

CITY OF NORTH OLMSTED, OHIO  
SUPPLEMENTAL AUDITOR'S REPORT  
DECEMBER 31, 2002





**Auditor of State  
Betty Montgomery**

City Council  
City of North Olmsted  
5200 Dover Center Road  
North Olmsted, OH 44070-3129

We have reviewed the Independent Auditor's Report of the City of North Olmsted, Cuyahoga County, prepared by Costin + Company, for the audit period January 1, 2002 through December 31, 2002. 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.

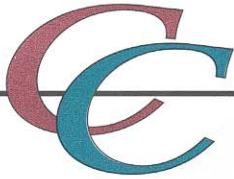
A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

September 9, 2003

**This Page is Intentionally Left Blank.**

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"



---

**COSTIN + COMPANY**

---

Certified Public Accountants  
35945 Center Ridge Road  
North Ridgeville, OH 44039

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"

To the City Council  
City of North Olmsted, Ohio

We have audited the general purpose financial statements of the City of North Olmsted, Ohio, as of and for the year ended December 31, 2002 and have issued our report thereon dated July 9, 2003. As noted in note 4 to the general purpose financial statements, the city restated Debt Service and Capital Projects fund balances, Enterprise Fund retained earnings and investment in general fixed assets during 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether the City of North Olmsted, Ohio's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards. However, we noted a certain immaterial instance of noncompliance that we have reported to management of City of North Olmsted, Ohio, in a separate letter dated July 9, 2003.

Internal Control Over Financial Reporting

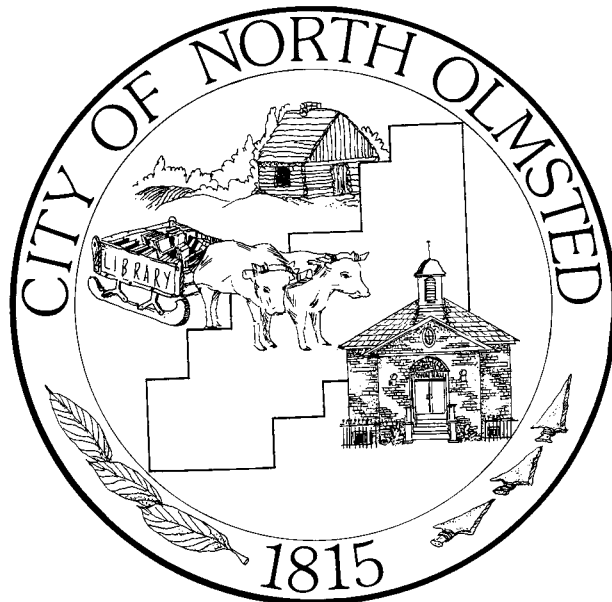
In planning and performing our audit, we considered the City of North Olmsted, Ohio's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City of North Olmsted, Ohio, in a separate letter dated July 9, 2003.

This report is intended solely for the information and use of management and City Council, and is not intended to be and should not be used by anyone other than these specified parties.

North Ridgeville, Ohio  
July 9, 2003

---

# CITY OF NORTH OLMSTED, OHIO



---

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the Year Ended December 31, 2002

---

Prepared by  
The Department of Finance

**Carrie B. Copfer, CPA**  
*Director of Finance*

**Michelle L. Bowens**  
*Assistant Director of Finance*





**CITY OF NORTH OLMSTED, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED DECEMBER 31, 2002**

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

Title Page.....	i
Table of Contents .....	ii
Letter of Transmittal.....	v
GFOA Certificate of Achievement .....	xiv
Organizational Chart.....	xv
Principal City Officials .....	xvi

**FINANCIAL SECTION**

Report of Independent Accountants .....	1
---	---

GENERAL PURPOSE FINANCIAL STATEMENTS:

Combined Balance Sheet – All Fund Types, Account Groups and Discretely Presented Component Unit .....	2
--	---

Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types and Discretely Presented Component Unit .....	6
--	---

Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis) – All Governmental Fund Types.....	8
---	---

Combined Statement of Revenues, Expenses and Changes in Retained Earnings – All Proprietary Fund Types .....	12
---	----

Combined Statement of Cash Flows – All Proprietary Fund Types .....	13
---	----

Combined Statement of Revenues, Expenses and Changes in Fund Equity – Budget and Actual (Non-GAAP Budgetary Basis) All Proprietary Fund Types.....	14
---	----

Notes to the General Purpose Financial Statements .....	16
---	----

COMBINING INDIVIDUAL FUND AND ACCOUNT GROUP, FINANCIAL STATEMENTS AND SCHEDULES:

**Governmental Funds**

General Fund:

Description of Fund .....	42
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) .....	43

Special Revenue Funds:

Description of Funds.....	48
Combining Balance Sheet.....	50
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	54
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) .....	59

**CITY OF NORTH OLMSTED, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED DECEMBER 31, 2002**

**TABLE OF CONTENTS**

(continued)

Debt Service Funds:	
Description of Funds.....	84
Combining Balance Sheet.....	85
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	86
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) .....	87
Capital Projects Funds:	
Description of Funds.....	91
Combining Balance Sheet.....	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	93
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) .....	94
 <b><u>Proprietary Funds</u></b>	
Enterprise Funds:	
Description of Funds.....	98
Combining Balance Sheet.....	99
Combining Statement of Revenues, Expenses and Changes in Retained Earnings.....	100
Combining Statement of Cash Flows .....	101
Schedule of Revenues, Expenses and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) .....	102
Internal Service Fund:	
Description of Fund .....	106
Schedule of Revenues, Expenses and Changes in Fund Equity – Budget and Actual (Non-GAAP Budgetary Basis) .....	107
Agency Fund:	
Description of Fund .....	108
Combining Statement of Changes in Assets and Liabilities.....	109
General Fixed Assets Account Group:	
Description of Account Group.....	110
Schedule of General Fixed Assets by Source.....	111
Schedule of General Fixed Assets by Function and Activity.....	112
Schedule of Changes in General Fixed Assets by Function and Activity .....	113

**CITY OF NORTH OLMSTED, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2002**

**TABLE OF CONTENTS**

(continued)

**STATISTICAL SECTION**

Governmental Fund Type – Expenditures by Function – Last Ten Calendar Years.....	115
Governmental Fund Type – Revenues by Source – Last Ten Calendar Years .....	116
Property Tax Levies and Collections – Real and Public Utility Taxes – Last Ten Calendar Years.....	117
Assessed and Estimated Actual Value of Taxable Property – Last Ten Calendar Years.....	118
Property Tax Rates – Direct and Overlapping Governments – Last Ten Calendar Years.....	119
Special Assessment Billings and Collections – Last Ten Calendar Years.....	120
Computation of Legal Debt Margin.....	121
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita – Last Ten Calendar Years .....	122
Ratio of Annual Debt Principal Expenditures for General Obligation Bonded Debt to Total General Fund Expenditures – Last Ten Calendar Years .....	123
Computation of Direct and Overlapping General Obligation Bonded Debt.....	124
Demographic Statistics – Last Ten Calendar Years.....	125
Property Value, Construction and Financial Institution Deposits – Last Ten Calendar Years.....	126
Principal Taxpayers – Real Estate Tax .....	127
Principal Taxpayers – Tangible Personal Property Tax .....	128
Principal Taxpayers – Municipal Income Tax.....	129
Miscellaneous Statistics .....	130

**This Page is Intentionally Left Blank.**

# City of North Olmsted

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

**Carrie B. Copfer, CPA**  
Director of Finance

**Department of Finance**

Phone: (440) 777-8000  
Fax: (440) 777-5774

July 25, 2003

Citizens of North Olmsted, Ohio  
Honorable Mayor Norman T. Musial  
And Members of City Council

We are pleased to present to you the Comprehensive Annual Financial Report of the City of North Olmsted (the "City") for the year ended December 31, 2002. We believe this report, prepared by the Department of Finance, presents comprehensive financial and operating information about the City's activities during 2002 which should be useful to citizens and taxpayers. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects; presented in a manner designed to set forth fairly the financial position and the results of operations of the City; and, all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The Introductory section includes a table of contents, the letter of transmittal, a list of principal elected and appointed officials and the City's organizational chart. The Financial section includes the Report of Independent Accountants on the financial statements and schedules, the general purpose financial statements, and the combining individual fund and account group statements and schedules. The Statistical section includes selected financial and demographic data that provide users a summarized history of information.

## REPORTING ENTITY

The reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. This definition of reporting entity is found in Government Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity."

The City of North Olmsted's primary government consists of all funds and departments, which are not legally separate from the City. These include a police force, firefighting force, street and sewer maintenance service, sewage treatment plant, municipal bus line, recreation department, senior center, golf course, planning and zoning committees, and staff to provide necessary support to these service providers.

Component units are legally separate organizations for which the City is financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City is financially accountable for an organization if (1) the City appoints a voting majority of the organization's governing board; (2) the City is able to significantly influence the programs or services performed or provided by the organization; (3) the City is legally entitled to or can otherwise access the organization's resources; (4) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or, (5) the City is obligated in some manner for the debt of the organization.



N.O.C.O.P. provides transportation to residents of the City of North Olmsted, the City of Olmsted Falls and Olmsted Township who are 60 years of age or older or disabled. The commission was formed in 1992 and is governed by a board of trustees which consists of nine members. The following five members are automatic members of the Board of Trustees: the Mayor of the City of North Olmsted or designee, the Director of Finance for the City of North Olmsted or designee, a designee from the Advisory Board for the Department of Human Resources of the City of North Olmsted, a member of the Finance Committee of the North Olmsted City Council as designated by the Chairman of that committee, and the President of the North Olmsted City Council. The remaining four members of the Board of Trustees are elected by the membership as provided by law. Fares are collected based on the destination and frequency that the service is used. The three communities also share costs or deficits on a prorated arrangement based on each community's population. The current formula is as follows: the City of North Olmsted contributes 68.9 percent, the City of Olmsted Falls contributes 10.0 percent and Olmsted Township contributes 21.1 percent. N.O.C.O.P. is presented as a governmental fund type. Complete financial statements for N.O.C.O.P. may be obtained by writing to the North Olmsted Commission On Paratransit, Inc., 5200 Dover Center Road, North Olmsted, Ohio 44070 or by calling (440)716-4168.

## **COMMUNITY PROFILE**

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

In 1908 the residents voted to incorporate becoming a village. In 1951 North Olmsted became a city because it had a population of over 5,000 people. The rapid growth was attributed to returning World War II veterans looking to provide a suburban living for their families. At one time the City was considered the fastest growing city in Ohio because it more than doubled in size from 1950 to 1960 and doubled again in 1970. Since the 1970 census, the population of North Olmsted has stayed relatively constant. The 2000 census was 34,113.

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

## **FORM OF GOVERNMENT**

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, Personnel and Administrative Services, certain City employees and members of a number of City boards and commissions. The Mayor generally may remove, without the concurrence of Council and in accordance with civil service and collective bargaining agreement requirements, all officers and employees he has appointed, except that heads of departments and divisions created by the Charter may only be removed with the concurrence of two-thirds of the members of Council. The Mayor may not remove officers and employees of Council, Finance or the Law departments.

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

## **ECONOMIC CONDITION AND OUTLOOK**

The City is a suburban residential community and a commercial center for the western portion of Cuyahoga County and adjacent Lorain County. The largest commercial development in the City includes the Westfield Great Northern Shopping Center and Mall, a 1.7 million square foot retail complex with approximately 225 stores, professional and medical offices and restaurants; the Great Northern Corporate Center phases 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 located immediately adjacent to an interchange on interstate highway I-480. These properties have been developed in phases over the past 30 years. The businesses located in them now provide employment for approximately 6,500 persons.

In 1992, to promote and encourage industrial and commercial development, the City established a citywide community reinvestment area and actively participated in the designation by the State of an enterprise zone covering approximately one-half of the City. This enterprise zone includes the industrial park, the Great Northern commercial complexes, and most of the undeveloped land in the City.

The City, on numerous occasions, has utilized its authority to offer both, or a combination of, community reinvestment area and enterprise zone tax abatements. Under the community reinvestment area program, the City may approve real property tax abatements of up to 100 percent for 15 years for improvements to commercial and industrial buildings. Improvements to residential property may qualify for tax abatement of up to 100 percent for 10 years. Under the enterprise zone program, the City, with the approval of the County and the North Olmsted City School District (the School District), can grant real and personal property tax abatements for improvements to nonresidential property within the enterprise zone for a maximum of 100 percent of the value of the improvements and for a maximum period of 10 years. Under certain circumstances, the City has agreed (and is now required to agree) to share with the School District a portion of the payroll and corporate income taxes it receives to compensate the School District for a portion of the property taxes abated.

Commercial construction was led by the construction of a 219,000 square foot Dillard's Department Store as a fourth "anchor" store to the Westfield Great Northern mall began in February 2002 with the store opening in March 2003. A 36,000 square foot addition, with a 73,000 square foot renovation of the existing mall, will provide a connection to Dillard's and is scheduled for completion in March 2003. Many of the existing smaller retail complexes throughout the City have been renovated for aesthetic reasons as well as for retooling and revitalizing previously vacant retail space. Additionally, a national grocery chain, Tops Markets, LLC, razed an older vacant retail site and constructed a 57,300 square foot state-of-the-art market completed in June 2002.

In 2002, the Northern Ohio Golf Association began construction of a new 15,000 square foot headquarters building and museum across from the City-owned Springvale Golf Course and Ballroom. Completion is anticipated in April 2003.

Limited residential development has continued in the City with 26 new construction permits issued in

2002. A multifamily development is currently in the planning process. Residents of the City were eligible to participate in the Housing Enhancement Loan Program (HELP). This program provides a vehicle by which homeowners with single or multifamily houses valued at less than \$250,000 can borrow at a rate of three percent below their current lending rate to perform internal and external property improvements. Twenty-two homeowners have made improvements adding \$326,675 value to their property in 2002.

The City's local economy mirrored our region's and our State's economic recession and lack of recovery to date. The Administration with the support of Council, reacted to this uncertain economy in 2002 by cost reductions through attrition, minimal layoffs, limiting discretionary expenses and enhancing revenues where possible. Fortunately for the City, its revenue base is strong because of its diversity of sources. Additionally, the City is not dependent on one significant taxpayer. No one taxpayer provided for more than five percent of the total assessed valuation in 2002.

The aforementioned efforts, along with the largest building permit revenue of the last ten years and net income tax collections exceeding expectation in the last quarter of the year, succeeded in ending the year in a positive position for the City. In the 2003 budgeting process, Council redirected \$475,000 in funds for 2003 that in the past were legislatively designated for special revenue fund purposes. This will not affect achieving the purpose of those funds in 2003, but cannot occur in future years without hindering the purpose of the funds.

## **MAJOR ACCOMPLISHMENTS**

### **Governmental Fund Accomplishments**

In 2002, the Police department received several grants to offset operations. The federal bullet proof vest program awarded the City \$2,287 to replenish officers' bullet proof vests on a rotating basis. The State Attorney General's office awarded \$14,766 toward sustaining the existing DARE programs. The State also awarded the City \$20,000 for the Selective Traffic Enforcement Program (STEP) where officers on overtime perform traffic enforcement in targeted areas or at targeted times.

The Fire department, under the leadership of a new chief, focused on providing training with minimal budgetary impact. They received a Federal Emergency Management Agency (FEMA) grant for officer leadership training. Additionally, the State made available \$2,844 for paramedic training. The Fire department also led a three-day live-burn training program with our neighboring communities when the City needed to demolish certain homes to make way for the construction of the new public library.

The Building department processed a large number of permits providing the largest valuation in the last ten years. This was greatly due to the Mall expansion, including another anchor store, and various new and renovated retail structures.

The Engineering department applied for and the City was awarded an Issue II grant for \$1,542,384 along with an Ohio Department of Transportation grant of \$1,024,000 for the rehabilitation of a state route that is one of the city's major thoroughfares. Engineering for this project will be completed in early 2003 with construction beginning in the summer of 2003. The widening of a major intersection occurred in 2002 with funding from a \$1,130,000 Issue II grant to improve the flow of traffic.

Engineering was also responsible for an \$830,000 slab repair program, a \$500,000 storm sewer project on a state route, a Community Development Block Grant (CDBG) water relining project and supervising and coordinating the completion of bidding documents for the new North Olmsted Library with construction to begin in Spring 2003.

Three improvement projects of City properties or operations occurred in 2002: 1) Design, preparation and awarding of bidding documents for the new North Olmsted public library. This is financed through a voter approved 1.1 mil property tax levy; 2) Construction and opening of a new park-n-ride facility in October 2002 that holds 300 cars (200 more than the previous facility) through the partnership of the North Olmsted Municipal Bus Line (NOMBL) and the Greater Cleveland Regional Transit Authority (GCRTA). The trend through the first six months of operations is at over 80% capacity. GCRTA is already looking at expanding the facility in 2004; and 3) The City completed the renovation of the city-owned golf course and ballroom facility which included a fully automated irrigation system, drainage system, renovation of various golf course features including tees, greens, fairways, water hazards, cart paths and a new



clubhouse. The golf course re-opened on August 1, 2002 with the clubhouse opening on September 1, 2002. In 2003, despite a long winter and wet spring, veterans and newcomers to the course gave it rave reviews.

The City's Sanitary Sewer System and Waste Water Treatment Plant facilities achieved one hundred percent compliance with the June 21, 2000 NPDES permit for the year 2002. In 2002 a spare rotating assembly was purchased to the centrifuge processing system to allow for reconditioning of the existing one. The City continued to test a third biosolids disposal option by partnering with another community and composting our sludge at their landfill. These operating efficiencies have assisted in keeping costs down and rates from not increasing which allows the City to continue as a low cost provider.

The City settled with the EPA and was released from the 1995 U.S. EPA/State/City consent decree in May 2002. This culminates an effort that began in early 2000 and is a significant accomplishment since it is unusual for municipalities to be released from a Clean Water Act consent decree. This settlement reduced the \$328,250 in stipulated fines and penalties to \$75,000, along with the \$64,000 in outside legal expenses incurred to litigate this settlement and release.

## **FINANCIAL INFORMATION**

### **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.

### **The Accounting System**

The City uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Generally accepted accounting principles determine the type of funds used. Prudent financial administration determines the number of individual funds established.

In the preparation of its annual report, the City uses the modified accrual basis of accounting for governmental and agency funds and the full accrual basis for enterprise and internal service funds. When using the modified accrual basis, revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. The full accrual basis recognizes revenues when earned and expenses when incurred. This timing enables management to improve the quality of its decision making process by providing more consistent, comparable information regarding the current and past operations and financial position of the City.

A more detailed explanation of the basis of accounting for the various funds is included in the Notes to the General Purpose Financial Statements located in the Financial Section of this report.

## Budgetary System

A temporary appropriation resolution to control expenditures may be passed on or around January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. Appropriations by fund must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures and encumbrances may not exceed the appropriations at any level of control. Any revisions that alter the appropriations at the legal level of budgetary control must first be approved by City Council. Council may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources.

The City maintains budgetary control on a cash basis by department for salaries, other expenditures and debt service. Estimated expenditure amounts must be encumbered prior to the release of purchase orders to vendors or finalization of other contracts. Encumbrances that would exceed the available appropriation level are identified on an ongoing basis and are not approved or recorded until City Council authorizes additional appropriations or transfers. Unencumbered appropriations lapse at the end of each calendar year.

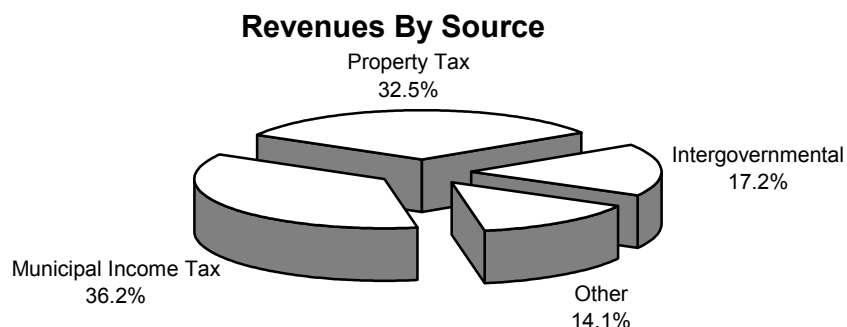
Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions. Appropriation amounts are as originally adopted, or as amended by City Council throughout the year by supplemental appropriations, which either reallocate or increase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

## General Government Functions

### Revenues

The following schedule represents a summary of revenues for the governmental fund types, which include general, special revenue, debt service and capital project funds for the year ended December 31, 2002 and comparisons to 2001. Revenues for these governmental fund type operations amounted to \$31,486,564 for 2002.

	<u>2002</u>	Percent of Total	<u>2001</u>	Percent of Total	Percent of Increase (Decrease)	Amount of Increase (Decrease)
Municipal Income Tax	\$11,328,050	36.2%	\$ 11,121,341	35.9%	1.86%	\$ 206,709
Property and Other Taxes	10,154,593	32.5%	10,114,983	32.7%	.39%	39,610
Charges for Services	2,073,941	6.9%	2,075,553	6.7%	3.48%	72,223
Licenses and Permits	941,757	3.0%	737,875	2.4%	27.63%	203,882
Fines and Forfeitures	472,068	1.5%	557,799	1.8%	(15.37)%	(85,731)
Intergovernmental	5,676,442	17.2%	5,003,181	16.2%	7.41%	370,781
Special Assessments	116,813	0.4%	102,808	0.3%	13.62%	14,005
Investment Income	363,807	1.2%	937,639	3.0%	(61.20)%	(573,832)
Other	359,093	1.1%	318,536	1.0%	12.39%	39,479
<b>Total</b>	<b>\$31,486,564</b>	<b>100.0%</b>	<b>\$30,969,715</b>	<b>100.0%</b>		<b>\$ 287,126</b>



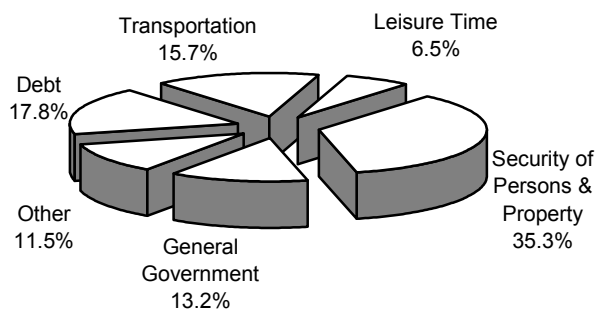
- Municipal Income Tax increased by 1.86% over 2001 due to an increase in net profit filings. These filings include estimates, therefore, refunds may be given in 2003.
- Licenses and Permits increased 27.36% as a result of the additional 69 permits issued and a corresponding additional \$30,660,000 in assessed value. This occurred primarily from the mall expansion and fourth anchor store addition.
- Intergovernmental revenues increased 7.41% primarily from the increase in Issue II grant monies received in 2002.
- Investment Income decreased significantly in 2002 primarily from the significantly lower interest rates available in 2002.

### **Expenditures**

The following schedule represents a summary of all governmental expenditures of general, special revenue, debt service and capital project funds for the year ended December 31, 2002 and comparisons to 2001. Expenditures for these fund operations amounted to \$33,055,879 for 2002.

	<u>2002</u>	<u>Percent To Total</u>	<u>2001</u>	<u>Percent to Total</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
<b>Current:</b>						
General Government	\$4,367,055	13.2%	\$4,100,839	11.7%	\$266,216	52.32 %
Security of Persons and Property	11,685,896	35.3%	11,046,278	31.4%	(639,618)	(2.91)%
Public Health and Welfare	453,113	1.3%	471,538	1.3%	(18,425)	(10.38)%
Transportation	5,213,922	15.7%	6,473,806	18.4%	(1,259,884)	(21.78)%
Community Environment						
Basic Utility Services	1,607,984	4.8%	1,603,503	4.6%	4,481	(9.08)%
Leisure Time Activities	2,161,359	6.5%	2,087,516	5.9%	73,843	4.11%
Economic Development and Assistance	218,058	1.0%	180,354	0.5%	37,704	280.38%
Other						
Capital Outlay	1,453,736	4.4%	3,421,177	9.7%	(1,967,441)	(100.00)%
<b>Debt Service:</b>						
Principal Retirement	3,342,539	10.1%	2,982,456	8.5%	360,083	13.63%
Interest and Fiscal Charges	2,552,217	7.7%	2,757,715	7.9%	(205,498)	10.52%
<b>Total</b>	<b>\$33,055,879</b>	<b>100.0%</b>	<b>\$35,125,182</b>	<b>100.0%</b>	<b>\$(2,069,303)</b>	<b>(7.10)%</b>

### **Expenditures By Function**



- General Government expenditures increased by \$266,216 from 2001. This reflects an increase in wage rates and health insurance costs less the affects of attrition.

- Security of Persons and Property expenditures increased by \$639,618 from 2001. This results primarily from an increase in wage rates and health insurance costs.
- Transportation decreased dramatically by \$1,259,884 with the transfer of the storm crew to the Waste Water Treatment Plant, the decrease in the use of materials such as salt, street material, etc., and the decrease in capital outlay as non-grant-related street improvements were limited to slab repair.
- The majority of the decrease in Capital Outlay in 2002 is because the property for the library was purchased in 2001 resulting in the large capital outlay for that year. In 2002 only the design work occurred on this project, hence, less was expended.

### **Enterprise Funds**

Enterprise funds are used to finance and account for the acquisition, operation and maintenance of City facilities and services which are intended to be self supporting primarily through user charges and operate similar to a private business enterprise. The City operates the Sewer Revenue Fund, North Olmsted Municipal Bus Line Fund and the Springvale Golf Course and Ballroom Fund as enterprise funds.

Total 2002 operating revenues for all enterprise funds were \$12,417,798 while operating expenses totaled \$11,05,447 resulting in an operating income of \$1,392,351. After consideration of all non-operating expenses and operating transfers for debt service requirements, the net income for 2002 was \$137,288. The 2002 net income was primarily attributable to sewer charges for services and lower operating expenses in each of the enterprise funds.

