696,297</u> |
| Total fund balances | <u>6,538,943</u> | <u>1,896,655</u> | <u>3,396,070</u> | <u>5,307,453</u> | <u>17,139,121</u> |
| Total liabilities and fund balances | \$ <u>13,928,735</u> | \$ <u>2,328,072</u> | \$ <u>6,039,070</u> | \$ <u>9,026,515</u> | \$ <u>31,322,392</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, 2011

Total governmental fund balances \$ 17,139,121

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 64,521,701

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

| | | |
|--------------------------|----------------|-----------|
| Property and other taxes | \$ 502,023 | |
| Municipal income taxes | 1,222,999 | |
| Intergovernmental | 1,589,563 | |
| Miscellaneous | <u>112,217</u> | |
| Total | | 3,426,802 |

In the Statement of Activities, interest is accrued on outstanding long-term obligations, whereas in governmental funds, an interest expenditure is reported when due. (102,315)

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. 176,112

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

| | | |
|--------------------------|--------------------|--------------|
| OPWC street loan | (27,224) | |
| Police pension liability | (90,851) | |
| General obligation bonds | (26,786,843) | |
| Notes payable | (880,000) | |
| Capital leases payable | (40,052) | |
| Compensated absences | <u>(4,479,203)</u> | |
| Total | | (32,304,173) |

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 | 2,971,055 |
| Internal balances | <u>(426,684)</u> |

Net assets of governmental activities \$ 55,401,619

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, 2011

| | General | Permanent Improvements | General Obligation Bond Retirement | Non-Major Governmental Funds | Total Governmental Funds |
|---|---------------------|---------------------------|---|------------------------------------|--------------------------------|
| Revenues: | | | | | |
| Property and other local taxes | \$ 4,871,496 | \$ - | \$ 2,399,394 | \$ 2,653,805 | \$ 9,924,695 |
| Municipal income taxes | 8,642,516 | 1,851,967 | - | 1,851,967 | 12,346,450 |
| Charges for services | 1,085,547 | - | - | 1,299,009 | 2,384,556 |
| Fines, licenses and permits | 1,397,495 | - | - | 273,477 | 1,670,972 |
| Intergovernmental | 3,463,109 | 10,536 | 467,002 | 2,468,361 | 6,409,008 |
| Investment income | 27,233 | - | 7,784 | 2,482 | 37,499 |
| Miscellaneous income | 11,667 | - | - | 169,396 | 181,063 |
| Total revenues | <u>19,499,063</u> | <u>1,862,503</u> | <u>2,874,180</u> | <u>8,718,497</u> | <u>32,954,243</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 3,474,751 | - | 4,230 | 167,075 | 3,646,056 |
| Security of persons and property | 10,209,859 | - | - | 1,303,902 | 11,513,761 |
| Public health and welfare | 400,689 | - | - | 227,536 | 628,225 |
| Transportation | 2,547,708 | 1,265,583 | - | 1,350,455 | 5,163,746 |
| Basic utility services | 212,627 | - | - | 2,094,252 | 2,306,879 |
| Leisure time activities | - | - | - | 2,287,806 | 2,287,806 |
| Economic development | 389,755 | - | - | 78,445 | 468,200 |
| Capital outlay | - | - | - | 376,161 | 376,161 |
| Debt service: | | | | | |
| Principal | 12,822 | - | 3,277,613 | 712,065 | 4,002,500 |
| Interest and fiscal charges | 6,085 | - | 871,890 | 490,672 | 1,368,647 |
| Issuance costs | - | 4,000 | 9,426 | 4,000 | 17,426 |
| Total expenditures | <u>17,254,296</u> | <u>1,269,583</u> | <u>4,163,159</u> | <u>9,092,369</u> | <u>31,779,407</u> |
| Excess (deficiency) of revenues over expenditures | <u>2,244,767</u> | <u>592,920</u> | <u>(1,288,979)</u> | <u>(373,872)</u> | <u>1,174,836</u> |
| Other financing sources (uses): | | | | | |
| Proceeds from issuance of debt | - | 605,000 | - | 275,000 | 880,000 |
| Sale of capital assets | 13,673 | - | - | 157,661 | 171,334 |
| Transfers - in | 79,957 | 500,000 | 1,882,992 | 684,924 | 3,147,873 |
| Transfers - out | <u>(291,115)</u> | <u>(1,883,134)</u> | <u>-</u> | <u>(910,973)</u> | <u>(3,085,222)</u> |
| Total other financing sources (uses) | <u>(197,485)</u> | <u>(778,134)</u> | <u>1,882,992</u> | <u>206,612</u> | <u>1,113,985</u> |
| Net change in fund balances | 2,047,282 | (185,214) | 594,013 | (167,260) | 2,288,821 |
| Fund balances, beginning of year | <u>4,491,661</u> | <u>2,081,869</u> | <u>2,802,057</u> | <u>5,474,713</u> | <u>14,850,300</u> |
| Fund balances, end of year | <u>\$ 6,538,943</u> | <u>\$ 1,896,655</u> | <u>\$ 3,396,070</u> | <u>\$ 5,307,453</u> | <u>\$ 17,139,121</u> |

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, 2011

Net change in fund balances - total governmental funds \$ 2,288,821

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

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

| | | |
|----------------------|--------------|-------------|
| Capital outlay | \$ 2,469,406 | |
| Depreciation expense | (7,333,901) | |
| Total | | (4,864,495) |

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

(48,579)

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

| | | |
|--------------------------|-----------|-----------|
| Municipal income taxes | (148,901) | |
| Property and local taxes | (142,317) | |
| Charges for services | 187,299 | |
| Intergovernmental | (287,131) | |
| Total | | (391,050) |

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

| | | |
|---------------------------------|--|-----------|
| General obligation notes issued | | (880,000) |
|---------------------------------|--|-----------|

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

| | | |
|--------------------------|-----------|-----------|
| General obligation bonds | 3,974,000 | |
| OPWC street loan | 13,613 | |
| Police pension liability | 2,950 | |
| Capital leases | 11,937 | |
| Total | | 4,002,500 |

(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, 2011

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 | 11,859 | |
| Compensated absences | 47,943 | |
| Amortization of premium | 59,998 | |
| Amortization of loss on refunding | (37,033) | |
| Amortization of issuance costs | <u>(19,071)</u> | |
| Total | | 63,696 |

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 | 606,271 | |
| Internal balances | <u>(83,107)</u> | |
| Total | | <u>523,164</u> |

Change in net assets of governmental activities \$ 694,057

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, 2011

| | Budget | | Actual | Variance with |
|---|--------------------------|--------------------------|----------------------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| Revenues: | | | | |
| Property and other local taxes | \$ 4,664,654 | \$ 4,664,654 | \$ 4,871,496 | \$ 206,842 |
| Municipal income taxes | 8,418,000 | 8,418,000 | 8,513,435 | 95,435 |
| Charges for services | 1,142,000 | 1,142,000 | 1,248,006 | 106,006 |
| Licenses and permits | 825,600 | 825,600 | 1,170,552 | 344,952 |
| Fines and forfeitures | 218,500 | 218,500 | 227,240 | 8,740 |
| Intergovernmental | 2,428,753 | 2,553,739 | 3,099,688 | 545,949 |
| Investment income | 30,000 | 30,000 | 28,310 | (1,690) |
| Miscellaneous income | <u>20,000</u> | <u>20,000</u> | <u>32,072</u> | <u>12,072</u> |
| Total revenues | <u>17,747,507</u> | <u>17,872,493</u> | <u>19,190,799</u> | <u>1,318,306</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 3,921,877 | 3,796,701 | 3,595,536 | 201,165 |
| Security of persons and property | 10,790,512 | 10,898,384 | 10,027,961 | 870,423 |
| Public health and welfare | 484,283 | 486,155 | 412,917 | 73,238 |
| Transportation | 3,983,606 | 3,837,195 | 3,194,481 | 642,714 |
| Basic utility services | 70,350 | 220,350 | 212,927 | 7,423 |
| Economic development | <u>363,225</u> | <u>364,512</u> | <u>362,440</u> | <u>2,072</u> |
| Total expenditures | <u>19,613,853</u> | <u>19,603,297</u> | <u>17,806,262</u> | <u>1,797,035</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,866,346)</u> | <u>(1,730,804)</u> | <u>1,384,537</u> | <u>3,115,341</u> |
| Other financing sources (uses): | | | | |
| Sales of capital assets | 10,000 | 10,000 | 13,673 | 3,673 |
| Advances - in | 205,000 | 205,000 | 205,000 | - |
| Advances - out | - | (71,000) | (71,000) | - |
| Transfers - out | <u>(638,158)</u> | <u>(801,158)</u> | <u>(801,158)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(423,158)</u> | <u>(657,158)</u> | <u>(653,485)</u> | <u>3,673</u> |
| Net change in fund balance | (2,289,504) | (2,387,962) | 731,052 | 3,119,014 |
| Prior year encumbrances | 470,681 | 470,681 | 470,681 | - |
| Fund balance, beginning of year | <u>2,099,866</u> | <u>2,099,866</u> | <u>2,099,866</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>281,043</u></u> | \$ <u><u>182,585</u></u> | \$ <u><u>3,301,599</u></u> | \$ <u><u>3,119,014</u></u> |

The accompanying notes are an integral part of these financial statements

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|----------------------------|----------------------------|----------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Municipal income taxes | \$ 1,803,000 | \$ 1,803,000 | \$ 1,824,307 | \$ 21,307 |
| Intergovernmental | <u>207,263</u> | <u>207,263</u> | <u>10,536</u> | <u>(196,727)</u> |
| Total revenues | <u>2,010,263</u> | <u>2,010,263</u> | <u>1,834,843</u> | <u>(175,420)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation | <u>1,541,117</u> | <u>1,541,117</u> | <u>1,348,953</u> | <u>192,164</u> |
| Debt service: | | | | |
| Interest and fiscal charges | <u>-</u> | <u>5,000</u> | <u>4,000</u> | <u>1,000</u> |
| Total expenditures | <u>1,541,117</u> | <u>1,546,117</u> | <u>1,352,953</u> | <u>193,164</u> |
| Excess (deficiency) of revenues over expenditures | <u>469,146</u> | <u>464,146</u> | <u>481,890</u> | <u>17,744</u> |
| Other financing sources (uses): | | | | |
| Proceeds from issuance of debt | 600,000 | 605,000 | 605,000 | - |
| Transfers - in | 500,000 | 500,000 | 500,000 | - |
| Advances - in | 350,000 | 350,000 | - | (350,000) |
| Transfers - out | (1,883,134) | (1,883,134) | (1,883,134) | - |
| Advances - out | <u>(350,000)</u> | <u>(350,000)</u> | <u>-</u> | <u>350,000</u> |
| Total other financing sources (uses) | <u>(783,134)</u> | <u>(778,134)</u> | <u>(778,134)</u> | <u>-</u> |
| Net change in fund balance | (313,988) | (313,988) | (296,244) | 17,744 |
| Prior year encumbrances | 93,010 | 93,010 | 93,010 | - |
| Fund balance, beginning of year | <u>1,737,797</u> | <u>1,737,797</u> | <u>1,737,797</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>1,516,819</u></u> | \$ <u><u>1,516,819</u></u> | \$ <u><u>1,534,563</u></u> | \$ <u><u>17,744</u></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, 2011

| | 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 | \$ 35,623 | \$ 1,546,699 | \$ 1,604,030 | \$ 3,341,089 |
| Materials and supplies inventory | - | 14,465 | 188,947 | 203,412 | - |
| Prepaid items | - | 6,538 | 41,997 | 48,535 | - |
| Intergovernmental receivable | - | - | 2,400,347 | 2,400,347 | - |
| Total current assets | <u>21,708</u> | <u>56,626</u> | <u>4,177,990</u> | <u>4,256,324</u> | <u>3,341,089</u> |
| Non-current assets: | | | | | |
| Unamortized bond issuance costs | - | 33,075 | 52,450 | 85,525 | - |
| Non-depreciable capital assets | 391,537 | 2,245,811 | 1,820,883 | 4,458,231 | - |
| Depreciable capital assets, net | - | 3,105,240 | 19,654,093 | 22,759,333 | - |
| Total non-current assets | <u>391,537</u> | <u>5,384,126</u> | <u>21,527,426</u> | <u>27,303,089</u> | <u>-</u> |
| Total assets | <u>413,245</u> | <u>5,440,752</u> | <u>25,705,416</u> | <u>31,559,413</u> | <u>3,341,089</u> |
| Liabilities: | | | | | |
| Current: | | | | | |
| Accounts and contracts payable | - | 14,594 | 246,322 | 260,916 | 917 |
| Accrued wages and benefits | - | 4,707 | 59,668 | 64,375 | - |
| Intergovernmental payable | - | 4,165 | 65,794 | 69,959 | 9,740 |
| Interfund payable | - | 2,260,780 | 67,426 | 2,328,206 | - |
| Accrued interest payable | - | 17,220 | 32,394 | 49,614 | - |
| Claims payable | - | - | - | - | 312,141 |
| Accrued compensated absences | - | 29,556 | 174,759 | 204,315 | - |
| Capital lease payable | - | - | 815 | 815 | - |
| General obligation bond payable | - | 319,000 | 1,198,000 | 1,517,000 | - |
| Notes payable | - | 60,700 | - | 60,700 | - |
| OWDA loan payable | - | - | 73,434 | 73,434 | - |
| OPWC loan payable | - | - | 130,333 | 130,333 | - |
| Total current liabilities | <u>-</u> | <u>2,710,722</u> | <u>2,048,945</u> | <u>4,759,667</u> | <u>322,798</u> |
| Long-term liabilities | | | | | |
| (net of current portion): | | | | | |
| Advances from other funds | - | 470,974 | 98,010 | 568,984 | - |
| Claims payable | - | - | - | - | 47,236 |
| Accrued compensated absences | - | 42,982 | 230,186 | 273,168 | - |
| Capital lease payable | - | - | 1,838 | 1,838 | - |
| General obligation bonds payable | - | 3,605,953 | 5,642,094 | 9,248,047 | - |
| Notes payable | - | 424,300 | - | 424,300 | - |
| OWDA loan payable | - | - | 2,040,728 | 2,040,728 | - |
| OPWC loan payable | - | - | 391,002 | 391,002 | - |
| Total long-term liabilities | <u>-</u> | <u>4,544,209</u> | <u>8,403,858</u> | <u>12,948,067</u> | <u>47,236</u> |
| Total liabilities | <u>-</u> | <u>7,254,931</u> | <u>10,452,803</u> | <u>17,707,734</u> | <u>370,034</u> |
| Net assets: | | | | | |
| Invested in capital assets, net of related debt | 391,537 | 941,098 | 11,996,732 | 13,329,367 | - |
| Unrestricted (deficit) | <u>21,708</u> | <u>(2,755,277)</u> | <u>3,255,881</u> | <u>522,312</u> | <u>2,971,055</u> |
| Total net assets (deficit) | \$ <u>413,245</u> | \$ <u>(1,814,179)</u> | \$ <u>15,252,613</u> | 13,851,679 | \$ <u>2,971,055</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:

426,684
Net assets business-type activities \$ 14,278,363

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, 2011

| | Business-Type Activities - Enterprise Funds | | | | Governmental |
|--|---|---|------------------|--------------|---------------------------|
| | NOMBL | Springvale Golf Course and Ballroom | Sewer Revenue | Total | Internal Service Funds |
| Operating revenues: | | | | | |
| Charges for services | \$ - | \$ 1,163,814 | \$ 6,668,770 | \$ 7,832,584 | \$ 2,874,346 |
| Operating expenses: | | | | | |
| Salaries | - | 377,379 | 1,693,812 | 2,071,191 | - |
| Benefits | - | 89,450 | 648,217 | 737,667 | - |
| Contractual services | - | 280,640 | 1,439,343 | 1,719,983 | 488,922 |
| Materials and supplies | - | 248,218 | 456,028 | 704,246 | - |
| Claims | - | - | - | - | 1,779,153 |
| Depreciation | - | 191,617 | 1,388,455 | 1,580,072 | - |
| Total operating expenses | - | 1,187,304 | 5,625,855 | 6,813,159 | 2,268,075 |
| Operating income (loss) | - | (23,490) | 1,042,915 | 1,019,425 | 606,271 |
| Non-operating revenues (expenses): | | | | | |
| Loss on disposal of capital assets | - | - | (3,939) | (3,939) | - |
| Interest and fiscal charges | - | (208,124) | (394,270) | (602,394) | - |
| Total non-operating revenues (expenses) | - | (208,124) | (398,209) | (606,333) | - |
| Income (loss) before contributions and transfers | - | (231,614) | 644,706 | 413,092 | 606,271 |
| Capital contributions | - | - | 187,887 | 187,887 | - |
| Transfers - out | - | (8,436) | (54,215) | (62,651) | - |
| Change in net assets | - | (240,050) | 778,378 | 538,328 | 606,271 |
| Net assets (deficit), beginning of year | 413,245 | (1,574,129) | 14,474,235 | | 2,364,784 |
| Net assets (deficit), end of year | \$ 413,245 | \$ (1,814,179) | \$ 15,252,613 | | \$ 2,971,055 |
| 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: | | | | 83,107 | |
| Change in net assets business-type activities | | | | \$ 621,435 | |

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, 2011

| | 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 | \$ - | \$ 1,164,629 | \$ 6,819,392 | \$ 7,984,021 | \$ 2,874,346 |
| Cash payments for goods and services | - | (278,053) | (1,329,230) | (1,607,283) | (535,330) |
| Cash paid to suppliers for materials and supplies | - | (248,181) | (479,616) | (727,797) | - |
| Cash payments for employee services and benefits | - | (457,010) | (2,409,426) | (2,866,436) | - |
| Cash paid for claims | - | - | - | - | (1,663,269) |
| Net cash provided by operating activities | - | 181,385 | 2,601,120 | 2,782,505 | 675,747 |
| Cash flows from capital and related financing activities: | | | | | |
| Acquisition of capital assets | - | (549,360) | (858,673) | (1,408,033) | - |
| Proceeds from sale of capital assets | - | - | 112 | 112 | - |
| Capital contributions | - | - | 187,887 | 187,887 | - |
| Proceeds from capital debt - notes payable | - | 485,000 | - | 485,000 | - |
| Proceeds from capital debt - loans payable | - | - | 729,214 | 729,214 | - |
| Note issuance costs | - | (4,000) | - | (4,000) | - |
| Capital lease principal paid | - | - | (774) | (774) | - |
| Interest paid on capital lease | - | - | (159) | (159) | - |
| Loan principal paid - OPWC | - | - | (130,333) | (130,333) | - |
| Loan principal paid - OWDA | - | - | (70,589) | (70,589) | - |
| Interest paid on loans | - | - | (18,700) | (18,700) | - |
| General obligation bonds principal paid | - | (327,000) | (1,138,000) | (1,465,000) | - |
| Interest paid on general obligation bonds | - | (190,663) | (359,753) | (550,416) | - |
| Net cash used for capital and related financing activities | - | (586,023) | (1,659,768) | (2,245,791) | - |
| Cash flows from noncapital financing activities: | | | | | |
| Advances - in | - | 309,172 | - | 309,172 | - |
| Transfers - out | - | (8,436) | (54,215) | (62,651) | - |
| Net cash provided by (used for) by Noncapital financing activities | - | 300,736 | (54,215) | 246,521 | - |
| Net increase (decrease) in cash and cash equivalents | - | (103,902) | 887,137 | 783,235 | 675,747 |
| Cash and cash equivalents, beginning of year | 21,708 | 139,525 | 659,562 | 820,795 | 2,665,342 |
| Cash and cash equivalents, end of year | \$ 21,708 | \$ 35,623 | \$ 1,546,699 | \$ 1,604,030 | \$ 3,341,089 |

(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, 2011

| | Business-Type Activities - Enterprise Funds | | | | Governmental |
|---|---|---|------------------|--------------|---------------------------|
| | NOMBL | Springvale Golf Course and Ballroom | Sewer Revenue | Total | Internal Service Funds |
| Reconciliation of operating income (loss) to net cash provided by operating activities: | | | | | |
| Operating income (loss) | \$ - | \$ (23,490) | \$ 1,042,915 | \$ 1,019,425 | \$ 606,271 |
| Adjustments: | | | | | |
| Depreciation | - | 191,617 | 1,388,455 | 1,580,072 | - |
| (Increase) decrease in assets and increase (decrease) in liabilities: | | | | | |
| Materials and supplies inventory | - | (2,899) | (30,224) | (33,123) | - |
| Intergovernmental receivable | - | - | 115,345 | 115,345 | - |
| Prepaid items | - | 42 | (472) | (430) | - |
| Accounts and contracts payable | - | 5,458 | 122,496 | 127,954 | 202 |
| Accrued salaries and benefits | - | 245 | 4,061 | 4,306 | - |
| Intergovernmental payable | - | 523 | 31,443 | 31,966 | (46,610) |
| Claims payable | - | - | - | - | 115,884 |
| Accrued compensated absences | - | 9,889 | (72,899) | (63,010) | - |
| Net cash provided by operating activities | \$ - | \$ 181,385 | \$ 2,601,120 | \$ 2,782,505 | \$ 675,747 |
| Non-cash capital financing activities: | | | | | |
| Loan interest capitalized into loan principal | \$ - | \$ - | \$ 18,840 | \$ 18,840 | \$ - |

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, 2011

| | |
|--|-------------------|
| Assets: | |
| Equity in pooled cash and cash equivalents | \$ <u>568,249</u> |
| Liabilities: | |
| Accounts payable | \$ 7,479 |
| Deposits held and due to others | <u>560,770</u> |
| Total liabilities | \$ <u>568,249</u> |

City of North Olmsted, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2011

Note 1: Description of the City and Reporting Entity

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

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

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes.

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

North Olmsted Commission on Paratransit, Inc. (N.O.C.O.P.) provides transportation to the residents of the City of North Olmsted, the City of Olmsted Falls and Olmsted Township who are sixty years of age or older or disabled. N.O.C.O.P. was formed in 1992 and is governed by a Board of Trustees which consists of nine members. The following four members are automatic members of the Board of Trustees: The Mayor of the City of North Olmsted or designee, the Finance Director of the City of North Olmsted or designee, a member of the Finance Committee of the North Olmsted City Council as designated by the Chairman of the Committee and the President of the North Olmsted City Council. The remaining members of the Board of Trustees are elected by the membership as provided in its by-laws. N.O.C.O.P. utilizes the services of a third-party provider, Senior Transportation Connection, to provide transportation services to the residents. Fares are collected by the provider based on the destination and frequency that the service is used. The three communities share costs or deficits on a prorated agreement based on each community's population. The current formula is as follows: the City of North Olmsted contributes 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, 2011

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

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

The City is associated with one jointly governed organization, the West Shore Council of Governments. This organization is presented in Note 19 to the basic financial statements.

Note 2: Summary of Significant Accounting Policies

The financial statements of the City of North Olmsted have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The 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, 2011

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. Non-major funds are aggregated and presented in a single column. Internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

B. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

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 or committed 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, 2011

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, 2011

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 60 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 8). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Unearned Revenue/Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2011, but which were levied to finance year 2012 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, 2011

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 Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time the final appropriations were enacted by Council.

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

F. Pooled Cash and Cash Equivalents

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

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 2: Summary of Significant Accounting Policies (continued)

F. Pooled Cash and Cash Equivalents (continued)

During 2011, investments were limited to 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 2011 consisted of:

| | Actual <u>Interest Credited</u> | From (to) other <u>City Funds</u> |
|------------------------------------|------------------------------------|--------------------------------------|
| General | \$ 27,233 | \$ 19,162 |
| Special Revenue Funds: | | |
| Motor Vehicle License Tax | 149 | (77) |
| State Highway | 678 | (404) |
| Street Maintenance | 1,334 | (693) |
| Endowment and Grant | 8 | (560) |
| Senior Center | 313 | 243 |
| Debt Service Funds: | | |
| General Obligation Bond Retirement | 7,784 | 5,713 |
| All others | - | (23,384) |
| | <u>\$ 37,499</u> | <u>\$ -</u> |

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

G. Materials and Supplies Inventory

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2011 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

I. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide Statement of Net 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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 2: Summary of Significant Accounting Policies (continued)

I. Capital Assets (continued)

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

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

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

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

J. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables". Long-term interfund loans are classified as "advances to/from other funds" on the Balance Sheet and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources. Interfund balance amounts are eliminated in the Statement of Net Assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Compensated Absences

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 2: Summary of Significant Accounting Policies (continued)

K. Compensated Absences (continued)

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

L. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, 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

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

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

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

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 2: Summary of Significant Accounting Policies (continued)

M. Fund Balance (continued)

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

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

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

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

N. Net 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 \$12,137,486 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, 2011

Note 2: Summary of Significant Accounting Policies (continued)

O. Operating Revenues and Expenses

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

P. Bond Issuance Costs

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

Q. Deferred Loss on Refunding

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

S. Contributions of Capital

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

T. Interfund Activity

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

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. The City recorded a special item during 2011; see Note 9 for further discussion.

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 13, 2012, the date the financial statements were issued.

Note 3: Change in Accounting Principles

For 2011, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and GASB Statement No. 59, *Financial Instruments Omnibus*.

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the reclassification of the City's financial statements.

GASB Statement No. 59 updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The City has no such investments and thus, the implementation of this Statement has no impact on the City's financial statements or disclosures.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 4: Fund Balances

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

| <u>Fund Balances</u> | <u>General</u> | <u>Permanent Improvements</u> | <u>General Obligation Bond Retirement</u> | <u>Other Governmental</u> | <u>Total Governmental</u> |
|----------------------------|---------------------|-----------------------------------|---|-------------------------------|-------------------------------|
| Nonspendable: | | | | | |
| Long-term advances | \$ 568,984 | \$ - | \$ - | \$ - | \$ 568,984 |
| Inventory | 282,271 | - | - | - | 282,271 |
| Prepays | 59,211 | - | - | 16,322 | 75,533 |
| Total nonspendable | <u>910,466</u> | <u>-</u> | <u>-</u> | <u>16,322</u> | <u>926,788</u> |
| Restricted for: | | | | | |
| Community diversion | - | - | - | 13,862 | 13,862 |
| Recreation | - | - | - | 61,487 | 61,487 |
| Alcohol education | - | - | - | 17,562 | 17,562 |
| Drug enforcement | - | - | - | 22,330 | 22,330 |
| Law enforcement | - | - | - | 19,976 | 19,976 |
| Police and fire pension | - | - | - | 97,824 | 97,824 |
| Emergency medical services | - | - | - | 2,773 | 2,773 |
| Motor vehicle license tax | - | - | - | 110,878 | 110,878 |
| State highway | - | - | - | 527,983 | 527,983 |
| Street maintenance | - | - | - | 800,471 | 800,471 |
| Public way management | - | - | - | 36,082 | 36,082 |
| Endowments and grants | - | - | - | 238,060 | 238,060 |
| CDBG | - | - | - | 115,787 | 115,787 |
| Title III grant | - | - | - | 40,063 | 40,063 |
| Fair capacity housing | - | - | - | 247,071 | 247,071 |
| Debt service payments | - | - | 3,396,070 | 1,302,450 | 4,698,520 |
| Capital improvements | - | - | - | 797,848 | 797,848 |
| Total restricted | <u>-</u> | <u>-</u> | <u>3,396,070</u> | <u>4,452,507</u> | <u>7,848,577</u> |
| Committed to: | | | | | |
| Casualty loss | - | - | - | 101,774 | 101,774 |
| Economic development | - | - | - | 49,644 | 49,644 |
| Senior Center | - | - | - | 24,717 | 24,717 |
| Clague Park | - | - | - | 3,065 | 3,065 |
| Hotel/motel tax | - | - | - | 218,729 | 218,729 |
| Stop program | - | - | - | 170,920 | 170,920 |
| Solid waste management | - | - | - | 326,337 | 326,337 |
| Permanent improvements | - | 1,896,655 | - | - | 1,896,655 |
| Total committed | <u>-</u> | <u>1,896,655</u> | <u>-</u> | <u>895,186</u> | <u>2,791,841</u> |
| Assigned to: | | | | | |
| Separation pay | 455,000 | - | - | - | 455,000 |
| 27 th pay | 135,000 | - | - | - | 135,000 |
| Other purposes | 285,618 | - | - | - | 285,618 |
| Total assigned | <u>875,618</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>875,618</u> |
| Unassigned (deficit) | <u>4,752,859</u> | <u>-</u> | <u>-</u> | <u>(56,562)</u> | <u>4,696,297</u> |
| Total fund balance | \$ <u>6,538,943</u> | \$ <u>1,896,655</u> | \$ <u>3,396,070</u> | \$ <u>5,307,453</u> | \$ <u>17,139,121</u> |

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 5: Accountability

There are deficits in the Springvale Golf Course and Ballroom Fund, the FEMA Grant Fund, and the Federal Grants Fund of \$1,814,179, \$5,751, and \$50,811, respectively. The deficit in the Springvale Golf Course and Ballroom Fund is the result of interfund loans which are used to finance the debt payments until resources are accumulated to repay the General Obligation Bond Retirement Fund. The deficits in the FEMA Grant Fund and the Federal Grants Fund are caused by the application of accounting principles generally accepted in the United States of America to these funds. The General Fund is liable for any deficits in these funds and provides operating transfers when cash is required, not when accruals occur.

