



Mary Taylor, CPA
Auditor of State

CITY OF NORTH RIDGEVILLE
LORAIN COUNTY

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

City of North Ridgeville
Lorain County
7307 Avon Belden Road
North Ridgeville, Ohio 44039

To the Members of Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Ridgeville, Lorain County, Ohio, (the City) as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 2, 2007. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the City's internal control will not prevent or detect a more than inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the City's internal control will not prevent or detect a material financial statement misstatement.

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

We noted certain matters that we reported to the City's management in a separate letter dated July 2, 2007.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters that we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the City's management in a separate letter dated July 2, 2007.

We intend this report solely for the information and use of the management and City Council. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

July 2, 2007

City of North Ridgeville, Ohio



**Comprehensive Annual Financial Report
For the Year Ended December 31, 2006**

CITY OF NORTH RIDGEVILLE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2006

Prepared By:
Office of the Auditor

Chris S. Costin, CPA, CGFM
Auditor

Donna L. Kiraly
Deputy Auditor

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CITY OF NORTH RIDGEVILLE

Auditor's Office



Members of City Council and
Citizens of North Ridgeville
North Ridgeville, Ohio

We are pleased to submit this Comprehensive Annual Financial Report (CAFR) of the City of North Ridgeville, Ohio for its fiscal year ended December 31, 2006. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report (CAFR) is presented in three sections. The Introductory Section includes the table of contents, letter of transmittal, a list of principal city officials, an organization chart of the City, and a Certificate of Achievement. The Financial Section includes the Management's Discussion and Analysis, Independent Accountants' Report, the Basic Financial Statements and Notes to the Basic Financial Statements, Combining Statements for Nonmajor Funds and individual fund schedules. The Statistical Section includes selected detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Reporting Entity

For financial reporting purposes, the City includes all funds that comprise the primary government and all agencies, boards and commissions for which the City is financially accountable and component units. Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the organization is fiscally dependent on the City or if the City appoints a majority of the organization's governing board and 1) it is able to impose its will on the organization or 2) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the City. The City has no component units.

CITY PROFILE

The City

The City of North Ridgeville is located in Lorain County in north central Ohio, approximately twenty miles southwest of the City of Cleveland and approximately ten miles southeast of the City of Lorain. The City's area is approximately 25 square miles. The City's 2001 census population of 22,338 placed it as the third largest in Lorain County. The City is in the Cleveland-Elyria-Mentor Metropolitan Statistical Area (MSA) and the Cleveland-Akron-Elyria Combined Statistical Area (CSA).

The City is provided with banking and financial services by nine local commercial banks and savings and loan associations, operating a total of nine offices within the City (with principal offices elsewhere). Three daily and three weekly newspapers serve the City. The City is within the broadcast area of seven television stations and approximately thirty-one AM and FM radio stations. Multi-channel cable TV service, including educational, governmental and public access channels is provided by Time Warner Cable (acquired Comcast Cable Communications, Inc.).

Within commuting distance are several public and private two-year and four-year colleges and universities, including Cleveland State University, University of Akron, and Kent State University (three of Ohio's twelve state universities), Lorain County Community College, Cuyahoga Community College, Oberlin College (located in the County), Baldwin Wallace College, John Carroll University and Case Western Reserve University. The Lorain Business College is also located in the County.

The City is served by four acute-care hospitals, located in the cities of Lorain, Elyria, Westlake and Fairview Park. A Medivac unit, providing emergency medical services, operates at the Lorain County Regional Airport and a heliport has been built adjacent to Community Health Partners (Health Center) in Lorain to provide for emergency transportation of patients by helicopter.

The City owns and operates four parks covering 92 acres and provides recreational facilities including basketball, volleyball and tennis courts, baseball / softball fields, soccer fields, picnic areas and a stocked fishing lake. Utilization of an additional 67 acres of land recently acquired is in the planning stages. In addition, the City is within the Lorain County Metropolitan Park District, created to preserve natural resources and provide park and recreation facilities within the County. The Park District's Sandy Ridge Reservation, which is located within the City, consists of a 310 acre wildlife preservation with small ponds, a trail complete with information signs, observation mound, playground, educational center and picnic area.

City Government

The City of North Ridgeville was founded in 1810, incorporated as a village in 1958 and became a city in 1960.

The City operates under and is governed by its Charter, first adopted by voters in 1961 and which 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 laws. The Charter provides for a Mayor-Council form of government.

Legislative authority is vested in a seven-member Council, of whom three are elected at-large and four are elected from wards, all for two-year terms. The Council fixes compensation of City officials and employees, and enacts ordinances and resolutions relating to the 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, who is elected by the Council from the at-large members for a two-year term.

The City's chief executive and administrative officer is the Mayor, who is elected by the voters for a four-year term. The Mayor appoints the directors of certain City departments, subject to the approval of a majority of all the members of Council. The major appointed officials are the Directors of Law and Safety-Service and the Treasurer. The Mayor also appoints members to a number of boards and commissions, and appoints and removes, in accordance with civil service requirements, all appointed officers and employees.

The Auditor, who is the City's chief fiscal officer, and the Clerk of Council are appointed by Council. The Auditor is appointed to a two-year term, subject to removal by a majority of all of the members elected to Council. The Clerk of Council serves at the pleasure of Council.

All elected officials, except the Mayor, serve part-time.

The City provides a full range of municipal services. These include police, fire, emergency rescue, parks and recreation, sanitation, water and sewer utility, planning, zoning, and general administrative services, and a Mayor's court.

CITY ECONOMIC CONDITION

Economic Condition and Outlook

The City is primarily a residential and agricultural area, with many residents commuting daily to work in the City of Cleveland and other areas in Lorain County and adjacent Cuyahoga County. Approximately one-third of the land in the City is undeveloped or used for agricultural purposes. Because of its location adjacent to the substantially fully developed Cities of Westlake and North Olmsted and access to I-80, I-90, I-480 and State Route 10, significant new residential, commercial and light industrial and warehousing development is expected to continue within the next several years.

The City's Council approved a comprehensive master plan in 1997 that identifies areas for residential, commercial, industrial and governmental development and infrastructure improvements to encourage and accommodate responsible and orderly development. In 2004, the City completed a major expansion of its French Creek Wastewater Treatment Plant to meet the anticipated needs of the City and the adjacent City of Avon and Village of Sheffield. Further, the City completed construction of an interceptor trunk sanitary sewer line in 2003 to serve much of the western portion of the City. The City constructed a major trunk sewer to serve the southeastern portion of the City in the 1990s. Infrastructure is now in place to allow further residential and commercial development on the City's westside. With the completion of a 2 million gallon water tower by the City in 2002 and the installation of a new water main through the City by the City of Avon Lake in 2001, the City believes that all of its foreseeable needs for waterworks system capacity to support development in the City have been met.

The City has established an enterprise zone (coterminous with the City) and a community reinvestment area. Under its enterprise zone program and policy, the City offers businesses abatements of up to 100% of real and tangible personal property taxes on new property added to the tax duplicate, for a period of up to ten years. The amounts, types and duration of the actual abatements offered by the City under this program are a function of the size of the proposed development and the number of jobs created. Under its community reinvestment zone program and policy, the City offers an abatement of real property taxes on new property added to the tax duplicate, for a period of up to 15 years.

Five separate industrial parks are under development in the City. The largest of these is Taylor Woods Industrial Park, which includes facilities of Invacare Corp. (a manufacturer of wheelchairs), Beckett Gas, Inc. (a manufacturer of gas burners), and Beckett Air, Inc. (a manufacturer of blower parts), all constructed since 1990. The newest of these is Bliss Industrial Park, which includes JBC Technology Incorporated (a manufacturer of seals and gaskets) which opened in November 2005, and Zannoni Foods (a food manufacturer) scheduled to open in 2007. Building permits were issued in 2006 for new commercial buildings with an estimated value of \$ 8,023,000 and commercial improvements of \$ 3,850,225. The City expects commercial development to continue as the result of its infrastructure improvements completed in recent years.

Residential development continues at a significant pace within the City, although not the torrid pace of 2005. In various stages of planning and construction in the western half of the City are two planned community developments: Waterbury, a 640 acre development representing approximately 2,000 residential units, and Meadow Lakes, a 570 acre development representing approximately 1,900 residential units. Other developments in the western area include the subdivisions of Avalon, Hampton Place, Hartford Oval and Stone Creek, which together, represent approximately 950 homes. Elsewhere in the City, Ridgefield Homes, an approximately 1,000 home development is approximately sixty percent complete. Several other smaller subdivisions remain under development throughout the City. The City's Building Department reflects over 5,500 residential units projected to be constructed within the various developments. Newly constructed homes have sold for up to \$ 980,000 with median average price range between \$ 250,000 to \$ 300,000. Building permits were issued in 2006 for new residential units with an estimated value of \$ 47,906,892.

The estimated value of building permits issued by the City in 2006 and 2005 amounted to \$ 66,694,710 and \$ 85,524,011, respectively.