### **Internal Service Funds**

Internal Service Funds are established to account for the financing of goods or services provided by one department of the City to other departments on a cost reimbursement basis. The City maintains a self-insurance fund for employee health benefits with excess insurance coverage for claims over a specified amount.

### **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.

In June 2002 the city issued \$1,665,000 in Bond Anticipation Notes (BANs), \$1,375,000 for street improvements and \$290,000 for water relining. In October 2002 a \$200,000 fire pumper truck BAN was issued and is expected to be repaid from hotel/motel tax funds.

The Mayor and his administration prioritize capital projects for which borrowings are required. City Council approves such borrowings for these purposes. For the last three years, 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 and City Council's consideration of the impact of voted tax issues and self-supporting enterprise fund debt.

The City of North Olmsted currently holds an A2 rating from Moody's Investor Service Inc. and an A+ rating from Fitch IBCA, both received in August 2000 and affirmed in March 2001.

### **Cash Management**

All City cash is pooled for investment purposes in order to maximize yield while protecting principal through conservative investment choices. The City's investment policy designates what type of investments can be made and only permits investments that are in compliance with the Ohio Revised Code. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), 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.

The City plans for short and long term cash flow needs and attempts to match investment maturities

accordingly. This is accomplished primarily with certificates of deposits, repurchase agreements, government securities, agency securities, mutual fund and sweep checking accounts.

### **Risk Management**

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

The City provides health, dental and vision insurance to its employees through a self-insurance plan. The City funds the insurance plan by contributing the expected cost for single and family coverage out of the fund from which the employee's compensation is paid. Employees contribute a portion of this expected cost on a pre-tax basis through payroll withholding. Resources are accumulated in the internal service fund to meet current and future claims. The City has reinsurance for claims in excess of \$50,000 per individual and \$2,231,836 in the aggregate for plan year 2002. Claims in excess of this aggregate are insured by private carriers. The City expects to assume no additional risks in the near future. The City contracts with a third party administrator to process the claims in accordance with the plan. The City also offers a Health Maintenance Organization (HMO) which the City pays a premium per month with no additional assumption of risk.

## **OTHER INFORMATION**

### **Independent Audit**

Included in this report is an unqualified audit opinion regarding the City's financial statements for the year ended December 31, 2002. This year's audit was completed by Costin + Company, a private independent public accounting firm.

### **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, 2001. This was the third year that the city has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government 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.

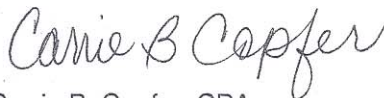
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgments**

The 2002 Comprehensive Annual Financial Report was prepared by the Finance Department with cooperation from all city departments. We would also like to express our appreciation to Costin + Company, CPAs, for their guidance in the preparation of this report.

We would 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 would like to thank 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



Michelle L. Bowens  
Assistant Director of Finance

# 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, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "William Patrick Bate".

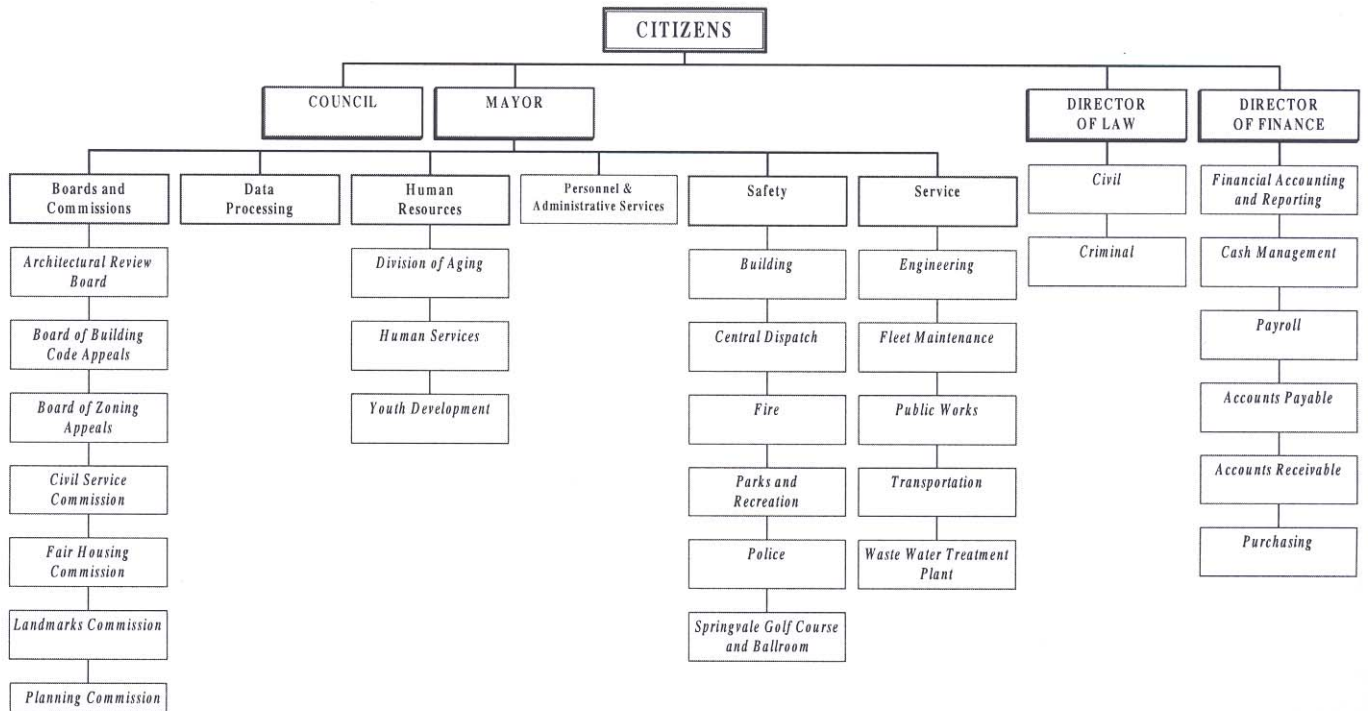
President

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

Executive Director

# CITY OF NORTH OLMSTED

## Organizational Chart as of December 31, 2002



CITY OF NORTH OLMSTED

**PRINCIPAL CITY OFFICIALS**  
**December 31, 2002**

---

**Elected Officials**

---

Norman T. Musial ..... Mayor  
James M. Dubelko ..... Director of Law  
Carrie B. Copfer ..... Director of Finance  
Thomas E. O'Grady ..... President of Council  
Duane K. Limpert ..... Council Ward 1  
John Dailey ..... Council Ward 2  
George M. Nashar ..... Council Ward 3  
Farrell Dean McKay ..... Council Ward 4  
Michael R. Gareau, Jr. .... Council-At-Large  
Carolyn Kasler ..... Council-At-Large  
Paul D. Miller ..... Council-At-Large

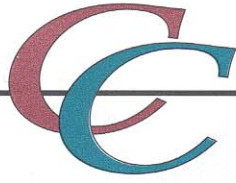
---

**Appointed Officials**

---

Ray Thomas ..... Director of Public Service (01/01/02-07/30/02)  
Mary Creadon ..... Director of Public Service (10/16/02-12/31/02)  
Don Copeland ..... Director of Human Resources  
Lisa Thomas ..... Director of Public Safety (02/15/02-08/31/02)  
Richard Jesse ..... Director of Public Safety (10/16/02-12/31/02)  
Janice Popa ..... Director of Personnel and Administrative Services (01/01/02-05/15/02)  
Cheryl Farver ..... Director of Personnel and Administrative Services (06/3/02-12/31/02)





---

**COSTIN + COMPANY**

Certified Public Accountants

35945 Center Ridge Road

North Ridgeville, OH 44039

INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of North Olmsted, Ohio

We have audited the accompanying general purpose financial statements of the City of North Olmsted, Ohio (the City), as of and for the year ended December 31, 2002 as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of North Olmsted, Ohio, as of December 31, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As stated in Note 4 to the general purpose financial statements, the City restated Debt Service and Capital Projects fund balances, Enterprise Fund retained earnings and investment in General Fixed Assets during 2002.

In accordance with Government Auditing Standards, we have also issued our report dated July 9, 2003 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the City taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the statistical section of this report and therefore express no opinion thereon.

North Ridgeville, Ohio  
July 9, 2003

CITY OF NORTH OLMSTED, OHIO  
 COMBINED BALANCE SHEET –  
 ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT  
 DECEMBER 31, 2002

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets</u>				
Equity in pooled cash and equivalents	\$ 1,449,974	\$ 3,171,925	\$ 1,625,402	\$ 8,307,549
Other funds on deposit	-	-	-	-
Receivables				
Taxes	7,504,751	2,328,224	3,618,812	-
Accounts	126,298	114,672	-	-
Due from other funds	98,010	231	539,851	-
Intergovernmental	1,033,724	662,023	215,400	262,797
Materials and supplies	254,315	44,311	-	-
Fixed assets	-	-	-	-
Accumulated depreciation	-	-	-	-
<u>Other debits</u>				
Amount available in debt service funds				
for retirement of general obligation bonds	-	-	-	-
Amount to be provided from general government resources	-	-	-	-
Amount to be provided from special assessments	-	-	-	-
	<u>\$ 10,467,072</u>	<u>\$ 6,321,386</u>	<u>\$ 5,999,465</u>	<u>\$ 8,570,346</u>

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

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals Primary Government (Memorandum Only)	North Olmsted Commission on Paratransit, Inc.	Totals Reporting Entity (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Debt			
\$ 2,307,784	\$ 415,031	\$ -	\$ -	\$ -	\$ 17,277,665	\$ 44,036	\$ 17,321,701
-	-	112,211	-	-	112,211	-	112,211
-	-	-	-	-	13,451,787	-	13,451,787
340	-	-	-	-	241,310	11,109	252,419
-	-	-	-	-	638,092	-	638,092
2,233,386	-	-	-	-	4,407,330	-	4,407,330
48,924	-	-	-	-	347,550	-	347,550
61,973,100	-	-	30,120,439	-	92,093,539	89,811	92,183,350
(31,190,546)	-	-	(15,206,911)	-	(46,397,457)	(33,679)	(46,431,136)
-	-	-	-	2,165,253	2,165,253	-	2,165,253
-	-	-	-	49,895,577	49,895,577	-	49,895,577
-	-	-	-	570,000	570,000	-	570,000
<u>\$ 35,372,988</u>	<u>\$ 415,031</u>	<u>\$ 112,211</u>	<u>\$ 14,913,528</u>	<u>\$ 52,630,830</u>	<u>\$ 134,802,857</u>	<u>\$ 111,277</u>	<u>\$ 134,914,134</u>

(Continued)

CITY OF NORTH OLMSTED, OHIO  
 COMBINED BALANCE SHEET –  
 ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT  
 DECEMBER 31, 2002

(Concluded)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Liabilities, fund equity and other credits</u>				
<u>Liabilities</u>				
Accounts payable	\$ 140,851	\$ 439,011	\$ -	\$ 238,243
Accrued wages and benefits	411,515	26,472	-	-
Compensated absences payable	119,160	1,163	-	-
Due to other funds	-	231	-	-
Retainage payable	3,704	169,374	-	20,021
Intergovernmental payable	91,495	7,173	-	44,679
Deferred revenue	7,282,183	2,432,786	3,834,212	4,195
Accrued interest payable	-	19,683	-	-
Notes payable	-	1,865,000	-	-
Claims and judgments payable	-	-	-	-
Capital lease	-	-	-	-
Refundable deposits	-	-	-	-
OPWC loans payable	-	-	-	-
Police/Fire past service cost	-	-	-	-
OWDA loans payable	-	-	-	-
Bonds payable				
General obligation	-	-	-	-
Special assessment	-	-	-	-
<b>Total liabilities</b>	<b>8,048,908</b>	<b>4,960,893</b>	<b>3,834,212</b>	<b>307,138</b>
<u>Fund equity and other credits</u>				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings - unreserved	-	-	-	-
Fund balances				
Reserved for encumbrances	49,516	701,574	-	645,800
Reserved for inventories	254,315	44,311	-	-
Reserved for debt service	-	-	2,165,253	-
Unreserved	2,114,333	614,608	-	7,617,408
<b>Total fund equity and other credits</b>	<b>2,418,164</b>	<b>1,360,493</b>	<b>2,165,253</b>	<b>8,263,208</b>
<b>Total liabilities, fund equity and other credits</b>	<b>\$ 10,467,072</b>	<b>\$ 6,321,386</b>	<b>\$ 5,999,465</b>	<b>\$ 8,570,346</b>

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

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals Primary Government (Memorandum Only)	North Olmsted Commission on Paratransit, Inc.	Totals Reporting Entity (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Debt			
\$ 246,557	\$ 810	\$ -	\$ -	\$ -	\$ 1,065,472	\$ 6,431	1,071,903
174,554	-	-	-	-	612,541	2,744	615,285
1,009,532	-	-	-	3,311,348	4,441,203	-	4,441,203
637,861	-	-	-	-	638,092	-	638,092
7,840	-	-	-	-	200,939	-	200,939
257,983	-	4,300	-	640,598	1,046,228	-	1,046,228
-	-	-	-	-	13,553,376	-	13,553,376
77,800	-	-	-	-	97,483	-	97,483
-	-	-	-	-	1,865,000	-	1,865,000
-	299,851	-	-	-	299,851	-	299,851
75,713	-	-	-	-	75,713	-	75,713
-	-	107,911	-	-	107,911	-	107,911
-	-	-	-	1,844,070	1,844,070	-	1,844,070
-	-	-	-	113,422	113,422	-	113,422
-	-	-	-	1,021,392	1,021,392	-	1,021,392
20,290,000	-	-	-	45,130,000	65,420,000	-	65,420,000
-	-	-	-	570,000	570,000	-	570,000
<u>22,777,840</u>	<u>300,661</u>	<u>112,211</u>	<u>-</u>	<u>52,630,830</u>	<u>92,972,693</u>	<u>9,175</u>	<u>92,981,868</u>
-	-	-	14,913,528	-	14,913,528	56,132	14,969,660
10,036,381	-	-	-	-	10,036,381	-	10,036,381
2,558,767	114,370	-	-	-	2,673,137	-	2,673,137
-	-	-	-	-	1,396,890	-	1,396,890
-	-	-	-	-	298,626	-	298,626
-	-	-	-	-	2,165,253	-	2,165,253
-	-	-	-	-	10,346,349	45,970	10,392,319
<u>12,595,148</u>	<u>114,370</u>	<u>-</u>	<u>14,913,528</u>	<u>-</u>	<u>41,830,164</u>	<u>102,102</u>	<u>41,932,266</u>
<u>\$ 35,372,988</u>	<u>\$ 415,031</u>	<u>\$ 112,211</u>	<u>\$ 14,913,528</u>	<u>\$ 52,630,830</u>	<u>\$ 134,802,857</u>	<u>\$ 111,277</u>	<u>\$ 134,914,134</u>

CITY OF NORTH OLMSTED, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 ALL GOVERNMENTAL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Revenues</b>				
Municipal income tax	\$ 7,933,976	\$ 3,394,074	\$ -	\$ -
Property and other taxes	5,089,375	1,576,828	3,488,390	-
Charges for services	680,051	1,393,890	-	-
Licenses and permits	941,757	-	-	-
Fines and forfeitures	172,069	299,999	-	-
Intergovernmental	2,847,117	1,370,195	482,322	976,808
Special assessments	-	116,813	-	-
Investment income	204,662	712	61,092	97,341
Other	185,507	171,350	-	2,236
<b>Total revenues</b>	<u>18,054,514</u>	<u>8,323,861</u>	<u>4,031,804</u>	<u>1,076,385</u>
<b>Expenditures</b>				
Current				
General governments	4,148,984	218,071	-	-
Security of persons and property	10,389,604	1,296,292	-	-
Public health and welfare	453,113	-	-	-
Transportation	3,001,256	2,212,666	-	-
Basic utility services	-	1,607,984	-	-
Leisure time activities	-	2,161,359	-	-
Economic development and assistance	-	218,058	-	-
Capital outlay	-	-	-	1,453,736
Debt service				
Principal retirement	-	50,000	3,292,539	-
Interest and fiscal charges	-	90,205	2,462,012	-
<b>Total expenditures</b>	<u>17,992,957</u>	<u>7,854,635</u>	<u>5,754,551</u>	<u>1,453,736</u>
Excess (deficiency) of revenues over expenditures	<u>61,557</u>	<u>469,226</u>	<u>(1,722,747)</u>	<u>(377,351)</u>
<b>Other financing sources (uses)</b>				
Disposal of fixed assets	13,206	-	-	-
Operating transfers-in	-	40,000	2,159,625	-
Operating transfers-out	(57,398)	(1,933,852)	-	(17,065)
<b>Total other financing sources (uses)</b>	<u>(44,192)</u>	<u>(1,893,852)</u>	<u>2,159,625</u>	<u>(17,065)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	17,365	(1,424,626)	436,878	(394,416)
Fund balances, beginning of year, as restated	2,396,966	2,789,332	1,728,375	8,657,624
Increase (decrease) in reserve for inventories	3,833	(4,213)	-	-
<b>Fund balances, end of year</b>	<u>\$ 2,418,164</u>	<u>\$ 1,360,493</u>	<u>\$ 2,165,253</u>	<u>\$ 8,263,208</u>

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

Totals Primary Government (Memorandum Only)	North Olmsted Commission on Paratransit, Inc.	Totals Reporting Entity (Memorandum Only)
\$ 11,328,050	\$ -	\$ 11,328,050
10,154,593	-	10,154,593
2,073,941	150,722	2,224,663
941,757	-	941,757
472,068	-	472,068
5,676,442	-	5,676,442
116,813	-	116,813
363,807	-	363,807
359,093	-	359,093
<u>31,486,564</u>	<u>150,722</u>	<u>31,637,286</u>
4,367,055	-	4,367,055
11,685,896	-	11,685,896
453,113	-	453,113
5,213,922	146,301	5,360,223
1,607,984	-	1,607,984
2,161,359	-	2,161,359
218,058	-	218,058
1,453,736	-	1,453,736
3,342,539	-	3,342,539
2,552,217	-	2,552,217
<u>33,055,879</u>	<u>146,301</u>	<u>33,202,180</u>
<u>(1,569,315)</u>	<u>4,421</u>	<u>(1,564,894)</u>
13,206	-	13,206
2,199,625	-	2,199,625
(2,008,315)	-	(2,008,315)
<u>204,516</u>	<u>-</u>	<u>204,516</u>
(1,364,799)	4,421	(1,360,378)
15,572,297	41,549	15,613,846
<u>(380)</u>	<u>-</u>	<u>(380)</u>
<u>\$ 14,207,118</u>	<u>\$ 45,970</u>	<u>\$ 14,253,088</u>

CITY OF NORTH OLMSTED, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) – ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED DECEMBER 31, 2002

	General		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Municipal income tax	\$ 7,700,881	\$ 7,978,043	\$ 277,162
Property and other taxes	5,030,042	5,089,375	59,333
Charges for services	649,868	655,038	5,170
Licenses and permits	783,167	940,946	157,779
Fines and forfeitures	154,238	173,629	19,391
Intergovernmental	2,816,190	2,839,673	23,483
Special assessments	-	-	-
Investment income	145,000	204,662	59,662
Other	145,500	177,470	31,970
<b>Total revenues</b>	<b>17,424,886</b>	<b>18,058,836</b>	<b>633,950</b>
<b>Expenditures</b>			
<b>Current</b>			
General government	4,272,617	4,149,363	123,254
Security of persons and property	10,582,179	10,241,072	341,107
Public health and welfare	435,678	428,446	7,232
Transportation	3,372,973	3,234,686	138,287
Basic utility services	-	-	-
Leisure time activities	-	-	-
Economic development and assistance	-	-	-
<b>Debt service</b>			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>18,663,447</b>	<b>18,053,567</b>	<b>609,880</b>
Excess (deficiency) of revenues over expenditures	(1,238,561)	5,269	1,243,830
<b>Other financing sources (uses)</b>			
Note proceeds	-	-	-
Sale of fixed assets	12,500	13,206	706
Operating transfers-in	-	-	-
Advances in	125,000	125,000	-
Advances out	(125,000)	(125,000)	-
Operating transfers-out	(140,000)	(57,398)	82,602
<b>Total other financing sources (uses)</b>	<b>(127,500)</b>	<b>(44,192)</b>	<b>83,308</b>
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	(1,366,061)	(38,923)	1,327,138
Prior year encumbrances	101,522	101,522	-
Fund balances, beginning of year	1,265,930	1,265,930	-
Fund balances, end of year	\$ 1,391	\$ 1,328,529	\$ 1,327,138

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



Special Revenue			Debt Service		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 3,322,000	\$ 3,412,960	\$ 90,960	\$ -	\$ -	\$ -
1,574,649	1,579,183	4,534	3,457,275	3,488,390	31,115
1,383,177	1,406,287	23,110	45,000	43,878	(1,122)
-	-	-	-	-	-
376,000	297,883	(78,117)	-	-	-
1,378,488	1,373,135	(5,353)	427,220	438,444	11,224
96,500	116,813	20,313	-	-	-
1,300	712	(588)	-	61,092	61,092
211,800	175,001	(36,799)	-	-	-
8,343,914	8,361,974	18,060	3,929,495	4,031,804	102,309
298,957	224,043	74,914	-	-	-
1,633,753	1,335,567	298,186	-	-	-
368	-	368	-	-	-
3,670,030	2,964,168	705,862	-	-	-
1,619,200	1,617,361	1,839	-	-	-
2,565,499	2,201,094	364,405	-	-	-
261,823	218,076	43,747	-	-	-
350,000	350,000	-	4,157,539	4,157,539	-
72,415	71,085	1,330	3,600,327	3,589,357	10,970
10,472,045	8,981,394	1,490,651	7,757,866	7,746,896	10,970
(2,128,131)	(619,420)	1,508,711	(3,828,371)	(3,715,092)	113,279
1,865,000	1,865,000	-	-	-	-
-	-	-	-	-	-
40,000	40,000	-	3,367,212	3,579,213	212,001
125,000	125,000	-	-	-	-
(125,000)	(125,000)	-	-	-	-
(1,933,883)	(1,933,852)	31	-	-	-
(28,883)	(28,852)	31	3,367,212	3,579,213	212,001
(2,157,014)	(648,272)	1,508,742	(461,159)	(135,879)	325,280
1,131,774	1,131,774	-	-	-	-
1,600,294	1,600,294	-	1,761,281	1,761,281	-
\$ 575,054	\$ 2,083,796	\$ 1,508,742	\$ 1,300,122	\$ 1,625,402	\$ 325,280

(Continued)

CITY OF NORTH OLMSTED, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) – ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED DECEMBER 31, 2002

(Concluded)

	Capital Projects		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Municipal income tax	\$ -	\$ -	\$ -
Property and other taxes	-	-	-
Charges for services	-	-	-
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Intergovernmental	1,131,412	718,206	(413,206)
Special assessments	-	-	-
Investment income	-	97,342	97,342
Other	-	2,236	2,236
<b>Total revenues</b>	<b>1,131,412</b>	<b>817,784</b>	<b>(313,628)</b>
<b>Expenditures</b>			
<b>Current</b>			
General government	1,131,412	718,206	413,206
Security of persons and property	-	-	-
Public health and welfare	-	-	-
Transportation	-	-	-
Basic utility services	-	-	-
Leisure time activities	156,310	134,444	21,866
Economic development and assistance	8,487,169	1,026,538	7,460,631
<b>Debt service</b>			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>9,774,891</b>	<b>1,879,188</b>	<b>7,895,703</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(8,643,479)</b>	<b>(1,061,404)</b>	<b>7,582,075</b>
<b>Other financing sources (uses)</b>			
Note proceeds	-	-	-
Sale of fixed assets	-	-	-
Operating transfers-in	-	-	-
Advances in	-	-	-
Advances out	-	-	-
Operating transfers-out	(17,065)	(17,065)	-
<b>Total other financing sources (uses)</b>	<b>(17,065)</b>	<b>(17,065)</b>	<b>-</b>
<b>Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses</b>	<b>(8,660,544)</b>	<b>(1,078,469)</b>	<b>7,582,075</b>
Prior year encumbrances	91,552	91,552	-
Fund balances, beginning of year	8,597,981	8,597,981	-
Fund balances, end of year	\$ 28,989	\$ 7,611,064	\$ 7,582,075

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

Totals  
(Memorandum Only)

Budget	Actual	Variance Favorable (Unfavorable)
\$ 11,022,881	\$ 11,391,003	\$ 368,122
10,061,966	10,156,948	94,982
2,078,045	2,105,203	27,158
783,167	940,946	157,779
530,238	471,512	(58,726)
5,753,310	5,369,458	(383,852)
96,500	116,813	20,313
146,300	363,808	217,508
357,300	354,707	(2,593)
<u>30,829,707</u>	<u>31,270,398</u>	<u>440,691</u>
5,702,986	5,091,612	611,374
12,215,932	11,576,639	639,293
436,046	428,446	7,600
7,043,003	6,198,854	844,149
1,619,200	1,617,361	1,839
2,721,809	2,335,538	386,271
8,748,992	1,244,614	7,504,378
4,507,539	4,507,539	-
3,672,742	3,660,442	12,300
<u>46,668,249</u>	<u>36,661,045</u>	<u>10,007,204</u>
<u>(15,838,542)</u>	<u>(5,390,647)</u>	<u>10,447,895</u>
1,865,000	1,865,000	-
12,500	13,206	706
3,407,212	3,619,213	212,001
250,000	250,000	-
(250,000)	(250,000)	-
<u>(2,090,948)</u>	<u>(2,008,315)</u>	<u>82,633</u>
<u>3,193,764</u>	<u>3,489,104</u>	<u>295,340</u>
<u>(12,644,778)</u>	<u>(1,901,543)</u>	<u>10,743,235</u>
1,324,848	1,324,848	-
13,225,486	13,225,486	-
<u>\$ 1,905,556</u>	<u>\$ 12,648,791</u>	<u>\$ 10,743,235</u>