Note 6: Budgetary Basis of Accounting

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

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

Net Change in Fund Balance

| | <u>General</u> | <u>Permanent Improvements</u> |
|--|----------------|-----------------------------------|
| GAAP basis | \$ 2,047,282 | \$ (185,214) |
| Increase (decrease) due to: | | |
| Revenue accruals | (103,264) | (27,660) |
| Expenditure accruals | (613,379) | 1,001 |
| Outstanding encumbrances | (519,630) | (84,371) |
| To reclassify the net change in fund balance for funds combined with the General Fund for GASB 54 | (79,957) | - |
| Budget basis | \$ 731,052 | \$ (296,244) |

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 7: Deposits and Investments

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

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

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

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

Interim monies can be invested in the following obligations:

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 7: Deposits and Investments (continued)

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

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

Deposits

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

At year-end, the carrying amount of the City's deposits was \$17,755,089 and the bank balance was \$18,102,270. Of the bank balance \$6,592,513 was covered by Federal depository insurance and \$11,509,757 was uninsured and collateralized with securities held by the pledging institution's trust department, not in the City's name.

Investments

Investments are reported at fair value. As of December 31, 2011, the City did not have any 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 no later than five years from purchase unless specifically matched to a specific cash flow.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 7: Deposits and Investments (continued)

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

Credit Risk is addressed by the City's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that portfolio be diversified both by types of investment and issuer.

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 8: Receivables

Receivables at December 31, 2011, consisted primarily of municipal income taxes, property and other taxes, accounts (billings for user charged services and court fines), and intergovernmental receivables arising from grants, entitlements and shared revenues.

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

A. Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2011 for real and public utility property taxes represents collections of the 2010 taxes.

2011 real property taxes are levied after October 1, 2011, on the assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2012. 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. 2011 public utility property taxes which became a lien on December 31, 2010, are levied after October 1, 2011, and are collected in 2012 with real property taxes.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 8: Receivables (continued)

A. Property Taxes (continued)

The full tax rate for all City operations for the year ended December 31, 2011, was \$13.30 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2011 property tax receipts were based as follows:

| | |
|-------------------------------|-----------------------|
| Real estate | |
| Residential/Agriculture | \$ 565,305,970 |
| Commercial/Industrial/Mineral | 260,412,960 |
| Public utility | <u>11,747,350</u> |
| Total valuation | \$ <u>837,466,280</u> |

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

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of North Olmsted. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2011 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 2011 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, 2011

Note 8: Receivables (continued)

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

| | <u>Amount</u> |
|------------------------------------|---------------------|
| Governmental activities: | |
| Local government | \$ 329,607 |
| Homestead and rollback | 608,576 |
| Gasoline tax | 523,000 |
| Estate tax | 326,882 |
| CAT tax reimbursement | 20,329 |
| Public utility reimbursement | 2,196 |
| Permissive tax | 17,833 |
| Court fines | 30,675 |
| Auto registration | 104,723 |
| North Olmsted City School District | 16,880 |
| Prisoner care reimbursement | 2,035 |
| Miscellaneous | 439 |
| Miscellaneous grants | 65,000 |
| EPA grant | 246,967 |
| SAFER grant | <u>36,575</u> |
| Total governmental activities | <u>2,331,717</u> |
| Business-type activities: | |
| Sewer charges | 2,327,988 |
| City of Fairview Park | <u>72,359</u> |
| Total business-type activities | <u>2,400,347</u> |
| Total | <u>\$ 4,732,064</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 \$72,359 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, 2011

Note 9: Capital Assets

A summary of changes in capital assets during 2011 follows:

| | <u>Balance</u> <u>12/31/10</u> | <u>Additions</u> | <u>Disposals</u> | <u>Balance</u> <u>12/31/11</u> |
|--|-----------------------------------|-----------------------|---------------------|-----------------------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 4,054,455 | \$ - | \$ - | \$ 4,054,455 |
| Art | 23,000 | - | - | 23,000 |
| Construction in progress | <u>18,986</u> | <u>185,905</u> | <u>(165,706)</u> | <u>39,185</u> |
| Total capital assets not being depreciated | <u>4,096,441</u> | <u>185,905</u> | <u>(165,706)</u> | <u>4,116,640</u> |
| Capital assets, being depreciated: | | | | |
| Land improvements | 953,428 | 401,224 | - | 1,354,652 |
| Buildings and improvements | 29,172,605 | 674,184 | (52,163) | 29,794,626 |
| Furniture and fixtures | 791,962 | - | - | 791,962 |
| Vehicles and equipment | 9,180,472 | 308,332 | (85,013) | 9,403,791 |
| Infrastructure: | | | | |
| Roads | 136,321,389 | 1,065,467 | (309,906) | 137,076,950 |
| Bridges and culverts | <u>3,101,565</u> | <u>-</u> | <u>-</u> | <u>3,101,565</u> |
| Total capital assets, being depreciated | <u>179,521,421</u> | <u>2,449,207</u> | <u>(447,082)</u> | <u>181,523,546</u> |
| Less accumulated depreciation: | | | | |
| Land improvements | (555,927) | (43,667) | - | (599,594) |
| Buildings and improvements | (13,734,294) | (772,660) | 52,162 | (14,454,792) |
| Furniture and fixtures | (621,916) | (51,652) | - | (673,568) |
| Vehicles and equipment | (7,120,250) | (408,053) | 85,013 | (7,443,290) |
| Infrastructure: | | | | |
| Roads | (90,556,442) | (5,983,614) | 261,328 | (96,278,728) |
| Bridges and culverts | <u>(1,594,258)</u> | <u>(74,255)</u> | <u>-</u> | <u>(1,668,513)</u> |
| Total accumulated depreciation | <u>(114,183,087)</u> | <u>(7,333,901)</u> | <u>398,503</u> | <u>(121,118,485)</u> |
| Total capital assets, being depreciated, net | <u>65,338,334</u> | <u>(4,884,694)</u> | <u>(48,579)</u> | <u>60,405,061</u> |
| Total governmental capital assets, net | \$ <u>69,434,775</u> | \$ <u>(4,698,789)</u> | \$ <u>(214,285)</u> | \$ <u>64,521,701</u> |

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 9: Capital Assets (continued)

| | <u>Balance</u> <u>12/31/10</u> | <u>Additions</u> | <u>Disposals</u> | <u>Balance</u> <u>12/31/11</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>1,232,247</u> | <u>588,636</u> | - | <u>1,820,883</u> |
| Total capital assets not being depreciated | <u>3,869,595</u> | <u>588,636</u> | - | <u>4,458,231</u> |
| Capital assets, being depreciated: | | | | |
| Land improvements | 1,177,489 | 377,082 | - | 1,554,571 |
| Buildings and improvements | 23,216,653 | 10,752 | - | 23,227,405 |
| Furniture and fixtures | 23,058 | - | - | 23,058 |
| Vehicles and equipment | 34,917,591 | 372,717 | (94,342) | 35,195,966 |
| Sanitary sewer lines | <u>14,064,897</u> | <u>58,846</u> | <u>(4,303)</u> | <u>14,119,440</u> |
| Total capital assets, being depreciated | <u>73,399,688</u> | <u>819,397</u> | <u>(98,645)</u> | <u>74,120,440</u> |
| Less accumulated depreciation: | | | | |
| Land improvements | (524,887) | (69,621) | - | (594,508) |
| Buildings and improvements | (16,611,295) | (416,322) | - | (17,027,617) |
| Furniture and fixtures | (23,058) | - | - | (23,058) |
| Vehicles and equipment | (24,684,860) | (816,343) | 91,884 | (25,409,319) |
| Sanitary sewer lines | <u>(8,031,530)</u> | <u>(277,786)</u> | <u>2,711</u> | <u>(8,306,605)</u> |
| Total accumulated depreciation | <u>(49,875,630)</u> | <u>(1,580,072)</u> | <u>94,595</u> | <u>(51,361,107)</u> |
| Total capital assets, being depreciated, net | <u>23,524,058</u> | <u>(760,675)</u> | <u>(4,050)</u> | <u>22,759,333</u> |
| Total business-type capital assets, net | \$ <u>27,393,653</u> | \$ <u>(172,039)</u> | \$ <u>(4,050)</u> | \$ <u>27,217,564</u> |

Depreciation expense was charged to governmental functions as follows:

| | |
|----------------------------------|---------------------|
| General government | \$ 428,911 |
| Security of persons and property | 396,374 |
| Transportation | 6,199,978 |
| Public health and welfare | 3,314 |
| Leisure time activities | <u>305,324</u> |
| Total | \$ <u>7,333,901</u> |

On July 18, 2011, the City sold the building site of the former North Olmsted Fire Station 2. The property, which was acquired by the City in 1956, had an original cost of \$56,162, and a book value of \$0 at the time of the sale. As a result, the City recognized the sale price of \$156,930 as a gain in 2011.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 10: Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional pension plan. For the year ended December 31, 2011, the members in state and local classifications of all three plans were required to contribute 10.0 percent of their annual covered salary to fund pension obligations. Public safety and law enforcement members contributed 11.0 percent and 11.6 percent, respectively. The employer contribution rate for state and local employers for 2011 is 14.0 percent of covered payroll. The law enforcement and public safety division employer contribution rate was 18.1 percent of covered payroll.

The City's required contributions for pension obligations to the Traditional and Combined Plans for the years ended December 31, 2011, 2010, and 2009 were \$705,180, \$627,223, and \$628,178, respectively, 92 percent has been contributed for 2011, the remaining 8 percent has been recorded as a liability and 100 percent of contributions have been made for 2010 and 2009. Contributions to the member-directed plan for 2011 were \$14,743 made by the City of North Olmsted and \$10,530 made by the plan members.

B. Ohio Police and Fire Pension Fund

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 10: Defined Benefit Pension Plans (continued)

B. Ohio Police and Fire Pension Fund (continued)

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 authorized by state statute. The City's contributions to OP&F for police and firefighters (not including health care contributions) were \$400,518 and \$465,726 for the year ended December 31, 2011, \$445,264 and \$498,199 for the year ended December 31, 2010, and \$469,825 and \$514,449 for the year ended December 31, 2009. The full amount has been contributed for 2010 and 2009. For 2011, 76.7 percent for police and 74.9 percent for firefighters has been contributed with the remainder being reported as a liability.

Note 11: Post-Employment Benefits

A. Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-retirement health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement 45.

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

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at a rate of 14 percent of covered payroll and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 11: Post-Employment Benefits (continued)

A. Ohio Public Employees Retirement System (continued)

OPERS' Post-Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of the post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent during calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent during calendar year 2011. The portion of employer contributions allocated to health care for the calendar year beginning January 1, 2012 remained the same, but they are subject to change based on Board action. Employers will be notified if the portion allocated to health care changes during calendar year 2012. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care for the years ended December 31, 2011, 2010, and 2009 were \$287,949, \$360,859, and \$454,882, respectively. The full amount has been contributed for 2010 and 2009. For 2011, 92 percent has been contributed for 2011 with the remainder being reported as a liability.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six-year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases 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 post-employment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

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

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 E. Town St., Columbus, Ohio 43215-5164.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 11: Post-Employment Benefits (continued)

B. Ohio Police and Fire Pension Fund (continued)

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2011, 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, 2011, 2010, and 2009 were \$612,413 and \$647,741, \$680,832 and \$692,905, and \$718,387 and \$715,506, respectively, of which \$211,895 and \$182,015, \$235,568 and \$194,706, and \$248,562 and \$201,057, respectively, was allocated to the health care plan. The full amount has been contributed for 2010 and 2009. For 2011, 76.7 percent for police and 74.9 percent for firefighters has been contributed, with the remainder being reported as a liability.

Note 12: Risk Management

A. Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. By maintaining comprehensive insurance coverage with private carriers, the City has addressed these various types of risk. There were no reductions in insurance coverage from the previous year. Settled claims have not exceeded this commercial coverage in any of the past three years.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 12: Risk Management (continued)

B. Health Insurance Benefits

The City provides health, dental and vision insurance to its employees through a self-insurance plan. The City pays the monthly premium for the self-insurance plan. The City contracts with a third-party administrator to direct this program. During 2011, self-insurance was in effect for claims up to \$75,000 per covered individual and \$2,482,417 in aggregate. This aggregate includes both medical and drug coverage. Claims in excess of this aggregated amount are insured by private carriers.

The claims liability of \$170,432 as estimated by the third-party administrator and reported in the Hospitalization Internal Service Fund at December 31, 2011, 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 2011 and 2010 were as follows:

| | <u>2011</u> | <u>2010</u> |
|----------------------------------|--------------------|--------------------|
| Unpaid claims, beginning of year | \$ 172,565 | \$ 246,081 |
| Incurred claims and adjustments | 1,588,053 | 1,541,400 |
| Claims payments | <u>(1,590,186)</u> | <u>(1,614,916)</u> |
| Unpaid claims, end of year | <u>\$ 170,432</u> | <u>\$ 172,565</u> |

C. Workers' Compensation Program

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

The claims liability of \$188,945 reported in the Workers' Compensation Self-Insurance Internal Service Fund is based on the requirements of Governmental Standards Board No. 30, which requires a liability for the unpaid claims costs, including estimates of costs relating to incurred but not report claims, be reported. Changes in the Fund's claims liability amount in 2011 and 2010 were as follows:

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 12: Risk Management (continued)

C. Workers' Compensation Program (continued)

| | <u>2011</u> | <u>2010</u> |
|----------------------------------|-------------------|------------------|
| Unpaid claims, beginning of year | \$ 70,928 | \$ 109,513 |
| Incurred claims and adjustments | 191,100 | 4,677 |
| Claims payments | <u>(73,083)</u> | <u>(43,262)</u> |
| Unpaid claims, end of year | <u>\$ 188,945</u> | <u>\$ 70,928</u> |

Note 13: Long-Term Obligations

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

| | <u>Original Issue Date</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Original Issue Amount</u> |
|---|--------------------------------|--------------------------|--------------------------|----------------------------------|
| Governmental activities: | | | | |
| General obligation bonds: | | | | |
| Various purpose, series 1996 | 1996 | 2016 | 3.70-6.20% | \$ 21,655,000 |
| 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 |
| Street improvement bonds | 2010 | 2020 | 1.75-4.00 | 3,715,000 |
| OPWC street loan | 1994 | 2014 | 0.0 | 272,240 |
| Police pension | 1968 | 2031 | 4.25 | 272,250 |
| Long-term bond anticipation notes | 2011 | 2012 | 0.809 | 880,000 |
| Business-type activities: | | | | |
| General obligation bonds: | | | | |
| Various purpose, series 1996 | 1996 | 2021 | 3.70-6.20% | \$ 20,550,000 |
| 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 |
| Sewer truck bonds | 2010 | 2020 | 1.75-4.00 | 290,000 |
| OWDA sanitary sewer loan | 1997 | 2017 | 4.12 | 1,060,795 |
| OWDA sanitary sewer loan | 2008 | 2014 | 3.20 | 50,000 |
| OWDA sanitary sewer loan | 2009 | 2015 | 3.20 | 1,235,383 |
| OPWC sanitary sewer loan | 1994 | 2014 | 0.0 | 2,610,456 |
| Long-term bond anticipation notes | 2011 | 2012 | 0.809 | 485,000 |

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 13: Long-Term Obligations (continued)

Changes in long-term obligations during the year ended December 31, 2011, consisted of the following:

| | Balance 12/31/10 | Increase | Decrease | Balance 12/31/11 | Amounts Due in One Year |
|--|----------------------|---------------------|---------------------|----------------------|----------------------------|
| Governmental activities: | | | | | |
| General obligation bonds: | | | | | |
| Various purpose bonds 1996 | \$ 1,405,000 | \$ - | \$ 1,405,000 | \$ - | \$ - |
| Various purpose bonds 2001 | 305,000 | - | 165,000 | 140,000 | 140,000 |
| Various purpose bonds refunding | 8,996,000 | - | 89,000 | 8,907,000 | 1,518,000 |
| Premium on various purpose bonds | 132,984 | - | 12,090 | 120,894 | - |
| Loss on refunding | (152,993) | - | (13,908) | (139,085) | - |
| Total various purpose bonds | <u>10,685,991</u> | <u>-</u> | <u>1,657,182</u> | <u>9,028,809</u> | <u>1,658,000</u> |
| Library improvements refunding | 6,735,000 | - | 550,000 | 6,185,000 | 570,000 |
| Premium on library improvements bonds | 310,128 | - | 31,013 | 279,115 | - |
| Loss on refunding | (231,256) | - | (23,125) | (208,131) | - |
| Total library improvements bonds | <u>6,813,872</u> | <u>-</u> | <u>557,888</u> | <u>6,255,984</u> | <u>570,000</u> |
| Refunding 2001 | 1,670,000 | - | 815,000 | 855,000 | 855,000 |
| Capital improvements bonds | 4,405,000 | - | 645,000 | 3,760,000 | 475,000 |
| Fire station improvement bonds | 3,325,000 | - | 160,000 | 3,165,000 | 165,000 |
| Street improvement bonds | 3,715,000 | - | 145,000 | 3,570,000 | 145,000 |
| Premium on street improvement bonds | 168,945 | - | 16,895 | 152,050 | - |
| Total general obligation bonds | 30,783,808 | - | 3,996,965 | 26,786,843 | 3,868,000 |
| OPWC street loan | 40,837 | - | 13,613 | 27,224 | 13,612 |
| Police pension liability | 93,801 | - | 2,950 | 90,851 | 3,077 |
| Long-term notes | - | 880,000 | - | 880,000 | 187,300 |
| Claims payable | 243,493 | 1,779,153 | 1,663,269 | 359,377 | 312,141 |
| Capital lease payable | 51,989 | - | 11,937 | 40,052 | 12,619 |
| Compensated absences payable | 4,527,146 | 921,510 | 969,453 | 4,479,203 | 1,542,648 |
| Total governmental activities | <u>\$ 35,741,074</u> | <u>\$ 3,580,663</u> | <u>\$ 6,658,187</u> | <u>\$ 32,663,550</u> | <u>\$ 5,939,397</u> |
| Business - type activities: | | | | | |
| General obligation bonds: | | | | | |
| Various purpose bonds 1996 | \$ 1,160,000 | \$ - | \$ 1,160,000 | \$ - | \$ - |
| Golf course improvements | 235,000 | - | 115,000 | 120,000 | 120,000 |
| Various purpose and golf course improvements bonds refunding | 10,369,000 | - | 76,000 | 10,293,000 | 1,307,000 |
| Unamortized premium | 153,474 | - | 13,952 | 139,522 | - |
| Unamortized loss | (243,166) | - | (22,107) | (221,059) | - |
| Total various purpose and golf course improvements bonds | 11,674,308 | - | 1,342,845 | 10,331,463 | 1,427,000 |
| Capital improvement bonds | 225,000 | - | 35,000 | 190,000 | 35,000 |
| Sewer truck bonds | 290,000 | - | 55,000 | 235,000 | 55,000 |
| Unamortized premium | 9,538 | - | 954 | 8,584 | - |
| Golf course and ballroom improvement bonds | 24,000 | - | 24,000 | - | - |
| Total general obligation bonds | 12,222,846 | - | 1,457,799 | 10,765,047 | 1,517,000 |
| OWDA sanitary sewer loans | 1,436,697 | 748,054 | 70,589 | 2,114,162 | 73,434 |
| OPWC sanitary sewer loan | 651,668 | - | 130,333 | 521,335 | 130,333 |
| Long-term notes | - | 485,000 | - | 485,000 | 60,700 |
| Capital lease payable | 3,427 | - | 774 | 2,653 | 815 |
| Compensated absences payable | 540,493 | 122,509 | 185,519 | 477,483 | 204,315 |
| Total business - type activities | <u>\$ 14,855,131</u> | <u>\$ 1,355,563</u> | <u>\$ 1,845,014</u> | <u>\$ 14,365,680</u> | <u>\$ 1,986,597</u> |

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 13: Long-Term Obligations (continued)

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

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

During the year, the City obtained partial proceeds from an Ohio Water Development Authority ("OWDA") loan that relates to the waste water treatment plant improvements to be repaid in semi-annual principal and interest payments beginning in 2013. The City has not yet collected the total proceeds to be received on this loan and as a result, the debt maturity 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 basic financial statements. At December 31, 2011, \$25,510,000 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, 2011, \$885,000 of bonds outstanding are considered to be defeased.

Long-term notes payable at December 31, 2011, consisted of Capital Improvement and Equipment Notes. The notes have a term of one year or less. The notes were issued in anticipation of bonds to provide funds to pay for road improvements, golf course improvements, recreation improvements, various golf course equipment, and a vehicle and equipment for the emergency rescue squad. The notes are dated June 8, 2011 and are due on June 8, 2012 at an interest rate of 0.809%.

The City's overall legal debt margin was \$63,507,762 at December 31, 2011.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 13: Long-Term Obligations (continued)

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2011, are as follows:

| Year | Governmental Activities | | | |
|-----------|--------------------------|---------------------|------------------|--|
| | General Obligation Bonds | | OPWC Loans | |
| | Principal | Interest | Principal | |
| 2012 | \$ 3,868,000 | \$ 1,170,295 | \$ 13,612 | |
| 2013 | 3,372,000 | 1,008,898 | 13,612 | |
| 2014 | 3,452,000 | 875,691 | - | |
| 2015 | 3,572,000 | 713,516 | - | |
| 2016 | 3,577,000 | 560,013 | - | |
| 2017-2021 | 7,611,000 | 1,578,391 | - | |
| 2022-2026 | 1,130,000 | 226,000 | - | |
| Totals | \$ <u>26,582,000</u> | \$ <u>6,132,804</u> | \$ <u>27,224</u> | |

| Year | Governmental Activities | | Total | |
|-----------|-------------------------|------------------|-------------------------|---------------------|
| | Police Pension | | Governmental Activities | |
| | Principal | Interest | Principal | Interest |
| 2012 | \$ 3,077 | \$ 3,829 | \$ 3,884,689 | \$ 1,174,124 |
| 2013 | 3,209 | 3,697 | 3,388,821 | 1,012,595 |
| 2014 | 3,347 | 3,559 | 3,455,347 | 879,250 |
| 2015 | 3,490 | 3,415 | 3,575,490 | 716,931 |
| 2016 | 3,640 | 3,265 | 3,580,640 | 563,278 |
| 2017-2021 | 20,686 | 13,842 | 7,631,686 | 1,592,233 |
| 2022-2026 | 25,525 | 9,000 | 1,155,525 | 235,000 |
| 2027-2031 | 27,877 | 3,032 | 27,877 | 3,032 |
| Totals | \$ <u>90,851</u> | \$ <u>43,639</u> | \$ <u>26,700,075</u> | \$ <u>6,176,443</u> |

| Year | Business-Type Activities | | | |
|-----------|--------------------------|---------------------|-------------------|------------------|
| | General Obligation Bonds | | OWDA Loans | |
| | Principal | Interest | Principal | Interest |
| 2012 | \$ 1,517,000 | \$ 466,727 | \$ 73,434 | \$ 15,853 |
| 2013 | 1,598,000 | 406,085 | 76,384 | 12,893 |
| 2014 | 1,673,000 | 341,636 | 74,033 | 9,811 |
| 2015 | 1,763,000 | 259,086 | 71,508 | 4,168 |
| 2016 | 1,788,000 | 181,101 | 74,484 | 3,891 |
| 2017-2021 | 2,499,000 | 320,892 | 38,397 | 791 |
| Totals | \$ <u>10,838,000</u> | \$ <u>1,975,527</u> | \$ <u>408,240</u> | \$ <u>47,407</u> |

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 13: Long-Term Obligations (continued)

| Year | Business-Type Activities | | Total | |
|-----------|--------------------------|--|--------------------------|---------------------|
| | OPWC Loans | | Business-Type Activities | |
| | Principal | | Principal | Interest |
| 2012 | \$ 130,333 | | \$ 1,720,767 | \$ 482,580 |
| 2013 | 130,334 | | 1,804,718 | 418,978 |
| 2014 | 130,334 | | 1,877,367 | 351,447 |
| 2015 | 130,334 | | 1,964,842 | 263,254 |
| 2016 | - | | 1,862,484 | 184,992 |
| 2017-2021 | - | | <u>2,537,397</u> | <u>321,683</u> |
| Totals | \$ <u>521,335</u> | | \$ <u>11,767,575</u> | \$ <u>2,022,934</u> |

Note 14: Lease Obligations

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

The original amounts capitalized for the capital leases and the book value as of December 31, 2011 follows:

| | Governmental Activities | Business-Type Activities |
|--------------------------------|-------------------------|--------------------------|
| Assets: | | |
| Vehicles and equipment | \$ 59,763 | \$ 4,103 |
| Less: accumulated depreciation | <u>(12,807)</u> | <u>(879)</u> |
| Current book value | \$ <u>46,956</u> | \$ <u>3,224</u> |

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2011.

| Year | Governmental Activities | Business-Type Activities |
|---|-------------------------|--------------------------|
| 2012 | \$ 14,487 | \$ 932 |
| 2013 | 14,487 | 932 |
| 2014 | 13,723 | 932 |
| 2015 | <u>823</u> | <u>78</u> |
| Total minimum lease payments | 43,520 | 2,874 |
| Less: amount representing interest | <u>(3,468)</u> | <u>(221)</u> |
| Present value of minimum lease payments | \$ <u>40,052</u> | \$ <u>2,653</u> |

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 14: Lease Obligations (continued)

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, 2011.

| <u>Year</u> | <u>Governmental Activities</u> |
|------------------------------|------------------------------------|
| 2011 | \$ 1,447 |
| 2012 | <u>598</u> |
| Total minimum lease payments | \$ <u><u>2,045</u></u> |

The total costs for operating leases in 2011 were \$1,447 and \$69,650 for governmental activities and business-type activities, respectively.

Note 15: Compensated Absences

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

Note 16: Subsequent Events

On January 5, 2012, the City received approval from Ohio Environmental Protection Agency and Ohio Water Development Authority for Water Pollution Control Loan Fund assistance for the purpose of improvements to the City's wastewater collection system. The amount committed was up to \$10,079,074, at an interest rate of 2.8% for twenty years. The final payment schedule will be determined when the total loan is disbursed or the project is completed, whichever is earlier. The City did not complete the project or receive any funds from this loan in 2011.

On April 4, 2012, the City issued \$2,890,000 in capital improvement and equipment bond anticipation notes for the purposes of refinancing 2011 series notes and for improving certain designated City streets, acquiring fire equipment, acquiring technology software and hardware, acquiring a Vactor truck, and improving city-owned parking lots. The notes mature on February 17, 2013 and have an interest rate of 0.75%.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 17: Construction and Other Significant Commitments

At December 31, 2011, the City's significant contractual commitments consisted of:

| Project | Contract Amount | Amount Paid | Remaining on Contract |
|--|--------------------|----------------|--------------------------|
| Building Improvements: | | | |
| North Olmsted facilities energy conservation project | \$ 170,955 | \$ - | \$ 170,955 |
| Construction: | | | |
| Broxbourne Lift Station upgrades | 24,893 | - | 24,893 |
| Bridge lighting | 24,850 | - | 24,850 |
| Total Construction | 49,743 | - | 49,743 |
| Equipment: | | | |
| Ambulance | 198,110 | - | 198,110 |
| Snow plow package | 48,051 | - | 48,051 |
| WWTP dump truck | 96,781 | - | 96,781 |
| WWTP hook lift | 68,883 | - | 68,883 |
| Total equipment | 411,825 | - | 411,825 |
| Other Studies and Services: | | | |
| Pavement rehabilitation project | 92,000 | 76,029 | 15,971 |
| Catch basin cleaning | 57,028 | - | 57,028 |
| Butternut Historic District study | 15,000 | - | 15,000 |
| Economic development services | 40,000 | 23,648 | 16,352 |
| Total other studies and services | 204,028 | 99,677 | 104,351 |
| Total commitments | \$ 836,551 | \$ 99,677 | \$ 736,874 |

Note 18: Interfund Transfers and Balances

A. Interfund Transfers

Interfund transfers for the year ended December 31, 2011 consisted of the following:

| | Transfer From | | | | | Total |
|---|-----------------|-----------------------------------|------------------------------------|--|--------------------------|--------------|
| | General Fund | Permanent Improvements Fund | Non-major Governmental Funds | Springvale Golf and Ballroom Fund | Sewer Revenue Fund | |
| Transfer to: | | | | | | |
| General Fund | \$ - | \$ - | \$ 17,306 | \$ 8,436 | \$ 54,215 | \$ 79,957 |
| Permanent Improvement Fund | - | - | 500,000 | - | - | 500,000 |
| General Obligation Bond Retirement Fund | - | 1,733,134 | 149,858 | - | - | 1,882,992 |
| Non-major Governmental Funds | 291,115 | 150,000 | 243,809 | - | - | 684,924 |
| Total | \$ 291,115 | \$ 1,883,134 | \$ 910,973 | \$ 8,436 | \$ 54,215 | \$ 3,147,873 |

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 18: Interfund Transfers and Balances (continued)

A. Interfund Transfers (continued)

The transfers to the General Fund were made in accordance with Ohio Revised Code section 5705.13(B). The transfers to the General Obligation Bond Retirement Fund were made for the payment of debt. The transfer from the non-major governmental funds to the Permanent Improvement Fund was to fund paving projects using intergovernmental revenues restricted for the same purposes. The transfer from the Permanent Improvement Fund to the non-major governmental funds was made to fund the local portion of a construction project funding with grant monies. The transfers from non-major governmental funds to non-major governmental funds consisted of transfers for the purposes of funding the City's share of the Emergency Food Pantry relocation, to fund the costs of a capital project in accordance with 5705.13(C), and to fund the costs of a new recreation center roof with funds restricted to the same purpose.