Major Initiatives

Police Department

The Police Department provides law enforcement services to this growing community on an around the clock basis with a staff of thirty-seven sworn officers and thirteen full and part-time civilian dispatch and support personnel. Services provided include directed patrol, supplemented by a traffic enforcement unit, bicycle patrol, dual purpose K-9 unit, detective bureau and training staff. This past year saw the creation of Operation PRESS (Police Resources Enhancing School Security) which involves police officers spending time daily at each school interacting with students and staff to provide a more secure and education friendly environment. The department is a member of the Lorain County Bomb Squad, the Lorain County Drug Task Force, and the County's anti-terrorism task force. In 2006, the department responded to approximately 38,000 calls for service and assistance.

Fire Department

The Fire Department provides advanced life-support paramedic ambulances and fire protection on a twenty-four hour basis with a staff of thirty-four including thirty-three fire suppression personnel, of whom twenty-nine are state certified paramedics. Included also are the Chief, two assistant Chiefs, and a civilian secretary/dispatcher. The department maintains a dive/rescue team, fire investigator, and is a member of the Lorain County Hazardous Materials Team and the Lorain County Technical Rescue Team. The department maintains an aggressive fire prevention program that educates students, conducts fire safety inspections and provides CPR classes to its residents. In 2006, the department took delivery of a new 100 foot aerial fire truck and of a Zodiac rescue boat. In 2006, the department responded to nearly 2,500 calls, of which, eighty percent were medical emergencies. The department's plans for 2007 include joining a regional dispatch center, and manning an additional emergency vehicle.

Building Department

The Building Department staffs five full-time building inspectors and two secretaries under the direction of the Chief Building Official. The City continues to maintain an ISO (Insurance Service Office) rating of #4 for residential and commercial property owners. During 2006, building permits were issued for 351 residential dwellings and 7 commercial buildings, compared to 560 and 10, respectively, in 2005.

Engineering Department

The Engineering Department consists of seven full-time staff. In 2006, the department's services included engineering inspection services for 14 larger scale projects, review and approval for 58 commercial and private subdivision construction plans, and 342 new construction single-family and condominium topographies. In 2006, the department completed development of its Geographic Information System for the City's infrastructure systems including, storm sewer, sanitary sewer, waterways, contouring, zoning and soil conditions.

Utilities Department

The Utilities Department serviced nearly 11,000 water, sewer and sanitation accounts in 2006 with its office staff of five full-time employees and three part-time meter readers. The department continues its program of installing state-of-the-art computerized water meters throughout the City. Currently, over ninety-five percent of the City is being read by radio wave portable interrogators. In late 2005, installation began of second generation radio-read meters, which will be WiFi compatible, and allow readings remotely. Under direction of the City's Utilities Supervisor, the City receives recycling grants from the Lorain County Solid Waste Management District, which, in 2006 amounted to \$ 117,115.

French Creek Wastewater Treatment Plant

The City's French Creek Wastewater Treatment Plant services the City, the City of Avon and the Village of Sheffield. The plant's staff consists of eighteen full-time employees. In 2004, the City completed expansion and upgrade of the plant, which increased its capacity by fifty percent to 11.25 MGD. The land and plant facilities were originally designed to accommodate a 30 MGD treatment facility to be constructed in four phases. Average daily flow was 5.01 million gallons in 2006. The plant completed its homeland security upgrade in 2006. In addition, the department implemented an engineering feasibility study and business plan for the development of renewable source energy production from waste sludge at the plant, which is intended to be reviewed by City Council in 2007.

Office of Older Adults

The North Ridgeville Senior Center (Office of Older Adults) provides transportation and supportive services for the City's seniors and nutritional meals to homebound seniors through its Meals-on-Wheels program for the City and surrounding townships. Other services provided included recreational shows, periodic outings and other activities. In 2006, the Senior Center experienced an overall growth of 20% for attendance at its functions. The number of meals delivered increased by 25% to over 13,000 meals. Transportation services to medical appointments increased by over 30%. The Senior Center provides a "CareCall" program, an automated telephone service to communicate with seniors and other needy citizens on a daily basis.

Parks and Recreation

The Parks and Recreation Department provides affordable programs and services for residents that include leisure activities, special events, cultural enrichment and education. The City's park system includes South Central park, a 30 acre woodland park with a fishing lake; Shady Drive Complex, a 37 acre baseball/softball complex; Frontier Park, a 13 acre football complex; and Root Road Soccer Complex, a 12 acre soccer complex. In late 2005, the City purchased an additional 67 acres to be developed into parkland. The City spent nearly \$ 98,000 on improvements and renovations in 2006. Scheduled for 2007 is a "Splash Pad" water facility to be added to South Central Park.

Financial Information

Internal Control

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that 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. We believe that the City's system of internal control is adequate to safeguard assets and provide reasonable assurance of proper recording of transactions.

Basis of Accounting

Since 2003, the City has prepared its annual financial statements under the reporting model required by Government Accounting Standards Board Statement No. 34 (GASB 34), "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." Under GASB 34, the basic financial statements consist of:

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

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

Statements of budgetary comparisons These statements present comparison of actual information to the legally adopted budget. The budgetary basis, as provided by Ohio law, is on the basis of cash receipts, disbursements and encumbrances.

For a more detailed description, see the Management's Discussion and Analysis and the Notes to the Basic Financial Statements.

Budgetary Controls

Detailed provisions for budgeting, tax levies and appropriations are set forth in the Ohio Revised Code and the City Charter.

The City prepares an annual budget of estimated receipts and expenditures for the upcoming year, which is filed with the Lorain County Budget Commission by July 20th preceding the budget year. Estimated resources, which includes estimated receipts taken from the City's budget, property tax and local government assistance as revised by the County, and unencumbered balances, is certified by the County Budget Committee, which estimated resources serve as the basis for appropriations. A temporary appropriation resolution to control expenditures may be passed by City Council around January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 each year for the period January 1 to December 31. Appropriations by fund-type cannot exceed the estimated resources as certified by the County Budget Commission. Revisions to estimated resources may be revised during the year as new information becomes available which, upon written request is certified by the County Budget Commission. City Council can pass supplemental appropriation ordinances, as long as total appropriations by fund-type do not exceed the amount of estimated resources certified by the County, as reflected on the most recent Amended Certificate of Estimated Resources.

For management purposes, the City maintains budgetary control on a non-GAAP basis by fund and within each fund by department at major object levels, which include personal services, other expenditures, and transfers. Budgetary control is maintained by an encumbrance of purchase commitment amounts prior to the release of purchase orders to vendors. Purchase order requests for the expenditure of monies are submitted to the Mayor or Safety-Service Director for approval. The purchase order is forwarded to the Auditor's office for certification of the availability of funds. The estimated expenditure is then encumbered against available appropriation. Encumbrances, which would exceed the available appropriation are not approved or recorded until the City Council authorizes additional appropriations or transfers.

The Auditor's office prepares monthly financial statements on the budgetary basis for City Council and the Administration, which reflect detailed annual budget information, monthly and year-to-date receipts, expenditures, encumbrances and unencumbered balances.

Debt Administration

The City issues various types of debt for the purpose of carrying out its capital financing activities. The City's bonded debt and bond anticipation notes are general obligation debt for which the full faith and credit of the City are pledged for the timely payment of principal and interest thereon.

Cash Management

The City strictly adheres to regulations set forth in the Ohio Revised Code to ensure the safety of its investments.

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 types of investments can be made and 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 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 Deposit, Repurchase Agreements, Government Securities, State Treasurer's Investment Pool (STAR Ohio) 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 maintains a commercial insurance policy through Selective Insurance Companies which covers property, boiler and machinery, inland marine, crime, automobile, general liability and EMS liability in the aggregate amount of \$ 2,000,000. An additional umbrella policy is also provided in the amount of \$ 10,000,000. The City maintains a law enforcement liability policy and public officials liability policy each in the amount of \$ 1,000,000, with Scottsdale Indemnity Company.

Independent Audit

The City's financial statements for the year ended December 31, 2006 were examined by independent auditor Mary Taylor, CPA, Auditor of State of Ohio. The Independent Accountants' Report on the basic financial statements is included in the Financial Section of this report.

AWARDS AND ACKNOWLEDGEMENTS**GFOA Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Ridgeville, Ohio for its comprehensive annual financial report for the fiscal year ended December 31, 2005. 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 preparation of this report could not have been accomplished without the efficient and dedicated services of the staff of the Auditor's Office and Treasurer. Preparation of the Comprehensive Annual Financial Report requires a major effort and special appreciation is extended to everyone who assisted and contributed to the preparation of this report.

Appreciation is extended to the Administration and City Council for their continued support and commitment to responsible fiscal reporting.