CITY OF NORTH OLMDSTED, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS -  
 ALL PROPRIETARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Enterprise	Internal Service	Totals (Memorandum Only)
Operating revenues			
Charges for services	\$ 11,983,131	\$ 2,489,139	\$ 14,472,270
Tap-in fees	355,462	-	355,462
Other	79,205	-	79,205
Total operating revenues	<u>12,417,798</u>	<u>2,489,139</u>	<u>14,906,937</u>
Operating expenses			
Wages	5,112,812	-	5,112,812
Personnel costs	1,600,623	-	1,600,623
Claims and judgments	-	2,762,896	2,762,896
Cost of sales	1,988,886	-	1,988,886
Repairs and maintenance	290,969	-	290,969
Other operating expenses	675,369	-	675,369
Depreciation	1,356,788	-	1,356,788
Total operating expenses	<u>11,025,447</u>	<u>2,762,896</u>	<u>13,788,343</u>
Operating income (loss)	<u>1,392,351</u>	<u>(273,757)</u>	<u>1,118,594</u>
Nonoperating revenues (expenses)			
Investment income	29,059	-	29,059
Interest and fiscal charges	(1,092,812)	-	(1,092,812)
Total nonoperating revenues (expenses)	<u>(1,063,753)</u>	<u>-</u>	<u>(1,063,753)</u>
Income (loss) before operating transfers	<u>328,598</u>	<u>(273,757)</u>	<u>54,841</u>
Operating transfers			
Operating transfers-in	69,756	-	69,756
Operating transfers-out	(261,066)	-	(261,066)
Total operating transfers	<u>(191,310)</u>	<u>-</u>	<u>(191,310)</u>
Net income (loss)	137,288	(273,757)	(136,469)
Retained earnings, beginning of year, as restated	<u>2,421,479</u>	<u>388,127</u>	<u>2,809,606</u>
Retained earnings, end of year	<u>\$ 2,558,767</u>	<u>\$ 114,370</u>	<u>\$ 2,673,137</u>

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

CITY OF NORTH OLMSTED, OHIO  
 COMBINED STATEMENT OF CASH FLOWS -  
 ALL PROPRIETARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Enterprise	Internal Service	Total
Cash flows from operating activities:			
Operating income (loss)	\$ 1,392,351	\$ (273,757)	\$ 1,118,594
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	1,356,788	-	1,356,788
Changes in net assets (increase) decrease and liabilities increase (decrease):			
Intergovernmental receivable	(277,702)	-	(277,702)
Materials and supplies	28,999	-	28,999
Accounts and contracts payable	138,795	(35,981)	102,814
Accrued salaries and benefits	897	-	897
Compensated absences	(18,979)	-	(18,979)
Due to other funds	539,851	-	539,851
Retainage payable	(37,488)	-	(37,488)
Intergovernmental payable	(14,329)	-	(14,329)
Accrued interest payable	(8,437)	-	(8,437)
Claims and judgments payable	(75,000)	43,960	(31,040)
Total adjustments	1,633,395	7,979	1,641,374
Net cash provided by (used in) operating activities	3,025,746	(265,778)	2,759,968
Cash flows from non-capital financing activities:			
Operating transfers-in	69,756	-	69,756
Operating transfers-out	(261,066)	-	(261,066)
Net cash (used in) non-capital financing activities	(191,310)	-	(191,310)
Cash flows from investing activities:			
Interest income	29,059	-	29,059
Net cash provided by investing activities	29,059	-	29,059
Cash flows from capital and related financing activities:			
Acquisition of fixed assets	(1,400,279)	-	(1,400,279)
Payment on capital lease	(25,589)	-	(25,589)
Principal payment of bonds	(865,000)	-	(865,000)
Interest and fiscal charges	(1,092,812)	-	(1,092,812)
Net cash (used in) capital and related financing activities	(3,383,680)	-	(3,383,680)
Net (decrease) in cash and cash equivalents	(520,185)	(265,778)	(785,963)
Equity in pooled cash and equivalents, beginning of year	2,827,969	680,809	3,508,778
Equity in pooled cash and equivalents, end of year	\$ 2,307,784	\$ 415,031	\$ 2,722,815
Non-cash transactions:			
Acquisition of fixed assets through contributed capital	\$ 90,334	\$ -	\$ 90,334
Acquisition of fixed assets through capital lease	\$ 101,302	\$ -	\$ 101,302
Disposal of fixed assets, net book value	\$ 42,386	\$ -	\$ 42,386

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

CITY OF NORTH OLMSTED, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - ALL PROPRIETARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Enterprise		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Charges for services	\$ 12,300,602	\$ 11,997,438	\$ (303,164)
Tap-in fees	-	355,462	355,462
Other	75,400	52,517	(22,883)
Total operating revenues	<u>12,376,002</u>	<u>12,405,417</u>	<u>29,415</u>
Expenses			
Wages	5,412,849	5,109,527	303,322
Personnel costs	1,842,231	1,609,183	233,048
Claims and judgments	-	-	-
Cost of sales	1,055,972	902,917	153,055
Repairs and maintenance	253,775	241,178	12,597
Other operating expenses	2,448,501	1,995,153	453,348
Capital outlay	1,741,771	1,683,715	58,056
Total operating expenses	<u>12,755,099</u>	<u>11,541,673</u>	<u>1,213,426</u>
Excess (deficiency) of revenues over expenses	<u>(379,097)</u>	<u>863,744</u>	<u>1,242,841</u>
Other financing sources (uses)			
Interest income	10,000	29,059	19,059
Operating transfers-in	152,357	69,756	(82,601)
Operating transfers-out	(1,681,654)	(1,680,654)	1,000
Total operating transfers	<u>(1,519,297)</u>	<u>(1,581,839)</u>	<u>(62,542)</u>
Excess (deficiency) of revenues over expenses and other sources (uses)	<u>(1,898,394)</u>	<u>(718,095)</u>	<u>1,180,299</u>
Prior year encumbrances	730,006	730,006	-
Fund equity, beginning of year	<u>2,056,905</u>	<u>2,056,905</u>	<u>-</u>
Fund equity, end of year	<u>\$ 888,517</u>	<u>\$ 2,068,816</u>	<u>\$ 1,180,299</u>

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

Internal Service			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 2,679,116	\$ 2,489,139	\$ (189,977)	\$ 14,979,718	\$ 14,486,577	\$ (493,141)
-	-	-	-	355,462	355,462
-	-	-	75,400	52,517	(22,883)
<u>2,679,116</u>	<u>2,489,139</u>	<u>(189,977)</u>	<u>15,055,118</u>	<u>14,894,556</u>	<u>(160,562)</u>
-	-	-	5,412,849	5,109,527	303,322
-	-	-	1,842,231	1,609,183	233,048
2,837,012	2,800,892	36,120	2,837,012	2,800,892	36,120
-	-	-	1,055,972	902,917	153,055
-	-	-	253,775	241,178	12,597
-	-	-	2,448,501	1,995,153	453,348
-	-	-	1,741,771	1,683,715	58,056
<u>2,837,012</u>	<u>2,800,892</u>	<u>36,120</u>	<u>15,592,111</u>	<u>14,342,565</u>	<u>1,249,546</u>
<u>(157,896)</u>	<u>(311,753)</u>	<u>(153,857)</u>	<u>(536,993)</u>	<u>551,991</u>	<u>1,088,984</u>
-	-	-	10,000	29,059	19,059
-	-	-	152,357	69,756	(82,601)
-	-	-	(1,681,654)	(1,680,654)	1,000
-	-	-	<u>(1,519,297)</u>	<u>(1,581,839)</u>	<u>(62,542)</u>
(157,896)	(311,753)	(153,857)	(2,056,290)	(1,029,848)	1,026,442
-	-	-	730,006	730,006	-
726,784	726,784	-	2,783,689	2,783,689	-
<u>\$ 568,888</u>	<u>\$ 415,031</u>	<u>\$ (153,857)</u>	<u>\$ 1,457,405</u>	<u>\$ 2,483,847</u>	<u>\$ 1,026,442</u>

CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 1 – REPORTING ENTITY AND BASIS OF PRESENTATION

A. Description of the Entity

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

For financial reporting purposes, the City's general purpose financial statements include all funds, account groups, agencies, boards, commissions and departments for which the City is financially accountable. Financial accountability, as defined by the Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity", exists if the City appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on the City. The City may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's general purpose financial statements to be misleading or incomplete.

The City provides various services and consists of many different activities and smaller accounting entities. These include police and firefighting forces, a sewage treatment plant, 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. These service departments are included as part of the reporting entity. Furthermore, a discretely presented component unit is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. The discretely presented component unit has a December 31 year end.

Discretely Presented Component Unit – The 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 60 years of age or older or disabled. The Commission was formed in 1992 and is governed by a Board of Trustees which consists of nine members. The following five members are automatic members of the Board of Trustees: The Mayor of the City of North Olmsted or designee, the Finance Director of the City of North Olmsted or designee, a designee from the Advisory Board for the Department of Human Resources of the City of North Olmsted, a member of the Finance Committee of the North Olmsted City Council as designated by the Chairman of the Committee, and the President of the North Olmsted City Council. The remaining four members of the Board of Trustees are elected by the membership as provided in its by-laws. Fares are collected based on the destination and frequency that the service is used. The three communities also share costs or deficits on a prorated arrangement based on each community's population. The current formula is as follows: the City of North Olmsted contributes 68.9%, the City of Olmsted Falls contributes 10.0% and Olmsted Township contributes 21.1%. N.O.C.O.P. is presented as a governmental fund type. 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.

B. Basis of Presentation – Fund Accounting

The City uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.



CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 1 – REPORTING ENTITY AND BASIS OF PRESENTATION (continued)

B. Basis of Presentation – Fund Accounting (continued)

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category is then divided into various fund types. The following are the fund types and account groups utilized by the City:

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions typically are financed. The acquisition, use, and balances of the City's expendable financial resources and the related current liabilities, except those accounted for in proprietary and fiduciary funds, are accounted for through governmental funds. The following are the City's governmental fund types:

General Fund – This fund is the general operating fund of the City. It is used to account for all financial resources except those required by law or, contract 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 general laws of Ohio.

Special Revenue Funds – These funds are used to account for proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Funds – These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs and special assessment long-term debt principal, interest and related costs.

Capital Projects Funds – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

PROPRIETARY FUNDS

Proprietary funds are used to account for the City's ongoing activities similar to those found in the private sector. The following are the City's proprietary fund types:

Enterprise Funds – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Fund – This fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The following is the City's fiduciary fund:

Agency Fund – This fund is purely custodial (assets equal liabilities) and thus does not involve measurement of results of operations.

CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 1 – REPORTING ENTITY AND BASIS OF PRESENTATION (continued)

B. Basis of Presentation – Fund Accounting (continued)

ACCOUNT GROUPS

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group – The General Fixed Assets Account Group is used to account for all fixed assets of the City, other than those fixed assets accounted for in the proprietary funds.

General Long-Term Debt Account Group – The General Long-Term Debt Account Group is used to account for all long-term obligations of the City, except those accounted for in the proprietary funds.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these general purpose financial statements are summarized below. These policies conform to generally accepted accounting principles for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. The City applies Financial Accounting Standards Board Statements and Interpretations issued prior to November 30, 1989 to proprietary activity provided they do not conflict with Governmental Accounting Standards Board Statements and Interpretations.

A. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resource measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the Combined Balance Sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the Combined Balance Sheet. Fund equity is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g. revenues) and decreases (e.g. expenses) in net total assets.

The modified accrual basis of accounting is followed for governmental and the agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. “Measurable” means the amount of the transaction can be determined. “Available” means collectible within the current year or soon enough thereafter to be used to pay liabilities of the current year. The available period for the City is considered to be 60 days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: earnings on investments, income taxes, federal and state grants, certain entitlements and shared revenues, and charges for current services. Major revenue sources not susceptible to accrual include licenses and permits, and fines and forfeitures, which are not considered measurable until received.

CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Measurement Focus and Basis of Accounting (continued)

The City reports deferred revenue on its Combined Balance Sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the Combined Balance Sheet and revenue is recognized. Property taxes available as of December 31, 2002 and delinquent property taxes, whose availability is indeterminable and which are not intended to finance the current year operations, have been recorded as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than on expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on general long-term obligations are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Funds for payments to be made early in the following year. The costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocation of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary funds are reported using the accrual basis of accounting. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. Unbilled service charge receivables are recognized as revenue at year end.

B. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources and the Annual Appropriation Measure, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Annual Appropriation Measure are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, legally are required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each fund, program, and department. Appropriation modifications may only be made by resolution of City Council.

Tax Budget

A budget of estimated revenue and expenditures is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. The budget includes proposed expenditures and the means of financing all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official Certificate of Estimated Resources, which states the projected revenue of each fund.

CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Budgetary Process (continued)

Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the Annual Appropriation Measure. On or about January 1, the Certificate of Estimated Resources is amended to include any unencumbered balances from the preceding year. The Certificate may be amended further during the year if it is determined by the City, and the Budget Commission agrees, that an estimate needs either to be increased or decreased. The amounts reported on the budgetary statement reflect the amounts in the final amended official Certificate of Estimated Resources issued during the year.

Appropriations

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. The 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 of 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.

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

Encumbrances

As part of the formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations at the object level within each department. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent year expenditures for governmental funds and are reported in the notes to the general purpose financial statements for proprietary funds.

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding year and need not be reappropriated.

CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Cash and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds, including the proprietary funds, are maintained in this pool. Individual fund integrity is maintained through City records. Each fund’s interest in the pool is presented as “Equity in Pooled Cash and Equivalents” on the Combined Balance Sheet.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as overnight repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

Following Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. The following funds received more interest earnings during the year than they would have received based on their average share of investments:

	Actual Interest Credited	Amount Assigned From Other City Funds
General	\$ 204,662	\$ 175,557
Special Revenue		
Senior Center	674	674
Debt Service		
General Obligation Bond Retirement	61,092	42,902
	\$ 266,428	\$ 219,133

For purposes of the Combined Statement of Cash Flows and for presentation on the Combined Balance Sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

D. Inventory of Supplies

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased and as expenses in the proprietary fund types when used. Reported supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

E. Interfund Assets and Liabilities

Amounts owed to a particular fund by another fund in the City for goods or services rendered, and amounts to be distributed by the Agency Fund to other funds of the City, are classified as “Due From Other Funds/Due to Other Funds”.

CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Property, Plant, Equipment and Depreciation

1. General Fixed Assets Account Group

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions and construction are reflected as expenditures in governmental funds, and the related assets are reported in the General Fixed Assets Account Group at historical cost or estimated historical cost net of depreciation. Depreciation is calculated on a straight-line basis over the estimated life. Estimated useful lives for general fixed assets are the same as proprietary fund fixed assets listed below. Donated fixed assets are recorded at their estimated fair value at the date of donation. Interest incurred during construction is not capitalized on general fixed assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements which extend the useful life or increase the capacity or operating efficiency of the asset are capitalized at cost.

Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized or reported, as these assets are immovable and of value only to the City.

2. Proprietary Fund Fixed Assets

Property, plant and equipment reflected in the Enterprise Funds are stated at historical cost or estimated historical cost and are updated for the cost of additions and retirements during the year. Donated fixed assets are recorded at their estimated fair value at the date of donation. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds in the same period. Depreciation has been provided on a straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	30 years
Equipment	5 to 10 years
Computers	2 years
Furniture and Fixtures	10 to 15 years
Vehicles	4 to 15 years
Sewer Lines	20 years

3. Valuation

The City's fixed asset values initially were determined using original acquisition costs when such information was available. In cases when original costs were not practicably determinable, estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition. Donated fixed assets are capitalized at estimated fair market value on the date donated.

CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Compensated Absences

Governmental Accounting Standards Board Statement No. 16, "Accounting for Compensated Absences", specifies the methods used to accrue liabilities for leave benefits. Vacation and personal leave 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 employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. An accrual for sick leave is made to the extent that it is probable that benefits will result in separation payments. The liability is an estimate based on the City's employees' leave balances.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is recorded in the General Long-Term Debt Account Group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

H. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as grants awarded on a nonreimbursement basis, shared revenues, and entitlements are recorded as receivables and revenues when measurable and available. Reimbursement-type grants are recorded as receivables and revenues when measurable and available. Reimbursement-type grants are recorded as receivables and revenues when the related expenditures are incurred. Grants, entitlements, or shared revenues received for proprietary fund operating purposes are recognized as non-operating revenues in the accounting period in which they are earned and become measurable. Such resources restricted for the construction of capital assets are recorded as contributed capital.

I. Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions are reported as a liability in the General Long-Term Debt Account Group to the extent that they will not be paid with current expendable available resources. In general, payments made more than sixty days after year end are considered not to have been made with current available financial resources. Bonds, long-term past service costs, special assessment debt and long-term loans are recognized as a liability of the General Long-Term Debt Account Group until due.

Long-term obligations expected to be financed from Proprietary Fund operations are accounted for in those funds.

J. Contributed Capital

Contributed capital represents resources from other funds, other governments and private sources provided to Enterprise Funds that is not subject to repayment. These private sources are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expended and closed to unreserved retained earnings at year end.

CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Reserves of Fund Equity

The City records reservations for portions of fund balances which are legally segregated for specific future use or which do not represent available, spendable resources and, therefore, are not available for appropriations for expenditures. Undesignated fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, inventory, budget stabilization and debt service principal payments.

L. Interfund Transactions

During the course of normal operations, the City makes numerous transactions between funds. The most significant include operating transfers and reimbursements.

1. Transfers of resources from one fund to another fund through which resources are to be expended are recorded as operating transfers.
2. Reimbursements from one fund to another fund are treated as expenditures/expenses in the reimbursing fund and a reduction in expenditures/expenses in the reimbursed fund except for the Internal Service Fund which treats reimbursements as revenue.

M. Estimates

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

N. Total Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned “(Memorandum Only)” to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. When the title of a statement indicates that a component unit is included, two total columns are presented. The first is captioned “Primary Government” to indicate that only those activities that comprise the City’s legal entity have been included. The second is captioned “Reporting Entity” and includes the activity and operations of the City’s legally separate discretely presented component unit. (See Note 1.) The total column on statements which do not include a component unit have no additional caption.



CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations and changes in fund balances/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements, appropriations, and encumbrances.

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis), All Governmental Fund Types and the Combined Statement of Revenues, Expenses and Changes in Fund Equity – Budget and Actual (Non-GAAP Budgetary Basis) – All Proprietary Fund Types 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:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund types (GAAP basis).
4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statements (budget basis) rather than as balance sheet transactions (GAAP basis).

Adjustments necessary to convert the results of operations at the end of the year on the GAAP basis to the budget basis are as follows:

Excess (deficiency) of revenues over expenditures and other sources (uses) - reconciliation of budget basis to GAAP basis				
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
Budget basis	\$ (38,923 )	\$ (648,272 )	\$ (135,879 )	\$ (1,078,469 )
Adjustments, increase (decrease)				
Revenue accruals	(129,323 )	(2,028,113 )	(1,419,588 )	258,601
Expenditure accruals	185,611	1,251,759	1,992,345	425,452
GAAP basis, as reported (deficit)	\$ 17,365	\$ (1,424,626 )	\$ 436,878	\$ (394,416 )

CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING (continued)

	Excess (deficiency) of revenues over expenditures and other sources (uses) - reconciliation of budget basis to GAAP basis	
	Enterprise Fund	Internal Service Funds
Budget basis	\$ (718,095 )	\$ (311,753 )
Adjustments, increase (decrease)		
Revenue accruals	12,381	-
Expenditure accruals	843,002	37,996
GAAP basis, as reported (deficit)	\$ 137,288	\$ (273,757 )

NOTE 4 – PRIOR PERIOD ADJUSTMENT

Beginning balances as previously reported in the Debt Service Fund Type, the Capital Projects Fund Type and the General Long-term Debt Account Group have been restated to properly reflect transactions related to bonds issued in 2001. Beginning balance in the General Fixed Asset Account Group has been restated to correct accumulated depreciation previously reported. Beginning retained earnings in the Enterprise Fund Type have been restated to properly account for transactions related to bonds issued in 2001, corrections to fixed asset cost and corrections to accumulated depreciation. Balances as of December 31, 2001 have been restated as follows:

	Balance January 1, as previously reported	Adjustment	Balance January 1, as restated
Debt Service Fund Type	\$ 1,848,487	\$ (120,112 )	\$ 1,728,375
Capital Projects Fund Type	\$ 8,526,751	\$ 130,873	\$ 8,657,624
Enterprise Funds	\$ 3,141,546	\$ (720,067 )	\$ 2,421,479
General Fixed Asset Account Group	\$ 14,230,601	\$ 806,287	\$ 15,036,888
General Long-term Debt Account Group	\$ 48,043,900	\$ 31,100	\$ 48,075,000

CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 5 – ACCOUNTABILITY AND COMPLIANCE

Fund Deficits

Not apparent in the general purpose financial statements are deficit fund equity balances of \$ 293,348 in the CDBG Fund, \$636 in the Hotel/Motel Tax Fund, \$ 169,295 in the Permanent Improvement Street Fund, and \$ 521,530 in the Springvale Golf Course Fund. These deficits are caused by the recognition of revenue and expenditures/expenses on the modified accrual basis of accounting and the accrual basis of accounting which substantially differ from those recognized on the cash basis of accounting.

NOTE 6 – DEPOSITS AND INVESTMENTS

A. Primary Government

Deposits and investments are restricted by provisions of the Ohio Revised Code. 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 identified as not required for use within the current two-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 (FDIC), 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 are permitted to be deposited or invested in the following securities:

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 or 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 division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 6 – DEPOSITS AND INVESTMENTS (continued)

A. Primary Government (continued)

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and
3. Obligations of the City.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3 "Deposits With Financial Institutions, Investments (Including Repurchase Agreements) and Reverse Repurchase Agreements".

Deposits – At year-end, the carrying amount of the City's deposits was \$ 12,033,346 and the bank balance was \$ 12,754,166. Federal depository insurance covered \$ 323,651, of the bank balance. \$ 12,430,515 was uninsured and uncollateralized. Although all state statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Cash on hand - At December 31, 2002, cash on hand amounted to \$ 4,150

Investments – The City's investments are required to be categorized to give an indication of the level of custodial credit risk assumed by the City at year end. Category 1 includes investments that are insured or registered for which securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which securities are held by the counterparty, or by its trust department or agent but not in the City's name.

At year end, the City's investment balances were as follows:

Category	Category		Category	Fair Value
	1	2	3	
Repurchase Agreements	\$ -	\$ -	\$ 3,864,515	\$ 3,864,515
Investments not subject to categorization:				
Mutual Funds				1,487,865
Total investments				<u>\$ 5,352,380</u>

B. Component Unit

At year end, that carrying amount of N.O.C.O.P.'s deposits was \$ 44,036 and the bank balance was \$ 43,936. Federal depository insurance covered all of the bank balance. There are no statutory guidelines regarding the deposit and investment of funds by the not-for-profit corporation.

CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 7 – PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value.

All property is required to be revalued every six years. The last revaluation was completed in 2001. Real property taxes are payable annually or semiannually. If paid annually, payment is due January 20; if paid semiannually, the first payment is due January 20, with the remainder payable June 20, unless extended.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

Public utility, real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31, of the year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 80 percent of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property tax on behalf of all districts within the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected.

Accrued property taxes receivable represent delinquent taxes outstanding and real, tangible personal and public utility taxes which were measurable as of December 31, 2002. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, 2002, and are not intended to finance 2002 operations. The receivable is therefore offset by a credit to deferred revenue.

The full tax rate for all City operations for the year ended December 31, 2002, was 13.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2002 property tax receipts were based are as follows:

Category	Total Assessed Value	Percent
Real Property Valuation:		
Residential/Agriculture	\$ 527,449,000	64.75 %
Commercial/Industrial/Mineral	218,012,810	26.76
Tangible Personal Property Valuation:		
General	48,393,017	5.94
Public Utilities	20,789,070	2.55
Total Valuation	<u>\$ 814,643,897</u>	<u>100.00 %</u>

CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 8 – INCOME TAX

The City levies and collects an income tax of 2% on all income earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% 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 taxes at least quarterly and to file a final return annually.

Income tax revenues are distributed by a 1991 vote of the people as follows: 70% to the General Fund; 15% for solid waste management, recycling and disposal (Solid Waste Management Fund); and 15% for maintaining and equipping streets, storm water drainage systems and other permanent improvements (including debt charges on obligations issued after 1990 for those purposes).

NOTE 9 – RECEIVABLES

Receivables at December 31, 2002, consisted of taxes, accounts (which include billed and unbilled charged services), and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are considered collectible in full. Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment.

A summary of the items of intergovernmental receivables follows:

General Fund	<u>2002</u> <u>\$ 1,033,724</u>
Special Revenue Funds	
Alcohol Education	356
Motor Vehicle License	15,885
Recreation	53,800
State Highway	36,489
Street Maintenance	455,033
Community Diversion	9,900
Endowment and Grant	39,787
Fire Pension	13,500
Stop Program	23,773
Police Pension	13,500
Total Special Revenue Funds	<u>662,023</u>
Debt Service Funds	
General Obligation Bond Retirement	134,600
Library Bond Retirement	49,400
Sewer Bond Retirement	31,400
Total Debt Service Funds	<u>215,400</u>
Capital Projects	
Library Construction	4,195
Issue II	258,602
Total Capital Projects Funds	<u>262,797</u>
Enterprise	
NOMBL	426,713
Sewer	1,806,673
Total Enterprise Funds	<u>2,233,386</u>
Total due from other governments	<u>\$ 4,407,330</u>

CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 10 – SPECIAL ASSESSMENTS

Special assessments include annually assessed service assessments. Service type special assessments are levied against all property owners which benefit from the provided service. Special assessments are payable by the time and in the manner stipulated in the assessing ordinance and are a lien from the date of the passage of the ordinance.

The City's special assessments are billed by the County Auditor and collected by the County Treasurer. The County Auditor periodically remits these collections to the City. Special assessments collected in one calendar year are levied and certified in the preceding calendar year.