B. Interfund Balances

As of December 31, 2011, interfund balances were as follows:

| | Receivable | | Payable | |
|--|---------------------|---------------------------|---------------------|-----------------------------|
| | Interfund | Advance to Other Funds | Interfund | Advance from Other Funds |
| Major Funds: | | | | |
| General Fund | \$ 142,198 | \$ 568,984 | \$ - | \$ - |
| General Obligation Bond Retirement Fund | 2,328,206 | - | - | - |
| Non-major Funds: | | | | |
| Community Diversion Fund | - | - | 6,000 | - |
| FEMA Fund | - | - | 71,198 | - |
| Federal Grants Fund | - | - | 65,000 | - |
| Total Governmental Activities | <u>2,470,404</u> | <u>568,984</u> | <u>142,198</u> | <u>-</u> |
| Business-Type Activities: | | | | |
| Springvale Golf Course and Ballroom Fund | - | - | 2,260,780 | 470,974 |
| Sewer Fund | - | - | 67,426 | 98,010 |
| Total Business-Type Activities | <u>-</u> | <u>-</u> | <u>2,328,206</u> | <u>568,984</u> |
| Total | <u>\$ 2,470,404</u> | <u>\$ 568,984</u> | <u>\$ 2,470,404</u> | <u>\$ 568,984</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 Diversion Fund, FEMA Fund, and Federal Grants Fund were to help pay operating expenses for these reimbursement grants.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 19: Jointly Governed Organizations

West Shore Council of Governments

The West Shore Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The Board is comprised of one member from each of the six participating entities. The Board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the Board. Each city's degree of control is limited to its representation on the Board. In 2011, the City contributed \$57,820. 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.

Note 20: Contingent Liabilities

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

Note 21: Component Unit

A. Summary of Significant Accounting Policies

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

The N.O.C.O.P. is exempt under Internal Revenue Code Section 501(c) (3) from Federal income tax. It is also currently exempt from Federal unemployment tax and Ohio franchise, personal property, and sales taxes.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Note 21: Component Unit (continued)

A. Summary of Significant Accounting Policies (continued)

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.

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.

At December 31, 2011, all of the assets of the N.O.C.O.P. are unrestricted.

Intergovernmental Receivables - Intergovernmental receivables are derived from the monthly shared cost of services among the three communities. At December 31, 2011, intergovernmental receivables were reported at \$13,388.

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 \$37,136 and the bank balance was \$37,136, all of which was covered by the Federal Deposit Insurance Coverage (FDIC).

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Non-Major Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

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.

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2011

Non-Major Special Revenue Funds (continued)

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

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

Non-Major Debt Service Funds

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

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

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

Non-Major Capital Projects Funds

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

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

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

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

Non-Major Internal Service Funds

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

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

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Governmental Funds

December 31, 2011

| | 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 | \$ 2,976,504 | \$ 1,302,450 | \$ 864,958 | \$ 5,143,912 |
| Income taxes receivable | 462,171 | - | - | 462,171 |
| Taxes receivable - property and other | 1,362,953 | 1,122,549 | - | 2,485,502 |
| Intergovernmental receivable | 848,054 | 68,576 | - | 916,630 |
| Accounts receivable | 1,978 | - | - | 1,978 |
| Prepaid items | 16,322 | - | - | 16,322 |
| Total assets | <u>\$ 5,667,982</u> | <u>\$ 2,493,575</u> | <u>\$ 864,958</u> | <u>\$ 9,026,515</u> |
| Liabilities and fund balances: | | | | |
| Liabilities: | | | | |
| Accounts and contracts payable | \$ 132,120 | \$ - | \$ 67,110 | \$ 199,230 |
| Accrued wages and benefits | 43,633 | - | - | 43,633 |
| Intergovernmental payable | 35,109 | - | - | 35,109 |
| Interfund payable | 142,198 | - | - | 142,198 |
| Deferred revenue | <u>2,107,767</u> | <u>1,191,125</u> | <u>-</u> | <u>3,298,892</u> |
| Total liabilities | <u>2,460,827</u> | <u>1,191,125</u> | <u>67,110</u> | <u>3,719,062</u> |
| Fund balances: | | | | |
| Nonspendable | 16,322 | - | - | 16,322 |
| Restricted | 2,352,209 | 1,302,450 | 797,848 | 4,452,507 |
| Committed | 895,186 | - | - | 895,186 |
| Unassigned (deficit) | <u>(56,562)</u> | <u>-</u> | <u>-</u> | <u>(56,562)</u> |
| Total fund balances | <u>3,207,155</u> | <u>1,302,450</u> | <u>797,848</u> | <u>5,307,453</u> |
| Total liabilities and fund balances | <u>\$ 5,667,982</u> | <u>\$ 2,493,575</u> | <u>\$ 864,958</u> | <u>\$ 9,026,515</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, 2011

| | 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 | \$ 1,563,171 | \$ 1,090,634 | \$ - | \$ 2,653,805 |
| Municipal income taxes | 1,851,967 | - | - | 1,851,967 |
| Charges for services | 1,299,009 | - | - | 1,299,009 |
| Fines, licenses and permits | 270,452 | - | 3,025 | 273,477 |
| Intergovernmental | 2,192,241 | 141,281 | 134,839 | 2,468,361 |
| Investment income | 2,482 | - | - | 2,482 |
| Miscellaneous income | 168,201 | - | 1,195 | 169,396 |
| Total revenues | <u>7,347,523</u> | <u>1,231,915</u> | <u>139,059</u> | <u>8,718,497</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 164,923 | 2,152 | - | 167,075 |
| Security of persons and property | 1,303,902 | - | - | 1,303,902 |
| Public health and welfare | 227,536 | - | - | 227,536 |
| Transportation | 1,350,455 | - | - | 1,350,455 |
| Basic utility services | 2,094,252 | - | - | 2,094,252 |
| Leisure time activities | 2,287,806 | - | - | 2,287,806 |
| Economic development | 78,445 | - | - | 78,445 |
| Capital outlay | - | - | 376,161 | 376,161 |
| Debt service: | | | | |
| Principal | 2,065 | 710,000 | - | 712,065 |
| Interest and fiscal charges | 421 | 490,251 | - | 490,672 |
| Issuance costs | 2,000 | - | 2,000 | 4,000 |
| Total expenditures | <u>7,511,805</u> | <u>1,202,403</u> | <u>378,161</u> | <u>9,092,369</u> |
| Excess (deficiency) of revenues over expenditures | <u>(164,282)</u> | <u>29,512</u> | <u>(239,102)</u> | <u>(373,872)</u> |
| Other financing sources (uses): | | | | |
| Proceeds from sale of debt | 73,000 | - | 202,000 | 275,000 |
| Sale of capital assets | 731 | - | 156,930 | 157,661 |
| Transfers - in | 522,565 | - | 162,359 | 684,924 |
| Transfers - out | (829,523) | - | (81,450) | (910,973) |
| Total other financing sources (uses) | <u>(233,227)</u> | <u>-</u> | <u>439,839</u> | <u>206,612</u> |
| Net change in fund balances | (397,509) | 29,512 | 200,737 | (167,260) |
| Fund balances, beginning of year | <u>3,604,664</u> | <u>1,272,938</u> | <u>597,111</u> | <u>5,474,713</u> |
| Fund balances, end of year | \$ <u>3,207,155</u> | \$ <u>1,302,450</u> | \$ <u>797,848</u> | \$ <u>5,307,453</u> |

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Special Revenue Funds

December 31, 2011

| | <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 | \$ 101,774 | \$ 115,787 | \$ 17,537 | \$ 50,144 | \$ 55,637 | \$ 18,644 |
| Income taxes receivable | - | - | - | - | - | - |
| Taxes receivable - property and other | - | - | - | - | - | - |
| Intergovernmental receivable | - | - | 25 | - | 36,575 | 65,000 |
| Accounts receivable | - | - | - | - | - | - |
| Prepaid items | - | - | - | - | - | - |
| Total assets | <u>\$ 101,774</u> | <u>\$ 115,787</u> | <u>\$ 17,562</u> | <u>\$ 50,144</u> | <u>\$ 92,212</u> | <u>\$ 83,644</u> |
| Liabilities and fund balances: | | | | | | |
| Liabilities: | | | | | | |
| Accounts and contracts payable | \$ - | \$ - | \$ - | \$ 500 | \$ - | \$ 4,455 |
| Accrued wages and benefits | - | - | - | - | 6,844 | - |
| Intergovernmental payable | - | - | - | - | 12,419 | - |
| Interfund payable | - | - | - | - | 71,198 | 65,000 |
| Deferred revenue | - | - | - | - | 7,502 | 65,000 |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>500</u> | <u>97,963</u> | <u>134,455</u> |
| Fund balances: | | | | | | |
| Nonspendable | - | - | - | - | - | - |
| Restricted | - | 115,787 | 17,562 | - | - | - |
| Committed | 101,774 | - | - | 49,644 | - | - |
| Unassigned (deficit) | - | - | - | - | (5,751) | (50,811) |
| Total fund balances (deficit) | <u>101,774</u> | <u>115,787</u> | <u>17,562</u> | <u>49,644</u> | <u>(5,751)</u> | <u>(50,811)</u> |
| Total liabilities and fund balances | <u>\$ 101,774</u> | <u>\$ 115,787</u> | <u>\$ 17,562</u> | <u>\$ 50,144</u> | <u>\$ 92,212</u> | <u>\$ 83,644</u> |

| <u>Motor Vehicle License Tax</u> | <u>Recreation</u> | <u>Clague Park</u> | <u>Hotel/ Motel Tax</u> | <u>Emergency Medical Services</u> | <u>State Highway</u> | <u>Street Maintenance</u> |
|--|---------------------|------------------------|-----------------------------|---|--------------------------|-------------------------------|
| \$ 93,990 | \$ 182,219 | \$ 3,065 | \$ 216,553 | \$ 2,773 | \$ 513,377 | \$ 645,940 |
| - | - | - | - | - | - | - |
| - | 898,039 | - | 15,894 | - | - | - |
| 17,833 | 54,861 | - | - | - | 44,856 | 582,867 |
| - | 1,978 | - | - | - | - | - |
| - | 16,322 | - | - | - | - | - |
| <u>\$ 111,823</u> | <u>\$ 1,153,419</u> | <u>\$ 3,065</u> | <u>\$ 232,447</u> | <u>\$ 2,773</u> | <u>\$ 558,233</u> | <u>\$ 1,228,807</u> |
| \$ - | \$ 87,152 | \$ - | \$ 13,718 | \$ - | \$ 860 | \$ 20,551 |
| - | 23,068 | - | - | - | - | 11,922 |
| - | 12,490 | - | - | - | - | 3,733 |
| - | - | - | - | - | - | - |
| 945 | 952,900 | - | - | - | 29,390 | 392,130 |
| <u>945</u> | <u>1,075,610</u> | <u>-</u> | <u>13,718</u> | <u>-</u> | <u>30,250</u> | <u>428,336</u> |
| - | 16,322 | - | - | - | - | - |
| 110,878 | 61,487 | - | - | 2,773 | 527,983 | 800,471 |
| - | - | 3,065 | 218,729 | - | - | - |
| - | - | - | - | - | - | - |
| <u>110,878</u> | <u>77,809</u> | <u>3,065</u> | <u>218,729</u> | <u>2,773</u> | <u>527,983</u> | <u>800,471</u> |
| <u>\$ 111,823</u> | <u>\$ 1,153,419</u> | <u>\$ 3,065</u> | <u>\$ 232,447</u> | <u>\$ 2,773</u> | <u>\$ 558,233</u> | <u>\$ 1,228,807</u> |

(Continued)

City of North Olmsted, Ohio

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

December 31, 2011

| | <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 | \$ 47,822 | \$ 20,688 | \$ 22,330 | \$ 240,063 | \$ 248,303 |
| Income taxes receivable | 462,171 | - | - | - | - |
| Taxes receivable - property and other | - | - | - | - | - |
| Intergovernmental receivable | - | - | - | - | - |
| Accounts receivable | - | - | - | - | - |
| Prepaid items | - | - | - | - | - |
| Total assets | <u>\$ 509,993</u> | <u>\$ 20,688</u> | <u>\$ 22,330</u> | <u>\$ 240,063</u> | <u>\$ 248,303</u> |
| Liabilities and fund balances: | | | | | |
| Liabilities: | | | | | |
| Accounts and contracts payable | \$ 206 | \$ 146 | \$ - | \$ 2,003 | \$ 55 |
| Accrued wages and benefits | - | 495 | - | - | 962 |
| Intergovernmental payable | - | 185 | - | - | 215 |
| Interfund payable | - | 6,000 | - | - | - |
| Deferred revenue | <u>183,450</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>183,656</u> | <u>6,826</u> | <u>-</u> | <u>2,003</u> | <u>1,232</u> |
| Fund balances: | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | - | 13,862 | 22,330 | 238,060 | 247,071 |
| Committed | 326,337 | - | - | - | - |
| Unassigned (deficit) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund balances (deficit) | <u>326,337</u> | <u>13,862</u> | <u>22,330</u> | <u>238,060</u> | <u>247,071</u> |
| Total liabilities and fund balances | <u>\$ 509,993</u> | <u>\$ 20,688</u> | <u>\$ 22,330</u> | <u>\$ 240,063</u> | <u>\$ 248,303</u> |

| <u>Fire Pension</u> | <u>Law Enforcement</u> | <u>Stop Program</u> | <u>Police Pension</u> | <u>Senior Center</u> | <u>Title III</u> | <u>Public Way Management</u> | <u>Total</u> |
|---------------------|------------------------|---------------------|-----------------------|----------------------|------------------|------------------------------|---------------------|
| \$ 39,516 | \$ 20,621 | \$ 157,628 | \$ 58,308 | \$ 26,625 | \$ 40,512 | \$ 36,648 | \$ 2,976,504 |
| - | - | - | - | - | - | - | 462,171 |
| 224,510 | - | - | 224,510 | - | - | - | 1,362,953 |
| 13,715 | - | 18,607 | 13,715 | - | - | - | 848,054 |
| - | - | - | - | - | - | - | 1,978 |
| - | - | - | - | - | - | - | 16,322 |
| <u>\$ 277,741</u> | <u>\$ 20,621</u> | <u>\$ 176,235</u> | <u>\$ 296,533</u> | <u>\$ 26,625</u> | <u>\$ 40,512</u> | <u>\$ 36,648</u> | <u>\$ 5,667,982</u> |
| \$ - | \$ - | \$ - | \$ - | \$ 1,908 | \$ - | \$ 566 | \$ 132,120 |
| - | - | - | - | - | 342 | - | 43,633 |
| - | 645 | 5,315 | - | - | 107 | - | 35,109 |
| - | - | - | - | - | - | - | 142,198 |
| <u>238,225</u> | <u>-</u> | <u>-</u> | <u>238,225</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,107,767</u> |
| <u>238,225</u> | <u>645</u> | <u>5,315</u> | <u>238,225</u> | <u>1,908</u> | <u>449</u> | <u>566</u> | <u>2,460,827</u> |
| - | - | - | - | - | - | - | 16,322 |
| 39,516 | 19,976 | - | 58,308 | - | 40,063 | 36,082 | 2,352,209 |
| - | - | 170,920 | - | 24,717 | - | - | 895,186 |
| - | - | - | - | - | - | - | (56,562) |
| <u>39,516</u> | <u>19,976</u> | <u>170,920</u> | <u>58,308</u> | <u>24,717</u> | <u>40,063</u> | <u>36,082</u> | <u>3,207,155</u> |
| <u>\$ 277,741</u> | <u>\$ 20,621</u> | <u>\$ 176,235</u> | <u>\$ 296,533</u> | <u>\$ 26,625</u> | <u>\$ 40,512</u> | <u>\$ 36,648</u> | <u>\$ 5,667,982</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, 2011

| | Casualty Loss | CDBG | Alcohol Education | Economic Development | FEMA Grant | Federal Grants |
|--|-------------------|-------------------|----------------------|-------------------------|-------------------|--------------------|
| Revenues: | | | | | | |
| Property and other local taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Municipal income taxes | - | - | - | - | - | - |
| Charges for services | 56,694 | - | - | 1,500 | - | - |
| Fines, licenses and permits | - | - | 2,479 | - | - | - |
| Intergovernmental | - | 105,000 | - | - | 279,957 | 8,544 |
| Investment income | - | - | - | - | - | - |
| Miscellaneous income | - | - | - | 19,706 | - | - |
| Total revenues | <u>56,694</u> | <u>105,000</u> | <u>2,479</u> | <u>21,206</u> | <u>279,957</u> | <u>8,544</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | 73,274 | - | - | - | - | 64,999 |
| Security of persons and property | 15,000 | - | 2,624 | - | 285,576 | 884 |
| Public health and welfare | - | 145,569 | - | - | - | 10,320 |
| Transportation | - | - | - | - | - | - |
| Basic utility services | - | - | - | - | - | - |
| Leisure time activities | - | - | - | - | - | - |
| Economic development | - | 41,771 | - | 22,419 | - | 14,255 |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - |
| Issuance costs | - | - | - | - | - | - |
| Total expenditures | <u>88,274</u> | <u>187,340</u> | <u>2,624</u> | <u>22,419</u> | <u>285,576</u> | <u>90,458</u> |
| Excess (deficiency) of revenues over expenditures | <u>(31,580)</u> | <u>(82,340)</u> | <u>(145)</u> | <u>(1,213)</u> | <u>(5,619)</u> | <u>(81,914)</u> |
| Other financing sources (uses): | | | | | | |
| Proceeds from sale of debt | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - |
| Transfers - in | 75,000 | 169,200 | - | - | - | 1,115 |
| Transfers - out | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>75,000</u> | <u>169,200</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,115</u> |
| Net change in fund balances | 43,420 | 86,860 | (145) | (1,213) | (5,619) | (80,799) |
| Fund balances (deficit), beginning of year | <u>58,354</u> | <u>28,927</u> | <u>17,707</u> | <u>50,857</u> | <u>(132)</u> | <u>29,988</u> |
| Fund balances (deficit), end of year | \$ <u>101,774</u> | \$ <u>115,787</u> | \$ <u>17,562</u> | \$ <u>49,644</u> | \$ <u>(5,751)</u> | \$ <u>(50,811)</u> |

| <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> |
|----------------------------------|-------------------|--------------------|------------------------|-----------------------------------|----------------------|---------------------------|
| \$ - | \$ 872,505 | \$ - | \$ 254,413 | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - |
| - | 1,195,682 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 200,623 | 123,935 | - | - | - | 100,227 | 1,236,131 |
| 149 | - | - | - | - | 678 | 1,334 |
| - | 56,968 | - | - | - | - | - |
| <u>200,772</u> | <u>2,249,090</u> | <u>-</u> | <u>254,413</u> | <u>-</u> | <u>100,905</u> | <u>1,237,465</u> |
| - | - | - | - | - | - | - |
| - | - | - | 283,240 | - | - | - |
| - | - | - | - | - | - | - |
| 226,309 | - | - | - | - | 4,374 | 1,106,150 |
| - | - | - | - | - | - | - |
| - | 2,176,431 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 1,160 | - | - | - | - | - |
| - | 237 | - | - | - | - | - |
| - | - | - | 2,000 | - | - | - |
| <u>226,309</u> | <u>2,177,828</u> | <u>-</u> | <u>285,240</u> | <u>-</u> | <u>4,374</u> | <u>1,106,150</u> |
| <u>(25,537)</u> | <u>71,262</u> | <u>-</u> | <u>(30,827)</u> | <u>-</u> | <u>96,531</u> | <u>131,315</u> |
| - | - | - | 73,000 | - | - | - |
| - | 731 | - | - | - | - | - |
| - | 189,250 | - | - | - | - | - |
| - | (204,723) | - | (124,800) | - | - | (500,000) |
| - | (14,742) | - | (51,800) | - | - | (500,000) |
| (25,537) | 56,520 | - | (82,627) | - | 96,531 | (368,685) |
| <u>136,415</u> | <u>21,289</u> | <u>3,065</u> | <u>301,356</u> | <u>2,773</u> | <u>431,452</u> | <u>1,169,156</u> |
| \$ <u>110,878</u> | \$ <u>77,809</u> | \$ <u>3,065</u> | \$ <u>218,729</u> | \$ <u>2,773</u> | \$ <u>527,983</u> | \$ <u>800,471</u> |

(Continued)

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2011

| | Solid Waste <u>Management</u> | Community Diversion <u> </u> | Drug Enforcement <u> </u> | Endowment and Grant <u> </u> | Fair Capacity Housing <u> </u> |
|--|-------------------------------------|---|--|---|--|
| Revenues: | | | | | |
| Property and other local taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| Municipal income taxes | 1,851,967 | - | - | - | - |
| Charges for services | - | 16,285 | - | - | - |
| Fines, licenses and permits | - | - | - | - | - |
| Intergovernmental | 13,818 | 14,400 | - | - | 11,160 |
| Investment income | - | - | - | 8 | - |
| Miscellaneous income | - | - | - | 85,414 | - |
| Total revenues | <u>1,865,785</u> | <u>30,685</u> | <u>-</u> | <u>85,422</u> | <u>11,160</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | - | - | - | - | 26,650 |
| Security of persons and property | - | - | - | 1,100 | - |
| Public health and welfare | - | 25,717 | - | 23,005 | - |
| Transportation | - | - | - | - | - |
| Basic utility services | 2,094,252 | - | - | - | - |
| Leisure time activities | - | - | - | 73,618 | - |
| Economic development | - | - | - | - | - |
| Debt service: | | | | | |
| Principal | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - |
| Issuance costs | - | - | - | - | - |
| Total expenditures | <u>2,094,252</u> | <u>25,717</u> | <u>-</u> | <u>97,723</u> | <u>26,650</u> |
| Excess (deficiency) of revenues over expenditures | <u>(228,467)</u> | <u>4,968</u> | <u>-</u> | <u>(12,301)</u> | <u>(15,490)</u> |
| Other financing sources (uses): | | | | | |
| Proceeds from sale of debt | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - |
| Transfers - in | 88,000 | - | - | - | - |
| Transfers - out | - | - | - | - | - |
| Total other financing sources (uses) | <u>88,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (140,467) | 4,968 | - | (12,301) | (15,490) |
| Fund balances (deficit), beginning of year | <u>466,804</u> | <u>8,894</u> | <u>22,330</u> | <u>250,361</u> | <u>262,561</u> |
| Fund balances (deficit), end of year | \$ <u>326,337</u> | \$ <u>13,862</u> | \$ <u>22,330</u> | \$ <u>238,060</u> | \$ <u>247,071</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> |
|---------------------|------------------------|---------------------|-----------------------|----------------------|------------------|------------------------------|---------------------|
| \$ 218,127 | \$ - | \$ - | \$ 218,126 | \$ - | \$ - | \$ - | \$ 1,563,171 |
| - | - | - | - | - | - | - | 1,851,967 |
| - | - | - | - | 24,144 | 4,704 | - | 1,299,009 |
| - | 7,377 | 257,746 | - | 850 | - | 2,000 | 270,452 |
| 39,299 | - | - | 39,300 | - | 19,847 | - | 2,192,241 |
| - | - | - | - | 313 | - | - | 2,482 |
| - | - | - | - | 6,113 | - | - | 168,201 |
| <u>257,426</u> | <u>7,377</u> | <u>257,746</u> | <u>257,426</u> | <u>31,420</u> | <u>24,551</u> | <u>2,000</u> | <u>7,347,523</u> |
| - | - | - | - | - | - | - | 164,923 |
| 247,702 | 23,846 | 196,228 | 247,702 | - | - | - | 1,303,902 |
| - | - | - | - | - | 22,925 | - | 227,536 |
| - | - | - | - | - | - | 13,622 | 1,350,455 |
| - | - | - | - | - | - | - | 2,094,252 |
| - | - | - | - | 37,757 | - | - | 2,287,806 |
| - | - | - | - | - | - | - | 78,445 |
| - | - | - | - | 905 | - | - | 2,065 |
| - | - | - | - | 184 | - | - | 421 |
| - | - | - | - | - | - | - | 2,000 |
| <u>247,702</u> | <u>23,846</u> | <u>196,228</u> | <u>247,702</u> | <u>38,846</u> | <u>22,925</u> | <u>13,622</u> | <u>7,511,805</u> |
| <u>9,724</u> | <u>(16,469)</u> | <u>61,518</u> | <u>9,724</u> | <u>(7,426)</u> | <u>1,626</u> | <u>(11,622)</u> | <u>(164,282)</u> |
| - | - | - | - | - | - | - | 73,000 |
| - | - | - | - | - | - | - | 731 |
| - | - | - | - | - | - | - | 522,565 |
| - | - | - | - | - | - | - | (829,523) |
| - | - | - | - | - | - | - | (233,227) |
| 9,724 | (16,469) | 61,518 | 9,724 | (7,426) | 1,626 | (11,622) | (397,509) |
| <u>29,792</u> | <u>36,445</u> | <u>109,402</u> | <u>48,584</u> | <u>32,143</u> | <u>38,437</u> | <u>47,704</u> | <u>3,604,664</u> |
| \$ <u>39,516</u> | \$ <u>19,976</u> | \$ <u>170,920</u> | \$ <u>58,308</u> | \$ <u>24,717</u> | \$ <u>40,063</u> | \$ <u>36,082</u> | \$ <u>3,207,155</u> |

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Debt Service Funds

December 31, 2011

| | <u>Library Bond Retirement</u> | <u>Special Assessment Bond Retirement</u> | <u>Fire Station Bond Retirement</u> | <u>Total</u> |
|--|--|---|---|---------------------|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 672,233 | \$ 90,952 | \$ 539,265 | \$ 1,302,450 |
| Taxes receivable - property and other | 823,203 | - | 299,346 | 1,122,549 |
| Intergovernmental receivable | <u>50,289</u> | <u>-</u> | <u>18,287</u> | <u>68,576</u> |
| Total assets | <u>\$ 1,545,725</u> | <u>\$ 90,952</u> | <u>\$ 856,898</u> | <u>\$ 2,493,575</u> |
| Liabilities and fund balances: | | | | |
| Liabilities: | | | | |
| Deferred revenue | \$ 873,492 | \$ - | \$ 317,633 | \$ 1,191,125 |
| Fund balances: | | | | |
| Restricted | <u>672,233</u> | <u>90,952</u> | <u>539,265</u> | <u>1,302,450</u> |
| Total liabilities and fund balances | <u>\$ 1,545,725</u> | <u>\$ 90,952</u> | <u>\$ 856,898</u> | <u>\$ 2,493,575</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, 2011

| | 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 | \$ 799,798 | \$ - | \$ 290,836 | \$ 1,090,634 |
| Intergovernmental | <u>103,606</u> | <u>-</u> | <u>37,675</u> | <u>141,281</u> |
| Total revenues | <u>903,404</u> | <u>-</u> | <u>328,511</u> | <u>1,231,915</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 1,578 | - | 574 | 2,152 |
| Debt service: | | | | |
| Principal | 550,000 | - | 160,000 | 710,000 |
| Interest and fiscal charges | <u>333,238</u> | <u>-</u> | <u>157,013</u> | <u>490,251</u> |
| Total expenditures | <u>884,816</u> | <u>-</u> | <u>317,587</u> | <u>1,202,403</u> |
| Net change in fund balances | 18,588 | - | 10,924 | 29,512 |
| Fund balances, beginning of year | <u>653,645</u> | <u>90,952</u> | <u>528,341</u> | <u>1,272,938</u> |
| Fund balances, end of year. | \$ <u>672,233</u> | \$ <u>90,952</u> | \$ <u>539,265</u> | \$ <u>1,302,450</u> |