Respectfully submitted,



Chris S. Costin, CPA, CGFM
City Auditor
July 2, 2007

City of North Ridgeville, Ohio
Principal City Officials
December 31, 2006

Elected Officials

Mayor	G. David Gillock
Council member, At-Large, President	Ronald F. Arndt
Council member, At-Large, President Pro-Tem	Gayle L. Manning
Council member, At-Large	Bernadine R. Butkowsky
Council member, Ward 1	Nancy J. Buescher
Council member, Ward 2	Dennis J. Boose
Council member, Ward 3	Richard W. Jaenke
Council member, Ward 4	Robert W. Olesen

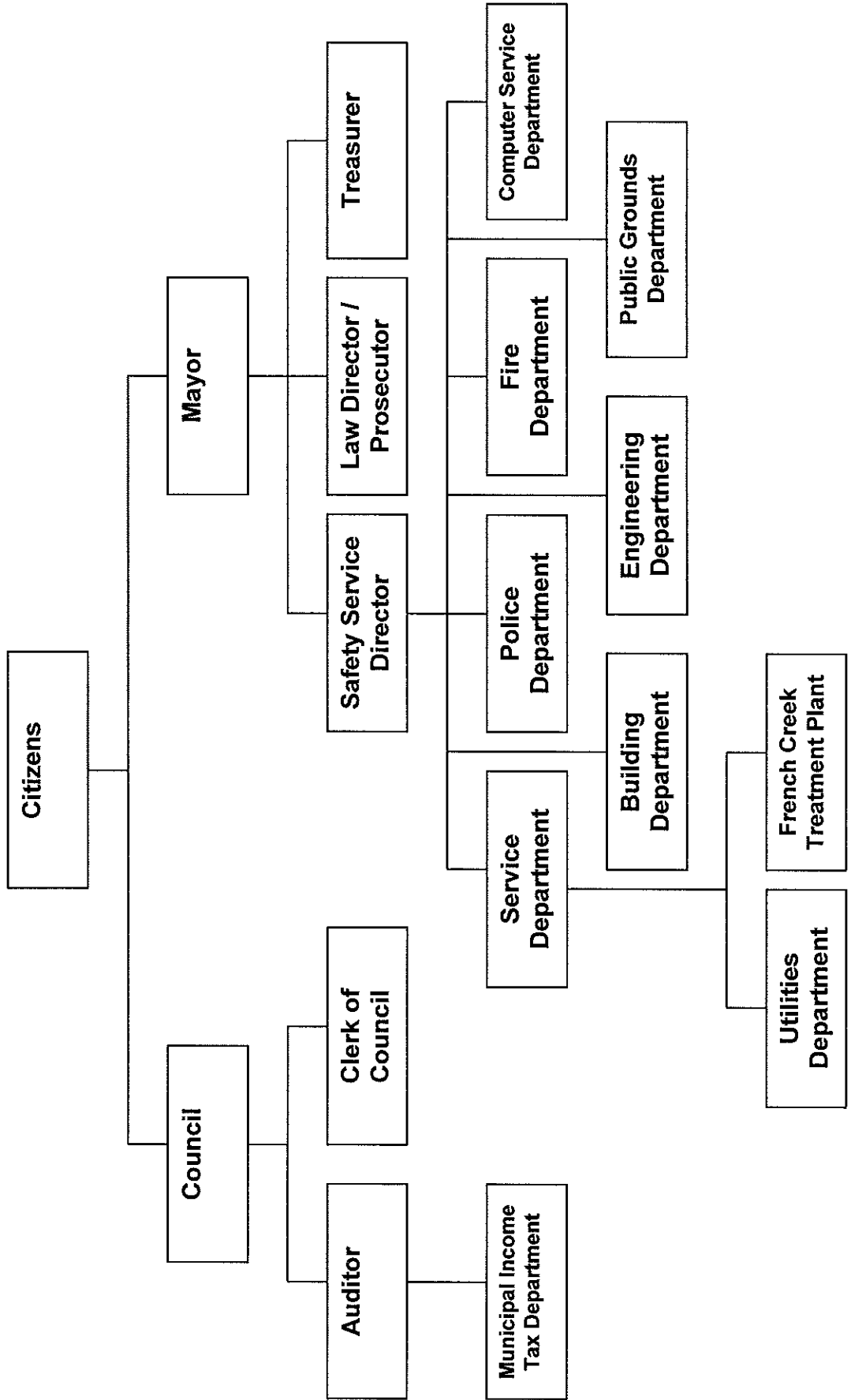
Appointed Officials and Department Heads

Safety-Service Director	Dennis L. Johnson
Law Director / Prosecutor	Andrew J. Crites, ESQ.
Engineer	Larry Griffith, P.E.
Treasurer	Anthony L. Hatmaker
Auditor	Chris S. Costin, CPA, CGFM
Deputy Auditor	Donna L. Kiraly
Income Tax Administrator	Laverne Porowski
Police Chief	Richard D. Thomas
Fire Chief	Richard E. Miller
Service Department Superintendent	Chris Rangus
Chief Building Official	Guy M. Fursdon, C.B.O.
Parks and Recreation Director	James D. Spaulding
Older Adult Services Director	Rita M. Price
Computer Service Supervisor	Rita Taylor
Utilities Department Director	James E. Whitlock
French Creek Plant Superintendent	Donald D. Daley
Maintenance and Grounds Supervisor	Gary M. Teel
Mayor's Court Magistrate	Renee Zafarana, L.P.A.
Clerk of Mayor's Court	Diana G. Graham
Clerk of Council	Charles A. Norris
Assistant Clerk of Council	Paula D. Cope, MMC

Chairmen, Boards and Commissions

Civil Service Commission	James P. Yost
Parks and Recreation Commission	Larry D. Overby
Planning Commission	James Hurst
Fair Housing Board	Anthony L. Hatmaker
Income Tax Board of Review	Margaret Knight
Zoning Board of Appeals	Shawn Kimble

CITY OF NORTH RIDGEVILLE, OHIO ORGANIZATION CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of North Ridgeville
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2005

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President

Executive Director



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

City of North Ridgeville
Lorain County
7307 Avon Belden Road
North Ridgeville, Ohio 44039

To The Members of Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Ridgeville, Lorain County, Ohio, (the City) as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Ridgeville, Lorain County, Ohio, as of December 31, 2006, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund and Income Tax Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2007, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules and statistical tables provides additional information and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 2, 2007

CITY OF NORTH RIDGEVILLE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
UNAUDITED

Management's discussion and analysis (MD&A) of the City of North Ridgeville's financial performance presents a narrative overview and analysis of the City's financial activities for the year ended December 31, 2006. The intent of the discussion and analysis is to present the City's financial performance as a whole. Readers are encouraged to consider this information in conjunction with the basic financial statements and notes to the basic financial statements for an enhanced understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2006 were as follows.

Total net assets increased by \$ 24,188,756 or 22% to \$132,468,672 at December 31, 2006. Total assets increased by \$ 22,983,622 or 15% to \$ 171,516,298, while total liabilities (decreased) by (\$ 1,205,134) or (3%) to \$ 39,047,626 at December 31, 2006.

Total revenues increased by \$ 12,849,478 or 31% to \$ 54,241,500 in 2006. Total program expenses increased by \$ 3,047,035 or 11% to \$ 30,052,744 in 2006.

As reflected in the above key financial highlights, the City's financial health improved in 2006. Following completion of the City's wastewater treatment facility expansion in 2004, and installation of westside sanitary sewer trunkline in 2003, residential new construction in the community has remained strong, resulting in increased revenues to the City. These increased revenues include income taxes, licenses and fees, charges for services, tap-in fees and developer contributions. In July 2006, Moody's Investor Service upgraded the City's general obligation long-term rating to A-1 from A-2.

Overview of Financial Statements

This annual report includes the City's basic financial statements, which consist of government-wide financial statements, fund financial statements, notes to the basic financial statements and other information. The Government-wide financial statements provide information about the City as a whole, providing an aggregate view of the City's finances. The fund financial statements provide an additional level of detail.

Government-wide Financial Statements

The government-wide financial statements provide a broad overview of the City's finances in a manner similar to a private-sector business. The Statement of Net Assets presents information on all the City's assets and liabilities, with the difference between total assets and total liabilities reported as net assets. Increases or decreases in net assets over time serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating. The Statement of Activities presents information reflecting the City's financial activities and changes in net assets during the year. These two statements use the accrual basis of accounting, under which revenue is generally recognized when earned and expenses recognized when incurred, regardless of when cash is received or paid. These statements distinguish between governmental activities, which are those that are principally supported by taxes and intergovernmental revenues, and business-type activities, which are those that are intended to recover their costs through user fees and charges. The City's business-type activities consist of water system operations and sanitary sewer system operations.

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Fund Financial Statements

Governmental fund financial statements focus on the City's most significant, or major funds. The City's major governmental funds are the General Fund and Income Tax Fund. The remaining non-major funds are combined and reflected in one single column. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources that are available at year-end. This information can be useful in determining what financial resources are available to finance the City's activities. A Reconciliation Of The Statement Of Revenues, Expenditures And Changes In Fund Balances Of Governmental Funds To The Statement Of Activities for the year ended December 31, 2006 is presented. The City, similar to other local governments, uses fund accounting to ensure and demonstrate finance related legal requirements.

Fund Categories

The City's funds can be divided into three categories comprised of governmental funds, proprietary funds and fiduciary funds.

Governmental funds

Most of the City's activities are reported in governmental funds, which are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental funds use the modified accrual method of accounting, which measures cash and other financial assets readily convertible to cash.