NOTE 11 – FIXED ASSETS

A summary of the changes in general fixed assets during 2002 are as follows:

	Balance January 1, As restated	Additions	Disposals	Balance December 31,
Land and Improvements	\$ 4,281,967	\$ 12,840	\$ -	\$ 4,294,807
Buildings and Improvements	16,891,439	57,474	-	16,948,913
Machinery and Equipment	7,531,700	572,523	239,878	7,864,345
Furniture and Fixtures	489,621	21,037	-	510,658
Construction in Progress	78,024	423,692	-	501,716
	<u>29,272,751</u>	<u>1,087,566</u>	<u>239,878</u>	<u>30,120,439</u>
Less: Accumulated Depreciation	<u>(14,235,863)</u>			<u>(15,206,911)</u>
Net Fixed Assets	<u>\$15,036,888</u>			<u>\$ 14,913,528</u>

A summary of the Enterprise Funds fixed assets at December 31, 2002 follows:

Land and Improvements	\$ 3,803,141
Building and Improvements	42,039,810
Machinery and Equipment	16,068,034
Furniture and Fixtures	62,115
	<u>61,973,100</u>
Less: Accumulated Depreciation	<u>(31,190,546)</u>
Net Fixed Assets	<u>\$30,782,554</u>

NOTE 12 – DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System (OPERS)

All employees of the City, excluding City police officers and firefighters, participate in the Ohio Public Employees Retirement System of Ohio (OPERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the Ohio Public Employees Retirement Board. The OPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The OPERS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan. Interested parties may obtain that report by making a written request to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-7377.

CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 12 – DEFINED BENEFIT PENSION PLANS (continued)

A. Public Employees Retirement System (OPERS) (continued)

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute 8.5% of their annual covered salary and the City is required to contribute at an actuarially determined rate. For local government employer units, the rate was 13.55% of covered payroll. The City's contributions for pension obligations to the OPERS for the years ending December 31, 2002, 2001 and 2000 were \$ 1,510,400, \$ 1,545,300, and \$ 1,204,700, respectively, equal to the required contributions for each year. The full amount has been contributed for 2001 and 2000. For 2002, \$ 1,087,100 (72%) has been contributed in 2002 with the remainder being reported as a liability within the respective funds and the General Long-Term Debt Account Group.

B. Ohio Police and Fire Pension Fund (OP&F)

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0%, respectively, for police officers and firefighters. The City's contributions to the OP&F for the years ending December 31, 2002, 2001 and 2000 were \$ 1,339,800, \$ 1,297,300, and \$ 1,206,800 respectively, equal to the required contributions for each year. The full amount has been contributed for 2001 and 2000. For 2002, \$ 971,500 (72%) has been contributed in 2002 with the remainder being reported as a liability in the respective funds and the General Long-Term Debt Account Group.

NOTE 13 – POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System of Ohio (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to the OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2002 employer contribution rate was 13.55% of covered payroll; 5.00% was the portion used to fund health care for the year.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to the OPERS.

The assumptions and calculations below were based on the System's latest Actuarial Review performed as of December 31, 2001:

Funding Method - An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.



CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 13 – POSTEMPLOYMENT BENEFITS (continued)

A. Public Employees Retirement System (OPERS) (continued)

Assets Valuation Method - All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets.

Investment Return - The investment assumption rate for 2001 was 8.00%.

Active Employee Total Payroll - An annual increase of 4.00%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%.

Health Care - Health care costs were assumed to increase 4.00% annually.

OPEBs are advanced-funded on an actuarially determined basis. The number of active contributing participants was 402,041. The rates stated above are the actuarially determined contribution requirement for OPERS. The portion of the City's contributions that were used to fund postemployment benefits was \$ 557,300. \$ 11.6 billion represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 2001. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$ 16.4 billion and \$ 4.8 billion, respectively.

In December 2001, the Board adopted the Health Care "Choices" Plan in its continuing effort to respond to the rise in the cost of Health Care. The Choices Plan will be offered to all persons newly hired under OPERS after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices, as the name suggests, will incorporate a cafeteria approach, offering a more broad range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides post-retirement health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care cost paid from the funds of the OP&F shall be included in the employer's contribution rate. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll. The City's actual contributions for 2002 which were used to fund postemployment benefits for police and firefighters was \$ 269,100 and \$ 213,800, respectively.

The Ohio Revised Code provides the statutory authority allowing the OP&F's Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.50% and 7.75% of covered payroll in 2001 and 2002, respectively. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. The number of participants eligible to receive health care benefits as of December 31, 2001, the date of the last actuarial valuation available, are 13,174 for police officers and 10,239 for firefighters. The OP&F's total health care expense for the year ending December 31, 2001, the date of the last actuarial valuation available, was \$ 122,298,771, which was net of member contributions of \$ 6,874,699.

CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 14 – COMPENSATED ABSENCES

City employees earn vacation and sick leave at varying rates depending on length of service, union contract specifications or City ordinances. All accumulated, unused vacation time is paid upon separation if the employee has acquired at least one year of service with the City. Accumulated, unused sick leave and compensatory time is paid to an employee at varying rates depending on length of service, union contract specifications or City ordinances upon retirement, disability or death of an employee. The City uses the vesting method to calculate this liability. As of December 31, 2002, the City's liability for compensated absences was \$ 4,441,203.

NOTE 15 – OPERATING LEASES

The City is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected in the City's account groups. Total lease expense for the year ended December 31, 2002 was \$ 45,867. Future minimum rental payments required under operating leases as of December 31, 2002 are as follows:

Year ending December 31,	Amount
2003	\$ 44,470
2004	16,172
2005	8,668
	\$ 69,310

NOTE 16 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft, damage to or destruction of assets; errors and omissions; employee injuries; and natural disasters. By maintaining comprehensive insurance coverage with private carriers, the City has addressed these various types of risk. There were no reductions in insurance coverage from the previous year, nor have settlements exceeded insurance coverage in any of the prior three years.

The City provides health, dental and vision insurance to its employees through a self-insurance plan. The City pays the monthly premium for the self-insurance plan. The City contracts with a third party administrator to direct this program. During 2002, self-insurance was in effect for claims up to \$ 50,000 per covered individual and \$ 2,075,523 in the aggregate. This aggregate includes both medical and drug coverage. Claims in excess of this aggregate are insured by private carriers.

The claims liability of \$ 299,851 reported in the Self-Insurance Internal Service Fund at December 31, 2002 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The claims liability is based on an estimate supplied by the City's third party administrator. A summary of the Fund's claims liability during the past two years are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2001	\$ 320,526	\$ 2,261,229	\$ (2,325,864)	\$ 255,891
2002	\$ 255,891	\$ 2,798,877	\$ (2,754,917)	\$ 299,851

CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 17 – DEBT OBLIGATIONS

Debt outstanding at December 31, 2002, consisted of the following issues:

	As Restated, Balance, January 1	Additions	Retirements	Balance, December 31
<u>General Obligation Bonds</u>				
<u>Governmental type - General Long</u>				
<u>- Term Debt Account Group</u>				
Municipal Building 9.25%, Due through 2005	\$ 620,000	\$ -	\$ 155,000	\$ 465,000
Sanitary Sewer #3 6.75%, Due through 2004	180,000	-	60,000	120,000
Wastewater Treatment Plant 4.635%, Due through 2005	800,000	-	200,000	600,000
Various Purpose, Series 1992 3.00%-6.20%, Due through 2012	505,000	-	505,000	-
Various Purpose, Series 1996 3.70%-6.20%, Due through 2021	19,795,000	-	635,000	19,160,000
Recreational Facility Refunding 3.00%-5.70%, Due through 2002	420,000	-	420,000	-
Various Purpose Series 2000 4.5%-5.375%, Due through 2020	5,320,000	-	405,000	4,915,000
Library Improvements 5.08 %, Due through 2020	10,740,000	-	375,000	10,365,000
Various Purpose Series 2001 4.614, Due through 2020	2,305,000	-	110,000	2,195,000
Refunding, 4.393%, Due through 2020	7,390,000	-	80,000	7,310,000
Total general long-term debt account group	<u>48,075,000</u>	<u>-</u>	<u>2,945,000</u>	<u>45,130,000</u>
<u>Proprietary Fund Type</u>				
Various Purpose, Series 1996 3.70%-6.20%, Due through 2021	17,495,000	-	730,000	16,765,000
Various Purpose Series 2000 4.5%-5.375%, Due through 2020	1,160,000	-	55,000	1,105,000
Various Purpose Series 2001 4.614, Due through 2020	2,500,000	-	80,000	2,420,000
Total proprietary fund type	<u>21,155,000</u>	<u>-</u>	<u>865,000</u>	<u>20,290,000</u>
Total general obligation bonds	<u>69,230,000</u>	<u>-</u>	<u>3,810,000</u>	<u>65,420,000</u>
<u>Special Assessment Bonds</u>				
Industrial Park Road 6.10%-7.50%, Due through 2010	620,000	-	50,000	570,000

CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 17 – DEBT OBLIGATIONS (continued)

	As Restated Balance, January 1	Additions	Retirements	Balance, December 31
Ohio Water Development Authority Loans				
6.25%, Due through 2003	\$ 333,686	\$ -	\$ 161,510	\$ 172,176
4.12%, Due through 2017	891,299	-	42,083	849,216
Total Ohio Water Development Authority Loans	<u>1,224,985</u>	<u>-</u>	<u>203,593</u>	<u>1,021,392</u>
Ohio Public Works Commission Loans				
Street				
0.00%, Due through 2013	163,349	-	13,613	149,736
Sewer				
0.00%, Due through 2015	1,824,667	-	130,333	1,694,334
Total Ohio Public Works Commission Loans	<u>1,988,016</u>	<u>-</u>	<u>143,946</u>	<u>1,844,070</u>
Total All Long-Term Obligations	<u>\$73,063,001</u>	<u>\$ -</u>	<u>\$ 4,207,539</u>	<u>\$68,855,462</u>

The general obligation bonds are direct obligations of the City for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property in the City, sewer user charges, golf course revenues, hotel motel tax and income tax monies.

The special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. In the event of default by property owners, the City is responsible for making the debt payment.

The Ohio Water Development Authority loans and the Ohio Public Works Commission loans have been received for improvement to the City's streets and sewer system. Taxes levied on all taxable property in the City, sewer user charge and income tax monies will be used to repay the loans.

The annual requirements to amortize all long-term debt outstanding as of December 31, 2002, including interest payments of \$ 29,527,696 for the general obligation bonds, \$ 200,463 for the special assessment bonds and \$ 297,411 for the Ohio Water Development Authority loans are as follows:

Year Ending	General Obligation Bonds	Special Assessment Bonds	OWDA Loans	OPWC Loans	Total
2003	\$ 7,243,904	\$ 96,325	\$ 260,740	\$ 143,946	\$ 7,744,915
2004	7,321,987	97,337	78,375	143,946	7,641,645
2005	7,525,847	97,988	78,375	143,946	7,846,156
2006	7,278,376	98,275	78,375	143,946	7,598,972
2007	6,835,659	93,200	78,375	143,946	7,151,180
Thereafter	58,741,923	287,338	744,563	1,124,340	60,898,164
Total	<u>\$ 94,947,696</u>	<u>\$ 770,463</u>	<u>\$ 1,318,803</u>	<u>\$ 1,844,070</u>	<u>\$ 98,881,032</u>

CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 17 – DEBT OBLIGATIONS (continued)

The City's note activity, including amounts outstanding, interest rates and maturity dates is as follows:

	Balance, January 1	Additions	Retirements	Balance, December 31,
Fire truck 2.25% due 11/19/02	\$ 300,000	\$ -	\$ 300,000	\$ -
Fire truck 2.00% due 6/18/03	-	200,000	-	200,000
Water distribution improvements 2.15%, due 6/18/03	-	290,000	-	290,000
Street improvements 2.15%, due 6/18/03	-	1,375,000	-	1,375,000
<b>Total</b>	<b>\$ 300,000</b>	<b>\$ 1,865,000</b>	<b>\$ 300,000</b>	<b>\$ 1,865,000</b>

All notes are backed by the full faith and credit of the City and mature within one year. The note liability is reflected in the fund which received the proceeds. The notes are generally issued in anticipation of long-term bond financing and are refinanced until such bonds are issued.

NOTE 18 – PRIOR YEAR DEFEASANCE OF DEBT

In prior years, the City defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's general purpose financial statements. At December 31, 2002, \$ 7,000,000 of bonds outstanding are considered to be defeased.

NOTE 19 – SEWER DEBT

The debt service for the sanitary sewer and wastewater facility debt issued prior to 1987 are paid out of the Sewer Bond Retirement Fund. The assets financed by the debt are carried in the Enterprise Funds while the debt is being paid out of the Debt Service Funds. Proceeds from an up to three mill property tax, sewer user charges and contractual payments by the City of Fairview Park for their proportionate share of the improvements related to that portion of the system located within Fairview Park fund the debt service requirements. Property taxes are the primary funding source for this fund; therefore, the Sewer Bond Retirement Fund is included with the Debt Service Fund Type within the Governmental Fund Type category.

NOTE 20 – CONTRACTUAL COMMITMENTS

As of December 31, 2002 the City has contractual commitments as follows:

Project	Project Authorization	Outstanding Commitments
Street and storm improvements	\$ 1,147,200	\$ 333,200
Street lighting	212,800	58,700
Recreation park improvements	88,500	88,500
Library	1,001,600	597,000
	<b>\$ 2,450,100</b>	<b>\$ 1,077,400</b>

CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 21 – CHANGES IN GENERAL LONG-TERM LIABILITIES

A summary of changes in general long-term liabilities included in the General Long-Term Debt Account Group is as follows:

	As Restated, Balance, January 1	Additions	Reductions	Balance, December 31
Compensated Absences Payable	\$ 3,200,283	\$ 111,065	\$ -	\$ 3,311,348
Intergovernmental Payable	696,306	595,495	651,203	640,598
OPWC Loans Payable	1,988,016	-	143,946	1,844,070
Police and Fire Past Service Costs	116,421	-	2,999	113,422
OWDA Loans Payable	1,224,985	-	203,593	1,021,392
General Obligation Bonds	48,075,000	-	2,945,000	45,130,000
Special Assessment Bonds	620,000	-	50,000	570,000
<b>Total</b>	<b>\$ 55,921,011</b>	<b>\$ 706,560</b>	<b>\$ 3,996,741</b>	<b>\$ 52,630,830</b>

The liability for police and fire past service costs relates to the City's liability to certain employees incurred prior to the establishment of the Ohio Police and Fire Pension Fund. The City is required to make payment of \$6,905, including interest, annually through the year 2031. The liability for police and fire past service costs will be repaid with taxes levied on all taxable property in the City.

Intergovernmental payable consists of the City's liability to the County Auditor and contributions due to defined benefit pension plans.

The amount due to the County Auditor results from an erroneous payment by the county Auditor to the City of hotel/motel tax revenues during the period July 5, 1990 through June 2, 1997. The City is required to make payments of \$45,103 annually through the year 2003. The liability to the County Auditor will be repaid with current hotel/motel tax revenues.

The contributions due to defined benefit pension plans and Compensated Absences Payable will be repaid from the funds from which the employees are paid.

NOTE 22 – INTERFUND RECEIVABLES / PAYABLES

"Due from Other Funds" and "Due to Other Funds" at December 31, 2002, consist of the following individual balances:

	Receivable	Payable
General Fund	\$ 98,010	\$ -
Special Revenue Funds		
Endowment and Grant	231	-
Law Enforcement	-	231
Debt Service		
General Obligation Bond Retirement	539,851	-
Enterprise Funds		
Sewer	-	98,010
Springvale Golf Course	-	539,851
<b>Total Transactions</b>	<b>\$ 638,092</b>	<b>\$ 638,092</b>

CITY OF NORTH OLMSTED, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
DECEMBER 31, 2002

NOTE 23 – SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The government maintains three enterprise funds which are intended to be self-supported through user fees charged for services provided to consumers. Financial information, as of and for the year ended December 31, 2002, is as follows:

	NOMBL	Springvale Golf Course	Sewer	Total Enterprise Funds
Operating statement				
Operating revenues	\$ 4,573,393	\$ 727,540	\$ 7,116,865	\$12,417,798
Operating expenses before depreciation	4,427,614	808,763	4,432,282	9,668,659
Depreciation	3,957	60,666	1,292,165	1,356,788
	<u>4,431,571</u>	<u>869,429</u>	<u>5,724,447</u>	<u>11,025,447</u>
Operating income (loss)	<u>141,822</u>	<u>(141,889)</u>	<u>1,392,418</u>	<u>1,392,351</u>
Nonoperating expenses	<u>-</u>	<u>(296,865)</u>	<u>(766,888)</u>	<u>(1,063,753)</u>
Operating transfers				
Operating transfers-in	-	69,756	-	69,756
Operating transfers-out	-	-	(261,066)	(261,066)
	<u>-</u>	<u>69,756</u>	<u>(261,066)</u>	<u>(191,310)</u>
Net income (loss)	<u>\$ 141,822</u>	<u>\$ (368,998)</u>	<u>\$ 364,464</u>	<u>\$ 137,288</u>
Other information				
Net working capital	<u>\$ 1,095,565</u>	<u>\$ (509,437)</u>	<u>\$ 2,601,711</u>	<u>\$ 3,187,839</u>
Fixed assets, additions	<u>\$ -</u>	<u>\$ 1,099,598</u>	<u>\$ 300,681</u>	<u>\$ 1,400,279</u>
Fixed assets, disposals	<u>\$ -</u>	<u>\$ (42,386)</u>	<u>\$ -</u>	<u>\$ (42,386)</u>
Total assets	<u>\$ 1,769,160</u>	<u>\$ 6,624,613</u>	<u>\$26,979,215</u>	<u>\$35,372,988</u>
Bonds payable	<u>\$ -</u>	<u>\$ 6,315,000</u>	<u>\$13,975,000</u>	<u>\$20,290,000</u>
Contributed capital	<u>\$ -</u>	<u>\$ 96,000</u>	<u>\$ 9,940,381</u>	<u>\$10,036,381</u>
Total equity	<u>\$ 964,005</u>	<u>\$ (425,530)</u>	<u>\$12,056,673</u>	<u>\$12,595,148</u>

CITY OF NORTH OLMSTED, OHIO  
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENT  
 DECEMBER 31, 2002

NOTE 24 – JOINTLY-GOVERNED ORGANIZATIONS

A. Westshore Council of Governments

The Westshore 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 representations on the Board.

The Council has established two subsidiary organizations, the Westshore Hazardous Materials Committee ("HASMAT") which provides hazardous material protection and assistance, and the Westshore Enforcement Bureau (WEB) which provides extra assistance to cities in the form of a SWAT team.

B. Northeast Ohio Public Energy Council

The City is a member of The Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 93 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting Dan DiLiberto, Treasurer, 35150 Lakeshore Boulevard, Eastlake, Ohio 44095.

NOTE 25 – CONTINGENT LIABILITIES

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the City's management believes such disallowances, if any, would be immaterial.

The City is involved in various litigation, for which it is not possible at this time to make a judgment as to whether there is a reasonable possibility of an unfavorable outcome which could result in a material judgment against the City. It is management's opinion that the ultimate liability will be covered by insurance, and/or will not have a material effect on the general purpose financial statements.

NOTE 26 – CONTRIBUTED CAPITAL

The changes in the City's contributed capital accounts for its enterprise funds were as follows:

	Springvale Golf Course	Sewer	Total
Beginning Balances, 12/31/01	\$ 96,000	\$ 9,850,047	\$ 9,946,047
Contributing Sources:			
Transfer from General Fixed Assets	-	90,334	90,334
Ending Balance, 12/31/02	<u>\$ 96,000</u>	<u>\$ 9,940,381</u>	<u>\$10,036,381</u>



**COMBINING INDIVIDUAL FUND AND ACCOUNT GROUP  
FINANCIAL STATEMENTS AND SCHEDULES**

**GENERAL FUND**

The general fund accounts for financial resources and expenses associated with general governmental operations of the city that are not required to be accounted for in another fund.

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	General		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Municipal income tax	\$ 7,700,881	\$ 7,978,043	\$ 277,162
Property and other taxes	5,030,042	5,089,375	59,333
Charges for services	649,868	655,038	5,170
Licenses and permits	783,167	940,946	157,779
Fines and forfeitures	154,238	173,629	19,391
Intergovernmental	2,816,190	2,839,673	23,483
Investment income	145,000	204,662	59,662
Other	145,500	177,470	31,970
<b>Total revenues</b>	<b>17,424,886</b>	<b>18,058,836</b>	<b>633,950</b>
<b>Expenditures</b>			
<b>Current</b>			
<b>General government – legislative and executive</b>			
<b>Council</b>			
Personal services	178,487	177,679	808
Materials and supplies	747	747	-
Other	8,743	8,032	711
<b>Total council</b>	<b>187,977</b>	<b>186,458</b>	<b>1,519</b>
<b>Mayor</b>			
Personal services	217,994	212,910	5,084
Other	26,678	25,949	729
<b>Total mayor</b>	<b>244,672</b>	<b>238,859</b>	<b>5,813</b>
<b>Finance department</b>			
Personal services	423,434	412,390	11,044
Capital outlay	7,675	5,603	2,072
Other	35,850	30,341	5,509
<b>Total finance department</b>	<b>466,959</b>	<b>448,334</b>	<b>18,625</b>
<b>Law department</b>			
Personal services	310,006	300,131	9,875
Materials and supplies	500	480	20
Capital outlay	21,226	21,223	3
Other	23,110	19,279	3,831
<b>Total law department</b>	<b>354,842</b>	<b>341,113</b>	<b>13,729</b>
<b>Data processing</b>			
Personal services	107,267	107,148	119
Materials and supplies	14,500	14,401	99
Contractual service	2,800	1,994	806
Capital outlay	9,000	8,341	659
Other	2,500	2,444	56
<b>Total data processing</b>	<b>136,067</b>	<b>134,328</b>	<b>1,739</b>
<b>Personnel and administrative department</b>			
Personal services	183,854	183,648	206
Other	200	8	192
<b>Total personnel and administrative department</b>	<b>184,054</b>	<b>183,656</b>	<b>398</b>
<b>Human resources</b>			
Personal services	34,343	34,343	-
<b>Total human resources</b>	<b>34,343</b>	<b>34,343</b>	<b>-</b>

(Continued)

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	General (continued)		
	Budget	Actual	Variance Favorable (Unfavorable)
Service director			
Personal services	\$ 133,683	\$ 133,533	\$ 150
Other	371	351	20
Total service director	<u>134,054</u>	<u>133,884</u>	<u>170</u>
Public works			
Personal services	46,435	45,123	1,312
Total public works	<u>46,435</u>	<u>45,123</u>	<u>1,312</u>
Civil service department			
Personal services	98,549	95,438	3,111
Other	1,600	925	675
Total civil service department	<u>100,149</u>	<u>96,363</u>	<u>3,786</u>
General government			
Personal services	36,500	33,660	2,840
Materials and supplies	25,270	20,854	4,416
Contractual service	270,438	251,280	19,158
Capital outlay	42,055	41,569	486
Other	625,439	622,664	2,775
Total general government	<u>999,702</u>	<u>970,027</u>	<u>29,675</u>
Building department			
Personal services	691,964	676,863	15,101
Materials and supplies	8,133	7,209	924
Capital outlay	22,288	19,704	2,584
Other	3,325	3,096	229
Total building department	<u>725,710</u>	<u>706,872</u>	<u>18,838</u>
Engineering department			
Personal services	571,701	561,284	10,417
Materials and supplies	1,900	1,590	310
Contractual service	30,000	29,511	489
Capital outlay	44,148	29,344	14,804
Other	9,904	8,274	1,630
Total engineering department	<u>657,653</u>	<u>630,003</u>	<u>27,650</u>
Total general government – legislative and executive	<u>4,272,617</u>	<u>4,149,363</u>	<u>123,254</u>
Security of persons and property			
Safety director			
Personal services	147,753	147,328	425
Other	227	227	-
Total safety director	<u>147,980</u>	<u>147,555</u>	<u>425</u>
Fire department			
Personal services	4,118,774	3,971,369	147,405
Materials and supplies	19,759	19,059	700
Contractual service	111,892	107,164	4,728
Capital outlay	28,860	25,774	3,086
Other	107,135	98,904	8,231
Total fire department	<u>4,386,420</u>	<u>4,222,270</u>	<u>164,150</u>

(Continued)

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	General (continued)		
	Budget	Actual	Variance Favorable (Unfavorable)
Central dispatch			
Personal services	\$ 564,791	\$ 534,211	\$ 30,580
Capital outlay	7,200	6,232	968
Other	8,300	7,101	1,199
Total central dispatch	<u>580,291</u>	<u>547,544</u>	<u>32,747</u>
Police department			
Personal services	5,028,348	4,913,490	114,858
Materials and supplies	26,600	24,650	1,950
Contractual service	146,687	143,896	2,791
Capital outlay	70,366	69,046	1,320
Other	195,487	172,621	22,866
Total police department	<u>5,467,488</u>	<u>5,323,703</u>	<u>143,785</u>
Total security of persons and property	<u>10,582,179</u>	<u>10,241,072</u>	<u>341,107</u>
Public health and welfare			
Human resources			
Personal services	305,044	303,688	1,356
Materials and supplies	2,900	2,163	737
Contractual service	17,371	15,402	1,969
Capital outlay	98,806	96,643	2,163
Other	2,100	1,093	1,007
Total human resources	<u>426,221</u>	<u>418,989</u>	<u>7,232</u>
Public works			
Personal services	9,457	9,457	-
Total public works	<u>9,457</u>	<u>9,457</u>	<u>-</u>
Total public health and welfare	<u>435,678</u>	<u>428,446</u>	<u>7,232</u>
Transportation			
Service department			
Personal services	1,524,228	1,522,215	2,013
Materials and supplies	58,513	42,880	15,633
Contractual service	290,699	249,307	41,392
Capital outlay	561,788	538,143	23,645
Other	84,551	75,330	9,221
Total service department	<u>2,519,779</u>	<u>2,427,875</u>	<u>91,904</u>
Fleet maintenance department			
Personal services	510,694	495,531	15,163
Materials and supplies	199,158	195,572	3,586
Contractual service	21,400	14,473	6,927
Capital outlay	121,942	101,235	20,707
Total fleet maintenance department	<u>853,194</u>	<u>806,811</u>	<u>46,383</u>
Total transportation	<u>3,372,973</u>	<u>3,234,686</u>	<u>138,287</u>
Total expenditures	<u>18,663,447</u>	<u>18,053,567</u>	<u>609,880</u>

(Continued)

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	General (Concluded)		
	Budget	Actual	Variance Favorable (Unfavorable)
Excess (deficiency) of revenues over expenditures	\$ (1,238,561)	\$ 5,269	\$ 1,243,830
Other financing sources (uses)			
Sale of fixed assets	12,500	13,206	706
Operating transfers-in	-	-	-
Advances in	125,000	125,000	-
Advance out	(125,000)	(125,000)	-
Operating transfers-out	(140,000)	(57,398)	82,602
Total other financing sources (uses)	(127,500)	(44,192)	83,308
Excess (deficiency) of revenues over expenditures and other sources (uses)	(1,366,061)	(38,923)	1,327,138
Prior year encumbrances	101,522	101,522	-
Fund balances, beginning of year	1,265,930	1,265,930	-
Fund balances, end of year	\$ 1,391	\$ 1,328,529	\$ 1,327,138

**This Page Intentionally Left Blank**

## **SPECIAL REVENUE FUNDS**

Special revenue funds are established to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law and administrative action to expenditures for specified 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.