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Capital Projects Funds

December 31, 2011

| | <u>Capital Improvements</u> | <u>Library Construction</u> | <u>Building and Land Acquisition and Improvement</u> | <u>Fire Construction</u> | <u>Total</u> |
|---|---------------------------------|---------------------------------|--|------------------------------|-------------------|
| Assets: | | | | | |
| Equity in pooled cash and cash equivalents | \$ <u>345,532</u> | \$ <u>113,169</u> | \$ <u>250,676</u> | \$ <u>155,581</u> | \$ <u>864,958</u> |
| Liabilities and fund balances: | | | | | |
| Liabilities: | | | | | |
| Accounts and contracts payable | \$ 67,110 | \$ - | \$ - | \$ - | \$ 67,110 |
| Fund balances: | | | | | |
| Restricted | <u>278,422</u> | <u>113,169</u> | <u>250,676</u> | <u>155,581</u> | <u>797,848</u> |
| Total liabilities and fund balances | \$ <u>345,532</u> | \$ <u>113,169</u> | \$ <u>250,676</u> | \$ <u>155,581</u> | \$ <u>864,958</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, 2011

| | Capital <u>Improvements</u> | Library <u>Construction</u> | Building and Land Acquisition and <u>Improvement</u> | Fire <u>Construction</u> | <u>Total</u> |
|--|--------------------------------|--------------------------------|--|-----------------------------|-------------------|
| Revenues: | | | | | |
| Fines, licenses, and permits | \$ 3,025 | \$ - | \$ - | \$ - | \$ 3,025 |
| Intergovernmental | 134,839 | - | - | - | 134,839 |
| Miscellaneous | - | - | - | 1,195 | 1,195 |
| Total revenues | <u>137,864</u> | <u>-</u> | <u>-</u> | <u>1,195</u> | <u>139,059</u> |
| Expenditures: | | | | | |
| Capital outlay | 376,161 | - | - | - | 376,161 |
| Debt service: | | | | | |
| Issuance costs | <u>2,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,000</u> |
| Total expenditures | <u>378,161</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>378,161</u> |
| Excess (deficiency) of revenues over expenditures | <u>(240,297)</u> | <u>-</u> | <u>-</u> | <u>1,195</u> | <u>(239,102)</u> |
| Other financing sources (uses): | | | | | |
| Proceeds from issuance of debt | 202,000 | - | - | - | 202,000 |
| Sale of capital assets | - | - | 156,930 | - | 156,930 |
| Transfers - in | 162,359 | - | - | - | 162,359 |
| Transfers - out | - | - | (81,450) | - | (81,450) |
| Total other financing sources (uses) | <u>364,359</u> | <u>-</u> | <u>75,480</u> | <u>-</u> | <u>439,839</u> |
| Net change in fund balances | 124,062 | - | 75,480 | 1,195 | 200,737 |
| Fund balances, beginning of year | <u>154,360</u> | <u>113,169</u> | <u>175,196</u> | <u>154,386</u> | <u>597,111</u> |
| Fund balances, end of year | \$ <u>278,422</u> | \$ <u>113,169</u> | \$ <u>250,676</u> | \$ <u>155,581</u> | \$ <u>797,848</u> |

City of North Olmsted, Ohio

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

December 31, 2011

| | <u>Hospitalization</u> | <u>Workers' Compensation</u> | <u>Total Internal Service Funds</u> |
|--|------------------------|----------------------------------|---|
| Assets: | | | |
| Current assets: | | | |
| Equity in pooled cash and cash equivalents | \$ <u>2,709,051</u> | \$ <u>632,038</u> | \$ <u>3,341,089</u> |
| Liabilities: | | | |
| Current liabilities: | | | |
| Accounts and contracts payable | - | 917 | 917 |
| Intergovernmental payable | - | 9,740 | 9,740 |
| Claims payable | <u>170,432</u> | <u>141,709</u> | <u>312,141</u> |
| Total current liabilities | <u>170,432</u> | <u>152,366</u> | <u>322,798</u> |
| Long-term liabilities: | | | |
| Claims payable | <u>-</u> | <u>47,236</u> | <u>47,236</u> |
| Total liabilities | <u>170,432</u> | <u>199,602</u> | <u>370,034</u> |
| Net assets: | | | |
| Unrestricted | \$ <u>2,538,619</u> | \$ <u>432,436</u> | \$ <u>2,971,055</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, 2011

| | <u>Hospitalization</u> | <u>Workers' Compensation</u> | <u>Total Internal Service Funds</u> |
|-------------------------------|----------------------------|----------------------------------|---|
| Operating revenues: | | | |
| Charges for services | \$ <u>2,478,861</u> | \$ <u>395,485</u> | \$ <u>2,874,346</u> |
| Operating expenses: | | | |
| Contractual services | 366,433 | 122,489 | 488,922 |
| Claims | <u>1,588,053</u> | <u>191,100</u> | <u>1,779,153</u> |
| Total operating expenses | <u>1,954,486</u> | <u>313,589</u> | <u>2,268,075</u> |
| Change in net assets | 524,375 | 81,896 | 606,271 |
| Net assets, beginning of year | <u>2,014,244</u> | <u>350,540</u> | <u>2,364,784</u> |
| Net assets, end of year | \$ <u><u>2,538,619</u></u> | \$ <u><u>432,436</u></u> | \$ <u><u>2,971,055</u></u> |

City of North Olmsted, Ohio

Combining Statement of Cash Flows Non-Major Internal Service Funds

For the Year Ended December 31, 2011

| | <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 | \$ 2,478,861 | \$ 395,485 | \$ 2,874,346 |
| Cash payments for goods and services | (366,433) | (168,897) | (535,330) |
| Cash paid for claims | <u>(1,590,186)</u> | <u>(73,083)</u> | <u>(1,663,269)</u> |
| Net cash provided by operating activities | <u>522,242</u> | <u>153,505</u> | <u>675,747</u> |
| Net increase in cash and cash equivalents | 522,242 | 153,505 | 675,747 |
| Cash and cash equivalents, beginning of year | <u>2,186,809</u> | <u>478,533</u> | <u>2,665,342</u> |
| Cash and cash equivalents, end of year | \$ <u>2,709,051</u> | \$ <u>632,038</u> | \$ <u>3,341,089</u> |
| Reconciliation of operating income to net cash provided by (used for) operating activities: | | | |
| Operating income | \$ 524,375 | \$ 81,896 | \$ 606,271 |
| Adjustments: | | | |
| Changes in assets/liabilities: | | | |
| Decrease in accounts and contracts payable | - | 202 | 202 |
| Increase in intergovernmental payable | - | (46,610) | (46,610) |
| Decrease in claims payable | <u>(2,133)</u> | <u>118,017</u> | <u>115,884</u> |
| Net cash provided by operating activities | \$ <u>522,242</u> | \$ <u>153,505</u> | \$ <u>675,747</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, 2011

| | Budget | | Actual | Variance with |
|--|-------------------|-------------------|-------------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| Revenues: | | | | |
| Municipal income tax | \$ 8,418,000 | \$ 8,418,000 | \$ 8,513,435 | \$ 95,435 |
| Property and other taxes | 4,664,654 | 4,664,654 | 4,871,496 | 206,842 |
| Charges for services | 1,142,000 | 1,142,000 | 1,248,006 | 106,006 |
| Licenses and permits | 825,600 | 825,600 | 1,170,552 | 344,952 |
| Fines and forfeitures | 218,500 | 218,500 | 227,240 | 8,740 |
| Intergovernmental revenue | 2,428,753 | 2,553,739 | 3,099,688 | 545,949 |
| Investment income | 30,000 | 30,000 | 28,310 | (1,690) |
| Other revenue | <u>20,000</u> | <u>20,000</u> | <u>32,072</u> | <u>12,072</u> |
| Total revenues | <u>17,747,507</u> | <u>17,872,493</u> | <u>19,190,799</u> | <u>1,318,306</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government - legislative and executive | | | | |
| Council | | | | |
| Salaries | 144,368 | 144,868 | 143,976 | 892 |
| Benefits | 32,617 | 32,694 | 32,513 | 181 |
| Materials and supplies | 600 | 600 | 223 | 377 |
| Contractual services | 23,380 | 23,380 | 17,644 | 5,736 |
| Capital outlay | <u>1,000</u> | <u>1,000</u> | <u>947</u> | <u>53</u> |
| Total council | <u>201,965</u> | <u>202,542</u> | <u>195,303</u> | <u>7,239</u> |
| Office of the mayor | | | | |
| Salaries | 149,309 | 145,651 | 139,371 | 6,280 |
| Benefits | 41,396 | 45,564 | 45,327 | 237 |
| Materials and supplies | 3,030 | 3,030 | 3,028 | 2 |
| Contractual services | <u>31,000</u> | <u>23,000</u> | <u>14,173</u> | <u>8,827</u> |
| Total office of the mayor | <u>224,735</u> | <u>217,245</u> | <u>201,899</u> | <u>15,346</u> |
| Finance department | | | | |
| Salaries | 317,084 | 348,137 | 341,024 | 7,113 |
| Benefits | 119,989 | 120,461 | 118,735 | 1,726 |
| Materials and supplies | 11,175 | 11,175 | 8,939 | 2,236 |
| Contractual services | <u>812,821</u> | <u>686,883</u> | <u>613,606</u> | <u>73,277</u> |
| Total finance department | <u>1,261,069</u> | <u>1,166,656</u> | <u>1,082,304</u> | <u>84,352</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, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|----------------|----------------|----------------|---|
| | Original | Final | | |
| Law department | | | | |
| Salaries | 186,792 | 182,362 | 182,160 | 202 |
| Benefits | 77,227 | 77,399 | 76,286 | 1,113 |
| Materials and supplies | 800 | 800 | 615 | 185 |
| Contractual services | 17,160 | 15,200 | 8,374 | 6,826 |
| Capital outlay | <u>1,000</u> | <u>1,000</u> | <u>947</u> | <u>53</u> |
| Total law department | <u>282,979</u> | <u>276,761</u> | <u>268,382</u> | <u>8,379</u> |
| Department of human resources | | | | |
| Salaries | 191,058 | 200,582 | 198,820 | 1,762 |
| Benefits | 76,977 | 77,290 | 77,034 | 256 |
| Materials and supplies | 27,100 | 27,100 | 26,833 | 267 |
| Contractual services | <u>255,804</u> | <u>181,805</u> | <u>167,705</u> | <u>14,100</u> |
| Total department of human resources | <u>550,939</u> | <u>486,777</u> | <u>470,392</u> | <u>16,385</u> |
| Civil service | | | | |
| Salaries | 1,500 | 1,500 | 531 | 969 |
| Benefits | 247 | 247 | 66 | 181 |
| Materials and supplies | 400 | 400 | 307 | 93 |
| Contractual services | <u>15,800</u> | <u>15,800</u> | <u>12,193</u> | <u>3,607</u> |
| Total civil service | <u>17,947</u> | <u>17,947</u> | <u>13,097</u> | <u>4,850</u> |
| Division of information technology | | | | |
| Salaries | 78,092 | 73,314 | 72,159 | 1,155 |
| Benefits | 28,063 | 34,318 | 34,258 | 60 |
| Materials and supplies | 7,939 | 7,939 | 7,253 | 686 |
| Contractual services | 124,753 | 129,842 | 123,334 | 6,508 |
| Capital outlay | <u>14,478</u> | <u>14,478</u> | <u>14,287</u> | <u>191</u> |
| Total division of information technology | <u>253,325</u> | <u>259,891</u> | <u>251,291</u> | <u>8,600</u> |
| Boards and commissions | | | | |
| Salaries | 43,097 | 43,675 | 43,668 | 7 |
| Benefits | 22,290 | 22,354 | 22,327 | 27 |
| Materials and supplies | 2,600 | 2,600 | 1,270 | 1,330 |
| Contractual services | <u>9,800</u> | <u>9,635</u> | <u>8,306</u> | <u>1,329</u> |
| Total boards and commissions | <u>77,787</u> | <u>78,264</u> | <u>75,571</u> | <u>2,693</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, 2011

| | Budget | | Actual | Variance with |
|---|------------------|------------------|------------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| Building department | | | | |
| Salaries | 457,822 | 473,173 | 466,058 | 7,115 |
| Benefits | 199,238 | 202,074 | 199,523 | 2,551 |
| Materials and supplies | 14,200 | 16,200 | 13,951 | 2,249 |
| Contractual services | <u>92,573</u> | <u>124,573</u> | <u>105,752</u> | <u>18,821</u> |
| Total building department | <u>763,833</u> | <u>816,020</u> | <u>785,284</u> | <u>30,736</u> |
| Engineering department | | | | |
| Salaries | 74,677 | 64,380 | 63,855 | 525 |
| Benefits | 12,317 | 11,754 | 11,748 | 6 |
| Materials and supplies | 4,800 | 800 | 445 | 355 |
| Contractual services | <u>195,504</u> | <u>197,664</u> | <u>175,965</u> | <u>21,699</u> |
| Total engineering department | <u>287,298</u> | <u>274,598</u> | <u>252,013</u> | <u>22,585</u> |
| Total general government - legislative and executive | <u>3,921,877</u> | <u>3,796,701</u> | <u>3,595,536</u> | <u>201,165</u> |
| Security of persons and property | | | | |
| Public safety director | | | | |
| Salaries | 104,188 | 98,103 | 98,049 | 54 |
| Benefits | 26,348 | 29,595 | 29,583 | 12 |
| Materials and supplies | 655 | 655 | 317 | 338 |
| Contractual services | 80 | 80 | - | 80 |
| Capital outlay | <u>2,000</u> | <u>2,000</u> | <u>1,894</u> | <u>106</u> |
| Total public safety director | <u>133,271</u> | <u>130,433</u> | <u>129,843</u> | <u>590</u> |
| Division of fire | | | | |
| Salaries | 2,775,097 | 2,826,988 | 2,652,825 | 174,163 |
| Benefits | 1,102,226 | 1,116,705 | 1,055,927 | 60,778 |
| Materials and supplies | 53,721 | 54,721 | 52,613 | 2,108 |
| Contractual services | 349,724 | 318,724 | 280,090 | 38,634 |
| Capital outlay | <u>2,500</u> | <u>3,078</u> | <u>2,764</u> | <u>314</u> |
| Total fire division | <u>4,283,268</u> | <u>4,320,216</u> | <u>4,044,219</u> | <u>275,997</u> |
| Division of police | | | | |
| Salaries | 3,815,918 | 3,856,970 | 3,537,200 | 319,770 |
| Benefits | 1,311,928 | 1,328,699 | 1,172,487 | 156,212 |
| Materials and supplies | 140,659 | 147,659 | 137,775 | 9,884 |
| Contractual services | 354,004 | 334,004 | 284,960 | 49,044 |
| Capital outlay | <u>5,000</u> | <u>20,000</u> | <u>15,415</u> | <u>4,585</u> |
| Total division of police | <u>5,627,509</u> | <u>5,687,332</u> | <u>5,147,837</u> | <u>539,495</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, 2011

| | Budget | | Actual | Variance with |
|--|-------------------|-------------------|-------------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| Emergency central dispatch | | | | |
| Salaries | 424,350 | 432,896 | 419,419 | 13,477 |
| Benefits | 146,480 | 147,800 | 144,122 | 3,678 |
| Materials and supplies | 2,000 | 2,000 | 262 | 1,738 |
| Contractual services | 49,569 | 39,569 | 25,048 | 14,521 |
| Capital outlay | - | 12,000 | 8,876 | 3,124 |
| Total emergency central dispatch | <u>622,399</u> | <u>634,265</u> | <u>597,727</u> | <u>36,538</u> |
| Corrections | | | | |
| Salaries | 46,650 | 48,446 | 42,627 | 5,819 |
| Benefits | 24,730 | 25,007 | 22,185 | 2,822 |
| Materials and supplies | 1,200 | 1,200 | 745 | 455 |
| Contractual services | <u>51,485</u> | <u>51,485</u> | <u>42,778</u> | <u>8,707</u> |
| Total corrections | <u>124,065</u> | <u>126,138</u> | <u>108,335</u> | <u>17,803</u> |
| Total security of persons and property | <u>10,790,512</u> | <u>10,898,384</u> | <u>10,027,961</u> | <u>870,423</u> |
| Public health and welfare | | | | |
| Division of aging | | | | |
| Salaries | 108,614 | 109,728 | 109,268 | 460 |
| Benefits | 54,626 | 54,798 | 54,602 | 196 |
| Materials and supplies | 850 | 850 | 198 | 652 |
| Contractual services | 67,630 | 67,630 | 25,118 | 42,512 |
| Capital outlay | <u>110</u> | <u>110</u> | <u>-</u> | <u>110</u> |
| Total division of aging | <u>231,830</u> | <u>233,116</u> | <u>189,186</u> | <u>43,930</u> |
| Division of youth and family services | | | | |
| Salaries | 83,881 | 84,389 | 81,731 | 2,658 |
| Benefits | 26,747 | 26,825 | 24,011 | 2,814 |
| Materials and supplies | 2,825 | 2,825 | 2,408 | 417 |
| Contractual services | 124,000 | 124,000 | 106,225 | 17,775 |
| Capital outlay | <u>15,000</u> | <u>15,000</u> | <u>9,356</u> | <u>5,644</u> |
| Total division of youth and family services | <u>252,453</u> | <u>253,039</u> | <u>223,731</u> | <u>29,308</u> |
| Total public health and welfare | <u>484,283</u> | <u>486,155</u> | <u>412,917</u> | <u>73,238</u> |
| Transportation | | | | |
| Public service director | | | | |
| Salaries | 41,448 | 67,944 | 63,749 | 4,195 |
| Benefits | 8,005 | 21,943 | 19,466 | 2,477 |
| Materials and supplies | 1,838 | 1,838 | 1,482 | 356 |
| Contractual services | 568,522 | 543,522 | 502,385 | 41,137 |
| Capital outlay | <u>-</u> | <u>500</u> | <u>394</u> | <u>106</u> |
| Total service director | <u>619,813</u> | <u>635,747</u> | <u>587,476</u> | <u>48,271</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, 2011

| | Budget | | Actual | Variance with |
|---|--------------------|--------------------|---------------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| Division of public works | | | | |
| Salaries | 857,379 | 873,702 | 833,713 | 39,989 |
| Benefits | 356,638 | 373,205 | 342,157 | 31,048 |
| Materials and supplies | 77,605 | 73,605 | 53,293 | 20,312 |
| Contractual services | 358,574 | 528,574 | 330,280 | 198,294 |
| Capital outlay | 591,450 | 215,950 | 195,996 | 19,954 |
| Total division of public works | <u>2,241,646</u> | <u>2,065,036</u> | <u>1,755,439</u> | <u>309,597</u> |
| Division of fleet maintenance | | | | |
| Salaries | 358,078 | 370,434 | 351,573 | 18,861 |
| Benefits | 156,908 | 158,817 | 148,863 | 9,954 |
| Materials and supplies | 561,751 | 561,751 | 312,232 | 249,519 |
| Contractual services | 10,818 | 10,818 | 10,034 | 784 |
| Capital outlay | 34,592 | 34,592 | 28,864 | 5,728 |
| Total division of fleet maintenance | <u>1,122,147</u> | <u>1,136,412</u> | <u>851,566</u> | <u>284,846</u> |
| Total transportation | <u>3,983,606</u> | <u>3,837,195</u> | <u>3,194,481</u> | <u>642,714</u> |
| Basic utility services | | | | |
| Service department | | | | |
| Contractual services | <u>70,350</u> | <u>220,350</u> | <u>212,927</u> | <u>7,423</u> |
| Economic development | | | | |
| Planning | | | | |
| Salaries | 116,478 | 117,693 | 117,671 | 22 |
| Benefits | 41,859 | 41,931 | 41,355 | 576 |
| Materials and supplies | 1,275 | 1,275 | 1,198 | 77 |
| Contractual services | 200,613 | 200,613 | 199,375 | 1,238 |
| Capital outlay | 3,000 | 3,000 | 2,841 | 159 |
| Total economic development | <u>363,225</u> | <u>364,512</u> | <u>362,440</u> | <u>2,072</u> |
| Total expenditures | <u>19,613,853</u> | <u>19,603,297</u> | <u>17,806,262</u> | <u>1,797,035</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,866,346)</u> | <u>(1,730,804)</u> | <u>1,384,537</u> | <u>3,115,341</u> |
| Other financing sources (uses): | | | | |
| Sale of capital assets | 10,000 | 10,000 | 13,673 | 3,673 |
| Advances - in | 205,000 | 205,000 | 205,000 | - |
| Advances - out | - | (71,000) | (71,000) | - |
| Transfers - out | (638,158) | (801,158) | (801,158) | - |
| Total other financing sources (uses) | <u>(423,158)</u> | <u>(657,158)</u> | <u>(653,485)</u> | <u>3,673</u> |
| Net change in fund balance | (2,289,504) | (2,387,962) | 731,052 | 3,119,014 |
| Prior year encumbrances | 470,681 | 470,681 | 470,681 | - |
| Fund balance, beginning of year | <u>2,099,866</u> | <u>2,099,866</u> | <u>2,099,866</u> | - |
| Fund balance, end of year | \$ <u>281,043</u> | \$ <u>182,585</u> | \$ <u>3,301,599</u> | \$ <u>3,119,014</u> |

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|----------|------------|------------|---|
| | Original | Final | | |
| Other financing sources (uses) | | | | |
| Transfers – in | \$ - | \$ 455,000 | \$ 455,000 | \$ - |
| Excess (deficiency) of revenues over expenditures and other sources (uses) | - | 455,000 | 455,000 | - |
| Fund balance, beginning of year | - | - | - | - |
| Fund balance, end of year | \$ - | \$ 455,000 | \$ 455,000 | \$ - |

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

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2011

| | <u>Budget</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-----------------------|-------------------------|-------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Other financing sources (uses): | | | | |
| Transfers – in | \$ <u> -</u> | \$ <u> 135,000</u> | \$ <u> 135,000</u> | \$ <u> -</u> |
| Excess (deficiency) of revenues over Expenditures and other sources (uses) | <u> -</u> | <u> 135,000</u> | <u> 135,000</u> | <u> -</u> |
| Fund balance, beginning of year | <u> -</u> | <u> -</u> | <u> -</u> | <u> -</u> |
| Fund balance, end of year | \$ <u> -</u> | \$ <u> 135,000</u> | \$ <u> 135,000</u> | \$ <u> -</u> |

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

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|----------------------------|----------------------------|----------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Municipal income taxes | \$ 1,803,000 | \$ 1,803,000 | \$ 1,824,307 | \$ 21,307 |
| Intergovernmental revenue | <u>207,263</u> | <u>207,263</u> | <u>10,536</u> | <u>(196,727)</u> |
| Total revenues | <u>2,010,263</u> | <u>2,010,263</u> | <u>1,834,843</u> | <u>(175,420)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Transportation | | | | |
| Service | | | | |
| Materials and supplies | 600 | 600 | - | 600 |
| Contractual services | 49,000 | 49,000 | 48,123 | 877 |
| Capital outlay | <u>1,491,517</u> | <u>1,491,517</u> | <u>1,300,830</u> | <u>190,687</u> |
| Total transportation | 1,541,117 | 1,541,117 | 1,348,953 | 192,164 |
| Debt service: | | | | |
| Interest and fiscal charges | <u>-</u> | <u>5,000</u> | <u>4,000</u> | <u>1,000</u> |
| Total expenditures | <u>1,541,117</u> | <u>1,546,117</u> | <u>1,352,953</u> | <u>193,164</u> |
| Excess (deficiency) of revenues over expenditures | <u>469,146</u> | <u>464,146</u> | <u>481,890</u> | <u>17,744</u> |
| Other financing sources (uses): | | | | |
| Proceeds from issuance of debt | 600,000 | 605,000 | 605,000 | - |
| Advances - in | 350,000 | 350,000 | - | (350,000) |
| Advances - out | (350,000) | (350,000) | - | 350,000 |
| Transfers - in | 500,000 | 500,000 | 500,000 | - |
| Transfers - out | <u>(1,883,134)</u> | <u>(1,883,134)</u> | <u>(1,883,134)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(783,134)</u> | <u>(778,134)</u> | <u>(778,134)</u> | <u>-</u> |
| Net change in fund balance | (313,988) | (313,988) | (296,244) | 17,744 |
| Prior year encumbrances | 93,010 | 93,010 | 93,010 | - |
| Fund balance, beginning of year | <u>1,737,797</u> | <u>1,737,797</u> | <u>1,737,797</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>1,516,819</u></u> | \$ <u><u>1,516,819</u></u> | \$ <u><u>1,534,563</u></u> | \$ <u><u>17,744</u></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, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|----------------------------|--------------------------|----------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property and other taxes | \$ 2,297,516 | \$ 2,297,516 | \$ 2,399,394 | \$ 101,878 |
| Intergovernmental revenue | 490,596 | 485,890 | 467,002 | (18,888) |
| Investment income | <u>15,000</u> | <u>15,000</u> | <u>8,831</u> | <u>(6,169)</u> |
| Total revenues | <u>2,803,112</u> | <u>2,798,406</u> | <u>2,875,227</u> | <u>76,821</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | | | | |
| Finance | | | | |
| Contractual services | <u>8,000</u> | <u>5,574</u> | <u>4,735</u> | <u>839</u> |
| Debt service: | | | | |
| Principal | 4,943,535 | 4,943,535 | 4,943,535 | - |
| Interest and fiscal charges | <u>1,461,074</u> | <u>1,450,500</u> | <u>1,450,432</u> | <u>68</u> |
| Total debt service | <u>6,404,609</u> | <u>6,394,035</u> | <u>6,393,967</u> | <u>68</u> |
| Total expenditures | <u>6,412,609</u> | <u>6,399,609</u> | <u>6,398,702</u> | <u>907</u> |
| Excess (deficiency) of revenues over expenditures | <u>(3,609,497)</u> | <u>(3,601,203)</u> | <u>(3,523,475)</u> | <u>77,728</u> |
| Other financing sources (uses): | | | | |
| Transfers - in | <u>3,968,060</u> | <u>3,868,061</u> | <u>3,868,061</u> | <u>-</u> |
| Total other financing sources (uses) | <u>3,968,060</u> | <u>3,868,061</u> | <u>3,868,061</u> | <u>-</u> |
| Net change in fund balance | 358,563 | 266,858 | 344,586 | 77,728 |
| Fund balance, beginning of year | <u>723,060</u> | <u>723,060</u> | <u>723,060</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>1,081,623</u></u> | \$ <u><u>989,918</u></u> | \$ <u><u>1,067,646</u></u> | \$ <u><u>77,728</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, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------------|--------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 25,000 | \$ 25,000 | \$ 57,703 | \$ 32,703 |
| Expenditures | | | | |
| Current: | | | | |
| General government - legislative and executive Department of human resources Contractual services | <u>145,041</u> | <u>145,041</u> | <u>110,698</u> | <u>34,343</u> |
| Excess (deficiency) of revenues over expenditures | (120,041) | (120,041) | (52,995) | 67,046 |
| Other financing sources (uses) | | | | |
| Transfers - in | <u>75,000</u> | <u>75,000</u> | <u>75,000</u> | <u>-</u> |
| Net change in fund balance | (45,041) | (45,041) | 22,005 | 67,046 |
| Prior year encumbrances | 37,541 | 37,541 | 37,541 | - |
| Fund balance, beginning of year | <u>42,228</u> | <u>42,228</u> | <u>42,228</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>34,728</u></u> | \$ <u><u>34,728</u></u> | \$ <u><u>101,774</u></u> | \$ <u><u>67,046</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, 2011

| | Budget | | Actual | Variance with |
|---|------------|------------|------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| Revenues: | | | | |
| Intergovernmental revenue | \$ 455,000 | \$ 455,000 | \$ 105,000 | \$ (350,000) |
| Expenditures | | | | |
| Current: | | | | |
| Economic development | | | | |
| Division of planning | | | | |
| Capital outlay | 500,000 | 500,000 | 48,000 | 452,000 |
| Public health and welfare | | | | |
| Division of planning | | | | |
| Contractual services | 100 | 100 | 8 | 92 |
| Capital outlay | 151,217 | 151,217 | 146,720 | 4,497 |
| Total division of planning | 151,317 | 151,317 | 146,728 | 4,589 |
| Youth and family services | | | | |
| Materials and supplies | 1,427 | 1,427 | 1,427 | - |
| Total public health and welfare | 152,744 | 152,744 | 148,155 | 4,589 |
| Total expenditures | 652,744 | 652,744 | 196,155 | 456,589 |
| Excess (deficiency) of revenues over expenditures | (197,744) | (197,744) | (91,155) | 106,589 |
| Other financing sources (uses): | | | | |
| Transfers - in | 169,200 | 169,200 | 169,200 | - |
| Advances - in | 350,000 | 350,000 | - | (350,000) |
| Advances - out | (555,000) | (555,000) | (205,000) | 350,000 |
| Total other financing sources (uses) | (35,800) | (35,800) | (35,800) | - |
| Net change in fund balance | (233,544) | (233,544) | (126,955) | 106,589 |
| Prior year encumbrances | 131,217 | 131,217 | 131,217 | - |
| Fund balance, beginning of year | 102,710 | 102,710 | 102,710 | - |
| Fund balance, end of year | \$ 383 | \$ 383 | \$ 106,972 | \$ 106,589 |