Proprietary funds

Proprietary funds are generally used to account for activities for which the City will charge customers and users. The City maintains two types of proprietary funds. The first type, enterprise funds are used to account for those functions reported as business-type activities in the government-wide financial statements, which for the City, consists of water system operations and sanitary sewer system operations. The second type, internal service funds are used to accumulate and allocate costs of goods and services among the City's various functions. The City uses an internal service fund for its medical self-insurance program. This internal service fund is included within the governmental activities in the government-wide financial statements since the City was the only participant in the self-insurance program. Proprietary funds use the accrual basis of accounting.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City and are not included in the government-wide financial statements since the resources held are not available to support City programs. The City uses agency funds included under the fiduciary funds category. Agency funds are reported on a full accrual basis, for which only a statement of assets and liabilities is presented.

Notes to the Basic Financial Statements

Notes to the basic financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. These should be read in conjunction with those financial statements.

Other Information

In addition to the basic financial statements and accompanying notes to the basic financial statements, also presented are combining statements for nonmajor governmental funds and individual budgetary comparisons for all funds.

CITY OF NORTH RIDGEVILLE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The City of North Ridgeville as a Whole

Analysis of Net Assets

The Statement of Net Assets presents the City as a whole. Following is a condensed summary of the City's net assets as of the current year compared to the prior year-end.

	Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Assets						
Current and other assets	\$ 23,017,874	\$ 19,742,909	\$ 18,201,387	\$ 14,529,356	\$ 41,219,261	\$ 34,272,265
Capital assets, net	60,560,563	47,463,868	69,736,474	66,796,543	130,297,037	114,260,411
Total assets	83,578,437	67,206,777	87,937,861	81,325,899	171,516,298	148,532,676
Liabilities						
Current liabilities	7,249,322	6,812,581	506,960	633,755	7,756,282	7,446,336
Long-term liabilities	9,664,898	7,997,167	21,626,446	24,809,257	31,291,344	32,806,424
Total liabilities	16,914,220	14,809,748	22,133,406	25,443,012	39,047,626	40,252,760
Net assets						
Invested in capital assets, net of related debt	53,758,265	42,063,301	48,614,828	42,496,786	102,373,093	84,560,087
Restricted	4,285,461	4,442,278	-	-	4,285,461	4,442,278
Unrestricted	8,620,491	5,891,450	17,189,627	13,386,101	25,810,118	19,277,551
Total net assets	\$ 66,664,217	\$ 52,397,029	\$ 65,804,455	\$ 55,882,887	\$ 132,468,672	\$ 108,279,916

Total assets increased by \$ 22,983,622 to \$ 171,516,298 in 2006. Investment in capital assets (land, construction in progress, buildings and improvements, machinery and equipment and infrastructure, net of depreciation) less any debt related to acquire those assets still outstanding, represents the largest portion of net assets. Capital assets are used to provide services to the City's citizens, however, are not available for future spending. Total capital assets, net of depreciation and amortization, increased by \$ 16,036,626 to \$ 130,297,037 in 2006. New additions to capital assets included \$ 16,498,306 of developer contributions of infrastructure related to residential real estate development. Also, the resurfacing of State Route 83, a major north/south thoroughfare, by the Ohio Department of Transportation amounted to \$ 1,069,960, of which \$ 701,428 was funded through federal and state grants through the Ohio Department of Transportation. In 2006, the City expended nearly \$ 1,800,000 for vehicles and equipment to catch up on its replacement program. Depreciation and amortization of capital assets amounted to \$ 5,676,654. Current and other assets increased by \$ 6,946,996 to \$ 41,219,261, of which \$ 5,602,704 resulted from special assessments levied in 2006 related to the Westerlies sanitary sewer project. Total liabilities (decreased) by (\$ 1,205,134) to \$ 39,047,626 resulting primarily from reduction of long-term debt. Total net assets increased by \$ 24,188,756 to \$ 132,468,672, comprised of \$ 14,267,188 from Governmental activities and \$ 9,921,568 from Business-type activities.

CITY OF NORTH RIDGEVILLE, OHIO
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Analysis of Changes in Net Assets

To understand what makes up changes in net assets, following is a summary of activities for the current year compared to the prior year.

Change in Net Assets

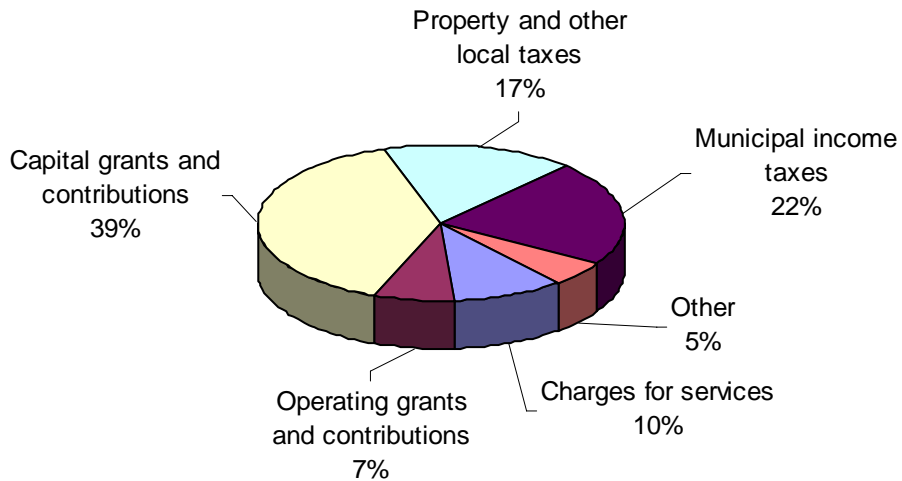
	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues						
Program revenues						
Charges for services	\$ 3,616,270	\$ 3,820,811	\$ 6,860,611	\$ 7,220,582	\$ 10,476,881	\$ 11,041,393
Operating grants and contributions	2,283,095	2,228,487	-	-	2,283,095	2,228,487
Capital grants and contributions	13,670,417	8,418,961	11,545,108	5,956,054	25,215,525	14,375,015
Total program revenues	<u>19,569,782</u>	<u>14,468,259</u>	<u>18,405,719</u>	<u>13,176,636</u>	<u>37,975,501</u>	<u>27,644,895</u>
General revenues						
Property and other local taxes	5,836,564	4,487,783	-	-	5,836,564	4,487,783
Municipal income taxes	7,820,157	7,553,084	-	-	7,820,157	7,553,084
Grants and entitlements	1,262,355	805,251	-	-	1,262,355	805,251
Other	557,804	370,153	789,119	530,856	1,346,923	901,009
Total general revenues	<u>15,476,880</u>	<u>13,216,271</u>	<u>789,119</u>	<u>530,856</u>	<u>16,265,999</u>	<u>13,747,127</u>
Total revenues	<u>35,046,662</u>	<u>27,684,530</u>	<u>19,194,838</u>	<u>13,707,492</u>	<u>54,241,500</u>	<u>41,392,022</u>
Program expenses						
Security of persons and property	8,370,466	7,738,519	-	-	8,370,466	7,738,519
Public health and welfare	359,493	327,045	-	-	359,493	327,045
Leisure time activities	370,128	333,742	-	-	370,128	333,742
Community environment	1,384,079	1,208,247	-	-	1,384,079	1,208,247
Transportation	4,557,368	4,516,848	-	-	4,557,368	4,516,848
General government	5,387,099	4,657,496	-	-	5,387,099	4,657,496
Interest	350,841	115,712	-	-	350,841	115,712
Water	-	-	3,037,610	2,828,087	3,037,610	2,828,087
Sewer	-	-	6,235,660	5,280,013	6,235,660	5,280,013
Total program expenses	<u>20,779,474</u>	<u>18,897,609</u>	<u>9,273,270</u>	<u>8,108,100</u>	<u>30,052,744</u>	<u>27,005,709</u>
Increase in net assets	14,267,188	8,786,921	9,921,568	5,599,392	24,188,756	14,386,313
Net assets, beginning of year	<u>52,397,029</u>	<u>43,610,108</u>	<u>55,882,887</u>	<u>50,283,495</u>	<u>108,279,916</u>	<u>93,893,603</u>
Net assets, end of year	<u>\$ 66,664,217</u>	<u>\$ 52,397,029</u>	<u>\$ 65,804,455</u>	<u>\$ 55,882,887</u>	<u>\$ 132,468,672</u>	<u>\$ 108,279,916</u>

CITY OF NORTH RIDGEVILLE, OHIO
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Governmental activities

Revenues by source of governmental activities for 2006 were comprised of:

Revenues by Source, Governmental Activities



Revenues

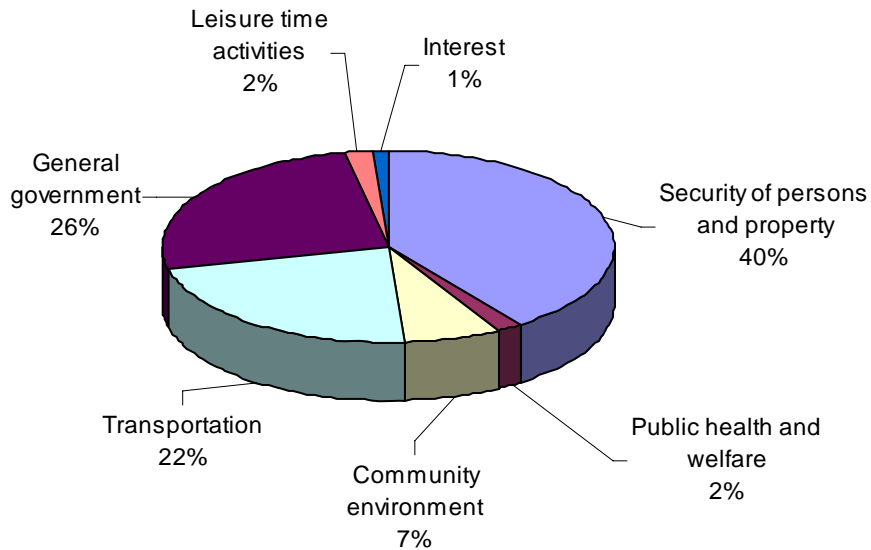
Municipal income taxes of \$ 7,820,157 represented the largest portion of general revenues and 22% of total revenues in 2006, followed by Property and other taxes of \$ 5,836,564 which represented 17% of total revenues in 2006. Municipal income taxes increased by \$ 267,073 or 3.5%, due in part to continued residential housing growth. Property and other taxes increased by \$ 1,348,781 or 30.0% due in part to housing growth and a triennial property re-evaluation.