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

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

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

**Hotel Motel Tax Fund** – Accounts for the three percent Hotel Motel Tax Levy and emergency medical service nonresident ambulance receipts. Expenditures are restricted to safety equipment and up to 15% for capital improvements or building maintenance for safety use.

**Emergency Medical Service Fund** – Accounts for 25% of the resident emergency medical service's receipts. Expenditures are restricted to capital improvements for the Fire Division of the Department of Public Safety.

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

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

**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.



**Permanent Improvement Street and Storm Fund** – Accounts for 15% of the municipal income tax receipts and expenditures for the permanent improvement of streets and the storm sewer system.

**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.

**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.

**Fire Pension Fund** – Accounts for property taxes levied for the payment of current employer contributions for fire disability and pension benefits.

**Step Program Fund** – Accounts for federal grant funds received for the Safety Traffic Enforcement Program and the related expenditures restricted to wages and benefits of police officers enforcing traffic on overtime.

**Law Enforcement Fund** – Accounts for other monies seized from criminals by law enforcement officers or the sale of contraband in the course of their work restricted for expenditures that would enhance the police services.

**Stop Program Fund** – Accounts for fines on traffic violations restricted to paying overtime wages and benefits to officers issuing tickets under this program.

**Police Pension Fund** – Accounts for property taxes levied for the payment of current employer contributions for police disability and pension benefits.

**Senior Center Fund** – Accounts for the daily operations of the senior center and its programs and the services provided on a cost reimbursement basis to senior citizens.

CITY OF NORTH OLMSTED, OHIO

COMBINING BALANCE SHEET  
ALL SPECIAL REVENUE FUNDS

DECEMBER 31, 2002

	Casualty Loss	CDBG	Alcohol Education	Economic Development	Motor Vehicle License Tax
<u>Assets</u>					
Equity in pooled cash and equivalents	\$ 143,758	\$ -	\$ 10,317	\$ 53,860	\$ 91,142
Receivables					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Due from other funds	-	-	-	-	-
Intergovernmental	-	-	356	-	15,885
Materials and supplies	-	-	-	-	-
Total assets	<u>\$ 143,758</u>	<u>\$ -</u>	<u>\$ 10,673</u>	<u>\$ 53,860</u>	<u>\$ 107,027</u>
<u>Liabilities and fund balances</u>					
<u>Liabilities</u>					
Accounts payable	\$ 2,755	\$ -	\$ 110	\$ -	\$ 29,062
Accrued wages and benefits	-	-	-	-	-
Compensated absences payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Retainage payable	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Accrued interest payable	-	3,348	-	-	-
Notes payable	-	290,000	-	-	-
Total liabilities	<u>2,755</u>	<u>293,348</u>	<u>110</u>	<u>-</u>	<u>29,062</u>
<u>Fund balances</u>					
Reserved for encumbrances	21,401	-	-	-	-
Reserved for inventories	-	-	-	-	-
Unreserved	119,602	(293,348)	10,563	53,860	77,965
Total fund balances	<u>141,003</u>	<u>(293,348)</u>	<u>10,563</u>	<u>53,860</u>	<u>77,965</u>
Total liabilities and fund balances	<u>\$ 143,758</u>	<u>\$ -</u>	<u>\$ 10,673</u>	<u>\$ 53,860</u>	<u>\$ 107,027</u>

Recreation	Clague Park	Hotel / Motel Tax	Emergency Medical Service	State Highway	Street Maintenance	Solid Waste Management
\$ 463,341	\$ 21,265	\$ 161,345	\$ 12,475	\$ 19,432	\$ 201,321	\$ 389,023
904,704	-	16,604	-	-	-	477,282
2,184	-	94,784	16,780	-	-	-
-	-	-	-	-	-	-
53,800	-	-	-	36,489	455,033	-
44,311	-	-	-	-	-	-
<u>\$ 1,468,340</u>	<u>\$ 21,265</u>	<u>\$ 272,733</u>	<u>\$ 29,255</u>	<u>\$ 55,921</u>	<u>\$ 656,354</u>	<u>\$ 866,305</u>
\$ 85,303	\$ -	\$ 2,702	\$ -	\$ -	\$ 23,507	\$ 271,377
26,472	-	-	-	-	-	-
1,163	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,173	-	-	-	-	-	-
958,504	-	70,207	1,598	31,500	393,500	224,219
-	-	460	-	-	-	-
-	-	200,000	-	-	-	-
<u>1,078,615</u>	<u>-</u>	<u>273,369</u>	<u>1,598</u>	<u>31,500</u>	<u>417,007</u>	<u>495,596</u>
42,319	-	3,953	-	-	-	8,693
44,311	-	-	-	-	-	-
303,095	21,265	(4,589)	27,657	24,421	239,347	362,016
389,725	21,265	(636)	27,657	24,421	239,347	370,709
<u>\$ 1,468,340</u>	<u>\$ 21,265</u>	<u>\$ 272,733</u>	<u>\$ 29,255</u>	<u>\$ 55,921</u>	<u>\$ 656,354</u>	<u>\$ 866,305</u>

(Continued)

CITY OF NORTH OLMSTED, OHIO

COMBINING BALANCE SHEET  
ALL SPECIAL REVENUE FUNDS

DECEMBER 31, 2002

(Concluded)

	Permanent Improvement Street and Storm	Special Assessment Bond Retirement	Community Diversions	Drug Enforcement	Endowment and Grant
<u>Assets</u>					
Equity in pooled cash and equivalents	\$ 1,137,891	\$ 82,408	\$ 21,762	\$ 8,979	\$ 93,273
Receivables					
Taxes	477,282	-	-	-	-
Accounts	-	-	-	-	924
Due from other funds	-	-	-	-	231
Intergovernmental	-	-	9,900	-	39,787
Materials and supplies	-	-	-	-	-
Total assets	<u>\$ 1,615,173</u>	<u>\$ 82,408</u>	<u>\$ 31,662</u>	<u>\$ 8,979</u>	<u>\$ 134,215</u>
<u>Liabilities and fund balances</u>					
<u>Liabilities</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 876
Accrued wages and benefits	-	-	-	-	-
Compensated absences payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Retainage payable	169,374	-	-	-	-
Intergovernmental payable	-	-	-	-	-
Deferred revenue	224,219	-	9,900	-	39,787
Accrued interest payable	15,875	-	-	-	-
Notes payable	1,375,000	-	-	-	-
Total liabilities	<u>1,784,468</u>	<u>-</u>	<u>9,900</u>	<u>-</u>	<u>40,663</u>
<u>Fund balances</u>					
Reserved for encumbrances	624,980	-	228	-	-
Reserved for inventories	-	-	-	-	-
Unreserved	(794,275)	82,408	21,534	8,979	93,552
Total fund balances	<u>(169,295)</u>	<u>82,408</u>	<u>21,762</u>	<u>8,979</u>	<u>93,552</u>
Total liabilities and fund balances	<u>\$ 1,615,173</u>	<u>\$ 82,408</u>	<u>\$ 31,662</u>	<u>\$ 8,979</u>	<u>\$ 134,215</u>

Fire Pension	Step Program	Law Enforcement	Stop Program	Police Pension	Senior Center	Totals
\$ 52,592	\$ -	\$ 34,112	\$ 68,155	\$ 37,904	\$ 67,570	\$ 3,171,925
226,176	-	-	-	226,176	-	2,328,224
-	-	-	-	-	-	114,672
-	-	-	-	-	-	231
13,500	-	-	23,773	13,500	-	662,023
-	-	-	-	-	-	44,311
<u>\$ 292,268</u>	<u>\$ -</u>	<u>\$ 34,112</u>	<u>\$ 91,928</u>	<u>\$ 277,580</u>	<u>\$ 67,570</u>	<u>\$ 6,321,386</u>

\$ -	\$ -	\$ 980	\$ 16,692	\$ -	\$ 5,647	\$ 439,011
-	-	-	-	-	-	26,472
-	-	-	-	-	-	1,163
-	-	231	-	-	-	231
-	-	-	-	-	-	169,374
-	-	-	-	-	-	7,173
239,676	-	-	-	239,676	-	2,432,786
-	-	-	-	-	-	19,683
-	-	-	-	-	-	1,865,000
<u>239,676</u>	<u>-</u>	<u>1,211</u>	<u>16,692</u>	<u>239,676</u>	<u>5,647</u>	<u>4,960,893</u>

-	-	-	-	-	-	701,574
-	-	-	-	-	-	44,311
52,592	-	32,901	75,236	37,904	61,923	614,608
<u>52,592</u>	<u>-</u>	<u>32,901</u>	<u>75,236</u>	<u>37,904</u>	<u>61,923</u>	<u>1,360,493</u>
<u>\$ 292,268</u>	<u>\$ -</u>	<u>\$ 34,112</u>	<u>\$ 91,928</u>	<u>\$ 277,580</u>	<u>\$ 67,570</u>	<u>\$ 6,321,386</u>

CITY OF NORTH OLMSTED, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 ALL SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Casualty Loss	CDBG	Alcohol Education	Economic Development	Motor Vehicle License Tax
<b>Revenues</b>					
Municipal income tax	\$ -	\$ -	\$ -	\$ -	\$ -
Property and other taxes	-	-	-	-	-
Charges for services	-	-	-	3,600	-
Fines and forfeitures	-	-	3,980	-	-
Intergovernmental	-	104,584	-	-	229,884
Special assessments	-	-	-	-	-
Investment income	-	-	-	-	-
Other	53,249	-	-	-	-
<b>Total revenues</b>	<u>53,249</u>	<u>104,584</u>	<u>3,980</u>	<u>3,600</u>	<u>229,884</u>
<b>Expenditures</b>					
<b>Current</b>					
General government	9,663	-	-	-	-
Security of persons and property	4,704	-	756	-	-
Transportation	14,581	-	-	-	197,513
Basic utility services	-	-	-	-	-
Leisure time activities	-	-	-	-	-
Economic development and assistance	-	213,933	-	4,125	-
<b>Debt service</b>					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	7,097	-	-	-
<b>Total expenditures</b>	<u>28,948</u>	<u>221,030</u>	<u>756</u>	<u>4,125</u>	<u>197,513</u>
<b>Excess revenues over expenditures</b>	<u>24,301</u>	<u>(116,446)</u>	<u>3,224</u>	<u>(525)</u>	<u>32,371</u>
<b>Other financing sources (uses)</b>					
Operating transfers-in	-	-	-	-	-
Operating transfers-out	-	(182,951)	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(182,951)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues expenditures and other sources (uses)</b>	<u>24,301</u>	<u>(299,397)</u>	<u>3,224</u>	<u>(525)</u>	<u>32,371</u>
<b>Fund balances, beginning of year</b>	<u>116,702</u>	<u>6,049</u>	<u>7,339</u>	<u>54,385</u>	<u>45,594</u>
<b>Increase (decrease) in reserve for inventories</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 141,003</u>	<u>\$ (293,348)</u>	<u>\$ 10,563</u>	<u>\$ 53,860</u>	<u>\$ 77,965</u>

Recreation	Clague Park	Hotel / Motel Tax	Emergency Medical Service	State Highway	Street Maintenance	Solid Waste Management
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,697,037
873,304	-	266,876	-	-	-	-
1,232,611	-	79,313	28,085	-	-	-
-	-	-	-	-	-	-
107,374	-	1,439	-	64,198	791,774	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,213,289</u>	<u>-</u>	<u>347,628</u>	<u>28,085</u>	<u>64,198</u>	<u>791,774</u>	<u>1,697,037</u>
-	-	45,103	-	-	-	37,156
-	-	547,272	428	-	-	-
-	-	-	-	52,048	647,632	-
-	-	-	-	-	-	1,607,984
2,111,827	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	8,762	-	-	-	-
<u>2,111,827</u>	<u>-</u>	<u>601,137</u>	<u>428</u>	<u>52,048</u>	<u>647,632</u>	<u>1,645,140</u>
<u>101,462</u>	<u>-</u>	<u>(253,509)</u>	<u>27,657</u>	<u>12,150</u>	<u>144,142</u>	<u>51,897</u>
40,000	-	-	-	-	-	-
(77,410)	-	(16,323)	-	-	-	-
<u>(37,410)</u>	<u>-</u>	<u>(16,323)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
64,052	-	(269,832)	27,657	12,150	144,142	51,897
329,886	21,265	269,196	-	12,271	95,205	318,812
(4,213)	-	-	-	-	-	-
<u>\$ 389,725</u>	<u>\$ 21,265</u>	<u>\$ (636)</u>	<u>\$ 27,657</u>	<u>\$ 24,421</u>	<u>\$ 239,347</u>	<u>\$ 370,709</u>

(Continued)

CITY OF NORTH OLMSTED, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 ALL SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2002

(Concluded)

	Permanent Improvement Street and Storm	Special Assessment Bond Retirement	Community Diversions	Drug Enforcement	Endowment and Grant
<b>Revenues</b>					
Municipal income tax	\$ 1,697,037	\$ -	\$ -	\$ -	\$ -
Property and other taxes	-	-	-	-	-
Charges for services	-	-	14,948	-	-
Fines and forfeitures	-	-	-	270	-
Intergovernmental	-	-	-	-	-
Special assessments	-	116,813	-	-	-
Investment income	-	-	-	-	38
Other	-	-	-	-	93,201
<b>Total revenues</b>	<u>1,697,037</u>	<u>116,813</u>	<u>14,948</u>	<u>270</u>	<u>93,239</u>
<b>Expenditures</b>					
<b>Current</b>					
General government	37,156	-	14,557	-	11,356
Security of persons and property	-	-	-	-	29,824
Transportation	1,300,892	-	-	-	-
Basic utility services	-	-	-	-	-
Leisure time activities	-	-	-	-	49,532
Economic development and assistance	-	-	-	-	-
<b>Debt service</b>					
Principal retirement	-	50,000	-	-	-
Interest and fiscal charges	25,925	48,421	-	-	-
<b>Total expenditures</b>	<u>1,363,973</u>	<u>98,421</u>	<u>14,557</u>	<u>-</u>	<u>90,712</u>
<b>Excess revenues over expenditures</b>	<u>333,064</u>	<u>18,392</u>	<u>391</u>	<u>270</u>	<u>2,527</u>
<b>Other financing sources (uses)</b>					
Operating transfers-in	-	-	-	-	-
Operating transfers-out	(1,657,168)	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(1,657,168)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues expenditures and other sources (uses)</b>	<u>(1,324,104)</u>	<u>18,392</u>	<u>391</u>	<u>270</u>	<u>2,527</u>
<b>Fund balances, beginning of year</b>	<u>1,154,809</u>	<u>64,016</u>	<u>21,371</u>	<u>8,709</u>	<u>91,025</u>
<b>Increase (decrease) in reserve for inventories</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ (169,295)</u>	<u>\$ 82,408</u>	<u>\$ 21,762</u>	<u>\$ 8,979</u>	<u>\$ 93,552</u>



Fire Pension	Step Program	Law Enforcement	Stop Program	Police Pension	Senior Center	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,394,074
218,324	-	-	-	218,324	-	1,576,828
-	-	-	-	-	35,333	1,393,890
-	-	14,794	280,955	-	-	299,999
26,844	17,254	-	-	26,844	-	1,370,195
-	-	-	-	-	-	116,813
-	-	-	-	-	674	712
-	-	-	-	-	24,900	171,350
<u>245,168</u>	<u>17,254</u>	<u>14,794</u>	<u>280,955</u>	<u>245,168</u>	<u>60,907</u>	<u>8,323,861</u>
-	-	-	-	-	63,080	218,071
194,191	17,254	9,085	283,781	208,997	-	1,296,292
-	-	-	-	-	-	2,212,666
-	-	-	-	-	-	1,607,984
-	-	-	-	-	-	2,161,359
-	-	-	-	-	-	218,058
-	-	-	-	-	-	50,000
-	-	-	-	-	-	90,205
<u>194,191</u>	<u>17,254</u>	<u>9,085</u>	<u>283,781</u>	<u>208,997</u>	<u>63,080</u>	<u>7,854,635</u>
<u>50,977</u>	<u>-</u>	<u>5,709</u>	<u>(2,826)</u>	<u>36,171</u>	<u>(2,173)</u>	<u>469,226</u>
-	-	-	-	-	-	40,000
-	-	-	-	-	-	(1,933,852)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,893,852)</u>
50,977	-	5,709	(2,826)	36,171	(2,173)	(1,424,626)
1,615	-	27,192	78,062	1,733	64,096	2,789,332
-	-	-	-	-	-	(4,213)
<u>\$ 52,592</u>	<u>\$ -</u>	<u>\$ 32,901</u>	<u>\$ 75,236</u>	<u>\$ 37,904</u>	<u>\$ 61,923</u>	<u>\$ 1,360,493</u>

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Casualty Loss		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Other	\$ 50,000	\$ 53,813	\$ 3,813
Total revenues	<u>50,000</u>	<u>53,813</u>	<u>3,813</u>
Expenditures			
Current			
General government - legislative and executive			
Law department			
Other	10,000	-	10,000
Total law department	<u>10,000</u>	<u>-</u>	<u>10,000</u>
General government			
Capital outlay	20,844	9,663	11,181
Total general government	<u>20,844</u>	<u>9,663</u>	<u>11,181</u>
Total general government - legislative and executive	<u>30,844</u>	<u>9,663</u>	<u>21,181</u>
Security of persons and property			
Fire department			
Capital outlay	1,216	1,216	-
Total fire department	<u>1,216</u>	<u>1,216</u>	<u>-</u>
Police department			
Capital outlay	25,885	24,339	1,546
Total police department	<u>25,885</u>	<u>24,339</u>	<u>1,546</u>
Total security of persons and property	<u>27,101</u>	<u>25,555</u>	<u>1,546</u>
Transportation			
Engineering department			
Capital outlay	15,940	14,582	1,358
Total engineering department	<u>15,940</u>	<u>14,582</u>	<u>1,358</u>
Total transportation	<u>15,940</u>	<u>14,582</u>	<u>1,358</u>
Leisure time activities			
Recreation department			
Capital outlay	5,000	550	4,450
Total recreation department	<u>5,000</u>	<u>550</u>	<u>4,450</u>
Total leisure time activities	<u>5,000</u>	<u>550</u>	<u>4,450</u>
Total expenditures	<u>78,885</u>	<u>50,350</u>	<u>28,535</u>
Excess (deficiency) of revenues over expenditures	(28,885)	3,463	32,348
Prior year encumbrances	885	885	-
Fund balances, beginning of year	<u>115,254</u>	<u>115,254</u>	<u>-</u>
Fund balances, end of year	<u>\$ 87,254</u>	<u>\$ 119,602</u>	<u>\$ 32,348</u>

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	CDBG		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Intergovernmental	\$ 133,451	\$ 109,084	\$ (24,367)
Total revenues	<u>133,451</u>	<u>109,084</u>	<u>(24,367)</u>
Expenditures			
Current			
Economic development and assistance			
Recreation department			
Capital outlay	30,000	26,801	3,199
Total recreation department	<u>30,000</u>	<u>26,801</u>	<u>3,199</u>
Service department			
Capital outlay	207,049	187,132	19,917
Total service department	<u>207,049</u>	<u>187,132</u>	<u>19,917</u>
Total economic development and assistance	<u>237,049</u>	<u>213,933</u>	<u>23,116</u>
Debt service			
Interest and fiscal charges	5,000	3,749	1,251
Total expenditures	<u>242,049</u>	<u>217,682</u>	<u>24,367</u>
Excess (deficiency) of revenues over expenditures	<u>(108,598)</u>	<u>(108,598)</u>	<u>-</u>
Other financing sources (uses)			
Note proceeds	290,000	290,000	-
Advances-in	105,000	105,000	-
Operating transfers-out	(182,951)	(182,951)	-
Advances-out	(105,000)	(105,000)	-
Total other financing sources (uses)	<u>107,049</u>	<u>107,049</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(1,549)</u>	<u>(1,549)</u>	<u>-</u>
Prior year encumbrances	-	-	-
Fund balances, beginning of year	<u>1,549</u>	<u>1,549</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF NORTH OLMSTED, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Alcohol Education		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Fines and forfeitures	\$ 3,000	\$ 3,911	\$ 911
Total revenues	<u>3,000</u>	<u>3,911</u>	<u>911</u>
Expenditures			
Current			
Security of persons and property			
Police department			
Materials and supplies	7,082	786	6,296
Total police department	<u>7,082</u>	<u>786</u>	<u>6,296</u>
Total security of persons and property	<u>7,082</u>	<u>786</u>	<u>6,296</u>
Total expenditures	<u>7,082</u>	<u>786</u>	<u>6,296</u>
Excess (deficiency) of revenues over expenditures	(4,082)	3,125	7,207
Prior year encumbrances	45	45	-
Fund balances, beginning of year	<u>7,037</u>	<u>7,037</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,000</u>	<u>\$ 10,207</u>	<u>\$ 7,207</u>

CITY OF NORTH OLMSTED, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Economic Development		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Charges for services	\$ 10,000	\$ 13,100	\$ 3,100
Total revenues	<u>10,000</u>	<u>13,100</u>	<u>3,100</u>
Expenditures			
Current			
Economic development and assistance			
Mayor			
Personal services	4,774	3,893	881
Other	20,000	250	19,750
Total mayor	<u>24,774</u>	<u>4,143</u>	<u>20,631</u>
Total economic development and assistance	<u>24,774</u>	<u>4,143</u>	<u>20,631</u>
Total expenditures	<u>24,774</u>	<u>4,143</u>	<u>20,631</u>
Excess (deficiency) of revenues over expenditures	(14,774)	8,957	23,731
Prior year encumbrances	-	-	-
Fund balances, beginning of year	<u>44,903</u>	<u>44,903</u>	-
Fund balances, end of year	<u>\$ 30,129</u>	<u>\$ 53,860</u>	<u>\$ 23,731</u>

CITY OF NORTH OLMSTED, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Motor Vehicle License		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 226,000	\$ 229,322	\$ 3,322
Total revenues	<u>226,000</u>	<u>229,322</u>	<u>3,322</u>
Expenditures			
Current			
Transportation			
Service department			
Personal services	39,210	39,210	-
Materials and supplies	148,372	91,177	57,195
Contractual services	69,000	67,375	1,625
Total service department	<u>256,582</u>	<u>197,762</u>	<u>58,820</u>
Total transportation	<u>256,582</u>	<u>197,762</u>	<u>58,820</u>
Total expenditures	<u>256,582</u>	<u>197,762</u>	<u>58,820</u>
Excess (deficiency) of revenues over expenditures	(30,582)	31,560	62,142
Prior year encumbrances	-	-	-
Fund balances, beginning of year	<u>30,582</u>	<u>30,582</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 62,142</u>	<u>\$ 62,142</u>

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Recreation		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Property and other taxes	\$ 862,499	\$ 873,304	\$ 10,805
Charges for services	1,205,177	1,233,689	28,512
Intergovernmental	108,625	107,374	(1,251)
Total revenues	<u>2,176,301</u>	<u>2,214,367</u>	<u>38,066</u>
Expenditures			
Current			
Leisure time activities			
Recreation department			
Personal services	1,259,719	1,110,203	149,516
Materials and supplies	273,068	215,510	57,558
Contractual services	455,312	397,637	57,675
Capital outlay	251,785	218,168	33,617
Other	248,905	209,494	39,411
Total recreation department	<u>2,488,789</u>	<u>2,151,012</u>	<u>337,777</u>
Total leisure time activities	<u>2,488,789</u>	<u>2,151,012</u>	<u>337,777</u>
Total expenditures	<u>2,488,789</u>	<u>2,151,012</u>	<u>337,777</u>
Excess (deficiency) of revenues over expenditures	<u>(312,488)</u>	<u>63,355</u>	<u>375,843</u>
Other financing sources (uses)			
Operating transfers-in	40,000	40,000	-
Operating transfers-out	(77,410)	(77,410)	-
Total other financing sources (uses)	<u>(37,410)</u>	<u>(37,410)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(349,898)</u>	<u>25,945</u>	<u>375,843</u>
Prior year encumbrances	97,384	97,384	-
Fund balances, beginning of year	<u>267,772</u>	<u>267,772</u>	<u>-</u>
Fund balances, end of year	<u>\$ 15,258</u>	<u>\$ 391,101</u>	<u>\$ 375,843</u>