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, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|----------------------------------|------------------------|------------------------|-------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Fines and forfeitures | \$ 2,000 | \$ 2,000 | \$ 2,696 | \$ 696 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Police department | | | | |
| Materials and supplies | <u>17,651</u> | <u>17,651</u> | <u>2,810</u> | <u>14,841</u> |
| Net change in fund balance | (15,651) | (15,651) | (114) | 15,537 |
| Prior year encumbrances | 836 | 836 | 836 | - |
| Fund balance, beginning of year | <u>16,815</u> | <u>16,815</u> | <u>16,815</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>2,000</u></u> | \$ <u><u>2,000</u></u> | \$ <u><u>17,537</u></u> | \$ <u><u>15,537</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, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ - | \$ - | \$ 1,500 | \$ 1,500 |
| Other revenue | <u>15,275</u> | <u>15,275</u> | <u>19,706</u> | <u>4,431</u> |
| Total revenues | <u>15,275</u> | <u>15,275</u> | <u>21,206</u> | <u>5,931</u> |
| Expenditures | | | | |
| Current: | | | | |
| Economic development | | | | |
| Finance department | | | | |
| Salaries | 4,500 | 4,500 | 4,500 | - |
| Benefits | <u>849</u> | <u>849</u> | <u>826</u> | <u>23</u> |
| Total finance department | <u>5,349</u> | <u>5,349</u> | <u>5,326</u> | <u>23</u> |
| Department of planning and development | | | | |
| Salaries | 3,825 | 3,825 | 3,075 | 750 |
| Benefits | 808 | 808 | 691 | 117 |
| Contractual services | <u>27,772</u> | <u>27,772</u> | <u>13,418</u> | <u>14,354</u> |
| Total department of planning and development | <u>32,405</u> | <u>32,405</u> | <u>17,184</u> | <u>15,221</u> |
| Total expenditures | <u>37,754</u> | <u>37,754</u> | <u>22,510</u> | <u>15,244</u> |
| Excess (deficiency) of revenues over expenditures | (22,479) | (22,479) | (1,304) | 21,175 |
| Prior year encumbrances | 12,772 | 12,772 | 12,772 | - |
| Fund balance, beginning of year | <u>38,085</u> | <u>38,085</u> | <u>38,085</u> | - |
| Fund balance, end of year | \$ <u>28,378</u> | \$ <u>28,378</u> | \$ <u>49,553</u> | \$ <u>21,175</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, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------|------------|------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental revenue | \$ 345,000 | \$ 345,000 | \$ 288,228 | \$ (56,772) |
| Expenditures | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Fire department | | | | |
| Salaries | 210,507 | 205,307 | 197,345 | 7,962 |
| Benefits | 91,077 | 96,277 | 76,948 | 19,329 |
| Total expenditures | 301,584 | 301,584 | 274,293 | 27,291 |
| Excess (deficiency) of revenues over expenditures | 43,416 | 43,416 | 13,935 | (29,481) |
| Fund balance, beginning of year | 41,702 | 41,702 | 41,702 | - |
| Fund balance, end of year | \$ 85,118 | \$ 85,118 | \$ 55,637 | \$ (29,481) |

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, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|--|-----------|-----------|----------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental revenue | \$ 75,035 | \$ 84,035 | \$ 8,544 | \$ (75,491) |
| Expenditures | | | | |
| Current: | | | | |
| General government - legislative and executive | | | | |
| Division of planning | | | | |
| Contractual services | 74,800 | 74,800 | 74,800 | - |
| Security of persons and property | | | | |
| Director of public safety | | | | |
| Capital outlay | - | 884 | 884 | - |
| Public health and welfare | | | | |
| Division of youth and family services | | | | |
| Salaries | 2,310 | 2,521 | 2,520 | 1 |
| Benefits | 358 | 390 | 389 | 1 |
| Materials and supplies | 1,245 | 1,875 | 1,773 | 102 |
| Contractual services | 5,464 | 4,726 | 3,999 | 727 |
| Capital outlay | 1,774 | 1,638 | 1,638 | - |
| Total public health and welfare | 11,151 | 11,150 | 10,319 | 831 |
| Economic development | | | | |
| Division of planning | | | | |
| Contractual services | - | 9,000 | 9,000 | - |
| Total expenditures | 85,951 | 95,834 | 95,003 | 831 |
| Excess (deficiency) of revenues over expenditures | (10,916) | (11,799) | (86,459) | (74,660) |
| Other financing sources (uses): | | | | |
| Advances - in | - | 65,000 | 65,000 | - |
| Transfers - in | 1,115 | 1,115 | 1,115 | - |
| Total other financing sources (uses) | 1,115 | 66,115 | 66,115 | - |
| Net change in fund balance | (9,801) | 54,316 | (20,344) | (74,660) |
| Fund balance, beginning of year | 29,988 | 29,988 | 29,988 | - |
| Fund balance, end of year | \$ 20,187 | \$ 84,304 | \$ 9,644 | \$ (74,660) |

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, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|----------------------|----------------------|-------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental revenue | \$ 220,500 | \$ 220,500 | \$ 218,509 | \$ (1,991) |
| Interest | - | - | 149 | 149 |
| Total revenues | <u>220,500</u> | <u>220,500</u> | <u>218,658</u> | <u>(1,842)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Transportation | | | | |
| Department of public service | | | | |
| Materials and supplies | 216,663 | 216,663 | 125,705 | 90,958 |
| Contractual services | <u>105,299</u> | <u>105,299</u> | <u>105,267</u> | <u>32</u> |
| Total expenditures | <u>321,962</u> | <u>321,962</u> | <u>230,972</u> | <u>90,990</u> |
| Excess (deficiency) of revenues over expenditures | <u>(101,462)</u> | <u>(101,462)</u> | <u>(12,314)</u> | <u>89,148</u> |
| Prior year encumbrances | 54,663 | 54,663 | 54,663 | - |
| Fund balance, beginning of year | <u>46,978</u> | <u>46,978</u> | <u>46,978</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>179</u></u> | \$ <u><u>179</u></u> | \$ <u><u>89,327</u></u> | \$ <u><u>89,148</u></u> |

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2011

| | Budget | | Actual | Variance with |
|---|------------------|------------------|-------------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| Revenues: | | | | |
| Property and other taxes | \$ 835,461 | \$ 835,461 | \$ 872,507 | \$ 37,046 |
| Charges for services | 1,178,055 | 1,193,246 | 1,195,497 | 2,251 |
| Intergovernmental revenue | 177,327 | 128,575 | 123,935 | (4,640) |
| Other revenue | <u>40,000</u> | <u>40,000</u> | <u>56,968</u> | <u>16,968</u> |
| Total revenues | <u>2,230,843</u> | <u>2,197,282</u> | <u>2,248,907</u> | <u>51,625</u> |
| Expenditures | | | | |
| Current: | | | | |
| Leisure time activities | | | | |
| Recreation department | | | | |
| Salaries | 808,680 | 780,082 | 769,238 | 10,844 |
| Benefits | 252,329 | 252,441 | 247,374 | 5,067 |
| Materials and supplies | 131,934 | 130,034 | 119,420 | 10,614 |
| Contractual services | 992,420 | 991,962 | 950,008 | 41,954 |
| Capital outlay | <u>166,529</u> | <u>184,539</u> | <u>184,432</u> | <u>107</u> |
| Total expenditures | <u>2,351,892</u> | <u>2,339,058</u> | <u>2,270,472</u> | <u>68,586</u> |
| Excess (deficiency) of revenues over expenditures | <u>(121,049)</u> | <u>(141,776)</u> | <u>(21,565)</u> | <u>120,211</u> |
| Other financing sources (uses): | | | | |
| Proceeds from sale of capital assets | - | - | 731 | 731 |
| Transfers - in | 40,000 | 189,250 | 189,250 | - |
| Transfers - out | <u>(92,364)</u> | <u>(204,723)</u> | <u>(204,723)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(52,364)</u> | <u>(15,473)</u> | <u>(14,742)</u> | <u>731</u> |
| Net change in fund balance | <u>(173,413)</u> | <u>(157,249)</u> | <u>(36,307)</u> | <u>120,942</u> |
| Prior year encumbrances | 43,590 | 43,590 | 43,590 | - |
| Fund balance, beginning of year | <u>129,823</u> | <u>129,823</u> | <u>129,823</u> | <u>-</u> |
| Fund balance, end of year | \$ <u>-</u> | \$ <u>16,164</u> | \$ <u>137,106</u> | \$ <u>120,942</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, 2011

| | <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, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------|------------|------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property and other taxes | \$ 250,000 | \$ 250,000 | \$ 253,683 | \$ 3,683 |
| Expenditures | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Fire department | | | | |
| Materials and supplies | 40,000 | 40,000 | 26,329 | 13,671 |
| Contractual services | 14,800 | 14,800 | 10,800 | 4,000 |
| Capital outlay | 124,000 | 124,000 | 93,303 | 30,697 |
| Total fire department | 178,800 | 178,800 | 130,432 | 48,368 |
| Police department | | | | |
| Materials and supplies | 15,000 | 15,000 | 12,910 | 2,090 |
| Contractual services | 10,800 | 10,800 | 10,800 | - |
| Capital outlay | 187,795 | 187,795 | 185,833 | 1,962 |
| Total police department | 213,595 | 213,595 | 209,543 | 4,052 |
| Total current expenditures | 392,395 | 392,395 | 339,975 | 52,420 |
| Debt service: | | | | |
| Interest and fiscal charges | 1,000 | 2,000 | 2,000 | - |
| Total expenditures | 393,395 | 394,395 | 341,975 | 52,420 |
| Excess (deficiency) of revenues over expenditures | (143,395) | (144,395) | (88,292) | 56,103 |
| Other financing sources (uses): | | | | |
| Proceeds from issuance of debt | 71,000 | 73,000 | 73,000 | - |
| Transfers - out | (124,800) | (124,800) | (124,800) | - |
| Total other financing sources (uses) | (53,800) | (51,800) | (51,800) | - |
| Net change in fund balance | (197,195) | (196,195) | (140,092) | 56,103 |
| Prior year encumbrances | 16,295 | 16,295 | 16,295 | - |
| Fund balance, beginning of year | 269,897 | 269,897 | 269,897 | - |
| Fund balance, end of year | \$ 88,997 | \$ 89,997 | \$ 146,100 | \$ 56,103 |

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, 2011

| | <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, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------------------|--------------------------|--------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 95,000 | \$ 95,000 | \$ 94,901 | \$ (99) |
| Investment earnings | - | - | 678 | 678 |
| Total revenues | <u>95,000</u> | <u>95,000</u> | <u>95,579</u> | <u>579</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation | | | | |
| Service department | | | | |
| Materials and supplies | 104,500 | 104,500 | 6,414 | 98,086 |
| Contractual services | <u>10,000</u> | <u>10,000</u> | - | <u>10,000</u> |
| Total expenditures | <u>114,500</u> | <u>114,500</u> | <u>6,414</u> | <u>108,086</u> |
| Excess (deficiency) of revenues over expenditures | (19,500) | (19,500) | 89,165 | 108,665 |
| Prior year encumbrances | 6,500 | 6,500 | 6,500 | - |
| Fund balance, beginning of year | <u>415,712</u> | <u>415,712</u> | <u>415,712</u> | - |
| Fund balance, end of year | \$ <u><u>402,712</u></u> | \$ <u><u>402,712</u></u> | \$ <u><u>511,377</u></u> | \$ <u><u>108,665</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, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------------------|--------------------------|--------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental revenue | \$ 1,190,000 | \$ 1,190,000 | \$ 1,170,445 | \$ (19,555) |
| Interest | <u>-</u> | <u>-</u> | <u>1,334</u> | <u>1,334</u> |
| Total revenues | <u>1,190,000</u> | <u>1,190,000</u> | <u>1,171,779</u> | <u>(18,221)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Transportation | | | | |
| Service department | | | | |
| Salaries | 282,322 | 350,355 | 345,412 | 4,943 |
| Benefits | 103,196 | 121,189 | 120,604 | 585 |
| Materials and supplies | 491,083 | 491,083 | 308,483 | 182,600 |
| Contractual services | 241,325 | 227,558 | 170,734 | 56,824 |
| Capital outlay | <u>308,196</u> | <u>308,196</u> | <u>280,407</u> | <u>27,789</u> |
| Total expenditures | <u>1,426,122</u> | <u>1,498,381</u> | <u>1,225,640</u> | <u>272,741</u> |
| Excess (deficiency) of revenues over expenditures | (236,122) | (308,381) | (53,861) | 254,520 |
| Other financing sources (uses): | | | | |
| Transfers - out | <u>(500,000)</u> | <u>(500,000)</u> | <u>(500,000)</u> | <u>-</u> |
| Net change in fund balance | (736,122) | (808,381) | (553,861) | 254,520 |
| Prior year encumbrances | 81,848 | 81,848 | 81,848 | - |
| Fund balance, beginning of year | <u>1,024,736</u> | <u>1,024,736</u> | <u>1,024,736</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>370,462</u></u> | \$ <u><u>298,203</u></u> | \$ <u><u>552,723</u></u> | \$ <u><u>254,520</u></u> |

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, 2011

| | <u>Budget</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-------------------------|-------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Municipal income tax | \$ 1,803,000 | \$ 1,803,000 | \$ 1,824,307 | \$ 21,307 |
| Intergovernmental revenue | <u>14,985</u> | <u>14,985</u> | <u>13,818</u> | <u>(1,167)</u> |
| Total revenues | 1,817,985 | 1,817,985 | 1,838,125 | 20,140 |
| Expenditures | | | | |
| Current: | | | | |
| Basic utility services | | | | |
| Service department | | | | |
| Contractual services | <u>2,177,509</u> | <u>2,267,083</u> | <u>2,261,023</u> | <u>6,060</u> |
| Excess (deficiency) of revenues over expenditures | (359,524) | (449,098) | (422,898) | 26,200 |
| Other financing sources (uses): | | | | |
| Transfers - in | <u>-</u> | <u>88,000</u> | <u>88,000</u> | <u>-</u> |
| Net change in fund balance | (359,524) | (361,098) | (334,898) | 26,200 |
| Prior year encumbrances | 170,059 | 170,059 | 170,059 | - |
| Fund balance, beginning of year | <u>209,755</u> | <u>209,755</u> | <u>209,755</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>20,290</u></u> | \$ <u><u>18,716</u></u> | \$ <u><u>44,916</u></u> | \$ <u><u>26,200</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, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|---------------|-----------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 17,000 | \$ 17,000 | \$ 16,285 | \$ (715) |
| Intergovernmental revenue | <u>14,400</u> | <u>14,400</u> | <u>14,400</u> | <u>-</u> |
| Total revenues | <u>31,400</u> | <u>31,400</u> | <u>30,685</u> | <u>(715)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public health and welfare | | | | |
| Division of youth services | | | | |
| Salaries | 25,444 | 25,444 | 19,356 | 6,088 |
| Benefits | 4,523 | 4,523 | 3,644 | 879 |
| Materials and supplies | 2,075 | 2,075 | 1,480 | 595 |
| Contractual services | <u>8,492</u> | <u>8,492</u> | <u>1,089</u> | <u>7,403</u> |
| Total expenditures | <u>40,534</u> | <u>40,534</u> | <u>25,569</u> | <u>14,965</u> |
| Excess (deficiency) of revenues over expenditures | (9,134) | (9,134) | 5,116 | 14,250 |
| Other financing sources (uses): | | | | |
| Advances - in | <u>-</u> | <u>6,000</u> | <u>6,000</u> | <u>-</u> |
| Net change in fund balance | (9,134) | (3,134) | 11,116 | 14,250 |
| Prior year encumbrances | 200 | 200 | 200 | - |
| Fund balance, beginning of year | <u>9,142</u> | <u>9,142</u> | <u>9,142</u> | <u>-</u> |
| Fund balance, end of year | \$ <u>208</u> | \$ <u>6,208</u> | \$ <u>20,458</u> | \$ <u>14,250</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, 2011

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

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Investment income | \$ - | \$ - | \$ 8 | \$ 8 |
| Other revenue | <u>152,455</u> | <u>152,455</u> | <u>85,414</u> | <u>(67,041)</u> |
| Total revenues | <u>152,455</u> | <u>152,455</u> | <u>85,422</u> | <u>(67,033)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Fire department | | | | |
| Materials and supplies | 1,000 | 1,000 | - | 1,000 |
| Police department | | | | |
| Materials and supplies | <u>38,285</u> | <u>38,285</u> | <u>1,100</u> | <u>37,185</u> |
| Total security of persons and property | <u>39,285</u> | <u>39,285</u> | <u>1,100</u> | <u>38,185</u> |
| Leisure time activities | | | | |
| Parks and recreation | | | | |
| Materials and supplies | 90,834 | 81,334 | 59,446 | 21,888 |
| Contractual services | 7,000 | 7,000 | 4,486 | 2,514 |
| Capital outlay | <u>1,110</u> | <u>10,610</u> | <u>9,725</u> | <u>885</u> |
| Total leisure time activities | <u>98,944</u> | <u>98,944</u> | <u>73,657</u> | <u>25,287</u> |
| Public health and welfare | | | | |
| Division of youth and family services | | | | |
| Materials and supplies | 66,285 | 66,285 | 22,758 | 43,527 |
| Division of senior services | | | | |
| Materials and supplies | 1,778 | 1,778 | 1,077 | 701 |
| Public service and properties | | | | |
| Materials and supplies | <u>1,798</u> | <u>1,798</u> | <u>-</u> | <u>1,798</u> |
| Total public health and welfare | <u>69,861</u> | <u>69,861</u> | <u>23,835</u> | <u>46,026</u> |
| Total expenditures | <u>208,090</u> | <u>208,090</u> | <u>98,592</u> | <u>109,498</u> |
| Net change in fund balance | (55,635) | (55,635) | (13,170) | 42,465 |
| Prior year encumbrances | 810 | 810 | 810 | - |
| Fund balance, beginning of year | <u>250,301</u> | <u>250,301</u> | <u>250,301</u> | <u>-</u> |
| Fund balance, end of year | \$ <u>195,476</u> | \$ <u>195,476</u> | \$ <u>237,941</u> | \$ <u>42,465</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, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------|------------|------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ - | \$ 11,160 | \$ 11,160 |
| Expenditures | | | | |
| Current: | | | | |
| General government - legislative and executive | | | | |
| Law department | | | | |
| Salaries | 20,000 | 20,000 | 20,000 | - |
| Benefits | 3,760 | 3,760 | 3,760 | - |
| Materials and supplies | 2,250 | 2,250 | - | 2,250 |
| Contractual services | 56,100 | 56,100 | 2,450 | 53,650 |
| Total expenditures | 82,110 | 82,110 | 26,210 | 55,900 |
| Excess (deficiency) of revenues over expenditures | (82,110) | (82,110) | (15,050) | 67,060 |
| Fund balance, beginning of year | 263,353 | 263,353 | 263,353 | - |
| Fund balance, end of year | \$ 181,243 | \$ 181,243 | \$ 248,303 | \$ 67,060 |

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, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property and other taxes | \$ 208,865 | \$ 208,865 | \$ 218,127 | \$ 9,262 |
| Intergovernmental revenue | <u>44,330</u> | <u>41,088</u> | <u>39,300</u> | <u>(1,788)</u> |
| Total revenues | <u>253,195</u> | <u>249,953</u> | <u>257,427</u> | <u>7,474</u> |
| Expenditures | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Fire department | | | | |
| Benefits | 259,624 | 259,624 | 247,273 | 12,351 |
| Contractual services | <u>653</u> | <u>653</u> | <u>430</u> | <u>223</u> |
| Total expenditures | <u>260,277</u> | <u>260,277</u> | <u>247,703</u> | <u>12,574</u> |
| Excess (deficiency) of revenues over expenditures | (7,082) | (10,324) | 9,724 | 20,048 |
| Fund balance, beginning of year | <u>29,792</u> | <u>29,792</u> | <u>29,792</u> | <u>-</u> |
| Fund balance, end of year | \$ <u>22,710</u> | \$ <u>19,468</u> | \$ <u>39,516</u> | \$ <u>20,048</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, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------------|-------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Fines and forfeitures | \$ - | \$ - | \$ 7,377 | \$ 7,377 |
| Expenditures | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Police department | | | | |
| Materials and supplies | 2,640 | 22,500 | 14,418 | 8,082 |
| Capital outlay | 4,703 | - | - | - |
| Other | <u>11,804</u> | <u>11,804</u> | <u>8,783</u> | <u>3,021</u> |
| Total expenditures | <u>19,147</u> | <u>34,304</u> | <u>23,201</u> | <u>11,103</u> |
| Excess (deficiency) of revenues over expenditures | (19,147) | (34,304) | (15,824) | 18,480 |
| Fund balance, beginning of year | <u>36,445</u> | <u>36,445</u> | <u>36,445</u> | - |
| Fund balance, end of year | \$ <u><u>17,298</u></u> | \$ <u><u>2,141</u></u> | \$ <u><u>20,621</u></u> | \$ <u><u>18,480</u></u> |

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------|------------|------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Fines and forfeiture | \$ 210,000 | \$ 210,000 | \$ 251,679 | \$ 41,679 |
| Expenditures | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Law department | | | | |
| Salaries | 18,164 | 18,164 | 18,164 | - |
| Benefits | 9,896 | 9,896 | 9,684 | 212 |
| Total law department | 28,060 | 28,060 | 27,848 | 212 |
| Police department | | | | |
| Salaries | 104,000 | 120,000 | 108,700 | 11,300 |
| Benefits | 34,493 | 42,194 | 41,716 | 478 |
| Materials and supplies | 5,000 | 7,500 | 5,506 | 1,994 |
| Contractual services | 32,500 | 18,104 | 12,274 | 5,830 |
| Total police department | 175,993 | 187,798 | 168,196 | 19,602 |
| Total expenditures | 204,053 | 215,858 | 196,044 | 19,814 |
| Excess (deficiency) of revenues over expenditures | 5,947 | (5,858) | 55,635 | 61,493 |
| Fund balance, beginning of year | 101,993 | 101,993 | 101,993 | - |
| Fund balance, end of year | \$ 107,940 | \$ 96,135 | \$ 157,628 | \$ 61,493 |

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, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property and other taxes | \$ 208,865 | \$ 208,865 | \$ 218,127 | \$ 9,262 |
| Intergovernmental revenue | <u>44,330</u> | <u>41,088</u> | <u>39,300</u> | <u>(1,788)</u> |
| Total revenues | <u>253,195</u> | <u>249,953</u> | <u>257,427</u> | <u>7,474</u> |
| Expenditures | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Police department | | | | |
| Benefits | 276,624 | 276,624 | 247,273 | 29,351 |
| Contractual services | <u>653</u> | <u>653</u> | <u>430</u> | <u>223</u> |
| Total expenditures | <u>277,277</u> | <u>277,277</u> | <u>247,703</u> | <u>29,574</u> |
| Excess (deficiency) of revenues over expenditures | (24,082) | (27,324) | 9,724 | 37,048 |
| Fund balance, beginning of year | <u>48,584</u> | <u>48,584</u> | <u>48,584</u> | <u>-</u> |
| Fund balance, end of year | \$ <u>24,502</u> | \$ <u>21,260</u> | \$ <u>58,308</u> | \$ <u>37,048</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, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------------|-------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 19,000 | \$ 24,000 | \$ 24,144 | \$ 144 |
| Fines and forfeitures | 1,700 | 1,700 | 850 | (850) |
| Investment income | - | - | 313 | 313 |
| Other revenue | <u>4,500</u> | <u>4,500</u> | <u>6,113</u> | <u>1,613</u> |
| Total revenues | <u>25,200</u> | <u>30,200</u> | <u>31,420</u> | <u>1,220</u> |
| Expenditures | | | | |
| Current: | | | | |
| Leisure time activities | | | | |
| Department of community life services | | | | |
| Materials and supplies | 21,071 | 21,071 | 12,838 | 8,233 |
| Contractual services | <u>25,963</u> | <u>30,963</u> | <u>27,774</u> | <u>3,189</u> |
| Total expenditures | <u>47,034</u> | <u>52,034</u> | <u>40,612</u> | <u>11,422</u> |
| Excess (deficiency) of revenues over Expenditures | (21,834) | (21,834) | (9,192) | 12,642 |
| Prior year encumbrances | 2,621 | 2,621 | 2,621 | - |
| Fund balance, beginning of year | <u>31,296</u> | <u>31,296</u> | <u>31,296</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>12,083</u></u> | \$ <u><u>12,083</u></u> | \$ <u><u>24,725</u></u> | \$ <u><u>12,642</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, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------------|-------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 4,855 | \$ 4,855 | \$ 6,348 | \$ 1,493 |
| Intergovernmental revenue | <u>8,232</u> | <u>9,714</u> | <u>11,401</u> | <u>1,687</u> |
| Total revenues | <u>13,087</u> | <u>14,569</u> | <u>17,749</u> | <u>3,180</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public health and welfare | | | | |
| Senior services | | | | |
| Salaries | 12,616 | 12,616 | 12,354 | 262 |
| Benefits | <u>471</u> | <u>1,953</u> | <u>1,951</u> | <u>2</u> |
| Total expenditures | <u>13,087</u> | <u>14,569</u> | <u>14,305</u> | <u>264</u> |
| Excess (deficiency) of revenues over expenditures | - | - | 3,444 | 3,444 |
| Fund balance, beginning of year | <u>37,068</u> | <u>37,068</u> | <u>37,068</u> | - |
| Fund balance, end of year | \$ <u><u>37,068</u></u> | \$ <u><u>37,068</u></u> | \$ <u><u>40,512</u></u> | \$ <u><u>3,444</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, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------------|-------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 1,000 | \$ 1,000 | \$ - | \$ (1,000) |
| Licenses and permits | <u>2,000</u> | <u>2,000</u> | <u>2,000</u> | <u>-</u> |
| Total revenues | 3,000 | 3,000 | 2,000 | (1,000) |
| Expenditures | | | | |
| Current: | | | | |
| Transportation | | | | |
| Public service and properties | | | | |
| Contractual services | <u>30,467</u> | <u>30,467</u> | <u>15,467</u> | <u>15,000</u> |
| Excess (deficiency) of revenues over expenditures | (27,467) | (27,467) | (13,467) | 14,000 |
| Prior year encumbrances | 15,467 | 15,467 | 15,467 | - |
| Fund balance, beginning of year | <u>32,237</u> | <u>32,237</u> | <u>32,237</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>20,237</u></u> | \$ <u><u>20,237</u></u> | \$ <u><u>34,237</u></u> | \$ <u><u>14,000</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, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------------|--------------------------|--------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property and other taxes | \$ 765,839 | \$ 765,839 | \$ 799,798 | \$ 33,959 |
| Intergovernmental revenue | <u>109,406</u> | <u>109,406</u> | <u>103,606</u> | <u>(5,800)</u> |
| Total revenues | <u>875,245</u> | <u>875,245</u> | <u>903,404</u> | <u>28,159</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government - legislative and executive | | | | |
| Finance department | | | | |
| Contractual services | <u>12,200</u> | <u>12,200</u> | <u>1,578</u> | <u>10,622</u> |
| Debt service: | | | | |
| Principal | 550,000 | 550,000 | 550,000 | - |
| Interest and fiscal charges | <u>338,238</u> | <u>338,238</u> | <u>333,238</u> | <u>5,000</u> |
| Total debt service | <u>888,238</u> | <u>888,238</u> | <u>883,238</u> | <u>5,000</u> |
| Total expenditures | <u>900,438</u> | <u>900,438</u> | <u>884,816</u> | <u>15,622</u> |
| Excess (deficiency) of revenues over expenditures | (25,193) | (25,193) | 18,588 | 43,781 |
| Fund balance, beginning of year | <u>653,645</u> | <u>653,645</u> | <u>653,645</u> | - |
| Fund balance, end of year | \$ <u><u>628,452</u></u> | \$ <u><u>628,452</u></u> | \$ <u><u>672,233</u></u> | \$ <u><u>43,781</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, 2011

| | <u>Budget</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---------------------------------|-------------------------|-------------------------|-------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Fund balance, beginning of year | \$ <u>90,952</u> | \$ <u>90,952</u> | \$ <u>90,952</u> | \$ <u>-</u> |
| Fund balance, end of year | \$ <u><u>90,952</u></u> | \$ <u><u>90,952</u></u> | \$ <u><u>90,952</u></u> | \$ <u><u>-</u></u> |