Total program revenues increased by \$ 5,101,523 or 35.3% in 2006 over 2005. Capital grants and contributions increased by \$ 5,251,456 or 62.3% in 2006, primarily from an increase in developer contributions of road and storm drainage infrastructure. Of the \$ 13,670,417 of capital grants and contributions in 2006, \$ 12,294,015 represented developer contributions. Charges for services declined slightly by \$ 204,541 or 5.4% in 2006, due primarily to lower building related fees in 2006 compared to the torrid 2005.

CITY OF NORTH RIDGEVILLE, OHIO
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Program expenses of governmental activities for 2006 were comprised of:

Program Expenses, Governmental Activities



Program expenses

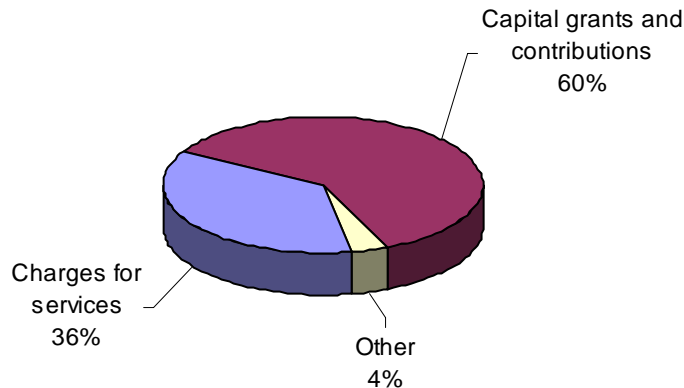
Program expenses amounted to \$ 20,779,474 in 2006, of which \$ 19,569,782 was provided by program revenue. Security of persons and property, which includes police, fire and paramedic services, represented \$ 8,370,466 or 40% of total program expenses. Transportation, which includes street maintenance, snow removal and storm channel maintenance, represented \$ 4,557,368 or 22% of program expenses. General government expenses of \$ 5,387,099 or 26% of program expenses include legislative and administrative services such as council, mayor, law, finance and computer services departments, utilities and maintenance of buildings. Community environment represented \$ 1,384,079 or 7% of program expenses and included refuse collection and community development. Leisure time activities, which include recreation activities and maintenance of the City's park system, represented \$ 370,128 or 2% of total program expenses. Public health and welfare, which includes senior citizen programs, payments to the County health department and cemetery maintenance, represented \$ 359,493 or 2% of total program expenses in 2006. Program expenses were \$ 1,881,865 higher in 2006 than 2005, of which \$ 631,497 resulted from increased security of persons and property due in part to contractual inflationary increases, and \$ 729,603 resulted from increased general government due in part to increased cost of services provided.

CITY OF NORTH RIDGEVILLE, OHIO
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Business-type activities

Revenues by source for business-type activities for 2006 were comprised of:

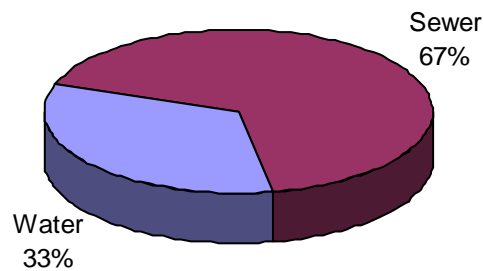
Revenues by Source, Business-type Activities



Revenues

Program revenues represented 96% of total revenues for business-type activities in 2006. Charges for services of \$ 6,860,611 represented 36% of total revenues while capital grants and contributions represented 60%. Special assessments of \$ 5,602,704, developer contributions of \$ 4,204,291 and tap-in fees of \$ 1,738,113 comprised the capital grants and contributions total of \$ 11,545,108 in 2006. Other general revenues of \$ 789,119 represented the remaining 4% of total revenues, comprised primarily of interest income. Program revenues were higher in 2006 due to the levy of special assessments related to the Westerlies sanitary sewer project, and increased developer contributions.

Expenses, Business-type Activities



Expenses

Water operations expenses amounted to \$ 3,037,610 or 33% and sanitary sewer operations expenses amounted to \$ 6,235,660 or 67% of total program expenses for business-type activities in 2006. Both water operations and sanitary sewer operations have historically been self-supporting through user fees and charges. Water is purchased from three sources. The City's wastewater treatment facility services the City and two other communities.

CITY OF NORTH RIDGEVILLE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The City's Funds

The City's governmental funds financial information begins at page 18. Total governmental funds revenues increased by \$ 2,001,738 or 10% in 2006 due primarily to increased property tax revenues. The City's major funds consisted of the General Fund and Income Tax Fund. General Fund revenues were \$ 879,096 lower in 2006. Of that amount, intergovernmental revenues decreased by \$ 846,720, of which \$ 761,500 represented a federal grant for road resurfacing in the prior year. The General Fund balance increased by \$ 268,579 to \$ 1,264,701 at year-end 2006. The Income Tax (Special Revenue) Fund collects the City's one percent municipal income tax proceeds and, after payment of the department's expenses and taxpayer refunds, transfers available monies ratably to the General Fund and Capital Projects Fund, at the discretion of City Council. Transfers made in 2006 were allocated 85% to the General Fund and 15% to the Capital Projects Fund. Municipal income tax revenue increased by \$ 294,173 or 4% to \$ 7,425,057 in 2006, due in part to continued housing growth. Income tax revenues exceeded expenditures by \$ 7,230,543 in 2006 compared to \$ 6,834,836 in 2005. The Income Tax Fund balance increased by \$ 530,543 to \$ 2,966,029 at year-end 2006. The combined balance of cash and equivalents of the General Fund and Income Tax Fund increased by \$ 833,288 or 29% to \$ 3,679,358 at year-end 2006 from \$ 2,846,070 at year-end 2005.

The City's proprietary funds information begins at page 24. Drinking water operations are reflected in the Water Fund. Water Fund net assets increased by \$ 1,976,516 to \$ 17,284,944 at year-end 2006. Charges for services included a one percent water rate increase in January 2006 to offset the increased cost of purchased water. Water consumption decreased by 3% in 2006. Charges for services revenue declined by \$ 96,098 in 2006. Capital contributions were \$ 2,203,433 in 2006, consisting primarily of developers contributions of waterlines infrastructure. Sanitary sewer operations are reflected in the Sewer Fund. The City's wastewater treatment facility services the City, the City of Avon and Village of Sheffield. Sewer fund net assets increased by \$ 7,790,407 to \$ 48,368,638 at year-end 2006. Charges for services revenue declined by \$ 183,613 or 4% in 2006. Capital contributions were \$ 3,738,971 in 2006, comprised of \$ 2,251,425 of developer contributions of sewer system infrastructure, and \$ 1,487,546 of tap-in fees. The City' water and sewer operations have historically been self-sufficient.

CITY OF NORTH RIDGEVILLE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Budgetary Highlights

The City prepares its budget in accordance with Ohio law on the basis of cash receipts, disbursements and encumbrances. The City's original budget and amendments are enacted by City Council upon recommendation of Council's Finance Committee. Budgetary expenditure modifications at the legal level of control may only be made by ordinance of City Council. The City's final budget differs from the original budget due to various amendments during the year to reflect changes in unanticipated revenue receipts.

The General Fund is the City's most significant budgeted fund. Original budgeted receipts (excluding other sources) for the General Fund were \$ 2,956,730 and final budgeted receipts were \$ 3,009,162. The City actually received \$ 3,275,782. Receipts were greater than anticipated primarily due to higher miscellaneous revenues. Original budget revenue is conservatively estimated. Actual transfers-in of \$ 5,870,000 were from the Income Tax (Special Revenue) Fund (\$ 5,695,000) and Mayor's Court (Agency) Fund (\$ 175,000). Original appropriations, excluding other uses, were \$ 9,587,492. The City actually expended \$ 9,998,283 which was \$ 410,791 more than originally appropriated. The City historically spends less than appropriated. However, in 2006 note principal and interest totaling \$ 431,882 was paid from the General Fund, which amount was not included in the original budget. For 2006, actual expenditures were 94% of final appropriations. Other financing sources (uses) included advances-in of \$ 98,698 from the Federal Grants (Special Revenue) Fund representing repayment of prior year advances, and advances-out of \$ 193,061 to the Federal Grants (Special Revenue) Fund.