CITY OF NORTH OLMSTED, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Clague Park		Variance Favorable (Unfavorable)
	Budget	Actual	
Expenditures			
Current			
Leisure time activities			
Recreation department			
Capital outlay	\$ 21,265	\$ -	\$ 21,265
Total expenditures	21,265	-	21,265
Excess (deficiency) of revenues over expenditures	(21,265)	-	21,265
Prior year encumbrances	-	-	-
Fund balances, beginning of year	21,265	21,265	-
Fund balances, end of year	\$ -	\$ 21,265	\$ 21,265



CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Hotel / Motel Tax		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Property and other taxes	\$ 280,000	\$ 269,231	\$ (10,769)
Charges for services	80,000	95,367	15,367
Intergovernmental	-	1,439	1,439
<b>Total revenues</b>	<u>360,000</u>	<u>366,037</u>	<u>6,037</u>
<b>Expenditures</b>			
<b>Current</b>			
General government - legislative and executive			
Finance department			
Capital outlay	45,103	45,103	-
Total finance department	<u>45,103</u>	<u>45,103</u>	<u>-</u>
Total general government - legislative and executive	<u>45,103</u>	<u>45,103</u>	<u>-</u>
Security of persons and property			
Fire department			
Other	537,125	482,939	54,186
Total fire department	<u>537,125</u>	<u>482,939</u>	<u>54,186</u>
Police department			
Capital outlay	100,000	81,476	18,524
Total police department	<u>100,000</u>	<u>81,476</u>	<u>18,524</u>
Total security of persons and property	<u>637,125</u>	<u>564,415</u>	<u>72,710</u>
Debt service			
Principal retirement	300,000	300,000	-
Interest and fiscal charges	8,865	8,865	-
<b>Total expenditures</b>	<u>991,093</u>	<u>918,383</u>	<u>72,710</u>
Excess (deficiency) of revenues over expenditures	<u>(631,093)</u>	<u>(552,346)</u>	<u>78,747</u>
Other financing sources (uses)			
Note proceeds	200,000	200,000	-
Operating transfers-out	(16,323)	(16,323)	-
<b>Total other financing sources (uses)</b>	<u>183,677</u>	<u>183,677</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(447,416)</u>	<u>(368,669)</u>	<u>78,747</u>
Prior year encumbrances	433,543	433,543	-
Fund balances, beginning of year	<u>89,786</u>	<u>89,786</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 75,913</u>	<u>\$ 154,660</u>	<u>\$ 78,747</u>

CITY OF NORTH OLMSTED, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Emergency Medical Services		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for services	\$ 30,000	\$ 12,903	\$ (17,097)
Total revenues	30,000	12,903	(17,097)
Expenditures			
Current			
Security of persons and property			
Fire department			
Other	3,000	628	2,372
Total expenditures	3,000	628	2,372
Excess (deficiency) of revenues over expenditures	27,000	12,275	(14,725)
Prior year encumbrances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ 27,000	\$ 12,275	\$ (14,725)

CITY OF NORTH OLMSTED, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	State Highway		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Intergovernmental	\$ 63,000	\$ 64,123	\$ 1,123
Total revenues	<u>63,000</u>	<u>64,123</u>	<u>1,123</u>
Expenditures			
Current			
Transportation			
Service department			
Materials and supplies	70,357	52,048	18,309
Total expenditures	<u>70,357</u>	<u>52,048</u>	<u>18,309</u>
Excess (deficiency) of revenues over expenditures	(7,357)	12,075	19,432
Prior year encumbrances	-	-	-
Fund balances, beginning of year	<u>7,357</u>	<u>7,357</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 19,432</u>	<u>\$ 19,432</u>

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Street Maintenance		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Intergovernmental	\$ 774,000	\$ 790,852	\$ 16,852
Total revenues	<u>774,000</u>	<u>790,852</u>	<u>16,852</u>
Expenditures			
Current			
Transportation			
Service department			
Personal services	485,088	433,193	51,895
Capital outlay	14,900	12,405	2,495
Total service department	<u>499,988</u>	<u>445,598</u>	<u>54,390</u>
Fleet maintenance department			
Materials and supplies	102,271	32,047	70,224
Capital outlay	209,000	171,995	37,005
Total fleet maintenance department	<u>311,271</u>	<u>204,042</u>	<u>107,229</u>
Total transportation	<u>811,259</u>	<u>649,640</u>	<u>161,619</u>
Total expenditures	<u>811,259</u>	<u>649,640</u>	<u>161,619</u>
Excess (deficiency) of revenues over expenditures	(37,259)	141,212	178,471
Prior year encumbrances	4,900	4,900	-
Fund balances, beginning of year	<u>32,359</u>	<u>32,359</u>	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ 178,471</u>	<u>\$ 178,471</u>

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Solid Waste Management		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Municipal income tax	\$ 1,661,000	\$ 1,706,480	\$ 45,480
Total revenues	1,661,000	1,706,480	45,480
Expenditures			
Current			
General government - legislative and executive			
General government			
Other	38,800	37,156	1,644
Total general government - legislative and executive	38,800	37,156	1,644
Basic utility services			
Service department			
Contractual services	1,619,200	1,617,361	1,839
Total basic utility services	1,619,200	1,617,361	1,839
Total expenditures	1,658,000	1,654,517	3,483
Excess (deficiency) of revenues over expenditures	3,000	51,963	48,963
Prior year encumbrances	200	200	-
Fund balances, beginning of year	56,167	56,167	-
Fund balances, end of year	\$ 59,367	\$ 108,330	\$ 48,963

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Permanent Improvement Street and Storm		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Municipal income tax	\$ 1,661,000	\$ 1,706,480	\$ 45,480
<b>Total revenues</b>	<u>1,661,000</u>	<u>1,706,480</u>	<u>45,480</u>
<b>Expenditures</b>			
<b>Current</b>			
General government - legislative and executive			
General government			
Other	38,800	37,156	1,644
Total general government - legislative and executive	<u>38,800</u>	<u>37,156</u>	<u>1,644</u>
Transportation			
Service department			
Capital outlay	2,515,892	2,050,136	465,756
Total transportation	<u>2,515,892</u>	<u>2,050,136</u>	<u>465,756</u>
Debt service			
Interest and fiscal charges	10,050	10,050	-
<b>Total expenditures</b>	<u>2,564,742</u>	<u>2,097,342</u>	<u>467,400</u>
Excess (deficiency) of revenues over expenditures	<u>(903,742)</u>	<u>(390,862)</u>	<u>512,880</u>
Other financing sources (uses)			
Note proceeds	1,375,000	1,375,000	-
Operating transfers-out	(1,657,199)	(1,657,168)	31
<b>Total other financing sources (uses)</b>	<u>(282,199)</u>	<u>(282,168)</u>	<u>31</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(1,185,941)</u>	<u>(673,030)</u>	<u>512,911</u>
Prior year encumbrances	593,243	593,243	-
Fund balances, beginning of year	<u>592,698</u>	<u>592,698</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 512,911</u>	<u>\$ 512,911</u>

CITY OF NORTH OLMSTED, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Special Assessment Bond Retirement		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Special assessments	\$ 96,500	\$ 116,813	\$ 20,313
Total revenues	<u>96,500</u>	<u>116,813</u>	<u>20,313</u>
Expenditures			
Debt service			
Principal retirement	50,000	50,000	-
Interest and fiscal charges	48,500	48,420	80
Total expenditures	<u>98,500</u>	<u>98,420</u>	<u>80</u>
Excess (deficiency) of revenues over expenditures	(2,000)	18,393	20,393
Prior year encumbrances	-	-	-
Fund balances, beginning of year	<u>64,015</u>	<u>64,015</u>	<u>-</u>
Fund balances, end of year	<u>\$ 62,015</u>	<u>\$ 82,408</u>	<u>\$ 20,393</u>

CITY OF NORTH OLMSTED, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Community Diversion		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for services	\$ 25,000	\$ 14,947	\$ (10,053)
Total revenues	<u>25,000</u>	<u>14,947</u>	<u>(10,053)</u>
Expenditures			
Current			
General government - legislative and executive			
Human resources department			
Personal services	22,100	9,410	12,690
Materials and supplies	900	335	565
Capital outlay	1,300	812	488
Other	7,200	4,259	2,941
Total expenditures	<u>31,500</u>	<u>14,816</u>	<u>16,684</u>
Excess (deficiency) of revenues over expenditures	(6,500)	131	6,631
Prior year encumbrances	-	-	-
Fund balances, beginning of year	<u>21,403</u>	<u>21,403</u>	-
Fund balances, end of year	<u>\$ 14,903</u>	<u>\$ 21,534</u>	<u>\$ 6,631</u>



CITY OF NORTH OLMSTED, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Drug Enforcement		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Fines and forfeitures	\$ -	\$ 270	\$ 270
Total revenues	<u>-</u>	<u>270</u>	<u>270</u>
Expenditures			
Current			
Security of persons and prop			
Police department			
Materials and supplies	8,709	-	8,709
Total expenditures	<u>8,709</u>	<u>-</u>	<u>8,709</u>
Excess (deficiency) of revenues over expenditures	(8,709)	270	8,979
Prior year encumbrances	-	-	-
Fund balances, beginning of year	<u>8,709</u>	<u>8,709</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 8,979</u>	<u>\$ 8,979</u>

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Endowment and Grant		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Investment income	\$ 100	\$ 38	\$ (62)
Other	96,000	96,288	288
Total revenues	<u>96,100</u>	<u>96,326</u>	<u>226</u>
Expenditures			
Current			
General government - legislative and executive			
Human resources department			
Contractual services	2,000	1,988	12
Other	17,360	9,393	7,967
Total Human resources department	<u>19,360</u>	<u>11,381</u>	<u>7,979</u>
Total general government - legislative and executive	<u>19,360</u>	<u>11,381</u>	<u>7,979</u>
Security of persons and property			
Fire department			
Capital outlay	4,000	145	3,855
Total fire department	<u>4,000</u>	<u>145</u>	<u>3,855</u>
Police department			
Other	39,136	29,679	9,457
Total police department	<u>39,136</u>	<u>29,679</u>	<u>9,457</u>
Total security of persons and property	<u>43,136</u>	<u>29,824</u>	<u>13,312</u>
Public health and welfare			
Service department			
Other	368	-	368
Total public health and welfare	<u>368</u>	<u>-</u>	<u>368</u>
Leisure time activities			
Recreation department			
Other	50,445	49,532	913
Total leisure time activities	<u>50,445</u>	<u>49,532</u>	<u>913</u>
Total expenditures	<u>113,309</u>	<u>90,737</u>	<u>22,572</u>
Excess (deficiency) of revenues over expenditures	(17,209)	5,589	22,798
Prior year encumbrances	623	623	-
Fund balances, beginning of year	<u>86,255</u>	<u>86,255</u>	<u>-</u>
Fund balances, end of year	<u>\$ 69,669</u>	<u>\$ 92,467</u>	<u>\$ 22,798</u>

CITY OF NORTH OLMDSTED, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Fire Pension		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Property and other taxes	\$ 216,075	\$ 218,324	\$ 2,249
Intergovernmental	26,706	26,844	138
Total revenues	<u>242,781</u>	<u>245,168</u>	<u>2,387</u>
Expenditures			
Current			
Security of persons and property			
Fire department			
Personal services	244,396	194,191	50,205
Total expenditures	<u>244,396</u>	<u>194,191</u>	<u>50,205</u>
Excess (deficiency) of revenues over expenditures	(1,615)	50,977	52,592
Prior year encumbrances	-	-	-
Fund balances, beginning of year	<u>1,615</u>	<u>1,615</u>	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ 52,592</u>	<u>\$ 52,592</u>

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Step Program		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Intergovernmental	\$ 20,000	\$ 17,253	\$ (2,747)
Total revenues	<u>20,000</u>	<u>17,253</u>	<u>(2,747)</u>
Expenditures			
Current			
Security of persons and property			
Police department			
Personal services	20,000	17,253	2,747
Total expenditures	<u>20,000</u>	<u>17,253</u>	<u>2,747</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)			
Advances-in	20,000	20,000	
Advances-out	(20,000)	(20,000)	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	-	-	-
Prior year encumbrances	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF NORTH OLMSTED, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Law Enforcement		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Fines and forfeitures	\$ -	\$ 14,794	\$ 14,794
Total revenues	<u>-</u>	<u>14,794</u>	<u>14,794</u>
Expenditures			
Current			
Security of persons and property			
Police department			
Materials and supplies	21,923	3,845	18,078
Other	5,500	5,240	260
Total expenditures	<u>27,423</u>	<u>9,085</u>	<u>18,338</u>
Excess (deficiency) of revenues over expenditures	(27,423)	5,709	33,132
Prior year encumbrances	-	-	-
Fund balances, beginning of year	<u>27,423</u>	<u>27,423</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 33,132</u>	<u>\$ 33,132</u>

CITY OF NORTH OLMSTED, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Stop Program		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Fines and forfeitures	\$ 373,000	\$ 278,908	\$ (94,092)
Total revenues	<u>373,000</u>	<u>278,908</u>	<u>(94,092)</u>
Expenditures			
Current			
Security of persons and property			
Police department			
Personal services	325,000	248,667	76,333
Materials and supplies	37,000	36,166	834
Capital outlay	11,000	-	11,000
Total expenditures	<u>373,000</u>	<u>284,833</u>	<u>88,167</u>
Excess (deficiency) of revenues over expenditures	-	(5,925)	(5,925)
Prior year encumbrances	-	-	-
Fund balances, beginning of year	<u>57,387</u>	<u>57,387</u>	-
Fund balances, end of year	<u>\$ 57,387</u>	<u>\$ 51,462</u>	<u>\$ (5,925)</u>

CITY OF NORTH OLMSTED, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Police Pension		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Property and other taxes	\$ 216,075	\$ 218,324	\$ 2,249
Intergovernmental	26,706	26,844	138
Total revenues	<u>242,781</u>	<u>245,168</u>	<u>2,387</u>
Expenditures			
Current			
Security of persons and property			
Police department			
Personal services	242,781	208,997	33,784
Total expenditures	<u>242,781</u>	<u>208,997</u>	<u>33,784</u>
Excess (deficiency) of revenues over expenditures	-	36,171	36,171
Prior year encumbrances	-	-	-
Fund balances, beginning of year	<u>1,733</u>	<u>1,733</u>	-
Fund balances, end of year	<u>\$ 1,733</u>	<u>\$ 37,904</u>	<u>\$ 36,171</u>

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Senior Center		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for services	\$ 33,000	\$ 36,281	\$ 3,281
Investment income	1,200	674	(526)
Other	65,800	24,900	(40,900)
Total revenues	<u>100,000</u>	<u>61,855</u>	<u>(38,145)</u>
Expenditures			
Current			
General government - legislative and executive			
Human resources department			
Materials and supplies	500	194	306
Other	94,050	68,574	25,476
Total expenditures	<u>94,550</u>	<u>68,768</u>	<u>25,782</u>
Excess (deficiency) of revenues over expenditures	5,450	(6,913)	(12,363)
Prior year encumbrances	950	950	-
Fund balances, beginning of year	<u>65,025</u>	<u>65,025</u>	<u>-</u>
Fund balances, end of year	<u>\$ 71,425</u>	<u>\$ 59,062</u>	<u>\$ (12,363)</u>



CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Special Revenue Fund Type		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Municipal income tax	\$ 3,322,000	\$ 3,412,960	\$ 90,960
Property and other taxes	1,574,649	1,579,183	4,534
Charges for services	1,383,177	1,406,287	23,110
Fines and forfeitures	376,000	297,883	(78,117)
Intergovernmental	1,378,488	1,373,135	(5,353)
Special assessments	96,500	116,813	20,313
Investment income	1,300	712	(588)
Other	211,800	175,001	(36,799)
<b>Total revenues</b>	<b>8,343,914</b>	<b>8,361,974</b>	<b>18,060</b>
<b>Expenditures</b>			
<b>Current</b>			
<b>General government - executive and legislative</b>			
<b>Finance department</b>			
Capital outlay	45,103	45,103	-
<b>Total finance department</b>	<b>45,103</b>	<b>45,103</b>	<b>-</b>
<b>Law department</b>			
Other	10,000	-	10,000
<b>Total law department</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>
<b>Human resources department</b>			
Personal services	22,100	9,410	12,690
Materials and supplies	1,400	529	871
Contractual services	2,000	1,988	12
Capital outlay	1,300	812	488
Other	118,610	82,226	36,384
<b>Total human resources department</b>	<b>145,410</b>	<b>94,965</b>	<b>50,445</b>
<b>General government</b>			
Capital outlay	20,844	9,663	11,181
Other	77,600	74,312	3,288
<b>Total general government</b>	<b>98,444</b>	<b>83,975</b>	<b>14,469</b>
<b>Total general government</b>			
<b>- executive and legislative</b>	<b>298,957</b>	<b>224,043</b>	<b>74,914</b>
<b>Security of persons and property</b>			
<b>Fire department</b>			
Personal services	244,396	194,191	50,205
Capital outlay	5,216	1,361	3,855
Other	540,125	483,567	56,558
<b>Total fire department</b>	<b>789,737</b>	<b>679,119</b>	<b>110,618</b>

(Continued)

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Special Revenue Fund Type (continued)		
	Budget	Actual	Variance Favorable (Unfavorable)
Police department			
Personal services	587,781	474,917	112,864
Materials and supplies	74,714	40,797	33,917
Capital outlay	136,885	105,815	31,070
Other	44,636	34,919	9,717
Total police department	<u>844,016</u>	<u>656,448</u>	<u>187,568</u>
Total security of persons and property	<u>1,633,753</u>	<u>1,335,567</u>	<u>298,186</u>
Public health and welfare			
Service department			
Other	368	-	368
Total service department	<u>368</u>	<u>-</u>	<u>368</u>
Total public health and welfare	<u>368</u>	<u>-</u>	<u>368</u>
Transportation			
Engineering department			
Capital outlay	15,940	14,582	1,358
Total engineering department	<u>15,940</u>	<u>14,582</u>	<u>1,358</u>
Service department			
Personal services	524,298	472,403	51,895
Materials and supplies	218,729	143,225	75,504
Contractual services	69,000	67,375	1,625
Capital outlay	2,530,792	2,062,541	468,251
Total service department	<u>3,342,819</u>	<u>2,745,544</u>	<u>597,275</u>
Fleet maintenance department			
Materials and supplies	102,271	32,047	70,224
Capital outlay	209,000	171,995	37,005
Total fleet maintenance department	<u>311,271</u>	<u>204,042</u>	<u>107,229</u>
Total transportation	<u>3,670,030</u>	<u>2,964,168</u>	<u>705,862</u>
Basic utility services			
Service department			
Contractual services	1,619,200	1,617,361	1,839
Total service department	<u>1,619,200</u>	<u>1,617,361</u>	<u>1,839</u>
Total basic utility services	<u>1,619,200</u>	<u>1,617,361</u>	<u>1,839</u>
Leisure time activities			
Recreation department			
Personal services	1,259,719	1,110,203	149,516
Materials and supplies	273,068	215,510	57,558
Contractual services	455,312	397,637	57,675
Capital outlay	278,050	218,718	59,332
Other	299,350	259,026	40,324
Total recreation department	<u>2,565,499</u>	<u>2,201,094</u>	<u>364,405</u>
Total leisure time activities	<u>2,565,499</u>	<u>2,201,094</u>	<u>364,405</u>

(Continued)

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Special Revenue Fund Type (Concluded)		
	Budget	Actual	Variance Favorable (Unfavorable)
Economic development and assistance			
Mayor			
Personal services	4,774	3,893	881
Other	20,000	250	19,750
Total mayor	<u>24,774</u>	<u>4,143</u>	<u>20,631</u>
Recreation department			
Capital outlay	30,000	26,801	3,199
Total recreation department	<u>30,000</u>	<u>26,801</u>	<u>3,199</u>
Service department			
Capital outlay	207,049	187,132	19,917
Total service department	<u>207,049</u>	<u>187,132</u>	<u>19,917</u>
Total economic development and assistance	<u>261,823</u>	<u>218,076</u>	<u>43,747</u>
Debt service			
Principal retirement	350,000	350,000	-
Interest and fiscal charges	72,415	71,085	1,330
Total expenditures	<u>10,472,045</u>	<u>8,981,394</u>	<u>1,490,651</u>
Excess (deficiency) of revenues over expenditures	<u>(2,128,131)</u>	<u>(619,420)</u>	<u>1,508,711</u>
Other financing sources (uses)			
Note proceeds	1,865,000	1,865,000	-
Operating transfers-in	40,000	40,000	-
Advances-in	125,000	125,000	-
Advances-out	(125,000)	(125,000)	-
Operating transfers-out	(1,933,883)	(1,933,852)	31
Total other financing sources (uses)	<u>(28,883)</u>	<u>(28,852)</u>	<u>31</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(2,157,014)</u>	<u>(648,272)</u>	<u>1,508,742</u>
Prior year encumbrances	1,131,774	1,131,774	-
Fund balances, beginning of year	<u>1,600,294</u>	<u>1,600,294</u>	<u>-</u>
Fund balances, end of year	<u>\$ 575,054</u>	<u>\$ 2,083,796</u>	<u>\$ 1,508,742</u>

### **DEBT SERVICE FUNDS**

Debt Service Funds are established to account for the accumulation of resources for and the payment of general long term principal and interest obligations and related costs.

**General Obligation Bond Retirement Fund** – Accounts for resources that are used for payment of principal and interest and fiscal charges on general obligation debt.

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

**Sewer Bond Retirement Fund** – Accounts for resources restricted to pay the principal interest and related fiscal charges on pre-1987 sanitary sewer improvements.

CITY OF NORTH OLMSTED, OHIO

COMBINING BALANCE SHEET  
ALL DEBT SERVICE FUNDS

DECEMBER 31, 2002

	General Obligation Bond Retirement	Library Bond Retirement	Sewer Bond Retirement	Totals
<u>Assets</u>				
Equity in pooled cash and equivalents	\$ 784,588	\$ 320,407	\$ 520,407	\$ 1,625,402
Receivables				
Taxes	2,287,753	803,315	527,744	3,618,812
Due from other funds	539,851	-	-	539,851
Intergovernmental	134,600	49,400	31,400	215,400
Total assets	<u>\$ 3,746,792</u>	<u>\$ 1,173,122</u>	<u>\$ 1,079,551</u>	<u>\$ 5,999,465</u>
<u>Liabilities and fund balances</u>				
<u>Liabilities</u>				
Deferred revenue	\$ 2,422,353	\$ 852,715	\$ 559,144	\$ 3,834,212
Total liabilities	<u>2,422,353</u>	<u>852,715</u>	<u>559,144</u>	<u>3,834,212</u>
<u>Fund balances</u>				
Reserved for debt service	1,324,439	320,407	520,407	2,165,253
Total fund balances	<u>1,324,439</u>	<u>320,407</u>	<u>520,407</u>	<u>2,165,253</u>
Total liabilities and fund balances	<u>\$ 3,746,792</u>	<u>\$ 1,173,122</u>	<u>\$ 1,079,551</u>	<u>\$ 5,999,465</u>

CITY OF NORTH OLMSTED, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 ALL DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	General Obligation Bond Retirement	Library Bond Retirement	Sewer Bond Retirement	Totals
<b>Revenues</b>				
Property and other taxes	\$ 2,183,071	\$ 794,854	\$ 510,465	\$ 3,488,390
Intergovernmental	268,435	98,426	115,461	482,322
Investment income	61,092	-	-	61,092
<b>Total revenues</b>	<u>2,512,598</u>	<u>893,280</u>	<u>625,926</u>	<u>4,031,804</u>
<b>Expenditures</b>				
Debt service				
Principal retirement	2,496,029	375,000	421,510	3,292,539
Interest and fiscal charges	1,858,740	495,238	108,034	2,462,012
<b>Total expenditures</b>	<u>4,354,769</u>	<u>870,238</u>	<u>529,544</u>	<u>5,754,551</u>
Excess revenues over expenditures	<u>(1,842,171)</u>	<u>23,042</u>	<u>96,382</u>	<u>(1,722,747)</u>
<b>Other financing sources (uses)</b>				
Operating transfers-in	2,159,625	-	-	2,159,625
<b>Total other financing sources (uses)</b>	<u>2,159,625</u>	<u>-</u>	<u>-</u>	<u>2,159,625</u>
Excess (deficiency) of revenues expenditures and other sources and (uses)	317,454	23,042	96,382	436,878
Fund balances, beginning of year, as restated	<u>1,006,985</u>	<u>297,365</u>	<u>424,025</u>	<u>1,728,375</u>
<b>Fund balances, end of year</b>	<u>\$ 1,324,439</u>	<u>\$ 320,407</u>	<u>\$ 520,407</u>	<u>\$ 2,165,253</u>

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	General Obligation Bond Retirement		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property and other taxes	\$ 2,160,810	\$ 2,183,071	\$ 22,261
Intergovernmental	267,000	268,435	1,435
Investment income	-	61,092	61,092
Total revenues	<u>2,427,810</u>	<u>2,512,598</u>	<u>84,788</u>
Expenditures			
Debt service			
Principal retirement	3,361,029	3,361,029	-
Interest and fiscal charges	2,968,036	2,963,036	5,000
Total expenditures	<u>6,329,065</u>	<u>6,324,065</u>	<u>5,000</u>
Excess (deficiency) of revenues over expenditures	<u>(3,901,255)</u>	<u>(3,811,467)</u>	<u>89,788</u>
Other financing sources (uses)			
Operating transfers-in	3,367,212	3,579,213	212,001
Total other financing sources (uses)	<u>3,367,212</u>	<u>3,579,213</u>	<u>212,001</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	(534,043)	(232,254)	301,789
Prior year encumbrances	-	-	-
Fund balances, beginning of year	<u>1,016,842</u>	<u>1,016,842</u>	<u>-</u>
Fund balances, end of year	<u>\$ 482,799</u>	<u>\$ 784,588</u>	<u>\$ 301,789</u>

CITY OF NORTH OLMSTED, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Library Bond Retirement		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property and other taxes	\$ 792,276	\$ 794,854	\$ 2,578
Intergovernmental	97,920	98,426	506
Total revenues	890,196	893,280	3,084
Expenditures			
Debt service			
Principal retirement	375,000	375,000	-
Interest and fiscal charges	523,286	518,287	4,999
Total expenditures	898,286	893,287	4,999
Excess (deficiency) of revenues over expenditures	(8,090)	(7)	8,083
Prior year encumbrances	-	-	-
Fund balances, beginning of year	320,414	320,414	-
Fund balances, end of year	\$ 312,324	\$ 320,407	\$ 8,083



CITY OF NORTH OLMSTED, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Sewer Bond Retirement		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property and other taxes	\$ 504,189	\$ 510,465	\$ 6,276
Charges for services	45,000	43,878	(1,122)
Intergovernmental	62,300	71,583	9,283
Total revenues	611,489	625,926	14,437
Expenditures			
Debt service			
Principal retirement	421,510	421,510	-
Interest and fiscal charges	109,005	108,034	971
Total expenditures	530,515	529,544	971
Excess (deficiency) of revenues over expenditures	80,974	96,382	15,408
Prior year encumbrances	-	-	-
Fund balances, beginning of year	424,025	424,025	-
Fund balances, end of year	\$ 504,999	\$ 520,407	\$ 15,408

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Debt Service Fund Type		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property and other taxes	\$ 3,457,275	\$ 3,488,390	\$ 31,115
Charges for services	45,000	43,878	(1,122)
Intergovernmental	427,220	438,444	11,224
Investment income	-	61,092	61,092
Total revenues	<u>3,929,495</u>	<u>4,031,804</u>	<u>102,309</u>
Expenditures			
Debt service			
Principal retirement	4,157,539	4,157,539	-
Interest and fiscal charges	3,600,327	3,589,357	10,970
Total expenditures	<u>7,757,866</u>	<u>7,746,896</u>	<u>10,970</u>
Excess (deficiency) of revenues over expenditures	<u>(3,828,371)</u>	<u>(3,715,092)</u>	<u>113,279</u>
Other financing sources (uses)			
Operating transfers-in	3,367,212	3,579,213	212,001
Total other financing sources (uses)	<u>3,367,212</u>	<u>3,579,213</u>	<u>212,001</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(461,159)</u>	<u>(135,879)</u>	<u>325,280</u>
Prior year encumbrances	-	-	-
Fund balances, beginning of year	<u>1,761,281</u>	<u>1,761,281</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,300,122</u>	<u>\$ 1,625,402</u>	<u>\$ 325,280</u>

### **CAPITAL PROJECTS FUNDS**

Capital improvement funds are provided to account for financial resources used for the construction or acquisition of major capital improvements.