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2011

| | Budget | | Actual | Variance with |
|--|--------------------------|--------------------------|--------------------------|-------------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Property and other taxes | \$ 278,486 | \$ 278,486 | \$ 290,836 | \$ 12,350 |
| Intergovernmental revenue | <u>39,784</u> | <u>39,784</u> | <u>37,675</u> | <u>(2,109)</u> |
| Total revenues | <u>318,270</u> | <u>318,270</u> | <u>328,511</u> | <u>10,241</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government – legislative and executive | | | | |
| Finance | | | | |
| Contractual services | <u>1,000</u> | <u>1,000</u> | <u>574</u> | <u>426</u> |
| Debt service: | | | | |
| Principal | 160,000 | 160,000 | 160,000 | - |
| Interest and fiscal charges | <u>162,013</u> | <u>162,013</u> | <u>157,013</u> | <u>5,000</u> |
| Total debt service | <u>322,013</u> | <u>322,013</u> | <u>317,013</u> | <u>5,000</u> |
| Total expenditures | <u>323,013</u> | <u>323,013</u> | <u>317,587</u> | <u>5,426</u> |
| Excess (deficiency) of revenues over expenditures | (4,743) | (4,743) | 10,924 | 15,667 |
| Fund balance, beginning of year | <u>528,341</u> | <u>528,341</u> | <u>528,341</u> | - |
| Fund balance, end of year | \$ <u><u>523,598</u></u> | \$ <u><u>523,598</u></u> | \$ <u><u>539,265</u></u> | \$ <u><u>15,667</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, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|--|-----------|------------|------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ 269,677 | \$ 134,839 | \$ (134,838) |
| Fines, licenses and permits | - | - | 3,025 | 3,025 |
| Total revenues | - | 269,677 | 137,864 | (131,813) |
| Expenditures | | | | |
| Current: | | | | |
| General government - legislative and executive | | | | |
| Division of finance | | | | |
| Capital outlay | 113,586 | 113,586 | 19,657 | 93,929 |
| Division of information services | | | | |
| Capital outlay | 22,741 | 22,741 | 17,984 | 4,757 |
| Total general government - legislative and executive | 136,327 | 136,327 | 37,641 | 98,686 |
| Leisure time activities | | | | |
| Recreation department | | | | |
| Capital outlay | - | 362,359 | 353,578 | 8,781 |
| Transportation | | | | |
| Department of public service | | | | |
| Capital outlay | - | 269,677 | 181,592 | 88,085 |
| Total current expenditures | 136,327 | 768,363 | 572,811 | 195,552 |
| Debt service: | | | | |
| Interest and fiscal charges | - | 2,000 | 2,000 | - |
| Total expenditures | 136,327 | 770,363 | 574,811 | 195,552 |
| Excess (deficiency) of revenues over expenditures | (136,327) | (500,686) | (436,947) | 63,739 |
| Other financing sources (uses): | | | | |
| Proceeds from issuance of debt | - | 202,000 | 202,000 | - |
| Transfers - in | - | 162,359 | 162,359 | - |
| Total other financing sources (uses) | - | 364,359 | 364,359 | - |
| Net change in fund balance | (136,327) | (136,327) | (72,588) | 63,739 |
| Prior year encumbrances | 27,736 | 27,736 | 27,736 | - |
| Fund balance, beginning of year | 127,304 | 127,304 | 127,304 | - |
| Fund balance, end of year | \$ 18,713 | \$ 18,713 | \$ 82,452 | \$ 63,739 |

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, 2011

| | <u>Budget</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---------------------------------|--------------------------|--------------------------|--------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Fund balance, beginning of year | \$ <u>113,169</u> | \$ <u>113,169</u> | \$ <u>113,169</u> | \$ <u>-</u> |
| Fund balance, end of year | \$ <u><u>113,169</u></u> | \$ <u><u>113,169</u></u> | \$ <u><u>113,169</u></u> | \$ <u><u>-</u></u> |

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2011

| | <u>Budget</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------------|-------------------------|--------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Other financing sources (uses): | | | | |
| Proceeds from sale of land | \$ - | \$ - | \$ 156,930 | \$ 156,930 |
| Transfers - out | <u>(7,200)</u> | <u>(81,450)</u> | <u>(81,450)</u> | <u>-</u> |
| Total other financing sources (uses) | (7,200) | (81,450) | 75,480 | 156,930 |
| Fund balance, beginning of year | <u>175,196</u> | <u>175,196</u> | <u>175,196</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>167,996</u></u> | \$ <u><u>93,746</u></u> | \$ <u><u>250,676</u></u> | \$ <u><u>156,930</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, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------------|--------------------|--------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Miscellaneous | \$ - | \$ 1,195 | \$ 1,195 | \$ - |
| Expenditures | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Fire department | | | | |
| Capital outlay | <u>154,386</u> | <u>155,581</u> | <u>155,581</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | (154,386) | (154,386) | (154,386) | - |
| Prior year encumbrances | 225 | 225 | 225 | - |
| Fund balance, beginning of year | <u>154,161</u> | <u>154,161</u> | <u>154,161</u> | <u>-</u> |
| Fund balance, end of year | \$ <u><u>-</u></u> | \$ <u><u>-</u></u> | \$ <u><u>-</u></u> | \$ <u><u>-</u></u> |

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------|-------------------------|-------------------------|-------------------------|---|
| | Original | Final | | |
| Fund equity, beginning of year | \$ <u>21,708</u> | \$ <u>21,708</u> | \$ <u>21,708</u> | \$ <u>-</u> |
| Fund equity, end of year | \$ <u><u>21,708</u></u> | \$ <u><u>21,708</u></u> | \$ <u><u>21,708</u></u> | \$ <u><u>-</u></u> |

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------------|-------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ <u>1,335,000</u> | \$ <u>1,163,565</u> | \$ <u>1,164,632</u> | \$ <u>1,067</u> |
| Expenses: | | | | |
| Golf course and ballroom | | | | |
| Salaries | 404,350 | 369,033 | 367,246 | 1,787 |
| Benefits | 94,809 | 90,117 | 89,766 | 351 |
| Materials and supplies | 283,223 | 253,443 | 251,980 | 1,463 |
| Contractual services | 234,175 | 223,510 | 221,823 | 1,687 |
| Capital outlay | 574,019 | 558,311 | 554,251 | 4,060 |
| Debt issuance fees | <u>-</u> | <u>4,000</u> | <u>4,000</u> | <u>-</u> |
| Total expenses | <u>1,590,576</u> | <u>1,498,414</u> | <u>1,489,066</u> | <u>9,348</u> |
| Excess (deficiency) of revenues over expenses | <u>(255,576)</u> | <u>(334,849)</u> | <u>(324,434)</u> | <u>10,415</u> |
| Other financing sources (uses): | | | | |
| Proceeds from issuance of debt | 495,000 | 485,000 | 485,000 | - |
| Transfers - out | <u>(341,130)</u> | <u>(276,130)</u> | <u>(276,130)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>153,870</u> | <u>208,870</u> | <u>208,870</u> | <u>-</u> |
| Net change in fund equity | (101,706) | (125,979) | (115,564) | 10,415 |
| Prior year encumbrances | 17,143 | 17,143 | 17,143 | - |
| Fund equity, beginning of year | <u>122,381</u> | <u>122,381</u> | <u>122,381</u> | <u>-</u> |
| Fund equity, end of year | \$ <u><u>37,818</u></u> | \$ <u><u>13,545</u></u> | \$ <u><u>23,960</u></u> | \$ <u><u>10,415</u></u> |

City of North Olmsted, Ohio

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

For the Year Ended December 31, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------------------|--------------------------|----------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 6,692,659 | \$ 6,691,159 | \$ 6,819,392 | \$ 128,233 |
| Tap-in fees | - | - | 187,887 | 187,887 |
| Total revenues | <u>6,692,659</u> | <u>6,691,159</u> | <u>7,007,279</u> | <u>316,120</u> |
| Expenses: | | | | |
| Sewer | | | | |
| Salaries | 1,843,902 | 1,900,657 | 1,762,652 | 138,005 |
| Benefits | 640,186 | 657,765 | 646,777 | 10,988 |
| Materials and supplies | 586,618 | 587,618 | 508,106 | 79,512 |
| Contractual services | 1,780,968 | 1,759,968 | 1,525,556 | 234,412 |
| Capital outlay | <u>651,435</u> | <u>1,081,775</u> | <u>925,245</u> | <u>156,530</u> |
| Total expenses | <u>5,503,109</u> | <u>5,987,783</u> | <u>5,368,336</u> | <u>619,447</u> |
| Excess (deficiency) of revenues over expenses | <u>1,189,550</u> | <u>703,376</u> | <u>1,638,943</u> | <u>935,567</u> |
| Other financing sources (uses): | | | | |
| Sale of capital assets | - | - | 112 | 112 |
| Loan proceeds | 301,413 | 729,214 | 729,214 | - |
| Transfers - out | <u>(1,771,590)</u> | <u>(1,771,590)</u> | <u>(1,771,590)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(1,470,177)</u> | <u>(1,042,376)</u> | <u>(1,042,264)</u> | <u>112</u> |
| Net change in fund equity | (280,627) | (339,000) | 596,679 | 935,679 |
| Prior year encumbrances | 87,492 | 87,492 | 87,492 | - |
| Fund equity, beginning of year | <u>572,070</u> | <u>572,070</u> | <u>572,070</u> | <u>-</u> |
| Fund equity, end of year | \$ <u><u>378,935</u></u> | \$ <u><u>320,562</u></u> | \$ <u><u>1,256,241</u></u> | \$ <u><u>935,679</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, 2011

| | <u>Budget</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--------------------------------|----------------------------|----------------------------|----------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Charges for services | \$ 2,599,300 | \$ 2,599,300 | \$ 2,478,861 | \$ (120,439) |
| Expenses | | | | |
| Contractual services | <u>2,640,860</u> | <u>2,640,860</u> | <u>1,956,619</u> | <u>684,241</u> |
| Net change in fund equity | (41,560) | (41,560) | 522,242 | 563,802 |
| Fund equity, beginning of year | <u>2,186,809</u> | <u>2,186,809</u> | <u>2,186,809</u> | <u>-</u> |
| Fund equity, end of year | \$ <u><u>2,145,249</u></u> | \$ <u><u>2,145,249</u></u> | \$ <u><u>2,709,051</u></u> | \$ <u><u>563,802</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, 2011

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------|--------------------------|--------------------------|--------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 400,000 | \$ 400,000 | \$ 395,485 | \$ (4,515) |
| Expenses: | | | | |
| Contractual services | <u>290,000</u> | <u>290,000</u> | <u>241,980</u> | <u>48,020</u> |
| Net change in fund equity | 110,000 | 110,000 | 153,505 | 43,505 |
| Fund equity, beginning of year | <u>478,533</u> | <u>478,533</u> | <u>478,533</u> | <u>-</u> |
| Fund equity, end of year | \$ <u><u>588,533</u></u> | \$ <u><u>588,533</u></u> | \$ <u><u>632,038</u></u> | \$ <u><u>43,505</u></u> |

City of North Olmsted, Ohio

Fund Description

For the Year Ended December 31, 2011

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, 2011

| | <u>Beginning Balance 12/31/10</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance 12/31/11</u> |
|---|---|-------------------|-------------------|--|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ <u>375,304</u> | \$ <u>225,376</u> | \$ <u>32,431</u> | \$ <u>568,249</u> |
| Liabilities: | | | | |
| Accounts and contracts payable | \$ - | \$ 7,479 | \$ - | \$ 7,479 |
| Deposits held and due to others | <u>375,304</u> | <u>217,897</u> | <u>32,431</u> | <u>560,770</u> |
| Total liabilities | \$ <u>375,304</u> | \$ <u>225,376</u> | \$ <u>32,431</u> | \$ <u>568,249</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. | 137-144 |
| Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and municipal income tax. | 145-149 |
| 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. | 150-154 |
| 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. | 155-156 |
| 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. | 157-164 |

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 Nine Years

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

Source: City financial records

City of North Olmsted, Ohio

Changes in Net Assets Accrual Basis of Accounting

Last Nine Years

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|--|------------------|----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Governmental activities: | | | | | | | | | |
| Charges for services: | | | | | | | | | |
| General government | \$ 1,599,848 | \$ 1,247,442 | \$ 1,245,426 | \$ 1,294,947 | \$ 1,380,444 | \$ 1,377,673 | \$ 2,112,111 | \$ 2,028,781 | \$ 1,913,520 |
| Security of persons and property | 1,206,279 | 1,191,835 | 1,132,436 | 983,509 | 913,899 | 919,841 | 960,897 | 658,766 | 675,496 |
| Public health and welfare | 20,989 | 40,077 | 32,742 | 35,723 | 34,924 | 17,076 | 8,140 | 6,470 | 8,910 |
| Transportation | 257,183 | 173,141 | 230,351 | 370,720 | 257,444 | 234,374 | 261,165 | 132,714 | 123,303 |
| Basic utility services | - | - | - | - | - | 10,379 | 88,498 | - | 16,931 |
| Leisure time activities | 1,282,907 | 1,226,424 | 1,158,712 | 1,188,305 | 1,115,611 | 1,132,666 | 991,352 | 1,080,826 | 1,092,362 |
| Economic development | 21,206 | 19,875 | 21,447 | 20,826 | 20,771 | 18,969 | 14,752 | - | - |
| Total charges for services | <u>4,388,412</u> | <u>3,898,794</u> | <u>3,821,114</u> | <u>3,894,030</u> | <u>3,723,093</u> | <u>3,710,978</u> | <u>4,436,915</u> | <u>3,907,557</u> | <u>3,830,522</u> |
| Operating grants and contributions: | | | | | | | | | |
| General government | 11,260 | 48,547 | 29,998 | 53,548 | 259,898 | 18,911 | 134,699 | 54,304 | 39,683 |
| Security of persons and property | 26,322 | 54,646 | 55,111 | 73,554 | 52,724 | 69,342 | 39,828 | 122,702 | 102,673 |
| Public health and welfare | 60,327 | 63,017 | 46,530 | 53,436 | 42,152 | 63,097 | 36,582 | - | - |
| Transportation | 955,306 | 1,603,510 | 1,442,017 | 1,506,885 | 1,532,237 | 1,576,013 | 1,393,585 | 1,281,106 | 1,166,058 |
| Basic utility services | 3,282 | 3,634 | 4,350 | - | 8,018 | - | - | - | - |
| Leisure time activities | 62,491 | 69,136 | 64,267 | 75,757 | 71,678 | 75,495 | 63,915 | 69,406 | 73,190 |
| Community environment | - | - | - | - | - | - | 21,601 | - | - |
| Economic development | 65,000 | 15,400 | 54,600 | 19,975 | - | - | 27,503 | - | - |
| Total operating grants and contributions | <u>1,183,988</u> | <u>1,857,890</u> | <u>1,696,873</u> | <u>1,783,155</u> | <u>1,966,707</u> | <u>1,802,858</u> | <u>1,717,713</u> | <u>1,527,518</u> | <u>1,381,604</u> |
| Capital grants and contributions: | | | | | | | | | |
| General government | 134,839 | - | - | - | - | - | - | - | 1,037,239 |
| Security of persons and property | 288,228 | - | 100,000 | - | - | 47,834 | 313,443 | - | - |
| Public health and welfare | 105,000 | - | - | - | - | - | - | - | - |
| Transportation | 246,967 | 8,162,080 | 681,725 | 161,267 | 1,086,471 | 2,966,101 | 609,370 | - | - |
| Basic utility services | - | - | - | - | - | - | - | - | 942,051 |
| Leisure time activities | - | - | 18,654 | - | 112,200 | - | - | - | - |
| Total capital grants and contributions | <u>775,034</u> | <u>8,162,080</u> | <u>800,379</u> | <u>161,267</u> | <u>1,198,671</u> | <u>3,013,935</u> | <u>922,813</u> | <u>-</u> | <u>1,979,290</u> |
| Total governmental activities program revenues | <u>6,347,434</u> | <u>\$ 13,918,764</u> | <u>6,318,366</u> | <u>5,838,452</u> | <u>6,888,471</u> | <u>8,527,771</u> | <u>7,077,441</u> | <u>5,435,075</u> | <u>7,191,416</u> |

(Continued)

City of North Olmsted, Ohio

Changes in Net Assets Accrual Basis of Accounting (Continued)

Last Nine Years

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Business-type activities: | | | | | | | | | |
| Charges for services: | | | | | | | | | |
| NOMBL | - | - | - | - | 1,608 | 31,277 | 1,191,441 | 4,525,424 | 4,497,011 |
| Springvale Golf Course and Ballroom | 1,166,214 | 1,304,849 | 1,286,334 | 1,309,635 | 1,236,571 | 1,311,244 | 1,316,095 | 1,234,847 | 1,356,442 |
| Sewer | <u>6,673,982</u> | <u>6,769,950</u> | <u>6,371,014</u> | <u>6,291,597</u> | <u>5,902,415</u> | <u>5,705,603</u> | <u>5,897,826</u> | <u>5,704,261</u> | <u>5,996,694</u> |
| Total charges for services | <u>7,840,196</u> | <u>8,074,799</u> | <u>7,657,348</u> | <u>7,601,232</u> | <u>7,140,594</u> | <u>7,048,124</u> | <u>8,405,362</u> | <u>11,464,532</u> | <u>11,850,147</u> |
| Capital grants and contributions: | | | | | | | | | |
| Sewer | <u>187,887</u> | <u>71,428</u> | <u>124,197</u> | <u>40,886</u> | <u>141,130</u> | <u>471,157</u> | <u>185,705</u> | <u>362,240</u> | <u>135,336</u> |
| Total business-type activities program revenues | <u>8,028,083</u> | <u>8,146,227</u> | <u>7,781,545</u> | <u>7,642,118</u> | <u>7,281,724</u> | <u>7,519,281</u> | <u>8,591,067</u> | <u>11,826,772</u> | <u>11,985,483</u> |
| Total primary government program revenues | <u>14,375,517</u> | <u>22,064,991</u> | <u>14,099,911</u> | <u>13,480,570</u> | <u>14,170,195</u> | <u>16,047,052</u> | <u>15,668,508</u> | <u>17,261,847</u> | <u>19,176,899</u> |
| Expenses: | | | | | | | | | |
| Governmental activities: | | | | | | | | | |
| General government | 3,582,339 | 3,276,027 | 3,900,267 | 4,556,304 | 4,272,866 | 4,272,186 | 4,165,796 | 4,483,169 | 4,537,200 |
| Security of persons and property | 11,367,748 | 11,627,831 | 12,806,773 | 14,754,497 | 14,450,742 | 14,334,131 | 13,245,013 | 12,377,981 | 12,210,303 |
| Public health services | 489,183 | 467,464 | 536,943 | 565,271 | 567,033 | 549,892 | 546,222 | 471,085 | 437,691 |
| Transportation | 10,125,472 | 9,184,733 | 9,493,814 | 10,144,063 | 9,877,064 | 9,899,888 | 10,358,230 | 9,405,883 | 9,155,956 |
| Basic utility services | 2,306,879 | 2,246,112 | 2,111,966 | 2,162,069 | 1,806,726 | 1,678,150 | 1,645,096 | 1,579,622 | 1,681,386 |
| Leisure time activities | 2,414,279 | 2,519,617 | 2,493,927 | 2,618,770 | 2,451,564 | 2,479,209 | 2,594,345 | 2,827,622 | 2,447,232 |
| Community environment | - | - | - | - | - | - | 24,843 | - | - |
| Economic development | 432,497 | 377,094 | 548,066 | 562,343 | 343,280 | 156,942 | 202,149 | - | - |
| Interest and fiscal charges | <u>1,370,320</u> | <u>1,580,084</u> | <u>1,754,255</u> | <u>1,947,244</u> | <u>2,125,469</u> | <u>2,320,133</u> | <u>2,344,396</u> | <u>2,213,332</u> | <u>2,354,210</u> |
| Total governmental activities expenses | <u>32,088,717</u> | <u>31,278,962</u> | <u>33,646,011</u> | <u>37,310,561</u> | <u>35,894,744</u> | <u>35,690,531</u> | <u>35,126,090</u> | <u>33,358,694</u> | <u>32,823,978</u> |

(Continued)

City of North Olmsted, Ohio

Changes in Net Assets Accrual Basis of Accounting (Continued)

Last Nine Years

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Business-type activities: | | | | | | | | | |
| NOMBL | - | - | 13,158 | 13,158 | 13,158 | 42,057 | 984,208 | 4,714,687 | 4,467,129 |
| Springvale Golf Course and Ballroom | 1,393,346 | 1,403,969 | 1,337,078 | 1,417,950 | 1,470,220 | 1,451,094 | 1,480,190 | 1,412,396 | 1,509,294 |
| Sewer revenue | <u>5,950,651</u> | <u>5,965,290</u> | <u>6,251,896</u> | <u>6,659,020</u> | <u>6,735,440</u> | <u>6,752,055</u> | <u>6,900,892</u> | <u>7,024,422</u> | <u>6,702,118</u> |
| Total business-type activities expenses | <u>7,343,997</u> | <u>7,369,259</u> | <u>7,602,132</u> | <u>8,090,128</u> | <u>8,218,818</u> | <u>8,245,206</u> | <u>9,365,290</u> | <u>13,151,505</u> | <u>12,678,541</u> |
| Total primary government expenses | <u>39,432,714</u> | <u>38,648,221</u> | <u>41,248,143</u> | <u>45,400,689</u> | <u>44,113,562</u> | <u>43,935,737</u> | <u>44,491,380</u> | <u>46,510,199</u> | <u>45,502,519</u> |
| Net (expense) revenue: | | | | | | | | | |
| Governmental activities | (25,741,283) | (17,360,198) | (27,327,645) | (31,472,109) | (29,006,273) | (27,162,760) | (28,048,649) | (27,923,619) | (25,632,562) |
| Business-type activities | <u>684,086</u> | <u>776,968</u> | <u>179,413</u> | <u>(448,010)</u> | <u>(937,094)</u> | <u>(725,925)</u> | <u>(774,223)</u> | <u>(1,324,733)</u> | <u>(693,058)</u> |
| Total primary government net expense | <u>(25,057,197)</u> | <u>(16,583,230)</u> | <u>(27,148,232)</u> | <u>(31,920,119)</u> | <u>(29,943,367)</u> | <u>(27,888,685)</u> | <u>(28,822,872)</u> | <u>(29,248,352)</u> | <u>(26,325,620)</u> |
| General revenues and other changes in net assets: | | | | | | | | | |
| Governmental activities: | | | | | | | | | |
| Property taxes and other local taxes | 9,782,378 | 9,895,600 | 11,020,701 | 10,868,791 | 11,396,531 | 10,701,905 | 10,354,341 | 10,507,940 | 10,238,732 |
| Municipal income taxes | 12,197,549 | 12,142,212 | 12,239,390 | 13,021,313 | 13,014,677 | 14,164,807 | 12,159,878 | 12,491,922 | 10,927,745 |
| Grants and entitlements | 4,162,855 | 3,954,223 | 3,462,553 | 4,145,745 | 3,492,684 | 3,429,556 | 3,102,792 | 3,088,546 | 2,906,433 |
| Investment earnings | 37,499 | 62,463 | 84,227 | 531,565 | 1,029,342 | 917,948 | 596,488 | 240,155 | 295,832 |
| Other | 35,478 | 22,728 | 23,747 | 60,552 | 95,844 | 42,532 | 64,811 | 31,891 | 43,411 |
| Transfers | 62,651 | (75,800) | (27,781) | 528,542 | (328,082) | (2,353) | - | - | (46,256) |
| Special item – sale of capital assets | <u>156,930</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total governmental activities general revenues and other changes in net assets | <u>26,435,340</u> | <u>26,001,426</u> | <u>26,802,837</u> | <u>29,156,508</u> | <u>28,700,996</u> | <u>29,254,395</u> | <u>26,278,310</u> | <u>26,360,454</u> | <u>24,365,897</u> |

(Continued)

City of North Olmsted, Ohio

Changes in Net Assets Accrual Basis of Accounting (Continued)

Last Nine Years

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|---------------------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|
| Business-type activities: | | | | | | | | | |
| Other | - | - | - | - | - | - | - | 67,789 | 22,295 |
| Transfers | <u>(62,651)</u> | <u>75,800</u> | <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>(62,651)</u> | <u>75,800</u> | <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>26,372,689</u> | <u>26,077,226</u> | <u>26,830,618</u> | <u>28,627,966</u> | <u>29,029,078</u> | <u>29,256,748</u> | <u>26,278,310</u> | <u>26,428,243</u> | <u>24,434,448</u> |
| Change in net assets: | | | | | | | | | |
| Governmental activities | 694,057 | 8,641,228 | (524,808) | (2,315,601) | (305,277) | 2,091,635 | (1,770,339) | (1,563,165) | (1,266,665) |
| Business-type activities | <u>621,435</u> | <u>852,768</u> | <u>207,194</u> | <u>(976,552)</u> | <u>(609,012)</u> | <u>(723,572)</u> | <u>(774,223)</u> | <u>(1,256,944)</u> | <u>(624,507)</u> |
| Total primary government change | | | | | | | | | |
| in net assets | \$ <u>1,315,492</u> | \$ <u>9,493,996</u> | \$ <u>(317,614)</u> | \$ <u>(3,292,153)</u> | \$ <u>(914,289)</u> | \$ <u>1,368,063</u> | \$ <u>(2,544,562)</u> | \$ <u>(2,820,109)</u> | \$ <u>(1,891,172)</u> |

Source: City financial records

City of North Olmsted, Ohio

Fund Balances, Governmental Funds Modified Accrual Basis of Accounting

Last Ten Years

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 910,466 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Assigned | 875,618 | - | - | - | - | - | - | - | - | - |
| Unassigned | 4,752,859 | - | - | - | - | - | - | - | - | - |
| Reserved | - | 870,953 | 399,153 | 142,013 | 180,744 | 64,773 | 42,139 | 165,032 | 124,397 | 303,831 |
| Unreserved | - | 3,620,708 | 3,189,607 | 3,038,397 | 3,862,969 | 3,553,794 | 3,403,317 | 3,265,274 | 3,396,867 | 2,550,238 |
| Total General Fund | <u>6,538,943</u> | <u>4,491,661</u> | <u>3,588,760</u> | <u>3,180,410</u> | <u>4,043,713</u> | <u>3,618,567</u> | <u>3,445,456</u> | <u>3,430,306</u> | <u>3,521,264</u> | <u>2,854,069</u> |
| All other governmental funds | | | | | | | | | | |
| Nonspendable | 16,322 | - | - | - | - | - | - | - | - | - |
| Restricted | 7,848,577 | - | - | - | - | - | - | - | - | - |
| Committed | 2,791,841 | - | - | - | - | - | - | - | - | - |
| Unassigned | (56,562) | - | - | - | - | - | - | - | - | - |
| Reserved | - | 423,390 | 252,063 | 256,447 | 221,861 | 2,117,205 | 426,875 | 608,054 | 2,704,397 | 3,556,983 |
| Unreserved (deficit), reported in: | | | | | | | | | | |
| Special revenue funds | - | 5,290,424 | 5,826,527 | 5,833,486 | 6,024,628 | 4,433,601 | 2,721,488 | 2,151,294 | 1,633,313 | 2,047,338 |
| Debt service funds | - | 4,074,995 | 3,881,582 | 3,609,078 | 3,131,035 | 3,063,298 | 3,324,549 | 3,069,420 | 2,366,735 | 2,247,661 |
| Capital projects funds | - | 569,830 | 744,698 | 597,238 | 1,599,829 | 1,873,259 | 5,496,444 | 4,985,705 | 1,606,038 | 5,927,805 |
| Total all other governmental funds | <u>10,600,178</u> | <u>10,358,639</u> | <u>10,704,870</u> | <u>10,296,249</u> | <u>10,977,353</u> | <u>11,487,363</u> | <u>11,969,356</u> | <u>10,814,473</u> | <u>8,310,483</u> | <u>13,779,787</u> |
| Total governmental funds | <u>\$ 17,139,121</u> | <u>\$ 14,850,300</u> | <u>\$ 14,293,630</u> | <u>\$ 13,476,659</u> | <u>\$ 15,021,066</u> | <u>\$ 15,105,930</u> | <u>\$ 15,414,812</u> | <u>\$ 14,244,779</u> | <u>\$ 11,831,747</u> | <u>\$ 16,633,856</u> |

Source: City financial records

Note: The City implemented GASB 54 in 2011.