Capital Assets

Capital assets, net of depreciation, at December 31, consisted of:

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 716,145	\$ 376,731	\$ 944,941	\$ 838,417	\$ 1,661,086	\$ 1,215,148
Construction in progress	1,001,613	246,303	387,709	4,243,480	1,389,322	4,489,783
Buildings and improvements	3,086,147	2,966,897	281,681	257,419	3,367,828	3,224,316
Equipment and vehicles	2,250,288	1,224,898	7,469,951	7,640,275	9,720,239	8,865,173
Infrastructure	53,506,370	42,649,039	59,663,502	52,775,555	113,169,872	95,424,594
	<u>\$ 60,560,563</u>	<u>\$ 47,463,868</u>	<u>\$ 68,747,784</u>	<u>\$ 65,755,146</u>	<u>\$ 129,308,347</u>	<u>\$ 113,219,014</u>

Capital assets are major assets that benefit more than one fiscal year. The City's capitalization threshold is \$ 2,500, that is, asset cost must equal \$ 2,500 or more to be capitalized. Infrastructure assets are long-lived capital assets that are normally stationary in nature with a useful life significantly greater than most capital assets. The City's governmental infrastructure includes streets, bridges, culverts, sidewalks and storm drainage systems.

The City's total capital assets, net of depreciation, were \$ 129,308,347 at December 31, 2006, which was \$ 16,089,333 higher than the previous year, since additions exceeded depreciation. Capital assets, net of depreciation, under governmental activities increased by \$ 13,096,695 in 2006, of which \$ 12,294,015 resulted from developers' contributions of infrastructure of roads and storm drainage systems. Business-type capital assets, net of depreciation, increased by \$ 2,992,638 to \$ 68,747,784 primarily from developers' contributions of waterlines and sewerlines infrastructure.

For more information about the City's capital assets, see Note 2J and Note 7 of Notes to the Basic Financial Statements.

CITY OF NORTH RIDGEVILLE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Debt

Outstanding debt obligations of the City at December 31, consisted of:

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
General obligation bonds	\$ 4,708,000	\$ 2,812,000	\$ 16,105,682	\$ 7,835,000	\$ 20,813,682	\$ 10,647,000
Special assessment bonds	238,000	263,000	2,498,318	-	2,736,318	263,000
Long-term notes	1,300,000	1,730,000	-	13,825,000	1,300,000	15,555,000
OWDA loan	-	-	2,403,560	2,517,220	2,403,560	2,517,220
OPWC loans	556,298	595,567	114,086	122,537	670,384	718,104
Leave benefits	2,862,600	2,596,600	504,800	509,500	3,367,400	3,106,100
	<u>\$ 9,664,898</u>	<u>\$ 7,997,167</u>	<u>\$ 21,626,446</u>	<u>\$ 24,809,257</u>	<u>\$ 31,291,344</u>	<u>\$ 32,806,424</u>

As of December 31, 2006, the City had \$ 31,291,344 of total debt outstanding, with \$ 3,918,735 due within one year. Total debt outstanding decreased by \$ 1,515,080 in 2006.

In August 2006, the City issued \$ 13,815,000 of general obligation capital improvement and equipment bonds, the proceeds of which were used to pay outstanding bond anticipation notes. In connection with the sale of those bonds, in July, 2006 Moody's Investors Service upgraded the City's general obligation long-term rating to A-1 from A-2. The A-1 rating applies to the outstanding general obligation long-term bonded debt including the current 2006 issue. The general obligation bonds outstanding at year-end 2006 include various purposes consisting of road improvements, service garage addition, waterlines and sanitary sewer improvements. Sources for the debt service payments include property tax collections, general revenues of the City, and water and sewer operations, as applicable. The special assessment bonds were for infrastructure improvements, which debt service is repaid from collections from property owners. The City's general obligation bonds and special assessment bonds mature in various increments through 2026. Of the \$ 1,300,000 of bond anticipation notes outstanding at year-end 2006, \$ 700,000 was for infrastructure improvements under a tax incremental financing (TIF) program for which debt charges will be paid from property tax revenues generated from the project, and \$ 600,000 was for park equipment, building acquisition and road improvements, which debt service will be paid from various City funds. The OWDA loan financed an elevated water storage tank, which debt is repaid from water system revenues. The OPWC loans consist of several no interest loans with twenty year terms, used primarily for road reconstruction which are repaid from the City's capital projects and street funds, and a sewer line reconstruction which is repaid from sanitary sewer system revenues.

The State of Ohio statute limits the amount of general obligation debt, including both voted and unvoted debt, but excluding certain exempt debt, that may be issued to 10 ½ % of the total tax valuation of all property within the City. The City's overall debt limitation at December 31, 2006 was \$ 70,537,935 against which \$ 5,147,609 has been issued, leaving significant additional debt capacity within the debt limitation, after reduction of outstanding debt by \$ 223,229 in the City's debt service fund, of \$ 65,613,555.

For more information about the City's debt, see Note 2, Note 9 and Note 10 of Notes to the Basic Financial Statements.

CITY OF NORTH RIDGEVILLE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
UNAUDITED

Economic Factors and Next Year's Budget

During the years 2003 through 2005, the City reduced budgetary appropriations over controllable expenses and deferred non-critical capital equipment expenditures in reaction to the economic slowdown which occurred after "9/11." As result of City staff's co-operation during this period of belt-tightening, the City maintained its financial stability while City services were not significantly affected.

As the result of infrastructure improvements in recent years, including upgrade and expansion of the City's waste water treatment plant and construction of an interceptor trunk sewer to serve the western portion of the City, new housing construction remains strong. The City's total assessed valuation increased by over 14% or \$ 84,258,200 to \$ 671,789,866 in 2006 (2007 collection year) after an increase of 5% or \$ 30,452,512 to \$ 587,531,586 in 2005 (2006 collection year). Year 2006 property valuation was also impacted by a triennial re-evaluation. Building permits were issued in 2006 with an estimated value of nearly \$ 66,700,000.

Under current state statute, as property valuation increases, the tax millage rate decreases correspondingly, resulting in property tax collection of virtually the same amount each collection year. In May 2005, the City's voters passed a five year 1.9 mill fire levy and 1.9 mill roads levy and in November 2005 a 1.9 police levy, to replace current levies expiring in 2005. The first collection year for these replacement levies was 2006. Approximately \$ 1,325,000 of additional revenues will be generated annually through 2010.

As a result of the new 2006 revenues, the City's 2006 appropriations returned to a normal level, and nearly \$ 1,800,000 was expended for vehicles and equipment to catch up on its replacement program.

In anticipation of a potential slowdown in the housing market in 2007, the City conservatively reduced its projected revenues related to new home construction by thirty-five percent. These reduced revenues included building department revenues, impact fees and tap-in fees, affecting various funds. Although the City continues to use a conservative economic forecast for revenue growth and a zero-based approach to expenditure appropriations for 2007, the economic outlook remains positive.

Requests for Information

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the City's finances and show the City's accountability for the money it receives and spends. If you have any questions about this report or need additional financial information, contact the Auditor's Office, City of North Ridgeville, 7307 Avon Belden Road, North Ridgeville, Ohio 44039; telephone (440) 353-0851.

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CITY OF NORTH RIDGEVILLE, OHIO

STATEMENT OF NET ASSETS

DECEMBER 31, 2006

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in pooled cash and equivalents	\$ 8,707,680	\$ 12,669,014	\$ 21,376,694
Accounts receivable	448,300	1,205,600	1,653,900
Due from other governments	1,896,267	107,000	2,003,267
Internal balances	(150,873)	150,873	-
Inventories and supplies	-	226,000	226,000
Prepaid and deferred expenses	90,000	13,500	103,500
Income taxes receivable	5,477,400	-	5,477,400
Taxes receivable - property and other	5,954,900	-	5,954,900
Special assessments receivable	274,000	3,829,400	4,103,400
Claims advance deposit	320,200	-	320,200
Capital assets			
Nondepreciable capital assets	1,717,758	1,332,650	3,050,408
Depreciable capital assets, net	58,842,805	67,415,134	126,257,939
Intangible assets, net	-	988,690	988,690
Total assets	83,578,437	87,937,861	171,516,298
Liabilities			
Accounts and contracts payable	247,088	341,138	588,226
Accrued salaries, wages and benefits	168,235	28,223	196,458
Accrued interest payable	29,500	72,800	102,300
Claims payable	189,000	-	189,000
Due to other governments	800,033	64,799	864,832
Deferred revenue	5,815,466	-	5,815,466
Long-term liabilities			
Due within one year	2,809,169	1,109,566	3,918,735
Due in more than one year	6,855,729	20,516,880	27,372,609
Total liabilities	16,914,220	22,133,406	39,047,626
Net assets			
Invested in capital assets, net of related debt	53,758,265	48,614,828	102,373,093
Restricted for:			
Debt service	633,389	-	633,389
Community environment	665,252	-	665,252
Highway and streets	1,688,045	-	1,688,045
Public safety	764,212	-	764,212
Recreation	386,995	-	386,995
Other purposes	147,568	-	147,568
Unrestricted	8,620,491	17,189,627	25,810,118
Total net assets	\$ 66,664,217	\$ 65,804,455	\$ 132,468,672