**Capital Improvement Project Fund** – Accounts for resources allocated for specific major capital improvements and the related expenditures.

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

**Issue II Fund** – Accounts for Issue II grant monies received and the related expenditures paid directly to the contractors on our behalf.

CITY OF NORTH OLMSTED, OHIO

COMBINING BALANCE SHEET  
ALL CAPITAL PROJECTS FUNDS

DECEMBER 31, 2002

	Capital Improvement Project	Library Construction	Issue II	Totals
<u>Assets</u>				
Equity in pooled cash and equivalents	\$ 146,731	\$ 8,160,818	\$ -	\$ 8,307,549
Receivables				
Intergovernmental	-	4,195	258,602	262,797
Total assets	<u>\$ 146,731</u>	<u>\$ 8,165,013</u>	<u>\$ 258,602</u>	<u>\$ 8,570,346</u>
<u>Liabilities and fund balances</u>				
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 25,596	\$ 212,647	\$ 238,243
Retainage payable	3,798	16,223	-	20,021
Intergovernmental payable	-	44,679	-	44,679
Deferred revenue	-	4,195	-	4,195
Total liabilities	<u>3,798</u>	<u>90,693</u>	<u>212,647</u>	<u>307,138</u>
<u>Fund balances</u>				
Reserved for encumbrances	100,475	545,325	-	645,800
Unreserved	42,458	7,528,995	45,955	7,617,408
Total fund balances	<u>142,933</u>	<u>8,074,320</u>	<u>45,955</u>	<u>8,263,208</u>
Total liabilities and fund balances	<u>\$ 146,731</u>	<u>\$ 8,165,013</u>	<u>\$ 258,602</u>	<u>\$ 8,570,346</u>

CITY OF NORTH OLMSTED, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 ALL CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Capital Improvement Project	Library Construction	Issue II	Totals
Revenues				
Intergovernmental	\$ -	\$ -	\$ 976,808	\$ 976,808
Investment income	-	97,341	-	97,341
Other	2,236	-	-	2,236
Total revenues	<u>2,236</u>	<u>97,341</u>	<u>976,808</u>	<u>1,076,385</u>
Expenditures				
Capital outlay	12,693	510,190	930,853	1,453,736
Total expenditures	<u>12,693</u>	<u>510,190</u>	<u>930,853</u>	<u>1,453,736</u>
Excess revenues over expenditures	<u>(10,457)</u>	<u>(412,849)</u>	<u>45,955</u>	<u>(377,351)</u>
Other financing sources (uses)				
Operating transfers-out	(17,065)	-	-	(17,065)
Total other financing sources (uses)	<u>(17,065)</u>	<u>-</u>	<u>-</u>	<u>(17,065)</u>
Excess (deficiency) of revenues expenditures and other sources	(27,522)	(412,849)	45,955	(394,416)
Fund balances, beginning of year, as restated	<u>170,455</u>	<u>8,487,169</u>	<u>-</u>	<u>8,657,624</u>
Fund balances, end of year	<u>\$ 142,933</u>	<u>\$ 8,074,320</u>	<u>\$ 45,955</u>	<u>\$ 8,263,208</u>

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Capital Improvement		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Other	\$ -	\$ 2,236	\$ 2,236
Total revenues	-	2,236	2,236
Expenditures			
Current			
Leisure time activities			
Golf course			
Capital outlay	25,530	24,600	930
Total golf course	25,530	24,600	930
Recreation department			
Capital outlay	130,780	109,844	20,936
Total recreation department	130,780	109,844	20,936
Total expenditures	156,310	134,444	21,866
Excess (deficiency) of revenues over expenditures	(156,310)	(132,208)	24,102
Other financing sources (uses)			
Operating transfers-out	(17,065)	(17,065)	-
Total other financing sources (uses)	(17,065)	(17,065)	-
Excess (deficiency) of revenues over expenditures and other sources (uses)	(173,375)	(149,273)	24,102
Prior year encumbrances	91,552	91,552	-
Fund balances, beginning of year	110,812	110,812	-
Fund balances, end of year	\$ 28,989	\$ 53,091	\$ 24,102

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Library Construction		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Investment income	\$ -	\$ 97,342	\$ 97,342
Total revenues	<u>-</u>	<u>97,342</u>	<u>97,342</u>
Expenditures			
Current			
Economic development and assistance			
General government			
Capital outlay	105,000	-	105,000
Total general government	<u>105,000</u>	<u>-</u>	<u>105,000</u>
Engineering department			
Capital outlay	8,382,169	1,026,538	7,355,631
Total engineering department	<u>8,382,169</u>	<u>1,026,538</u>	<u>7,355,631</u>
Total expenditures	<u>8,487,169</u>	<u>1,026,538</u>	<u>7,460,631</u>
Excess (deficiency) of revenues over expenditures	(8,487,169)	(929,196)	7,557,973
Prior year encumbrances	-	-	-
Fund balances, beginning of year	<u>8,487,169</u>	<u>8,487,169</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 7,557,973</u>	<u>\$ 7,557,973</u>

CITY OF NORTH OLMSTED, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Issue II		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Intergovernmental	\$ 1,131,412	\$ 718,206	\$ (413,206)
Total revenues	<u>1,131,412</u>	<u>718,206</u>	<u>(413,206)</u>
Expenditures			
Current			
General government - legislative and executive			
Service department			
Capital outlay	1,131,412	718,206	413,206
Total expenditures	<u>1,131,412</u>	<u>718,206</u>	<u>413,206</u>
Excess (deficiency) of revenues over expenditures	-	-	-
Prior year encumbrances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



CITY OF NORTH OLMDSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Capital Projects Fund Type		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 1,131,412	\$ 718,206	\$ (413,206)
Investment income	-	97,342	97,342
Other	-	2,236	2,236
Total revenues	<u>1,131,412</u>	<u>817,784</u>	<u>(313,628)</u>
Expenditures			
Current			
General government - executive and legislative			
Service department			
Capital outlay	1,131,412	718,206	413,206
Total service department	<u>1,131,412</u>	<u>718,206</u>	<u>413,206</u>
General government - executive and legislative	<u>1,131,412</u>	<u>718,206</u>	<u>413,206</u>
Leisure time activities			
Golf course			
Capital outlay	25,530	24,600	930
Total golf course	<u>25,530</u>	<u>24,600</u>	<u>930</u>
Recreation department			
Capital outlay	130,780	109,844	20,936
Total recreation department	<u>130,780</u>	<u>109,844</u>	<u>20,936</u>
Total leisure time activities	<u>156,310</u>	<u>134,444</u>	<u>21,866</u>
Economic development and assistance			
General government			
Capital outlay	105,000	-	105,000
Total general government	<u>105,000</u>	<u>-</u>	<u>105,000</u>
Engineering department			
Capital outlay	8,382,169	1,026,538	7,355,631
Total engineering department	<u>8,382,169</u>	<u>1,026,538</u>	<u>7,355,631</u>
Total economic development and assistance	<u>8,487,169</u>	<u>1,026,538</u>	<u>7,460,631</u>
Total expenditures	<u>9,774,891</u>	<u>1,879,188</u>	<u>7,895,703</u>
Excess (deficiency) of revenues over expenditures	<u>(8,643,479)</u>	<u>(1,061,404)</u>	<u>7,582,075</u>
Other financing sources (uses)			
Operating transfers-out	(17,065)	(17,065)	-
Total other financing sources (uses)	<u>(17,065)</u>	<u>(17,065)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(8,660,544)</u>	<u>(1,078,469)</u>	<u>7,582,075</u>
Prior year encumbrances	91,552	91,552	-
Fund balances, beginning of year	<u>8,597,981</u>	<u>8,597,981</u>	<u>-</u>
Fund balances, end of year	<u>\$ 28,989</u>	<u>\$ 7,611,064</u>	<u>\$ 7,582,075</u>

## **ENTERPRISE FUNDS**

Enterprise funds are used to account for the City's Sanitary Sewer System, Municipal Bus Line, and Golf Course & Ballroom. They are financed and operated in a manner similar to private sector business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**North Olmsted Municipal Bus Line Fund (NOMBL)** – Accounts for the revenues and expenses of the city-owned municipal bus line.

**Springvale Golf Course and Ballroom Fund** – Accounts for the revenues and expenses of the City-owned golf course and ballroom facility.

**Sewer Revenue Fund** – Accounts for the revenues and expenses of the Sanitary Sewer System and Waste Water Treatment Plant facilities.

## CITY OF NORTH OLMSTED, OHIO

COMBINING BALANCE SHEET –  
ALL PROPRIETARY FUNDS

DECEMBER 31, 2002

	NOMBL	Springvale Golf Course and Ballroom	Sewer Revenue	Total
<u>Assets</u>				
Equity in pooled cash and equivalents	\$ 919,929	\$ 114,698	\$ 1,273,157	\$ 2,307,784
Receivables				
Accounts	340	-	-	340
Intergovernmental	426,713	-	1,806,673	2,233,386
Materials and supplies	42,180	6,744	-	48,924
Fixed assets	571,462	7,004,667	54,396,971	61,973,100
Accumulated depreciation	(191,464)	(501,496)	(30,497,586)	(31,190,546)
Total assets	<u>\$ 1,769,160</u>	<u>\$ 6,624,613</u>	<u>\$ 26,979,215</u>	<u>\$ 35,372,988</u>
<u>Liabilities and equity</u>				
<u>Liabilities</u>				
Accounts payable	\$ 24,918	\$ 53,495	\$ 168,144	\$ 246,557
Accrued wages and benefits	106,168	6,860	61,526	174,554
Compensated absences payable	511,558	28,551	469,423	1,009,532
Due to other funds	-	539,851	98,010	637,861
Retainage payable	794	-	7,046	7,840
Intergovernmental payable	161,717	13,973	82,293	257,983
Accrued interest payable	-	16,700	61,100	77,800
Claims and judgments payable	-	-	-	-
Capital lease	-	75,713	-	75,713
Bonds payable				
General obligation	-	6,315,000	13,975,000	20,290,000
Total liabilities	<u>805,155</u>	<u>7,050,143</u>	<u>14,922,542</u>	<u>22,777,840</u>
<u>Equity</u>				
Contributed capital	-	96,000	9,940,381	10,036,381
Retained earnings -unreserved	964,005	(521,530)	2,116,292	2,558,767
Total equity	<u>964,005</u>	<u>(425,530)</u>	<u>12,056,673</u>	<u>12,595,148</u>
Total liabilities and equity	<u>\$ 1,769,160</u>	<u>\$ 6,624,613</u>	<u>\$ 26,979,215</u>	<u>\$ 35,372,988</u>

CITY OF NORTH OLMSTED, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS –  
 ALL PROPRIETARY FUNDS  
 DECEMBER 31, 2002

	NOMBL	Springvale Golf Course and Ballroom	Sewer Revenue	Total
Operating revenues				
Charges for services	\$ 4,494,188	\$ 727,540	\$ 6,761,403	\$ 11,983,131
Tap-in fees	-	-	355,462	355,462
Other	79,205	-	-	79,205
Total operating revenues	<u>4,573,393</u>	<u>727,540</u>	<u>7,116,865</u>	<u>12,417,798</u>
Operating expenses				
Wages	3,023,410	322,861	1,766,541	5,112,812
Personnel costs	917,442	80,488	602,693	1,600,623
Cost of sales	441,057	153,195	1,394,634	1,988,886
Repairs and maintenance	29,537	197,043	64,389	290,969
Other operating expenses	16,168	55,176	604,025	675,369
Depreciation	3,957	60,666	1,292,165	1,356,788
Total operating expenses	<u>4,431,571</u>	<u>869,429</u>	<u>5,724,447</u>	<u>11,025,447</u>
Operating income (loss)	<u>141,822</u>	<u>(141,889)</u>	<u>1,392,418</u>	<u>1,392,351</u>
Nonoperating revenues (expenses)				
Investment income	-	29,059	-	29,059
Interest and fiscal charges	-	(325,924)	(766,888)	(1,092,812)
Total nonoperating revenues (expenses)	<u>-</u>	<u>(296,865)</u>	<u>(766,888)</u>	<u>(1,063,753)</u>
Income before operating transfers	<u>141,822</u>	<u>(438,754)</u>	<u>625,530</u>	<u>328,598</u>
Operating transfers				
Operating transfers-in	-	69,756	-	69,756
Operating transfers-out	-	-	(261,066)	(261,066)
Total operating transfers	<u>-</u>	<u>69,756</u>	<u>(261,066)</u>	<u>(191,310)</u>
Net income (loss)	<u>141,822</u>	<u>(368,998)</u>	<u>364,464</u>	<u>137,288</u>
Retained earnings, beginning of year, as restated	<u>822,183</u>	<u>(152,532)</u>	<u>1,751,828</u>	<u>2,421,479</u>
Retained earnings, end of year	<u>\$ 964,005</u>	<u>\$ (521,530)</u>	<u>\$ 2,116,292</u>	<u>\$ 2,558,767</u>

CITY OF NORTH OLMSTED, OHIO  
 COMBINING STATEMENT OF CASH FLOWS –  
 ALL PROPRIETARY FUNDS  
 DECEMBER 31, 2002

	NOMBL	Springvale Golf Course	Sewer Revenue	Total
Cash flows from operating activities:				
Operating income (loss)	\$ 141,822	\$ (141,889)	\$ 1,392,418	\$ 1,392,351
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	3,957	60,666	1,292,165	1,356,788
Changes in net assets (increase) decrease and liabilities increase (decrease):				
Intergovernmental receivable	336,038	-	(613,740)	(277,702)
Materials and supplies	27,257	1,742	-	28,999
Accounts and contracts payable	(7,554)	34,294	112,055	138,795
Accrued salaries and benefits	(2,039)	2,451	485	897
Compensated absences	(42,061)	6,194	16,888	(18,979)
Due to other funds	-	539,851	-	539,851
Retainage payable	794	(42,383)	4,101	(37,488)
Intergovernmental payable	(15,548)	1,401	(182)	(14,329)
Accrued interest payable	-	(5,737)	(2,700)	(8,437)
Claims and judgments payable	-	-	(75,000)	(75,000)
Total adjustments	300,844	598,479	734,072	1,633,395
Net cash provided by (used in) operating activities	442,666	456,590	2,126,490	3,025,746
Cash flows from non-capital financing activities:				
Operating transfers-in	-	69,756	-	69,756
Operating transfers-out	-	-	(261,066)	(261,066)
Net cash provided by (used in) non-capital financing activities	-	69,756	(261,066)	(191,310)
Cash flows from investing activities:				
Interest income	-	29,059	-	29,059
Net cash provided by investing activities	-	29,059	-	29,059
Cash flows from capital and related financing activities:				
Acquisition of fixed assets	-	(1,099,598)	(300,681)	(1,400,279)
Payment on capital lease	-	(25,589)	-	(25,589)
Principal payment of bonds	-	(215,000)	(650,000)	(865,000)
Interest and fiscal charges	-	(325,924)	(766,888)	(1,092,812)
Net cash (used in) capital and related financing activities	-	(1,666,111)	(1,717,569)	(3,383,680)
Net increase (decrease) in cash and cash equivalents	442,666	(1,110,706)	147,855	(520,185)
Equity in pooled cash and equivalents, beginning of year	477,263	1,225,404	1,125,302	2,827,969
Equity in pooled cash and equivalents, end of year	\$ 919,929	\$ 114,698	\$ 1,273,157	\$ 2,307,784
Non-cash transactions:				
Acquisition of fixed assets through contributed capital	\$ -	\$ -	\$ 90,334	\$ 90,334
Acquisition of fixed assets through capital lease	\$ -	\$ 101,302	\$ -	\$ 101,302
Disposal of fixed assets, net book value	\$ -	\$ 42,386	\$ -	\$ 42,386

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	NOMBL		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Charges for services	\$ 5,161,602	\$ 5,122,235	\$ (39,367)
Other	75,400	52,517	(22,883)
Total operating revenues	<u>5,237,002</u>	<u>5,174,752</u>	<u>(62,250)</u>
Expenses			
Wages	3,267,700	3,022,378	245,322
Personnel costs	1,117,536	958,746	158,790
Cost of sales	112,728	73,825	38,903
Repairs and maintenance	33,630	31,042	2,588
Other operating expenses	468,170	419,568	48,602
Capital outlay	265,500	265,321	179
Total operating expenses	<u>5,265,264</u>	<u>4,770,880</u>	<u>494,384</u>
Excess (deficiency) of revenues over expenses	<u>(28,262)</u>	<u>403,872</u>	<u>432,134</u>
Other financing sources (uses)			
Operating transfers-out	(1,000)	-	1,000
Total operating transfers	<u>(1,000)</u>	<u>-</u>	<u>1,000</u>
Excess (deficiency) of revenues over expenses and other sources (uses)	<u>(29,262)</u>	<u>403,872</u>	<u>433,134</u>
Prior year encumbrances	21,564	21,564	-
Fund balances, beginning of year	<u>455,699</u>	<u>455,699</u>	<u>-</u>
Fund balances, end of year	<u>\$ 448,001</u>	<u>\$ 881,135</u>	<u>\$ 433,134</u>

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Springvale Golf Course and Ballroom		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for services	\$ 800,000	\$ 727,540	\$ (72,460)
Total operating revenues	800,000	727,540	(72,460)
Expenses			
Wages	324,200	322,303	1,897
Personnel costs	70,948	69,414	1,534
Cost of sales	168,273	159,678	8,595
Repairs and maintenance	179,400	175,651	3,749
Other operating expenses	67,007	65,297	1,710
Capital outlay	1,200,346	1,189,692	10,654
Total operating expenses	2,010,174	1,982,035	28,139
Excess (deficiency) of revenues over expenses	(1,210,174)	(1,254,495)	(44,321)
Other financing source (uses)			
Investment income	10,000	29,059	19,059
Operating transfers-in	152,357	69,756	(82,601)
Total other financing source (uses)	162,357	98,815	(63,542)
Excess (deficiency) of revenues over expenditures and other sources (uses)	(1,047,817)	(1,155,680)	(107,863)
Prior year encumbrances	294,164	294,164	-
Fund balances, beginning of year	890,182	890,182	-
Fund balances, end of year	\$ 136,529	\$ 28,666	\$ (107,863)

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Sewer Revenue		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Charges for services	\$ 6,339,000	\$ 6,147,663	\$ (191,337)
Tap-in fees	-	355,462	355,462
Total operating revenues	<u>6,339,000</u>	<u>6,503,125</u>	<u>164,125</u>
Expenses			
Wages	1,820,949	1,764,846	56,103
Personnel costs	653,747	581,023	72,724
Cost of sales	774,971	669,414	105,557
Repairs and maintenance	40,745	34,485	6,260
Other operating expenses	1,913,324	1,510,288	403,036
Capital outlay	275,925	228,702	47,223
Total operating expenses	<u>5,479,661</u>	<u>4,788,758</u>	<u>690,903</u>
Excess (deficiency) of revenues over expenses	<u>859,339</u>	<u>1,714,367</u>	<u>855,028</u>
Other financing source (uses)			
Operating transfers-out	(1,680,654)	(1,680,654)	-
Total other financing source (uses)	<u>(1,680,654)</u>	<u>(1,680,654)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	(821,315)	33,713	855,028
Prior year encumbrances	414,278	414,278	-
Fund balances, beginning of year	<u>711,024</u>	<u>711,024</u>	<u>-</u>
Fund balances, end of year	<u>\$ 303,987</u>	<u>\$ 1,159,015</u>	<u>\$ 855,028</u>



CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Enterprise Fund Type		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for services	\$ 12,300,602	\$ 11,997,438	\$ (303,164)
Tap-in fees	-	355,462	355,462
Other	75,400	52,517	(22,883)
Total operating revenues	<u>12,376,002</u>	<u>12,405,417</u>	<u>29,415</u>
Expenses			
Wages	5,412,849	5,109,527	303,322
Personnel costs	1,842,231	1,609,183	233,048
Cost of sales	1,055,972	902,917	153,055
Repairs and maintenance	253,775	241,178	12,597
Other operating expenses	2,448,501	1,995,153	453,348
Capital outlay	1,741,771	1,683,715	58,056
Total operating expenses	<u>12,755,099</u>	<u>11,541,673</u>	<u>1,213,426</u>
Excess (deficiency) of revenues over expenses	<u>(379,097)</u>	<u>863,744</u>	<u>1,242,841</u>
Other financing sources (uses)			
Investment income	10,000	29,059	19,059
Operating transfers-in	152,357	69,756	(82,601)
Operating transfers-out	(1,681,654)	(1,680,654)	1,000
Total operating transfers	<u>(1,519,297)</u>	<u>(1,581,839)</u>	<u>(62,542)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(1,898,394)</u>	<u>(718,095)</u>	<u>1,180,299</u>
Prior year encumbrances	730,006	730,006	-
Fund balances, beginning of year	<u>2,056,905</u>	<u>2,056,905</u>	<u>-</u>
Fund balances, end of year	<u>\$ 888,517</u>	<u>\$ 2,068,816</u>	<u>\$ 1,180,299</u>

### **INTERNAL SERVICE FUND**

The Internal Service Fund is used to 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.

**Hospitalization Fund** – Accounts for the operation of the city's self-insurance program for employee health benefits.

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Hospitalization		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Charges for services	\$ 2,679,116	\$ 2,489,139	\$ (189,977)
Total operating revenues	<u>2,679,116</u>	<u>2,489,139</u>	<u>(189,977)</u>
Expenses			
Claims and judgments	2,837,012	2,800,892	36,120
Total operating expenses	<u>2,837,012</u>	<u>2,800,892</u>	<u>36,120</u>
Excess (deficiency) of revenues over expenses	(157,896)	(311,753)	(153,857)
Prior year encumbrances	-	-	-
Fund balances, beginning of year	<u>726,784</u>	<u>726,784</u>	<u>-</u>
Fund balances, end of year	<u>\$ 568,888</u>	<u>\$ 415,031</u>	<u>\$ (153,857)</u>

### **AGENCY FUNDS**

These funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

**Trust and Agency Fund** – Accounts for deposits held by the City from contractors, developers or 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  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Trust and Agency Fund			Balance 12/31/02
	Balance 12/31/01	Additions	Reductions	
<b>Assets</b>				
Other funds on deposit	\$ 229,011	\$ 243,881	\$ 360,681	\$ 112,211
Accounts receivable	7,620	-	7,620	-
<b>Total assets</b>	<b>\$ 236,631</b>	<b>\$ 243,881</b>	<b>\$ 368,301</b>	<b>\$ 112,211</b>
<b>Liabilities</b>				
Intergovernmental payable	\$ -	\$ 4,300	\$ -	\$ 4,300
Refundable deposits	236,631	239,581	368,301	107,911
<b>Total liabilities</b>	<b>\$ 236,631</b>	<b>\$ 243,881</b>	<b>\$ 368,301</b>	<b>\$ 112,211</b>

**GENERAL FIXED ASSETS**

This account group is used to account for all sites, buildings, equipment, and vehicles not used in the operations of the Proprietary Funds.