City of North Olmsted, Ohio

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

Last Ten Years

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues: | | | | | | | | | | |
| Property taxes | \$ 9,924,695 | \$ 9,985,313 | \$ 10,687,345 | \$ 10,928,075 | \$ 11,300,024 | \$ 10,743,737 | \$ 10,519,830 | \$ 10,476,303 | \$ 10,000,703 | \$ 10,154,593 |
| Income taxes | 12,346,450 | 11,770,310 | 12,241,747 | 12,823,445 | 13,347,091 | 13,716,789 | 12,310,815 | 12,416,225 | 11,658,413 | 11,328,050 |
| Charges for services | 2,384,556 | 2,414,501 | 2,318,947 | 2,306,911 | 2,429,928 | 2,400,889 | 2,485,102 | 1,930,702 | 2,002,103 | 2,073,941 |
| Fines, licenses and permits | 1,670,972 | 1,212,137 | 1,211,117 | 1,233,366 | 1,336,750 | 1,326,848 | 1,456,374 | 1,754,093 | 1,786,733 | 1,413,825 |
| Intergovernmental | 6,409,008 | 5,802,595 | 6,146,811 | 6,151,099 | 7,020,463 | 7,731,605 | 5,568,035 | 4,787,581 | 6,310,281 | 6,218,117 |
| Special assessments | - | 90,000 | 85,000 | 75,000 | 70,000 | 70,000 | 65,000 | 60,000 | 55,000 | 116,813 |
| Interest | 37,499 | 62,463 | 84,227 | 531,565 | 1,029,342 | 917,948 | 596,488 | 240,155 | 295,832 | 363,807 |
| Miscellaneous | 181,063 | 208,977 | 195,904 | 214,157 | 273,269 | 206,726 | 242,574 | 247,967 | 180,826 | 378,776 |
| Total revenues | 32,954,243 | 31,546,296 | 32,971,098 | 34,263,618 | 36,806,867 | 37,114,542 | 33,244,218 | 31,913,026 | 32,289,891 | 32,047,922 |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 3,646,056 | 3,457,202 | 3,548,371 | 4,303,141 | 4,010,702 | 4,180,324 | 3,192,461 | 4,674,713 | 4,263,938 | 4,367,055 |
| Security of persons and property | 11,513,761 | 11,947,782 | 12,492,370 | 14,436,087 | 14,045,123 | 14,547,145 | 13,168,505 | 12,865,169 | 11,604,760 | 11,685,896 |
| Public health and welfare | 628,225 | 477,740 | 549,409 | 563,943 | 560,468 | 543,475 | 615,365 | 471,376 | 442,111 | 453,113 |
| Transportation | 5,163,746 | 4,422,054 | 4,949,069 | 5,702,600 | 5,522,720 | 4,981,748 | 4,817,442 | 3,863,076 | 5,311,916 | 5,213,922 |
| Basic utility services | 2,306,879 | 2,246,112 | 2,107,623 | 2,165,012 | 1,884,985 | 1,690,898 | 1,648,006 | 1,579,709 | 1,681,386 | 1,607,984 |
| Leisure time activities | 2,287,806 | 2,343,545 | 2,208,061 | 2,409,455 | 2,405,799 | 2,264,816 | 2,420,164 | 2,271,632 | 2,212,675 | 2,161,359 |
| Community environment | - | - | - | - | - | - | 22,372 | 37,593 | - | - |
| Economic development | 468,200 | 556,467 | 554,298 | 544,560 | 341,877 | 155,170 | 175,375 | - | - | 218,058 |
| Capital outlay | 376,161 | 122,399 | 416,772 | 834,099 | 3,152,670 | 4,514,283 | 3,023,674 | 3,858,779 | 6,348,743 | 1,453,736 |
| Debt Service: | | | | | | | | | | |
| Principal | 4,002,500 | 7,588,715 | 6,763,814 | 5,803,153 | 4,120,931 | 14,009,002 | 10,733,612 | 5,933,612 | 5,007,897 | 3,342,539 |
| Interest and fiscal charge | 1,368,647 | 1,606,408 | 1,738,992 | 1,951,582 | 2,077,473 | 2,322,655 | 2,147,630 | 2,229,548 | 2,378,765 | 2,552,217 |
| Note issuance costs | 17,426 | 25,522 | 22,017 | 12,000 | 13,250 | - | - | - | - | - |
| Bond issuance costs | - | 83,872 | - | - | - | 329,670 | - | - | - | - |
| Total expenditures | 31,779,407 | 34,877,818 | 35,350,796 | 38,725,632 | 38,135,998 | 49,539,186 | 41,964,606 | 37,785,207 | 39,252,191 | 33,055,879 |
| Excess of revenues over (under) expenditures | 1,174,836 | (3,331,522) | (2,379,698) | (4,462,014) | (1,329,131) | (12,424,644) | (8,720,388) | (5,872,181) | (6,962,300) | (1,007,957) |

(Continued)

City of North Olmsted, Ohio

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

Last Ten Years

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|--|---------------------|--------------------|--------------------|-----------------------|--------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|
| Other financing sources (uses): | | | | | | | | | | |
| Issuance of notes | 880,000 | - | 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 | - | 59,763 | - | - | - | 63,782 | 19,316 | - | - | - |
| Bond proceeds | - | 3,715,000 | - | - | - | 27,230,000 | - | - | - | - |
| Premium on bonds | - | 168,945 | - | - | - | 658,627 | - | - | - | - |
| Payment to bond escrow agent | - | - | - | - | - | (16,354,414) | - | - | - | - |
| Sale of capital assets | 171,334 | 20,284 | 9,450 | 27,527 | 12,349 | 20,120 | 11,105 | 560,213 | 11,447 | 13,206 |
| Transfers - in | 3,147,873 | 1,860,769 | 1,790,131 | 2,616,630 | 2,492,750 | 1,858,626 | 2,067,962 | 2,147,358 | 2,025,546 | 2,199,625 |
| Transfers - out | <u>(3,085,222)</u> | <u>(1,936,569)</u> | <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> |
| Total other financing sources (uses) | <u>1,113,985</u> | <u>3,888,192</u> | <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> |
| Net change in fund balances | \$ <u>2,288,821</u> | \$ <u>556,670</u> | \$ <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> |
| Debt service as a percentage of noncapital expenditures | 18.33% | 36.66% | 25.49% | 21.38% | 18.89% | 38.30% | 34.02% | 24.52% | 23.36% | 18.44% |

Source: City financial records

City of North Olmsted, Ohio

Assessed Valuations and Estimated Actual Values of Taxable Property

Last Ten Years

| <u>Tax 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> |
|-----------------|----------------------|--------------------------------|-----------------------------------|----------------|--|------------------------------|--------------|
| 2011 | \$ 818,595,110 | \$ 12,549,000 | \$ - | \$ 831,144,110 | \$ 2,353,103,398 | \$ 13.30 | 35.3% |
| 2010 | 825,718,930 | 11,747,350 | - | 837,466,280 | 2,372,546,204 | 13.30 | 35.3 |
| 2009 | 827,569,610 | 11,432,430 | - | 839,002,040 | 2,377,475,998 | 13.30 | 35.3 |
| 2008 | 882,868,100 | 11,624,510 | 15,831,601 | 910,324,211 | 2,799,034,922 | 13.20 | 32.5 |
| 2007 | 881,650,600 | 10,087,260 | 30,291,306 | 922,029,166 | 2,781,506,682 | 13.20 | 33.1 |
| 2006 | 881,661,360 | 14,502,800 | 39,487,817 | 935,651,977 | 2,758,639,748 | 13.20 | 33.9 |
| 2005 | 806,908,240 | 14,685,560 | 49,409,433 | 871,003,233 | 2,549,646,856 | 13.30 | 34.2 |
| 2004 | 802,181,840 | 15,808,350 | 47,369,486 | 865,359,676 | 2,529,519,101 | 13.30 | 34.2 |
| 2003 | 751,348,000 | 16,129,090 | 46,312,966 | 813,790,056 | 2,380,327,473 | 13.60 | 34.2 |
| 2002 | 748,692,910 | 17,173,070 | 50,671,362 | 816,537,342 | 2,376,154,188 | 13.60 | 34.4 |

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

City of North Olmsted, Ohio

Income Tax Revenue Collections (Cash Basis)

Last Ten Years

| <u>Collection 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> |
|------------------------|-----------------|----------------------------|-------------------------------|---|-------------------------------|---|-------------------------------|---|
| 2011 | 2.00% | \$ 12,162,050 | \$ 9,275,836 | 76.3% | \$ 1,814,680 | 14.9% | \$ 1,071,534 | 8.8% |
| 2010 | 2.00 | 12,026,344 | 9,090,112 | 75.6 | 1,722,631 | 14.3 | 1,213,601 | 10.1 |
| 2009 | 2.00 | 12,285,520 | 8,970,962 | 73.0 | 1,727,948 | 14.1 | 1,586,610 | 12.9 |
| 2008 | 2.00 | 13,069,739 | 9,217,837 | 70.5 | 1,797,199 | 13.8 | 2,054,703 | 15.7 |
| 2007 | 2.00 | 13,330,936 | 9,275,262 | 69.6 | 1,880,178 | 14.1 | 2,175,496 | 16.3 |
| 2006 | 2.00 | 13,328,675 | 9,134,372 | 68.5 | 1,967,779 | 14.8 | 2,226,524 | 16.7 |
| 2005 | 2.00 | 12,613,174 | 9,137,415 | 72.4 | 2,065,620 | 16.4 | 1,410,139 | 11.2 |
| 2004 | 2.00 | 12,098,602 | 8,694,555 | 71.9 | 2,001,020 | 16.5 | 1,403,027 | 11.6 |
| 2003 | 2.00 | 11,548,120 | 8,516,041 | 73.7 | 2,110,004 | 18.3 | 922,075 | 8.0 |
| 2002 | 2.00 | 11,391,003 | 8,198,490 | 72.0 | 2,094,315 | 18.4 | 1,098,198 | 9.6 |

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 | | | | | | | | | | |
|-----------------------|-------------------|-----------------|-------|------------|-------------------------|----------|-----------------|---------------------|---------------------------|-----------|
| Tax Year | General Operating | Debt Retirement | | Recreation | Police and Fire Pension | Total | School District | Cuyahoga County (a) | Polaris Vocational School | Total |
| | | General | Sewer | | | | | | | |
| 2011 | \$ 6.70 | \$ 4.80 | \$ - | \$ 1.20 | \$ 0.60 | \$ 13.30 | \$ 91.40 | \$ 20.80 | \$ 2.40 | \$ 127.90 |
| 2010 | 6.70 | 4.80 | - | 1.20 | 0.60 | 13.30 | 91.40 | 20.90 | 2.40 | 128.00 |
| 2009 | 6.40 | 5.10 | - | 1.20 | 0.60 | 13.30 | 83.50 | 20.60 | 2.40 | 119.80 |
| 2008 | 6.50 | 4.90 | - | 1.20 | 0.60 | 13.20 | 83.50 | 20.60 | 2.40 | 119.70 |
| 2007 | 6.50 | 4.90 | - | 1.20 | 0.60 | 13.20 | 83.50 | 20.20 | 2.40 | 119.30 |
| 2006 | 6.60 | 4.80 | - | 1.20 | 0.60 | 13.20 | 77.00 | 20.20 | 2.40 | 112.80 |
| 2005 | 6.70 | 4.80 | - | 1.20 | 0.60 | 13.30 | 77.00 | 20.30 | 2.40 | 113.00 |
| 2004 | 6.70 | 4.80 | - | 1.20 | 0.60 | 13.30 | 77.00 | 18.30 | 2.40 | 111.00 |
| 2003 | 7.00 | 4.10 | 0.70 | 1.20 | 0.60 | 13.60 | 77.00 | 17.60 | 2.40 | 110.60 |
| 2002 | 7.00 | 4.10 | 0.70 | 1.20 | 0.60 | 13.60 | 77.00 | 17.60 | 2.40 | 110.60 |

(a) Includes Metroparks and Library Millage

Source: Cuyahoga County Fiscal Officer

City of North Olmsted, Ohio

Real Property Tax Levies, and Collections

Last Ten Years

| <u>Collection Year</u> | <u>Total Tax Levy</u> | <u>Current Collections</u> | <u>Percentage of Current Collections to Tax Levy</u> | <u>Delinquent Collections</u> | <u>Total Collections(1)</u> | <u>Percentage of Total Collections to Tax Levy</u> | <u>Accumulated Outstanding Delinquent Taxes</u> | <u>Delinquent Taxes to Total Tax Levy</u> |
|------------------------|-----------------------|----------------------------|--|-------------------------------|-----------------------------|--|---|---|
| 2011 | \$ 11,146,571 | \$ 10,756,740 | 96.50% | \$ 251,889 | \$ 11,008,629 | 98.76% | \$ 440,506 | 4.0% |
| 2010 | 11,800,535 | 10,623,422 | 90.03 | 391,697 | 11,015,119 | 93.34 | 574,690 | 4.9 |
| 2009 | 11,802,571 | 11,300,029 | 95.74 | 235,982 | 11,536,011 | 97.74 | 659,686 | 5.6 |
| 2008 | 11,804,175 | 11,399,614 | 96.57 | 293,573 | 11,693,187 | 99.06 | 400,697 | 3.4 |
| 2007 | 11,807,403 | 11,403,200 | 96.58 | 250,483 | 11,653,683 | 98.70 | 459,981 | 3.9 |
| 2006 | 10,906,598 | 10,577,903 | 96.99 | 239,718 | 10,817,621 | 99.18 | 363,471 | 3.3 |
| 2005 | 10,876,753 | 10,520,394 | 96.72 | 330,560 | 10,850,954 | 99.76 | 405,306 | 3.7 |
| 2004 | 10,952,774 | 10,489,902 | 95.77 | 346,897 | 10,836,799 | 98.94 | 570,796 | 5.2 |
| 2003 | 10,460,345 | 10,098,354 | 96.54 | 235,467 | 10,333,821 | 98.79 | 537,927 | 5.1 |
| 2002 | 10,454,645 | 10,057,703 | 96.20 | 331,751 | 10,389,454 | 99.38 | 463,462 | 4.4 |

Source: Cuyahoga County Fiscal Officer

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

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

City of North Olmsted, Ohio

Principal Taxpayers - Real Estate Tax

2011 and 2002

| <u>Name of Taxpayer</u> | <u>December 31, 2011</u> | |
|---|---------------------------|--|
| | <u>Assessed Value (1)</u> | <u>Percent of Total Assessed Value</u> |
| Great Northern Partnership | \$ 29,579,140 | 3.53% |
| DDR MDT Great Northern | 22,867,310 | 2.73 |
| Cleveland Electric Illuminating Company | 10,069,260 | 1.20 |
| Duke Realty Ohio | 8,465,210 | 1.01 |
| B&G Properties LTD Partnership | 6,107,700 | 0.73 |
| JVM Butternut Apartments, LLC | 5,985,000 | 0.71 |
| Moen, Inc. | 5,654,680 | 0.68 |
| Water Tower Square LTD Partnership | 4,638,730 | 0.55 |
| Wal Mart | 4,200,010 | 0.50 |
| Higbee Company | 3,850,010 | 0.46 |
| Total | \$ <u>101,417,050</u> | <u>12.10%</u> |

| <u>Name of Taxpayer</u> | <u>December 31, 2002</u> | |
|--------------------------------|---------------------------|--|
| | <u>Assessed Value (1)</u> | <u>Percent of Total Assessed Value</u> |
| DDRC Great Northern LTD | \$ 21,145,215 | 2.60% |
| Great Northern Partnership | 19,063,135 | 2.34 |
| Great Northern Properties | 6,864,410 | 0.84 |
| Butternut Ridge Appt. LLC | 5,462,625 | 0.67 |
| B&G Properties LTD Partnership | 4,911,165 | 0.60 |
| May Stores 74 Corp | 4,869,900 | 0.60 |
| Water Tower Square LTD | 4,696,720 | 0.58 |
| Wal Mart | 4,221,385 | 0.52 |
| Country Club Hotel Assoc LLC | 3,694,355 | 0.45 |
| Sears Roebuck Co | 3,532,830 | 0.43 |
| Total | \$ <u>78,461,740</u> | <u>9.63%</u> |

Source: Cuyahoga County Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2011 and 2002 collections were based.

City of North Olmsted, Ohio

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

Last Ten Years

| 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 | | | |
| 2011 | \$ 26,786,843 | \$ - | \$ 27,224 | \$ - | \$ 880,000 | \$ 40,052 | \$ - | \$ 90,851 | \$ 10,765,047 | \$ 485,000 | \$ 2,653 | \$ 2,114,162 | \$ 521,335 | \$ 41,713,167 | 4.43% | \$1,275 |
| 2010 | 30,783,808 | - | 40,837 | - | - | 51,989 | - | 93,801 | 12,222,846 | - | 3,427 | 1,436,697 | 651,668 | 45,285,073 | 4.81 | 1,385 |
| 2009 | 31,165,433 | 90,000 | 54,450 | - | 3,215,000 | - | - | 96,629 | 13,313,153 | - | - | 1,018,076 | 782,001 | 49,734,742 | 6.00 | 1,458 |
| 2008 | 35,442,003 | 175,000 | 68,061 | - | 2,370,000 | 21,991 | - | 99,341 | 14,631,498 | - | 1,621 | 607,269 | 912,335 | 54,329,119 | 6.55 | 1,593 |
| 2007 | 39,579,073 | 250,000 | 81,675 | - | 1,560,000 | 42,930 | - | 101,941 | 15,878,343 | - | 3,206 | 611,019 | 1,042,667 | 59,150,854 | 7.13 | 1,734 |
| 2006 | 43,600,143 | 320,000 | 95,288 | - | - | 62,755 | - | 104,434 | 16,945,688 | - | 4,711 | 662,621 | 1,173,000 | 62,968,640 | 7.59 | 1,846 |
| 2005 | 35,635,000 | 390,000 | 108,899 | - | 9,860,000 | 15,754 | - | 106,825 | 17,440,000 | 315,000 | 6,139 | 712,161 | 1,303,334 | 65,893,112 | 7.94 | 1,932 |
| 2004 | 39,115,000 | 455,000 | 122,511 | - | 7,175,000 | - | - | 109,117 | 18,435,000 | - | 26,176 | 759,721 | 1,433,667 | 67,631,192 | 8.15 | 1,983 |
| 2003 | 42,230,000 | 515,000 | 136,123 | - | 2,195,000 | - | - | 111,314 | 19,385,000 | - | 51,402 | 805,381 | 1,564,001 | 66,993,221 | 8.07 | 1,964 |
| 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 |

Note: Population and Personal Income are presented on page 156.

City of North Olmsted, Ohio

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

Last Ten Years

| <u>Tax Year</u> | <u>Population(1)</u> | | <u>Assessed(2)</u> <u>Value</u> | | <u>Gross(3)</u> <u>Bonded</u> <u>Debt</u> | | <u>Debt Service</u> <u>Monies Available</u> |
|-----------------|----------------------|----|------------------------------------|----|---|----|--|
| 2011 | 32,718 (a) | \$ | 831,144,110 | \$ | 37,551,890 | \$ | 3,396,070 |
| 2010 | 32,718 (a) | | 837,466,280 | | 43,006,654 | | 2,802,057 |
| 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 |

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

(a) 2010 Federal Census

(b) 2000 Federal Census

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

(3) Includes all general obligation bonded debt

| <u>Net Bonded Debt</u> | <u>Ratio of Net Bonded Debt to Assessed Valuation</u> | <u>Net Bonded Debt Per Capita</u> |
|----------------------------|---|---|
| \$ 34,155,820 | 4.11% | \$ 1,044 |
| 40,204,597 | 4.80 | 1,229 |
| 41,821,293 | 4.98 | 1,226 |
| 47,618,191 | 5.23 | 1,396 |
| 53,407,019 | 5.79 | 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 |

City of North Olmsted, Ohio

Computation of Direct and Overlapping General Obligation Debt

December 31, 2011

| | <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 | \$ 26,786,843 | 100.00% | \$ 26,786,843 |
| General obligation bond anticipation notes | 880,000 | 100.00% | 880,000 |
| OPWC loans | <u>27,224</u> | 100.00% | <u>27,224</u> |
| Total direct debt | <u>27,694,067</u> | | <u>27,694,067</u> |
| Overlapping: | | | |
| North Olmsted School District | 255,000 | 100.00% | 255,000 |
| North Olmsted/Olmsted Falls School District | 18,065,950 | 1.74% | 314,348 |
| Cuyahoga County Greater Cleveland Regional Transit Authority | 298,113,842 | 2.79% | 8,317,376 |
| | <u>142,080,000</u> | 2.79% | <u>3,964,032</u> |
| Total overlapping debt | <u>458,514,792</u> | | <u>12,850,756</u> |
| Total | \$ <u><u>486,208,859</u></u> | | \$ <u><u>40,544,823</u></u> |

Source: Cuyahoga County Fiscal Officer

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

City of North Olmsted, Ohio

Legal Debt Margin

Last Ten Years

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Assessed valuation | \$ <u>831,144,110</u> | \$ <u>837,466,280</u> | \$ <u>839,002,040</u> | \$ <u>910,324,211</u> | \$ <u>922,029,166</u> | \$ <u>935,651,977</u> | \$ <u>871,003,233</u> | \$ <u>865,359,676</u> | \$ <u>813,790,056</u> | \$ <u>816,537,342</u> |
| Overall debt limitation – 10 1/2 % of assessed valuation | \$ 87,270,132 | \$ 87,933,959 | \$ 88,095,214 | \$ 95,584,042 | \$ 96,813,062 | \$ 98,243,458 | \$ 91,455,339 | \$ 90,862,766 | \$ 85,447,956 | \$ 85,736,421 |
| Outstanding debt: | | | | | | | | | | |
| General obligation debt | 37,551,890 | 43,006,654 | 44,568,586 | 50,248,501 | 55,707,416 | 60,865,831 | 53,465,000 | 58,005,000 | 62,130,000 | 65,990,000 |
| General obligation bond anticipation notes | 1,365,000 | - | 3,215,000 | 2,370,000 | 1,560,000 | - | 10,175,000 | 7,175,000 | 2,195,000 | 200,000 |
| OPWC loan | - | - | - | - | - | - | - | - | 136,123 | - |
| Police pension liability | - | - | - | - | - | - | - | - | 111,314 | - |
| Less: Amount available in debt service fund | <u>(4,698,520)</u> | <u>(4,074,995)</u> | <u>(3,881,582)</u> | <u>(3,609,078)</u> | <u>(3,131,035)</u> | <u>(3,063,298)</u> | <u>(3,324,549)</u> | <u>(1,802,585)</u> | <u>(1,369,838)</u> | <u>(1,625,402)</u> |
| Total outstanding debt | <u>34,218,370</u> | <u>38,931,659</u> | <u>43,902,004</u> | <u>49,009,423</u> | <u>54,136,381</u> | <u>57,802,533</u> | <u>60,315,451</u> | <u>63,377,415</u> | <u>63,202,599</u> | <u>64,564,598</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 |
| General obligation bonds and notes that are considered self supporting | 6,823,000 | 7,961,000 | 8,693,000 | 9,665,000 | 10,577,000 | 11,433,000 | 12,145,000 | 12,580,000 | 13,295,000 | 13,975,000 |
| Securities issued to pay final judgments and settlements | 16,000 | 34,000 | 49,000 | 64,000 | 79,000 | 93,000 | 104,000 | 114,000 | 124,000 | 138,000 |
| Securities to extent authorizing legislation contains covenants to appropriate, levy and collect municipal income taxes | <u>3,617,000</u> | <u>4,867,000</u> | <u>6,063,000</u> | <u>7,220,000</u> | <u>8,333,000</u> | <u>9,412,000</u> | <u>10,524,000</u> | <u>11,483,000</u> | <u>12,433,000</u> | <u>13,323,000</u> |
| Total exemptions | <u>10,456,000</u> | <u>12,862,000</u> | <u>14,895,000</u> | <u>17,124,000</u> | <u>19,239,000</u> | <u>21,258,000</u> | <u>23,163,000</u> | <u>24,632,000</u> | <u>26,367,000</u> | <u>28,006,000</u> |
| Net debt within 10 1/2% | | | | | | | | | | |
| Limitation | <u>23,762,370</u> | <u>26,069,659</u> | <u>29,007,004</u> | <u>31,885,423</u> | <u>34,897,381</u> | <u>36,544,533</u> | <u>37,152,451</u> | <u>38,745,415</u> | <u>36,835,599</u> | <u>36,558,598</u> |
| Overall debt margin | \$ <u>63,507,762</u> | \$ <u>61,864,300</u> | \$ <u>59,088,210</u> | \$ <u>63,698,619</u> | \$ <u>61,915,681</u> | \$ <u>61,698,925</u> | \$ <u>54,302,888</u> | \$ <u>52,117,351</u> | \$ <u>48,612,357</u> | \$ <u>49,177,823</u> |
| Unvoted debt limitation 5 1/2 of assessed value | \$ 45,712,926 | \$ 46,060,645 | \$ 46,145,112 | \$ 50,067,832 | \$ 50,711,604 | \$ 51,460,859 | \$ 47,905,178 | \$ 47,594,782 | \$ 44,758,453 | \$ 44,909,554 |
| Amount of principal of unvoted bonds and notes subject to 5 1/2% | <u>14,412,370</u> | <u>16,009,659</u> | <u>17,627,004</u> | <u>20,505,423</u> | <u>22,892,381</u> | <u>27,047,000</u> | <u>23,987,451</u> | <u>25,665,415</u> | <u>26,855,599</u> | <u>25,473,598</u> |
| Unvoted debt margin | \$ <u>31,300,556</u> | \$ <u>30,050,986</u> | \$ <u>28,518,108</u> | \$ <u>29,562,409</u> | \$ <u>27,819,223</u> | \$ <u>24,413,859</u> | \$ <u>23,917,727</u> | \$ <u>21,929,367</u> | \$ <u>17,902,854</u> | \$ <u>19,435,956</u> |

Source: Cuyahoga County Fiscal Officer and City Financial Records
Note: Assessed valuations based upon the tax year.

City of North Olmsted, Ohio

Principal Employers

Last Ten Years

| 2011 | | 2010 | | 2009 | |
|-------------------------------------|-------------------------------|--|-------------------------------|-------------------------------------|-------------------------------|
| Employer | Percent of Total Income Taxes | Employer | Percent of Total Income Taxes | Employer | Percent of Total Income Taxes |
| Moen Incorporated | 8.56% | Moen Incorporated | 8.03% | Moen Incorporated | 6.93% |
| North Olmsted School District | 5.36 | North Olmsted School District | 5.63 | North Olmsted School District | 5.45 |
| The City of North Olmsted | 2.21 | The City of North Olmsted | 2.23 | The City of North Olmsted | 2.45 |
| Factory Mutual Insurance Company | 1.36 | Factory Mutual Insurance Company | 1.28 | Advanstar Communications, Inc. | 1.68 |
| Advanstar Communications, Inc. | 1.24 | Advanstar Communications, Inc. | 1.25 | Factory Mutual Insurance Company | 1.34 |
| United Transportation | 1.12 | AT&T Mobility | 1.13 | AT&T Mobility | 1.20 |
| Heartland Payment Systems, Inc. | 1.04 | Heartland Employment Services, Inc. | 0.99 | Heartland Employment Services, Inc. | 0.99 |
| Bernie Moreno Companies | 1.00 | Wal Mart Associates, Inc. | 0.93 | Wal Mart Associates, Inc. | 0.96 |
| Heartland Employment Services, Inc. | 0.99 | Heartland Payment Systems, Inc. | 0.92 | Sunnyside Automotive, Inc. | 0.87 |
| Cargill, Inc. | <u>0.98</u> | Sunnyside Automotive, Inc. | <u>0.90</u> | Riser Foods Company | <u>0.87</u> |
| | <u>23.86%</u> | | <u>23.29%</u> | | <u>22.74%</u> |
| 2008 | | 2007 | | 2006 | |
| Moen Incorporated | | Moen Incorporated | | North Olmsted School District | |
| North Olmsted School District | | North Olmsted School District | | Moen Incorporated | |
| The City of North Olmsted | | The City of North Olmsted | | The City of North Olmsted | |
| Advanstar Communications, Inc. | | Factory Mutual Insurance Company | | Riser Foods Company | |
| Cingular Wireless Employee Services | | Wal Mart Associates, Inc. | | Kaufmann's Department Stores | |
| Factory Mutual Insurance Company | | Sunnyside Cars, Inc. | | Wal Mart Associates, Inc. | |
| Sunnyside Automotive, Inc. | | Heartland Employment Services, Inc. | | Dillard Department Stores | |
| Heartland Employment Services, Inc. | | Cingular Wireless Employee Services | | Sears, Roebuck & Company | |
| Wal Mart Associates, Inc. | | Merrill Lynch Pierce Kenner & P. Craig | | Olmsted Manor Nursing Center | |
| Riser Foods Company | | GMAC-GM Payroll Services | | Sunnyside Cars, Inc. | |
| 2005 | | 2004 | | 2003 | |
| Dillards Department Stores | | Factory Mutual Insurance Co. | | Factory Mutual Insurance Co. | |
| Factory Mutual Insurance | | GMAC-GM Payroll Services | | GMAC-GM Payroll Services | |
| GMAC-GM Payroll Services | | Heartland Employment Services, Inc. | | Heartland Employment Services, Inc. | |
| Heartland Employment Services, Inc. | | May Department Stores | | May Department Stores | |
| 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.