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

Functions/Programs	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants Interest and Contributions	Capital Grants and Contributions
Governmental activities				
Security of persons and property	\$ 8,370,466	\$ 343,127	\$ 481,002	\$ -
Public health and welfare	359,493	46,300	31,415	44,826
Leisure time activities	370,128	195,385	15,250	-
Community environment	1,384,079	732,977	241,368	-
Transportation	4,557,368	234,274	1,394,499	13,625,591
General government	5,387,099	2,064,207	119,561	-
Interest	350,841	-	-	-
Total governmental activities	<u>20,779,474</u>	<u>3,616,270</u>	<u>2,283,095</u>	<u>13,670,417</u>
Business-type activities:				
Water	3,037,610	2,712,571	-	2,203,433
Sewer	6,235,660	4,148,040	-	9,341,675
Total business-type activities	<u>9,273,270</u>	<u>6,860,611</u>	<u>-</u>	<u>11,545,108</u>
Total	<u>\$ 30,052,744</u>	<u>\$ 10,476,881</u>	<u>\$ 2,283,095</u>	<u>\$ 25,215,525</u>

General revenues
Property taxes levied for:
 General purpose
 Debt service
 Other
Municipal income taxes levied for:
 General purpose
Grants and entitlements not restricted to specific purposes
Investment earnings
Miscellaneous
Total general revenues

Change in net assets

Net assets at beginning of year
Net assets at end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (7,546,337)	\$ -	\$ (7,546,337)
(236,952)	-	(236,952)
(159,493)	-	(159,493)
(409,734)	-	(409,734)
10,696,996	-	10,696,996
(3,203,331)	-	(3,203,331)
(350,841)	-	(350,841)
<u>(1,209,692)</u>	<u>-</u>	<u>(1,209,692)</u>
-	1,878,394	1,878,394
-	7,254,055	7,254,055
-	9,132,449	9,132,449
<u>(1,209,692)</u>	<u>9,132,449</u>	<u>7,922,757</u>
912,953	-	912,953
302,892	-	302,892
4,620,719	-	4,620,719
7,820,157	-	7,820,157
1,262,355	-	1,262,355
476,316	789,119	1,265,435
81,488	-	81,488
<u>15,476,880</u>	<u>789,119</u>	<u>16,265,999</u>
14,267,188	9,921,568	24,188,756
52,397,029	55,882,887	108,279,916
<u>\$ 66,664,217</u>	<u>\$ 65,804,455</u>	<u>\$ 132,468,672</u>

CITY OF NORTH RIDGEVILLE, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS

DECEMBER 31, 2006

	General	Income Tax	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in pooled cash and equivalents	\$ 1,399,433	\$ 2,279,925	\$ 3,913,763	\$ 7,593,121
Income taxes receivable	-	5,477,400	-	5,477,400
Taxes receivable - property and other	1,124,000	-	4,830,900	5,954,900
Special assessments receivable	-	-	274,000	274,000
Due from other governments	571,650	-	1,324,617	1,896,267
Accounts receivable and other	166,200	4,200	275,800	446,200
Interfund receivables	114,272	-	-	114,272
Prepaid items	90,000	-	-	90,000
Total assets	\$ 3,465,555	\$ 7,761,525	\$ 10,619,080	\$ 21,846,160
Liabilities and fund balances				
Liabilities				
Accounts and contracts payable	\$ 66,410	\$ 3,802	\$ 176,186	\$ 246,398
Accrued wages and benefits	104,053	2,238	61,944	168,235
Accrued interest payable	-	-	11,800	11,800
Due to other governments	239,841	4,856	555,336	800,033
Interfund payables	-	-	114,272	114,272
Deferred revenue	1,790,550	4,784,600	6,282,000	12,857,150
Notes payable	-	-	1,300,000	1,300,000
Total liabilities	2,200,854	4,795,496	8,501,538	15,497,888
Fund balances				
Reserved for encumbrances	251,046	1,928	363,020	615,994
Reserved for prepaid items	90,000	-	-	90,000
Unreserved, reported in				
General Fund	923,655	-	-	923,655
Special Revenue Funds	-	2,964,101	2,117,868	5,081,969
Debt Service Funds	-	-	380,859	380,859
Capital Projects Funds	-	-	(744,205)	(744,205)
Total fund balances	1,264,701	2,966,029	2,117,542	6,348,272
Total liabilities and fund balances	\$ 3,465,555	\$ 7,761,525	\$ 10,619,080	\$ 21,846,160

See accompanying notes to the basic financial statements

CITY OF NORTH RIDGEVILLE, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

DECEMBER 31, 2006

Total governmental funds balances		\$	6,348,272
Amount reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.			60,560,563
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:			
Property and other local taxes	329,734		
Municipal income tax	4,780,400		
Intergovernmental	1,497,650		
Special assessments	238,000		
Miscellaneous	195,900		
Total	7,041,684		7,041,684
In the statement of activities, interest is accrued on outstanding long-term obligations, whereas in governmental funds, an interest expenditure is reported when due.			(17,700)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:			
Loans payable	(556,298)		
General obligation bonds	(4,708,000)		
Special assessment bonds	(238,000)		
Compensated absences	(2,862,600)		
	(8,364,898)		(8,364,898)
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.			
Net assets			1,247,169
Internal balances			(150,873)
Net assets of governmental activities		\$	66,664,217

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2006

	General	Income Tax	Other Governmental Funds	Total Governmental Funds
Revenues				
Property and other local taxes	\$ 918,321	\$ -	\$ 4,906,445	\$ 5,824,766
Municipal income taxes	-	7,425,057	-	7,425,057
Intergovernmental	948,411	-	3,620,338	4,568,749
Special assessments	-	-	32,843	32,843
Charges for services	-	-	1,647,512	1,647,512
Fines, licenses and permits	799,769	-	119,161	918,930
Interest	42,214	151,357	236,359	429,930
Miscellaneous	763,567	1,043	346,463	1,111,073
Total revenues	3,472,282	7,577,457	10,909,121	21,958,860
Expenditures				
Current				
Security of persons and property	4,784,043	-	3,714,609	8,498,652
Public health and welfare	317,406	-	33,105	350,511
Leisure time activities	192,457	-	168,678	361,135
Community environment	1,542,750	-	-	1,542,750
Transportation	-	-	3,166,563	3,166,563
General government	2,485,165	346,914	2,450,817	5,282,896
Capital outlay	-	-	2,248,312	2,248,312
Debt service				
Principal	-	-	684,269	684,269
Interest and fiscal charges	6,882	-	338,860	345,742
Total expenditures	9,328,703	346,914	12,805,213	22,480,830
Excess (deficiency) of revenues over expenditures	(5,856,421)	7,230,543	(1,896,092)	(521,970)
Other financing sources (uses)				
Transfers in	5,695,000	-	1,427,244	7,122,244
Transfers out	-	(6,700,000)	(422,244)	(7,122,244)
Bond proceeds	430,000	-	2,086,000	2,516,000
Total other financing sources (uses)	6,125,000	(6,700,000)	3,091,000	2,516,000
Net change in fund balances	268,579	530,543	1,194,908	1,994,030
Fund balances, beginning of year	996,122	2,435,486	922,634	4,354,242
Fund balances, end of year	\$ 1,264,701	\$ 2,966,029	\$ 2,117,542	\$ 6,348,272

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPEDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2006

Net change in fund balances - total governmental funds		\$ 1,994,030
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded net capital outlay in the current period.		
	Capital outlay	16,699,493
	Depreciation expense	<u>(3,602,798)</u>
		13,096,695
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		
	Municipal income tax	395,100
	Property and other local taxes	11,798
	Miscellaneous	15,050
	Special assessments	(25,000)
	Intergovernmental	<u>263,800</u>
		660,748
Bond and note proceeds are another financing source in the funds, but increase long-term liabilities in the Statement of Net Assets		
		(2,516,000)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
	Note principal paid	39,269
	Bond principal paid	<u>645,000</u>
		684,269
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.		
		(5,100)
Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represents contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
	Compensated absences	(266,000)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among governmental activities.		
	Change in net assets	773,191
	Internal balances	<u>(154,645)</u>
		618,546
Change in net assets of governmental activities		<u>\$ 14,267,188</u>

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO

STATEMENT OF REVENUES, EXPEDITURES AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2006