CITY OF NORTH OLMSTED, OHIO  
 SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE  
 DECEMBER 31, 2002

General fixed assets	
Land and improvements	\$ 4,294,807
Building and improvements	16,874,993
Machinery and equipment	7,935,374
Furniture and fixtures	513,549
Construction in progress	501,716
Total general fixed assets	<u>30,120,439</u>
Less accumulated depreciation	(15,206,911 )
Net general fixed assets	<u><u>\$ 14,913,528</u></u>

Investment in general fixed assets from:	
General Fund	\$ 19,776,141
Special Revenue Funds	10,128,881
Donations and Grants	215,417
Total general fixed assets	<u>30,120,439</u>
Less accumulated depreciation	(15,206,911 )
Net general fixed assets	<u><u>\$ 14,913,528</u></u>

CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY  
DECEMBER 31, 2002

Function and Activity	Land and Improvements	Building and Improvements	Machinery and Equipment	Furniture and Fixtures	Total
<b>General government:</b>					
Mayor	\$ -	\$ -	\$ 14,102	\$ 3,702	\$ 17,804
Council	-	-	8,309	25,267	33,576
Finance	-	-	45,436	4,835	50,271
Law	-	-	14,662	7,735	22,397
Safety	-	-	2,934	1,252	4,186
Data processing	-	-	103,033	1,282	104,315
Personnel	-	-	6,332	2,292	8,624
Boards and commissions	-	-	2,946	-	2,946
City hall - general government	3,688,989	4,271,491	345,961	14,283	8,320,724
<b>Total general government</b>	<b>3,688,989</b>	<b>4,271,491</b>	<b>543,715</b>	<b>60,648</b>	<b>8,564,843</b>
<b>Community and development:</b>					
Building	-	-	168,983	4,846	173,829
<b>Public safety:</b>					
Police	1,088	1,520,670	1,197,771	74,297	2,793,826
Fire	25,597	3,164,634	1,903,559	48,115	5,141,905
<b>Total public safety</b>	<b>26,685</b>	<b>4,685,304</b>	<b>3,101,330</b>	<b>122,412</b>	<b>7,935,731</b>
<b>Public health and welfare:</b>					
Human resources	-	-	9,019	4,466	13,485
<b>Transportation</b>					
Public works	-	-	6,949	1,049	7,998
Engineering	-	-	97,602	13,047	110,649
Service	46,146	82,217	2,580,815	5,868	2,715,046
Fleet	-	-	375,011	-	375,011
<b>Total transportation</b>	<b>46,146</b>	<b>82,217</b>	<b>3,060,377</b>	<b>19,964</b>	<b>3,208,704</b>
<b>Culture and recreation:</b>					
Recreation	532,987	7,533,455	979,687	295,431	9,341,560
Senior center	-	302,526	72,263	5,782	380,571
<b>Total culture and recreation</b>	<b>532,987</b>	<b>7,835,981</b>	<b>1,051,950</b>	<b>301,213</b>	<b>9,722,131</b>
<b>Total by function</b>	<b>4,294,807</b>	<b>16,874,993</b>	<b>7,935,374</b>	<b>513,549</b>	<b>29,618,723</b>
Construction in progress	-	501,716	-	-	501,716
<b>Total general fixed assets</b>	<b>4,294,807</b>	<b>17,376,709</b>	<b>7,935,374</b>	<b>513,549</b>	<b>30,120,439</b>
Less accumulated depreciation	181,012	8,874,848	5,973,016	178,035	15,206,911
<b>Net general fixed assets</b>	<b>\$ 4,113,795</b>	<b>\$ 8,501,861</b>	<b>\$ 1,962,358</b>	<b>\$ 335,514</b>	<b>\$ 14,913,528</b>



CITY OF NORTH OLMSTED, OHIO  
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY  
FOR THE YEAR ENDED DECEMBER 31, 2002

Function and Activity	Restated, Balance 12/30/2001	Additions	Disposals	Balance 12/31/2002
<b>General government:</b>				
Mayor	\$ 17,804	\$ -	\$ -	\$ 17,804
Council	33,576	-	-	33,576
Finance	51,376	-	1,105	50,271
Law	-	22,397	-	22,397
Safety	4,186	-	-	4,186
Data processing	97,739	6,576	-	104,315
Personnel	9,664	-	1,040	8,624
Boards and commissions	2,946	-	-	2,946
City hall - general government	8,306,248	14,476	-	8,320,724
<b>Total general government</b>	<b>8,523,539</b>	<b>43,449</b>	<b>2,145</b>	<b>8,564,843</b>
<b>Community and development:</b>				
Building	121,801	52,028	-	173,829
<b>Public safety:</b>				
Police	2,757,531	56,700	20,405	2,793,826
Fire	4,758,012	418,586	34,693	5,141,905
<b>Total public safety</b>	<b>7,515,543</b>	<b>475,286</b>	<b>55,098</b>	<b>7,935,731</b>
<b>Public health and welfare:</b>				
Human resources	13,485	-	-	13,485
<b>Transportation</b>				
Public works	7,998	-	-	7,998
Engineering	142,377	-	31,728	110,649
Service	2,858,364	3,800	147,118	2,715,046
Fleet	375,011	-	-	375,011
<b>Total transportation</b>	<b>3,383,750</b>	<b>3,800</b>	<b>178,846</b>	<b>3,208,704</b>
<b>Culture and recreation:</b>				
Recreation	9,254,887	89,311	2,638	9,341,560
Senior center	381,722	-	1,151	380,571
<b>Total culture and recreation</b>	<b>9,636,609</b>	<b>89,311</b>	<b>3,789</b>	<b>9,722,131</b>
<b>Total by function</b>	<b>29,194,727</b>	<b>663,874</b>	<b>239,878</b>	<b>29,618,723</b>
Construction in progress	78,024	423,692	-	501,716
<b>Total general fixed assets</b>	<b>29,272,751</b>	<b>1,087,566</b>	<b>239,878</b>	<b>30,120,439</b>
Less accumulated depreciation	14,332,704	971,048	96,841	15,206,911
<b>Net general fixed assets</b>	<b>\$ 14,940,047</b>	<b>\$ 116,518</b>	<b>\$ 143,037</b>	<b>\$ 14,913,528</b>

**This page intentionally left blank.**

**City of North Olmsted  
Governmental Fund Type  
Expenditures by Function  
Last Ten Fiscal Years**

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Current:										
General Government	\$4,367,055	\$4,100,839	\$4,991,317	\$6,000,902	\$6,440,737	\$5,834,093	\$5,250,428	\$5,081,750	\$4,862,426	\$4,381,931
Security of Persons and Property	11,685,896	11,046,278	9,776,330	8,232,264	7,788,275	7,779,038	6,888,008	6,812,790	6,776,438	6,067,176
Public Health and Welfare	453,113	471,538	103,558	82,655	111,916	107,449	109,212	108,130	99,759	177,550
Transportation	5,213,922	6,473,806	5,970,202	4,859,368	4,288,298	5,006,208	6,741,225	6,711,400	8,049,732	6,685,809
Community Environment								89,725		91,683
Basic Utility Services	1,607,984	1,603,503	1,591,668	1,464,750	1,609,739	1,338,580	1,354,865	1,253,643	1,505,430	979,961
Leisure Time Activities	2,161,359	2,087,516	2,063,492	1,975,437	1,961,903	1,907,376	1,816,349	1,657,952	1,557,414	1,507,203
Economic Development and Assistance	218,058	180,354	100,606	87,987	5,257	326,925	10,028	15,935	81,013	2,824
Other	0	0	3,256	231	45,103	0	0	0	0	7,350
Capital Outlay	1,453,736	3,421,177	1,064,788	2,449,811	878,425	1,682,255	415,840	5,224,128	4,450,551	2,354,288
Debt Service:										
Principal Retirement	3,342,539	2,982,456	2,219,605	2,210,601	2,009,107	1,896,763	1,389,891	1,434,489	1,271,247	1,218,592
Interest and Fiscal Charges	2,552,217	2,757,715	2,317,332	2,302,308	2,334,693	2,263,476	2,952,518	2,030,087	1,904,764	1,597,686
<b>Total</b>	<b>\$33,055,879</b>	<b>\$35,125,182</b>	<b>\$30,202,154</b>	<b>\$29,666,314</b>	<b>\$27,473,453</b>	<b>\$28,142,163</b>	<b>\$26,928,364</b>	<b>\$30,420,029</b>	<b>\$30,558,774</b>	<b>\$25,072,053</b>

Source:  
City of North Olmsted audited financial statements

**City of North Olmsted  
Governmental Fund Type  
Revenues by Source  
Last Ten Fiscal Years**

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Municipal Income Tax	\$11,328,050	\$11,121,341	\$10,858,123	\$10,257,028	\$9,727,638	\$9,873,472	\$8,901,309	\$8,321,754	\$7,585,398	\$7,130,162
Property and Other Taxes	10,154,593	10,114,983	8,607,246	8,553,667	8,387,454	7,401,978	7,141,571	7,498,764	6,756,338	6,681,374
Charges for Services	2,073,941	2,075,553	2,110,397	2,181,071	1,446,834	1,433,967	1,699,465	1,655,933	1,285,078	1,142,787
Licenses and Permits	941,757	737,875	668,900	809,925	801,678	775,907	709,908	523,177	432,453	440,944
Fines and Forfeitures	472,068	557,799	417,260	177,487	199,990	268,285	156,726	197,989	219,052	270,141
Intergovernmental	5,676,442	5,003,181	5,439,266	5,894,652	4,069,646	4,123,610	4,180,347	5,453,075	3,747,668	4,207,538
Special Assessments	116,813	102,808	91,734	114,918	89,072	94,145	97,682	97,794	98,252	99,316
Investment Income	363,807	937,639	684,382	531,677	449,501	492,611	560,489	523,334	408,804	125,122
Other	359,093	318,536	611,619	276,078	1,438,229	1,227,410	1,091,904	1,107,199	1,051,290	851,210
<b>Total</b>	<b>\$31,486,564</b>	<b>\$30,969,715</b>	<b>\$29,488,927</b>	<b>\$28,796,503</b>	<b>\$26,610,042</b>	<b>\$25,691,385</b>	<b>\$24,539,401</b>	<b>\$25,379,019</b>	<b>\$21,584,333</b>	<b>\$20,948,594</b>

Source:  
City of North Olmsted audited financial statements

**City of North Olmsted**  
**Property Tax Levies and Collections**  
**Real and Public Utility Taxes**  
**Last Ten Fiscal Years**

Collection Year	Current Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Current Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Levy
2002	\$ 10,454,645	\$ 10,057,703	96.2%	\$ 331,751	\$10,389,454	99.4%	\$ 463,462	4.4%
2001	10,477,350	10,135,765	96.7%	256,101	10,391,866	99.2%	534,176	5.1%
2000	8,767,921	8,462,625	96.5%	211,462	8,674,087	98.9%	468,359	5.3%
1999	8,679,306	8,446,005	97.3%	226,139	8,672,144	99.9%	457,866	5.3%
1998	8,508,575	8,293,734	97.5%	180,357	8,474,091	99.6%	445,126	5.2%
1997	7,886,005	7,767,759	98.5%	121,655	7,889,414	100.0%	417,893	5.3%
1996	7,665,505	7,594,056	99.1%	108,957	7,703,013	100.5%	283,731	3.7%
1995	7,493,476	7,364,070	98.3%	76,488	7,440,558	99.3%	240,284	3.2%
1994	6,876,219	6,656,838	96.8%	128,573	6,785,411	98.7%	363,029	5.3%
1993	6,831,561	6,717,381	98.3%	88,587	6,805,968	99.6%	246,842	3.6%

Source: Cuyahoga County Auditor

**City of North Olmsted**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Collection Year	Real Property	Public Utility Property	Tangible Personal Property	Total Assessed Value	Estimated Actual Value	Ratio
2002	\$ 748,692,910	\$ 17,173,070	\$ 50,671,362	\$ 816,537,342	2,361,322,900	34.6%
2001	745,461,810	20,789,070	48,393,017	814,643,897	2,347,086,896	34.7%
2000	668,471,450	22,399,090	45,819,672	736,690,212	2,118,650,627	34.8%
1999	659,211,490	24,629,710	46,864,374	730,705,574	2,098,907,203	34.8%
1998	649,920,820	23,804,710	45,200,585	718,926,115	2,064,769,776	34.8%
1997	591,673,740	24,522,540	42,771,806	658,968,086	1,889,450,147	34.9%
1996	573,675,650	25,111,460	39,343,895	638,131,005	1,824,984,616	35.0%
1995	568,907,430	27,468,570	35,731,767	632,107,767	1,799,591,152	35.1%
1994	498,206,300	25,778,330	32,182,540	556,167,170	1,581,470,288	35.2%
1993	492,283,360	25,781,180	31,098,210	549,162,750	1,560,213,521	35.2%

Source: Cuyahoga County Auditor

**City of North Olmsted**  
**Property Tax Rates - Direct and Overlapping Governments**  
**(Per \$1,000 Assessed Valuation)**  
**Last Ten Fiscal Years**

Year	General		Debt Retirement		Recreation	Police & Fire		Total City Levy	School District	County (1)	Polaris		Total
	Operating	General	General	Sewer		Pension	Fire				Vocational School	School	
2002	7.00	4.10	4.10	0.70	1.20	0.60	0.60	13.60	77.00	17.60	2.40	2.40	110.60
2001	7.00	4.10	4.10	0.80	1.20	0.60	0.60	13.70	69.10	17.60	2.40	2.40	102.80
2000	7.00	3.00	3.00	0.90	1.20	0.60	0.60	12.70	69.10	16.70	2.40	2.40	100.90
1999	7.00	3.00	3.00	0.90	1.20	0.60	0.60	12.70	69.10	16.70	2.40	2.40	100.90
1998	7.05	2.95	2.95	0.90	1.20	0.60	0.60	12.70	69.10	18.00	2.40	2.40	102.20
1997	7.50	2.50	2.50	1.00	1.20	0.60	0.60	12.80	69.10	18.00	2.40	2.40	102.30
1996	7.35	2.65	2.65	1.00	1.20	0.60	0.60	12.80	69.10	18.00	2.50	2.50	102.40
1995	8.10	1.90	1.90	0.80	1.20	0.60	0.60	12.60	63.20	18.20	2.50	2.50	96.50
1994	7.42	2.58	2.58	1.30	1.20	0.60	0.60	13.10	61.30	17.80	2.50	2.50	94.70
1993	7.62	2.38	2.38	1.40	1.20	0.60	0.60	13.20	61.30	17.80	2.50	2.50	94.80

Source: Cuyahoga County Auditor

(1) Includes levies for the County, the Greater Cleveland Regional Transit Authority, the Cleveland-Cuyahoga County Port Authority, Cuyahoga Community College District, the Cleveland Metropolitan Park District and the Cuyahoga County Library District.

**City of North Olmsted**  
**Special Assessment Billings and Collections**  
**Last Ten Fiscal Years**

---

Collection Year	Current Levy	Current Collection	Total Collection As a Percent of Current Levy	Total Delinquent Tax
2002	\$ 98,567	\$ 91,987	93.3%	\$ 16,062
2001	102,672	86,502	84.3%	33,390
2000	109,122	86,778	79.5%	31,325
1999	123,051	115,454	93.8%	9,866
1998	112,984	92,852	82.2%	22,113
1997	105,545	95,083	90.1%	10,464
1996	111,097	99,027	89.1%	6,563
1995	110,136	99,016	89.9%	11,381
1994	105,855	99,522	94.0%	6,252
1993	113,107	101,755	90.0%	6,733

Source: Cuyahoga County Auditor



**City of North Olmsted**  
**Computation of Legal Debt Margin**  
**December 31, 2002**

---

Assessed Valuation (2002)	\$816,790,056
	<hr/>
Overall Debt Limitation 10 1/2% of Assessed Value (1)	85,762,956
	<hr/>
Outstanding Debt:	
Total Bonded Debt	65,990,000
General Obligation Bond Anticipation Notes	200,000
Less: Cash Available in Debt Service Fund	1,625,402
	<hr/>
Total Outstanding Debt	64,564,598
	<hr/>
Less Exemptions:	
Bonds and notes issued in anticipation of levy for special assessments	570,000
General obligation bonds and notes that are considered self supporting	13,975,000
Securities issued to pay final judgments and settlements	138,000
Securities to extent authorizing legislation contains covenants to appropriate, levy and collect municipal income taxes	13,323,000
	<hr/>
Total Exemptions	28,006,000
	<hr/>
Net Debt Within 10 1/2% Limitation	36,558,598
	<hr/>
<i>Overall Debt Margin</i>	\$49,204,358
	<hr/>
Unvoted Debt Limitation 5 1/2% of Assessed Value	44,923,453
	<hr/>
Amount of principal of unvoted bonds and notes subject to 5 1/2 %	25,473,598
	<hr/>
<i>Unvoted Debt Margin</i>	\$19,449,855
	<hr/>

Source: Cuyahoga County Auditor and City Financial Records.

**City of North Olmsted**  
**Ratio of Net General Obligation Bonded Debt to**  
**Assessed Value and Net General Obligation Bonded Debt Per Capita**  
**Last Ten Fiscal Years**

Year	Gross Bonded Debt	Debt Service Funds Available	Net Bonded Debt	Assessed Valuation	Population (1)	Ratio of Net Debt to Assessed Value	Net Bonded Debt Per Capita
2002	\$65,420,000	\$1,625,402	\$63,794,598	\$816,537,342	34,113	7.81%	\$1,870
2001	69,230,000	1,876,156	67,353,844	814,643,897	34,113	8.27%	1,974
2000	56,345,000	1,199,962	55,145,038	736,690,212	34,113	7.49%	1,617
1999	52,030,000	648,329	51,381,671	730,705,574	34,204	7.03%	1,502
1998	54,450,000	306,178	54,143,822	718,926,115	34,204	7.53%	1,583
1997	56,715,000	147,003	56,567,997	658,968,086	34,204	8.58%	1,654
1996	58,745,000	873,138	57,871,862	638,131,005	34,204	9.07%	1,692
1995	16,885,000	350,826	16,534,174	632,107,767	34,204	2.62%	483
1994	18,050,000	357,653	17,692,347	556,167,170	34,204	3.18%	517
1993	19,185,000	278,722	18,906,278	549,162,750	34,204	3.44%	553

Source: Cuyahoga County Auditor

(1) 1990 Federal Census, 2000 Federal Census

**City of North Olmsted**  
**Ratio of Annual Debt Service Principal Expenditures for**  
**General Obligation Bonded Debt to Total Governmental Fund Type Expenditures**  
**Last Ten Fiscal Years**

Year	Principal	Total Debt Service	Total Governmental Fund Type Expenditures	Ratio of Debt Service to Governmental Fund Type Expenditures
2002	\$3,810,000	\$3,810,000	33,055,879	11.53%
2001	10,295,000 (1)	10,294,999	35,125,182	29.32%
2000	2,530,000	2,530,000	30,202,154	8.38%
1999	2,420,000	2,420,000	29,666,314	8.16%
1998	2,265,000	2,265,000	27,473,453	8.24%
1997	2,030,000	2,030,000	28,142,163	7.21%
1996	1,160,000	1,160,000	26,928,364	4.31%
1995	1,165,000	1,165,000	30,420,029	3.83%
1994	1,135,000	1,135,000	30,558,774	3.71%
1993	1,095,000	1,095,000	25,072,053	4.37%

Source:

City of North Olmsted audited financial statements.

(1) Advanced refunding of \$7,420,000 various purpose bonds included

**City of North Olmsted**  
**Computation of Direct and Overlapping General Obligation Bonded Debt**  
**December 31, 2002**

Jurisdiction	General Obligation Debt Outstanding	Percentage Applicable to City	Amount Applicable to City
City of North Olmsted	\$ 67,325,000	100.00%	\$ 67,325,000
North Olmsted School District	2,637,000	100.00%	2,637,000
Cuyahoga County	200,162,636	2.85%	5,704,635
Regional Transit Authority	136,310,000	2.85%	3,884,835
Subtotal of overlapping debt			<u>12,226,470</u>
Total			<u><u>\$ 79,551,470</u></u>

Source:  
Cuyahoga County Auditor

**City of North Olmsted**  
**Demographic Statistics**  
**Last Ten Fiscal Years**

Year	Population (1)	Employed in County (2)	Employed in PMSA (2)	Unemployment Rate (2)				Average Residential Sales Price				
				County	PMSA	State	US	School Enrollment (3)	City (4)	County (4)		
2002	34,113	624,900	1,040,300	6.7%	6.5%	5.7%	5.8%	4,663	\$	181,896	\$	230,581
2001	34,113	648,300	1,073,900	4.6%	4.6%	4.3%	4.8%	4,714		138,800		197,800
2000	34,113	649,500	1,075,900	4.6%	4.4%	4.1%	4.0%	4,863		132,600		128,848
1999	34,204	670,000	1,100,000	4.5%	4.4%	4.3%	4.5%	4,983		135,100		125,570
1998	34,204	670,000	1,100,000	4.5%	4.4%	4.3%	4.5%	4,985		126,300		127,304
1997	34,204	660,800	1,061,600	4.8%	4.8%	4.6%	5.0%	4,951		120,900		113,100
1996	34,204	655,700	1,046,900	5.1%	5.2%	4.9%	5.4%	5,056		119,700		108,152
1995	34,204	644,100	1,036,600	4.9%	5.1%	4.8%	5.6%	5,021		116,300		105,300
1994	34,204	636,300	1,022,800	5.8%	5.8%	5.5%	6.1%	5,020		112,000		102,900
1993	34,204	625,700	1,005,800	6.8%	6.7%	6.5%	6.8%	5,038		108,500		104,800

Source:

- (1) 1990 Federal Census, 2000 Federal Census
- (2) Ohio Bureau of Employment Services, U.S. Department of Labor and Bureau of Labor Statistics
- (3) North Olmsted City Schools
- (4) Cuyahoga County Auditor

**City of North Olmsted**  
**Property Value, Construction and Financial Institution Deposits**  
**Last Ten Fiscal Years**

Year	Total Assessed Valuation (1)	Value of Building Permits Issued (2)			Bank Deposits Cuyahoga County (000's) (3)
		Agriculture Residential	Commercial Industrial	Total	
2002	\$816,537,342	\$10,773,613	\$40,522,225	51,295,838	\$95,761,917
2001	814,643,897	10,960,168	9,675,166	20,635,334	63,893,769
2000	736,690,212	12,898,254	11,922,857	24,821,111	61,942,764
1999	730,705,574	17,868,981	17,090,778	34,959,759	57,816,942
1998	718,926,115	18,811,709	31,876,717	50,688,426	58,904,596
1997	658,968,086	14,482,863	21,582,756	36,065,619	53,941,971
1996	638,131,005	11,680,825	10,380,000	22,060,825	27,068,211
1995	632,107,767	9,545,000	10,800,000	20,345,000	22,458,573
1994	556,167,170	6,747,000	26,000,000	32,747,000	20,885,453
1993	549,162,750	7,700,000	13,000,000	20,700,000	21,009,421

Source:

- (1) Cuyahoga County Auditor
- (2) City of North Olmsted Building Department Annual Reports
- (3) Federal Reserve Bank of Cleveland (1997 Key Bank became chartered causing deposits to increase.)

**City of North Olmsted**  
**Principal Taxpayers**  
**Real Estate Tax**  
**December 31, 2002**

Name of Taxpayer	Assessed Value	Percent of Real Assessed Value
DDRC Great Northern LTD	\$ 21,145,215	2.81%
Great Northern Partnership	19,063,135	2.54%
Great Northern Properties	6,864,410	0.91%
Butternut Ridge Apt LLC	5,462,625	0.73%
B & G Properties LTD Partnership	4,911,165	0.65%
May Stores 74 Corp	4,869,900	0.65%
Water Tower Square LTD Partnership	4,696,720	0.63%
Wal Mart	4,221,385	0.56%
Country Club Hotel Assoc LLC	3,694,355	0.49%
Sears Roebuck Co	3,532,830	0.47%
<i>Total</i>	<u>\$78,461,740</u>	<u>10.44%</u>
<i>Total Real Assessed Value</i>	<u><u>\$751,348,000</u></u>	

Source: Cuyahoga County Auditor

**City of North Olmsted**  
**Principal Taxpayers**  
**Tangible Personal Property Tax**  
**December 31, 2002**

Name of Taxpayer	Assessed Value	Percent of Tangible Personal Assessed Value
May Department Stores	\$2,135,630	4.61%
Riser Foods	2,031,930	3.54%
Home Depot	1,637,570	2.43%
Sears, Roebuck & Company	1,582,130	3.42%
Wal-Mart	1,440,270	3.18%
J. C. Penney Company	1,473,850	3.11%
Great Northern Dodge, Inc.	1,125,804	1.87%
Motorcars Acquisition II, LLC	995,240	2.15%
Motorcars USA, Inc.	864,510	2.15%
Sunnyside Cars, Inc.	850,710	1.84%
<i>Total</i>	\$14,137,644	28.29%
<i>Total Tangible Personal Property Assessed Value</i>		\$46,312,966

Source: Cuyahoga County Auditor



**City of North Olmsted  
Principal Taxpayers  
Municipal Income Tax  
December 31, 2002**

---

Name of Taxpayer

---

Factory Mutual Insurance Co.

GMAC - GM Payroll Services

Heartland Employment Services, Inc.

The May Department Stores Co.

Moen Incorporated

North Olmsted, City of

North Olmsted School District

Riser Foods Company

Sunnyside Automotive Inc

Wal Mart Associates, Inc

Source: Regional Income Tax Agency based on payroll withholding,  
Displayed in alphabetical order.

**City of North Olmsted  
Miscellaneous Statistics  
December 31, 2002**

---

Date of Incorporation as a village	1908
Date of Incorporation as a city	1951
Form of government	Charter; Mayor/Council
Area square miles	11.9
Number of Housing units (2000 Census)	16,163
Fire Protection	
Number of stations	2
Number of sworn firemen and officers	47
Number of emergency responses	3,228
Police Protection	
Number of Stations	1
Number of sworn policemen and officers	57
Number of criminal arrests	2,166
Number of traffic violations	16,506
Number of parking violations	2,770
Number of full time employees	324
Number of part time and temporary employees	288
Streets:	
Miles of Streets	145
Number of Street Lights	2,362
Municipal water utilities	City of Cleveland Services
Sewers:	
Miles of sanitary sewers	175
Miles of storm sewers	151
Building Permits issued	1,455
Estimated Valuation of Permits Issued	\$ 51,295,838
Parks and Recreation:	
Acreage owned by city for recreation	104
Recreation Center Facility	1
Senior Center Facility	1
Number of parks	4



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**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  
SEPTEMBER 30, 2003**