City of North Olmsted, Ohio

Demographic and Economic Statistics

Last Ten Years

| <u>Year</u> | <u>Population (1)</u> | <u>Employed in County (2)</u> | <u>Unemployment Rate (2)</u> | | | <u>School (3) Enrollment</u> | <u>Total Personal Income (4)</u> | <u>Personal Income Per Capita</u> |
|-------------|-----------------------|-------------------------------|------------------------------|--------------|-----------|------------------------------|----------------------------------|-----------------------------------|
| | | | <u>County</u> | <u>State</u> | <u>US</u> | | | |
| 2011 | 32,718 (a) | 593,400 | 8.0% | 8.6% | 8.9% | 4,117 | \$ 940,773,372 | \$ 28,754 (a) |
| 2010 | 32,718 (a) | 574,600 | 9.5 | 10.1 | 9.6 | 4,193 | 940,773,372 | 28,754 (a) |
| 2009 | 34,113 (b) | 581,200 | 9.2 | 10.8 | 9.3 | 4,314 | 829,935,177 | 24,329 (b) |
| 2008 | 34,113 (b) | 601,800 | 6.8 | 6.5 | 5.8 | 4,366 | 829,935,177 | 24,329 (b) |
| 2007 | 34,113 (b) | 617,900 | 6.1 | 5.6 | 4.6 | 4,587 | 829,935,177 | 24,329 (b) |
| 2006 | 34,113 (b) | 622,876 | 5.6 | 5.4 | 4.8 | 4,613 | 829,935,177 | 24,329 (b) |
| 2005 | 34,113 (b) | 629,000 | 5.9 | 5.8 | 5.1 | 4,577 | 829,935,177 | 24,329 (b) |
| 2004 | 34,113 (b) | 637,400 | 6.2 | 6.1 | 5.5 | 4,556 | 829,935,177 | 24,329 (b) |
| 2003 | 34,113 (b) | 629,600 | 6.8 | 6.1 | 6.0 | 4,468 | 829,935,177 | 24,329 (b) |
| 2002 | 34,113 (b) | 624,900 | 6.7 | 5.7 | 5.8 | 4,663 | 829,935,177 | 24,329 (b) |

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

(a) 2010 Federal Census

(b) 2000 Federal Census

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

(3) Source: North Olmsted Board of Education

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

City of North Olmsted, Ohio

Full Time City Employees By Function or Program

Last Ten Years

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Function/program: | | | | | | | | | | |
| General government: | | | | | | | | | | |
| Council | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Mayor | 2 | 2 | 2 | 2 | 3 | 3 | 2 | 2 | 2 | 2 |
| General clerical | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Boards and commissions | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 |
| Finance | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Law | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Information systems | 2 | 1 | 1 | 1 | 1 | 0 | 1 | 1 | 2 | 2 |
| Human resources | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Building | 9 | 9 | 9 | 12 | 9 | 11 | 12 | 10 | 10 | 11 |
| Engineering | 0 | 0 | 0 | 0 | 4 | 4 | 5 | 6 | 6 | 7 |
| Total | <u>25</u> | <u>25</u> | <u>26</u> | <u>29</u> | <u>31</u> | <u>32</u> | <u>34</u> | <u>33</u> | <u>35</u> | <u>37</u> |
| Security of persons and property: | | | | | | | | | | |
| Safety director | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Fire | 42 | 43 | 41 | 46 | 47 | 46 | 48 | 45 | 46 | 47 |
| Dispatch | 8 | 8 | 8 | 8 | 8 | 9 | 9 | 8 | 9 | 9 |
| Corrections | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 3 |
| Police | 44 | 46 | 50 | 55 | 57 | 55 | 57 | 57 | 57 | 57 |
| Youth Services (see Public health and welfare) | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 |
| Fire clerk | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Police clerk | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 7 |
| Total | <u>105</u> | <u>107</u> | <u>109</u> | <u>120</u> | <u>124</u> | <u>122</u> | <u>125</u> | <u>121</u> | <u>123</u> | <u>126</u> |
| Leisure time activities: | | | | | | | | | | |
| Senior center | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Recreation | 8 | 7 | 9 | 10 | 12 | 12 | 10 | 11 | 12 | 12 |
| Springvale | 4 | 4 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Total | <u>15</u> | <u>14</u> | <u>14</u> | <u>16</u> | <u>18</u> | <u>18</u> | <u>16</u> | <u>17</u> | <u>18</u> | <u>18</u> |
| Public health and welfare: | | | | | | | | | | |
| Community life services (a) | 0 | 0 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Youth services | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 |
| Total | <u>0</u> | <u>0</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> |
| Transportation: | | | | | | | | | | |
| Service director | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Public service and properties | | | | | | | | | | |
| Public works administrative | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Animal warden | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Building maintenance | 2 | 3 | 3 | 4 | 5 | 5 | 5 | 5 | 5 | 6 |
| Road | 7 | 9 | 9 | 5 | 7 | 7 | 7 | 7 | 7 | 7 |
| Forestry | 6.5 | 4 | 3.5 | 7 | 7 | 7 | 9 | 9 | 9 | 10 |
| Storm | 7.5 | 3 | 3.5 | 4 | 5 | 6 | 6 | 6 | 6 | 8 |
| Subtotal | <u>24</u> | <u>20</u> | <u>20</u> | <u>21</u> | <u>25</u> | <u>26</u> | <u>28</u> | <u>28</u> | <u>28</u> | <u>32</u> |
| Fleet | 7 | 7 | 7 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Bus | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 59 | 61 | 61 |
| Total | <u>32</u> | <u>28</u> | <u>29</u> | <u>31</u> | <u>35</u> | <u>36</u> | <u>38</u> | <u>97</u> | <u>99</u> | <u>103</u> |
| Economic development | | | | | | | | | | |
| Planning | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 0 | 0 |
| Basic utility services: | | | | | | | | | | |
| Wastewater treatment plant | 29 | 28 | 27 | 29 | 32 | 35 | 37 | 37 | 37 | 36 |
| Total | <u>208</u> | <u>204</u> | <u>209</u> | <u>229</u> | <u>244</u> | <u>247</u> | <u>255</u> | <u>310</u> | <u>315</u> | <u>323</u> |

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

City of North Olmsted, Ohio

Operating Indicators by Function/Program

Last Ten Years

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Function/Program: | | | | | | | | | | |
| General government: | | | | | | | | | | |
| Council and clerk | | | | | | | | | | |
| Number of ordinances and resolutions submitted | 143 | 162 | 152 | 165 | 158 | 203 | 191 | 206 | 182 | 209 |
| Number of ordinances and resolutions passed | 143 | 159 | 147 | 135 | 146 | 182 | 177 | 169 | 173 | 184 |
| Finance | | | | | | | | | | |
| Agency ratings | | | | | | | | | | |
| Fitch IBCA | AA- | AA- | A+ | A+ | A+ | A+ | A+ | A+ | A+ | A+ |
| Moody's Financial Services - General Limited Tax | Aa2 | Aa2 | A1 | A1 | A1 | A1 | A2 | A2 | A2 | A2 |
| Moody's Financial Services - General Unlimited Tax | Aa2 | Aa2 | Aa3 | Aa3 | Aa3 | Aa3 | A1 | A1 | A1 | A1 |
| Law | | | | | | | | | | |
| Real property complaints filed | 39 | 38 | 22 | 18 | 7 | 17 | 12 | 11 | N/A | N/A |
| Real property fines collected | \$ 575 | \$ 7,405 | \$ 13,675 | \$ 9,858 | \$ 3,350 | \$ 2,173 | \$ 1,130 | \$ 1,450 | N/A | N/A |
| Criminal cases prosecuted | 873 | 922 | 927 | 1,304 | 730 | 933 | 674 | N/A | N/A | N/A |
| Traffic cases prosecuted | 1,536 | 1,062 | 1,228 | 1,509 | 1,415 | 1,916 | 1,994 | N/A | N/A | N/A |
| Building | | | | | | | | | | |
| Estimated valuation of permits issued | \$ 48,029,378 | \$ 15,650,821 | \$ 13,933,125 | \$ 15,151,105 | \$ 30,631,703 | \$ 39,828,613 | \$ 29,279,863 | \$ 30,239,136 | \$ 31,540,971 | \$ 51,295,838 |
| Number of permits issued | 1,744 | 1,103 | 1,142 | 1,203 | 1,284 | 1,312 | 1,444 | 1,465 | 1,482 | 1,455 |
| Security of persons and property: | | | | | | | | | | |
| Police | | | | | | | | | | |
| Number of criminal arrests | 2,010 | 2,028 | 2,062 | 2,100 | 1,882 | 2,058 | 2,249 | 1,877 | 2,063 | 2,166 |
| Number of DUI arrests | 110 | 93 | 130 | 154 | 94 | 124 | 146 | 175 | 183 | 169 |
| Number of motor vehicle accidents | 791 | 751 | 753 | 850 | 869 | 833 | 869 | 908 | 939 | 887 |
| Number of prisoners confined | 1,349 | 1,413 | 1,465 | 1,741 | 1,539 | 1,614 | 1,853 | 1,644 | 1,743 | n/a |
| Number of traffic citations issued | 7,916 | 7,635 | 8,809 | 7,594 | 7,643 | 9,460 | 15,616 | 12,759 | 17,682 | 16,506 |
| Number of parking citations issued | 1,976 | 2,013 | 2,136 | 2,092 | 2,242 | 1,775 | 2,476 | 2,353 | 2,702 | 2,770 |

(Continued)

City of North Olmsted, Ohio

Operating Indicators by Function/Program (Continued)

Last Ten Years

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| Fire | | | | | | | | | | |
| Number of fire responses | 801 | 703 | 700 | 810 | 811 | 733 | 711 | 679 | 723 | N/A |
| Number of squad responses | 3,111 | 2,971 | 2,871 | 2,833 | 2,685 | 2,646 | 2,579 | 2,455 | 2,631 | N/A |
| Total number of emergency responses | 3,912 | 3,674 | 3,571 | 3,643 | 3,496 | 3,379 | 3,290 | 3,134 | 3,354 | 3,228 |
| Number of runs per day | 10.7 | 10.1 | 10.3 | 10.0 | 9.6 | 9.2 | 9.0 | 8.6 | 9.1 | 8.8 |
| Public health and welfare: | | | | | | | | | | |
| Youth and family services | | | | | | | | | | |
| Food cupboard distributions | 1,213 | 1,147 | 1,154 | 693 | 398 | 376 | 340 | 370 | N/A | N/A |
| Holiday adopt-a-family | 64 | 52 | 51 | 37 | 38 | 33 | 30 | 20 | 26 | 34 |
| Senior center | | | | | | | | | | |
| Hot lunch program - meals served | 7,234 | 8,223 | 8,909 | 8,935 | 9,237 | 9,399 | 9,179 | 7,443 | N/A | N/A |
| Meals on wheels clients served | 74 | 68 | 71 | 63 | 82 | 80 | 58 | N/A | N/A | N/A |
| Leisure time activities: | | | | | | | | | | |
| Senior center | | | | | | | | | | |
| Cabin rentals | 185 | 358 | 547 | 645 | 569 | 516 | 513 | 508 | 408 | N/A |
| Activity participants except hot lunch program | 24,222 | 19,978 | 10,930 | 11,624 | 11,498 | 10,092 | 11,529 | N/A | N/A | N/A |
| Springvale Golf Course and Ballroom | | | | | | | | | | |
| Number of golf rounds | 15,723 | 23,083 | 19,934 | 23,358 | 22,278 | 27,499 | 27,585 | 25,024 | 26,835 | N/A |
| Number of golf outings | 34 | 47 | 44 | 47 | 46 | 66 | 53 | 55 | 68 | N/A |
| Number of ballroom rentals | 64 | 56 | 54 | 52 | 51 | 56 | 60 | 76 | 91 | N/A |
| Recreation | | | | | | | | | | |
| Skate programs and events participants | 5,033 | 4,897 | 6,714 | 8,938 | 10,011 | 11,116 | 12,231 | 10,373 | 10,093 | 8,856 |
| Pool programs | 481 | 1,315 | 1,013 | 2,883 | N/A | N/A | N/A | 2,444 | 2,514 | 2,558 |
| Summer camp participants | 220 | 225 | 163 | 434 | 428 | 367 | 225 | 119 | N/A | N/A |

(Continued)

City of North Olmsted, Ohio

Operating Indicators by Function/Program (Continued)

Last Ten Years

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|---------|------------|------------|------------|------------|------------|------------|----------|----------|----------|
| Transportation: | | | | | | | | | | |
| Snowfall in inches | 57.15 | 62.9 | 59.5 | 80.0 | 76.3 | 34.6 | 108.4 | 95.8 | 98.6 | 69.8 |
| Street salting and plowing - number of hours | 2,229 | 2,936 | 3,152 | 3,350 | 4,485 | 1,472 | 5,402 | 3,911 | N/A | N/A |
| Street asphalt and concrete repair - number of hours | N/A | 3,849 | 5,236 | 4,926 | 7,581 | 6,848 | 4,828 | 5,670 | N/A | N/A |
| Tree planting and maintenance - number of hours | 2,698 | 2,115 | 2,908 | 2,431 | 2,268 | 2,344 | 2,895 | 3,085 | N/A | N/A |
| Vehicle maintenance and repair - number of hours | 8,098 | 8,070 | 7,765 | 7,258 | 7,777 | N/A | N/A | N/A | N/A | N/A |
| Street improvements - asphalt overlay/recycling - square feet | 437,693 | 430,765 | 515,374 | 406,035 | 933,633 | 975,487 | 701,439 | 489,863 | N/A | N/A |
| Cost of road salt purchased \$ | 268,423 | \$ 258,409 | \$ 206,112 | \$ 309,145 | \$ 197,716 | N/A | N/A | N/A | N/A | N/A |
| Cost of unleaded and diesel fuel used \$ | 527,070 | \$ 392,702 | \$ 345,075 | \$ 652,631 | \$ 502,617 | \$ 397,941 | \$ 449,771 | N/A | N/A | N/A |
| Wastewater: | | | | | | | | | | |
| Sanitary sewer rate per 1,000 cubic ft. \$ | 52.27 | \$ 47.74 | \$ 43.60 | \$ 39.81 | \$ 36.26 | \$ 36.26 | \$ 36.26 | \$ 36.26 | \$ 36.26 | \$ 36.26 |
| Total 1,000 cubic feet billed | 136,367 | 138,580 | 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) | 2,510 | 1,505 | 1,595 | 1,699 | 1,805 | 1,822 | 2,009 | 2,014 | 2,120 | 1,933 |
| Average daily flow (millions of gallons per day) | 6.874 | 4.121 | 4.395 | 4.861 | 4.939 | 4.214 | 4.461 | 5.390 | 5.390 | 4.370 |
| Tons of wet sludge removed | 5,644 | 5,532 | 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 Ten Years

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| General government: | | | | | | | | | | |
| Number of administrative vehicles | 8 | 8 | 8 | 10 | 11 | 10 | 10 | 10 | 10 | 10 |
| Security of persons and property: | | | | | | | | | | |
| Fire: | | | | | | | | | | |
| Number of stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of vehicles | 12 | 12 | 12 | 14 | 14 | 14 | 14 | 14 | 13 | 15 |
| Police: | | | | | | | | | | |
| Number of stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of vehicles | 25 | 24 | 26 | 29 | 27 | 28 | 28 | 28 | 28 | 28 |
| Leisure time activities: | | | | | | | | | | |
| Recreation: | | | | | | | | | | |
| Number of parks | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Number of pools | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Recreation center facility | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of vehicles | 8 | 10 | 6 | 6 | 6 | 6 | 8 | 5 | 4 | 4 |
| Springvale Golf Course and Ballroom: | | | | | | | | | | |
| Number of acres | | | | | | | | | | |
| (18 hole golf course) | 132 | 132 | 132 | 132 | 132 | 132 | 132 | 132 | 132 | 132 |
| Square footage of ballroom | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Number of vehicles | 2 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 2 |
| Senior center: | | | | | | | | | | |
| Senior center facility | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of vehicles | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| Transportation: | | | | | | | | | | |
| Streets: | | | | | | | | | | |
| Miles of streets | 146 | 146 | 146 | 146 | 146 | 145 | 145 | 145 | 145 | 145 |
| Number of street lights | 2,633 | 2,633 | 2,633 | 2,633 | 2,633 | 2,362 | 2,362 | 2,362 | 2,362 | 2,362 |
| Number of service vehicles | 51 | 45 | 43 | 46 | 44 | 46 | 46 | 42 | 44 | 44 |
| Wastewater: | | | | | | | | | | |
| Miles of sanitary sewers | 176 | 176 | 176 | 176 | 176 | 175 | 175 | 175 | 175 | 175 |
| Miles of storm sewers | 152 | 152 | 152 | 152 | 152 | 151 | 151 | 151 | 151 | 151 |
| Number of vehicles | 17 | 17 | 18 | 17 | 17 | 17 | 17 | 17 | 17 | 17 |

City of North Olmsted, Ohio

Capital Assets by Function

Last Ten Years

| | 2011 | 2010 | 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 | \$ 3,728,055 | \$ 3,728,055 | \$ 3,705,055 | \$ 3,712,536 | \$ 3,712,536 |
| CIP | - | 18,986 | - | - | - | 254,987 | 288,158 | 134,465 | 5,451,463 | 423,692 |
| Other capital assets | | | | | | | | | | |
| Cost | 14,289,159 | 13,863,148 | 13,821,102 | 13,729,777 | 12,854,218 | 12,326,485 | 12,043,287 | 12,023,709 | 5,193,388 | 5,272,427 |
| Net book value | 8,802,130 | 8,828,478 | 9,146,041 | 9,543,887 | 9,075,066 | 8,843,845 | 8,865,854 | 9,136,769 | 1,997,027 | 2,111,241 |
| Security of persons and property: | | | | | | | | | | |
| <i>Fire:</i> | | | | | | | | | | |
| Non-depreciable | | | | | | | | | | |
| Land | 349,400 | 349,400 | 349,400 | 349,400 | 349,400 | - | - | - | - | - |
| CIP | - | - | - | - | - | 2,166,808 | 433,895 | - | - | - |
| Other capital assets | | | | | | | | | | |
| Cost | 9,468,972 | 9,521,134 | 9,543,303 | 9,543,303 | 9,543,303 | 5,669,892 | 5,310,749 | 5,302,466 | 5,054,346 | 5,036,437 |
| Net book value | 5,621,875 | 5,863,147 | 6,103,581 | 6,394,553 | 6,735,628 | 3,157,763 | 3,032,411 | 3,247,466 | 2,947,042 | 3,100,706 |
| <i>Police:</i> | | | | | | | | | | |
| Other capital assets | | | | | | | | | | |
| Cost | 2,940,562 | 2,883,521 | 2,888,984 | 3,269,628 | 3,147,006 | 3,274,082 | 3,152,905 | 2,893,512 | 2,633,713 | 2,563,021 |
| Net book value | 833,760 | 833,697 | 934,353 | 1,032,175 | 1,082,266 | 1,147,013 | 1,081,959 | 983,193 | 977,251 | 1,032,607 |
| Public health and welfare: | | | | | | | | | | |
| <i>Youth and family:</i> | | | | | | | | | | |
| Other capital assets | | | | | | | | | | |
| Cost | 165,706 | - | - | - | - | - | - | - | - | - |
| Net book value | 162,392 | - | - | - | - | - | - | - | - | - |
| Leisure time activities: | | | | | | | | | | |
| <i>Recreation:</i> | | | | | | | | | | |
| Non-depreciable | | | | | | | | | | |
| CIP | - | - | - | - | - | 12,284 | - | - | 98,005 | 78,024 |
| Other capital assets | | | | | | | | | | |
| Cost | 9,927,018 | 9,436,242 | 9,331,565 | 9,268,061 | 9,198,799 | 9,029,953 | 9,032,171 | 8,941,133 | 8,815,998 | 8,803,470 |
| Net book value | 1,563,183 | 1,333,826 | 1,533,088 | 1,797,927 | 2,026,002 | 2,091,819 | 2,319,717 | 2,526,462 | 2,659,549 | 2,892,112 |
| <i>Senior center:</i> | | | | | | | | | | |
| Non-depreciable | | | | | | | | | | |
| CIP | - | - | 16,833 | - | - | - | 18,541 | - | - | - |
| Other capital assets | | | | | | | | | | |
| Cost | 696,496 | 687,186 | 539,328 | 537,262 | 537,262 | 519,066 | 480,903 | 340,491 | 322,846 | 322,846 |
| Net book value | 402,082 | 415,593 | 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 Ten Years

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Transportation: | | | | | | | | | | |
| Non-depreciable | | | | | | | | | | |
| CIP | 39,185 | - | 137,773 | 171,537 | - | - | 102,546 | - | - | - |
| Other capital assets | | | | | | | | | | |
| Cost | 3,857,118 | 3,707,236 | 3,670,474 | 3,635,325 | 3,632,741 | 3,682,027 | 3,360,309 | 3,228,825 | 2,925,187 | 2,891,034 |
| Net book value | 788,365 | 791,339 | 861,383 | 900,458 | 1,018,743 | 1,061,013 | 801,278 | 704,307 | 547,836 | 655,772 |
| Infrastructure | | | | | | | | | | |
| Cost | 140,178,515 | 139,422,954 | 130,440,393 | 129,467,866 | 128,983,810 | 128,076,170 | 126,253,887 | 124,938,751 | 124,765,980 | 123,532,616 |
| Net book value | 42,231,274 | 47,272,254 | 43,804,306 | 47,936,456 | 52,478,902 | 55,977,893 | 58,243,624 | 61,511,648 | 66,012,005 | 69,290,696 |
| Totals: | | | | | | | | | | |
| Non-depreciable | | | | | | | | | | |
| Land and art | 4,077,455 | 4,077,455 | 4,077,455 | 4,077,455 | 4,077,455 | 3,728,055 | 3,728,055 | 3,705,055 | 3,712,536 | 3,712,536 |
| CIP | 39,185 | 18,986 | 154,606 | 171,537 | - | 2,434,079 | 843,140 | 134,465 | 5,549,468 | 501,716 |
| Other capital assets | | | | | | | | | | |
| Cost | 41,345,031 | 40,098,467 | 39,794,756 | 39,983,356 | 38,913,329 | 34,501,505 | 33,380,324 | 32,730,136 | 24,945,478 | 24,889,235 |
| Net book value | 18,173,787 | 18,066,080 | 18,846,169 | 19,954,590 | 20,241,161 | 16,622,775 | 16,401,291 | 16,760,545 | 9,282,688 | 9,955,017 |
| Infrastructure | | | | | | | | | | |
| Cost | 140,178,515 | 139,422,954 | 130,440,393 | 129,467,866 | 128,983,810 | 128,076,170 | 126,253,887 | 124,938,751 | 124,765,980 | 123,532,616 |
| Net book value | 42,231,274 | 47,272,254 | 43,804,306 | 47,936,456 | 52,478,902 | 55,977,893 | 58,243,624 | 61,511,648 | 66,012,005 | 69,290,696 |
| Total governmental activities-cost | \$ 185,640,186 | \$ 183,617,862 | \$ 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 | \$ 64,521,701 | \$ 69,434,775 | \$ 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 | \$ 7,386,087 | \$ 6,906,494 | \$ 6,896,158 | \$ 6,894,216 | \$ 6,902,678 | \$ 6,931,673 | \$ 6,928,445 | \$ 6,915,563 | \$ 6,915,069 | \$ 6,915,069 |
| Net book value | 5,351,051 | 4,993,308 | 5,157,215 | 5,328,579 | 5,509,561 | 5,637,324 | 5,813,900 | 6,009,015 | 6,204,470 | 6,387,523 |
| Sewer revenue: | | | | | | | | | | |
| Cost | 70,628,454 | 69,798,659 | 69,008,076 | 68,353,901 | 68,347,944 | 68,372,826 | 68,227,491 | 68,114,361 | 67,935,873 | 67,808,647 |
| Net book value | 21,474,976 | 22,008,808 | 22,460,892 | 23,208,251 | 24,630,309 | 26,023,751 | 27,285,455 | 28,604,057 | 29,936,248 | 31,340,389 |

(Continued)

City of North Olmsted, Ohio

Capital Assets by Function (Continued)

Last Ten Years

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| NOMBL: | | | | | | | | | | |
| Cost | 564,130 | 564,130 | 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>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>78,578,671</u> | \$ <u>77,269,283</u> | \$ <u>76,468,364</u> | \$ <u>75,812,247</u> | \$ <u>75,795,299</u> | \$ <u>75,868,961</u> | \$ <u>75,727,398</u> | \$ <u>75,601,386</u> | \$ <u>75,422,404</u> | \$ <u>75,295,178</u> |
| Total business-type activities net book value | \$ <u>27,217,564</u> | \$ <u>27,393,653</u> | \$ <u>28,009,644</u> | \$ <u>28,928,367</u> | \$ <u>30,511,954</u> | \$ <u>32,033,159</u> | \$ <u>33,471,439</u> | \$ <u>34,985,156</u> | \$ <u>36,514,780</u> | \$ <u>38,105,931</u> |

Source: City Finance Department - capital asset inventory.

City of North Olmsted, Ohio

**Single Audit Reports
December 31, 2011**

City of North Olmsted, Ohio

For The Year Ended December 31, 2011

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**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, 2011, which collectively comprise the City’s basic financial statements and have issued our report thereon dated June 13, 2012, wherein we noted the City adopted *GASB Statement Nos. 54*, and *59*, 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

Management of the City is responsible for establishing and maintaining effective 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 a 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

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*.

We noted certain matters that we reported to management of the City in a separate letter dated June 13, 2012.

This report is intended solely for the information and use of management, City Council, others within the entity, federal awarding agencies and pass-through entities, 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 13, 2012

**Independent Auditor's Report on Compliance with Requirements That Could Have a
Direct and Material Effect on Each Major Program and on Internal Control
Over Compliance in Accordance with OMB Circular A-133**

Honorable Mayor and
Members of City Council
City of North Olmsted

Compliance

We have audited the City of North Olmsted, Ohio's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2011. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. The results of our auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133.

Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Honorable Mayor and
Members of City Council
North Olmsted, Ohio

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance 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 compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

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 as of and for the year ended December 31, 2011, and have issued our report thereon dated June 13, 2012 which contained an unqualified opinion on those financial statements, wherein we noted the City adopted *GASB Statement Nos. 54, and 59*, as disclosed in Note 3. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the management, City Council, others within the entity, federal awarding agencies and pass-through entities, 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.

Cimini & Panichi, Inc.

Cleveland, Ohio
June 13, 2012

City of North Olmsted

Schedule of Expenditures of Federal Awards

For the year ended December 31, 2011

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal CFDA Number | Federal Expenditures |
|--|---------------------------|-------------------------|
| U.S. Department of Housing and Urban Development: | | |
| Passed-Through Cuyahoga County Department of Development: | | |
| CDBG Competitive Municipal Grant Program 2010 – Community Garden | 14.218 | \$ 1,427 |
| CDBG Competitive Municipal Grant Program 2010 - Emergency Food Cupboard | 14.218 | 100,000 |
| Direct payment to the City: | | |
| Fair Housing Assistance Program - State and Local | 14.401 | <u>26,209</u> |
| Total U.S. Department of Housing and Urban Development | | <u>127,636</u> |
| U.S. Department of Justice: | | |
| Passed-Through the Cuyahoga County Commissioners: | | |
| Juvenile Accountability Incentive Block Grants 2008 | 16.523 | 5,332 |
| Juvenile Accountability Incentive Block Grants 2010 | 16.523 | 4,987 |
| Direct payment to the City: | | |
| Bullet Proof Vest Partnership Program FY 2010 | 16.607 | 715 |
| Passed-Through the City of Cleveland: | | |
| ARRA- Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Local Program - Grants to Units of Local Government | 16.804 | <u>885</u> |
| Total U.S. Department of Justice | | <u>11,919</u> |
| U.S. Department of Transportation: | | |
| Passed-Through the Northeast Ohio Areawide Coordinating Agency: | | |
| Transportation for Livable Communities (TLCI) | 20.205 | 9,800 |
| Passed-Through University Hospital | | |
| State and Community Highway Safety | 20.600 | <u>9,116</u> |
| Total U.S. Department of Transportation | | <u>18,916</u> |
| U.S. Department of Energy: | | |
| Passed Through Cuyahoga County Planning Commission: | | |
| ARRA - Energy Efficiency and Conservation Block Grant Program | 81.128 | 65,000 |
| U.S. Department of Health and Human Services: | | |
| Passed Through the Western Reserve Area on Aging: | | |
| Special Programs for the Aging - Title III, Part C – Nutrition Services | 93.045 | 8,446 |
| U.S. Department of Homeland Security: | | |
| Direct payment to the City: | | |
| Staffing for Adequate Fire and Emergency Response – FY 2009 | 97.083 | <u>274,294</u> |
| Total Federal Financial Assistance | | <u>\$ 506,211</u> |

The accompanying notes are an integral part of this schedule

City of North Olmsted

Notes to the Schedule of Expenditures of Federal Awards

December 31, 2011

Note 1: Significant Accounting Policies

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of the City's federal award programs. The information in this Schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Federal financial assistance received directly from federal agencies as well as financial assistance passed through other government agencies are included on this schedule.

City of North Olmsted

Schedule Of Findings
OMB Circular A-133 Section .505

December 31, 2011

1. Summary of Auditor's Results

| | | |
|--------------|--|--|
| (d)(1)(i) | Type of Financial Statement Opinion | Unqualified |
| (d)(1)(ii) | Was there any material control weaknesses reported at the financial statement level (GAGAS)? | No |
| (d)(1)(ii) | Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)? | No |
| (d)(1)(iii) | Was there any reported material noncompliance at the financial statement level (GAGAS)? | No |
| (d)(1)(iv) | Were there any material internal control weaknesses reported for major federal programs? | No |
| (d)(1)(iv) | Were there any significant deficiencies in internal control reported for major federal programs? | No |
| (d)(1)(v) | Type of Major Programs' Compliance Opinion | Unqualified |
| (d)(1)(vi) | Are there any reportable findings under Section .510(a)? | No |
| (d)(1)(vii) | Major Programs | Edward Byrne Memorial Justice Assistance Grant ARRA – CFDA # 16.804; Energy Efficiency and Conservation Block Grant Program ARRA – CFDA # 81.128; Staffing for Adequate Fire and Emergency Response (SAFER) FY 2009 – CFDA # 97.083 |
| (d)(1)(viii) | Dollar Threshold: Type A/B Programs | Type A: >\$300,000 Type B: All Others |
| (d)(1)(ix) | Low Risk Auditee? | No |

2. Findings Related to the Financial Statements Required to be Reported in Accordance With GAGAS

None noted.

3. Findings for Federal Awards

None noted.



Dave Yost • 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
JULY 31, 2012