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 871,747	\$ 918,081	\$ 918,321	\$ 240
Intergovernmental revenue	852,815	855,329	925,611	70,282
Fines, licenses, and permits	620,000	536,000	626,069	90,069
Interest	15,000	32,432	42,214	9,782
Miscellaneous	597,168	667,320	763,567	96,247
Total revenues	<u>2,956,730</u>	<u>3,009,162</u>	<u>3,275,782</u>	<u>266,620</u>
Expenditures				
Current				
Security of persons and property	4,965,275	5,281,475	4,964,974	316,501
Public health and welfare	321,554	328,554	314,009	14,545
Leisure time activities	193,029	196,029	193,568	2,461
Community development	1,426,662	1,595,562	1,534,421	61,141
General government	2,680,972	2,761,052	2,559,429	201,623
Debt service				
Principal	-	425,000	425,000	-
Interest and fiscal charges	-	6,900	6,882	18
Total expenditures	<u>9,587,492</u>	<u>10,594,572</u>	<u>9,998,283</u>	<u>596,289</u>
Excess (deficiency) of revenues over expenditures	<u>(6,630,762)</u>	<u>(7,585,410)</u>	<u>(6,722,501)</u>	<u>862,909</u>
Other financing sources (uses)				
Transfers-in	6,014,500	5,793,187	5,870,000	76,813
Advances-in	82,432	-	98,698	98,698
Note proceeds	-	425,000	425,000	-
Bond proceeds	-	430,000	430,000	-
Advances-out	(50,000)	(220,000)	(193,061)	26,939
Total other financing sources (uses)	<u>6,046,932</u>	<u>6,428,187</u>	<u>6,630,637</u>	<u>202,450</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(583,830)</u>	<u>(1,157,223)</u>	<u>(91,864)</u>	<u>1,065,359</u>
Prior year encumbrances	107,891	107,891	107,891	-
Fund balances, beginning of year	<u>1,064,526</u>	<u>1,064,526</u>	<u>1,064,526</u>	<u>-</u>
Fund balances, end of year	<u>\$ 588,587</u>	<u>\$ 15,194</u>	<u>\$ 1,080,553</u>	<u>\$ 1,065,359</u>

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO

STATEMENT OF REVENUES, EXPEDITURES AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2006

	Income Tax Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 7,040,000	\$ 7,140,000	\$ 7,502,057	\$ 362,057
Interest	60,000	119,000	151,357	32,357
Miscellaneous	-	1,000	1,043	43
Total revenues	<u>7,100,000</u>	<u>7,260,000</u>	<u>7,654,457</u>	<u>394,457</u>
Expenditures				
Current				
General government				
Personal services	186,775	190,775	187,774	3,001
Materials and supplies	65,040	71,040	46,920	24,120
Contractual services	28,625	28,625	13,112	15,513
Capital outlay	7,000	7,000	-	7,000
Other	181,453	181,453	104,984	76,469
Total expenditures	<u>468,893</u>	<u>478,893</u>	<u>352,790</u>	<u>126,103</u>
Excess (deficiency) of revenues over expenditures	<u>6,631,107</u>	<u>6,781,107</u>	<u>7,301,667</u>	<u>520,560</u>
Other financing sources (uses)				
Transfers-out	<u>(6,700,000)</u>	<u>(6,700,000)</u>	<u>(6,700,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(6,700,000)</u>	<u>(6,700,000)</u>	<u>(6,700,000)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(68,893)</u>	<u>81,107</u>	<u>601,667</u>	<u>520,560</u>
Prior year encumbrances	10,693	10,693	10,693	-
Fund balances, beginning of year	<u>1,661,635</u>	<u>1,661,635</u>	<u>1,661,635</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,603,435</u>	<u>\$ 1,753,435</u>	<u>\$ 2,273,995</u>	<u>\$ 520,560</u>

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO

STATEMENT OF FUND NET ASSETS -
PROPRIETARY FUNDS

DECEMBER 31, 2006

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service Fund
Assets				
Current assets				
Equity in pooled cash and equivalents	\$ 2,795,709	\$ 9,873,305	\$ 12,669,014	\$ 1,114,559
Accounts receivable and other	433,900	771,700	1,205,600	2,100
Due from other governments	-	107,000	107,000	-
Inventories and supplies	205,900	20,100	226,000	-
Prepaid and deferred expenses	-	13,500	13,500	-
Total current assets	<u>3,435,509</u>	<u>10,785,605</u>	<u>14,221,114</u>	<u>1,116,659</u>
Noncurrent assets				
Nondepreciable capital assets	21,511	1,311,139	1,332,650	-
Depreciable capital assets	16,323,769	51,091,365	67,415,134	-
Intangible assets	988,690	-	988,690	-
Special assessments receivable	-	3,829,400	3,829,400	-
Claims advance deposit	-	-	-	320,200
Total noncurrent assets	<u>17,333,970</u>	<u>56,231,904</u>	<u>73,565,874</u>	<u>320,200</u>
Total assets	<u>20,769,479</u>	<u>67,017,509</u>	<u>87,786,988</u>	<u>1,436,859</u>
Liabilities				
Current				
Accounts and contracts payable	24,318	316,820	341,138	690
Accrued salaries, wages, and benefits	8,369	19,854	28,223	-
Claims payable	-	-	-	189,000
Accrued interest payable	2,300	70,500	72,800	-
Due to other governments	20,288	44,511	64,799	-
Loans payable	118,415	8,451	126,866	-
General obligation bonds payable	110,000	725,682	835,682	-
Special assessment bonds payable	-	78,318	78,318	-
Accrued leave benefits	28,100	40,600	68,700	-
Total current liabilities	<u>311,790</u>	<u>1,304,736</u>	<u>1,616,526</u>	<u>189,690</u>
Long-term liabilities				
Loans payable	2,285,145	105,635	2,390,780	-
General obligation bonds payable	730,000	14,540,000	15,270,000	-
Special assessment bonds payable	-	2,420,000	2,420,000	-
Accrued leave benefits	157,600	278,500	436,100	-
Total long-term liabilities	<u>3,172,745</u>	<u>17,344,135</u>	<u>20,516,880</u>	<u>-</u>
Total liabilities	<u>3,484,535</u>	<u>18,648,871</u>	<u>22,133,406</u>	<u>189,690</u>
Net assets				
Invested in capital assets, net of related debt	14,090,410	37,022,736	51,113,146	-
Unrestricted	3,194,534	11,345,902	14,540,436	1,247,169
Total net assets	<u>\$ 17,284,944</u>	<u>\$ 48,368,638</u>	<u>65,653,582</u>	<u>\$ 1,247,169</u>

Net assets reported for business-type activities in the statement of net assets are different because they include accumulated underpayments to the internal service fund:

	150,873
Net assets business type activities	<u>\$ 65,804,455</u>

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
 PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2006

	Business-Type Activities - Enterprise Funds			Governmental
	Water	Sewer	Total	Internal Service Fund
Operating revenues				
Charges for services	\$ 2,572,142	\$ 4,087,884	\$ 6,660,026	\$ 2,075,602
Miscellaneous	140,429	60,156	200,585	-
Total operating revenues	<u>2,712,571</u>	<u>4,148,040</u>	<u>6,860,611</u>	<u>2,075,602</u>
Operating expenses				
Personal services	833,483	1,703,963	2,537,446	-
Contractual services	127,834	1,387,967	1,515,801	-
Supplies and materials	1,409,137	361,963	1,771,100	-
Other operating	70,904	362,913	433,817	1,346,147
Depreciation	461,791	1,559,358	2,021,149	-
Amortization	52,707	-	52,707	-
Total operating expenses	<u>2,955,856</u>	<u>5,376,164</u>	<u>8,332,020</u>	<u>1,346,147</u>
Operating income (loss)	<u>(243,285)</u>	<u>(1,228,124)</u>	<u>(1,471,409)</u>	<u>729,455</u>
Nonoperating revenues (expenses)				
Interest income	148,455	640,664	789,119	43,736
Interest and fiscal charges	(132,087)	(963,808)	(1,095,895)	-
Total nonoperating revenues (expenses)	<u>16,368</u>	<u>(323,144)</u>	<u>(306,776)</u>	<u>43,736</u>
Income before contributions and transfers	<u>(226,917)</u>	<u>(1,551,268)</u>	<u>(1,778,185)</u>	<u>773,191</u>
Capital contributions	<u>2,203,433</u>	<u>9,341,675</u>	<u>11,545,108</u>	<u>-</u>
	<u>2,203,433</u>	<u>9,341,675</u>	<u>11,545,108</u>	<u>-</u>
Change in net assets	1,976,516	7,790,407	9,766,923	773,191
Net assets, beginning of year	<u>15,308,428</u>	<u>40,578,231</u>		<u>473,978</u>
Net assets, end of year	<u>\$ 17,284,944</u>	<u>\$ 48,368,638</u>		<u>\$ 1,247,169</u>

Some amounts reported for business-type activities in the statement of activities are different because a portion of the net expense of the internal service fund is reported with business-type activities:

Change in net assets business type activities	<u>154,645</u>
	<u>\$ 9,921,568</u>

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO

STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2006

	Business-Type Activities - Enterprise Funds			Activities
	Water	Sewer	Total	Internal Service Fund
Cash flows from operating activities:				
Receipts from customers and users	\$ 2,590,042	\$ 4,031,354	\$ 6,621,396	\$ 2,075,602
Cash payments to suppliers for materials and supplies	(1,401,363)	(741,506)	(2,142,869)	-
Cash payments for employee services and benefits	(823,763)	(1,722,025)	(2,545,788)	-
Cash payments for contractual services	(107,979)	(884,186)	(992,165)	(1,388,786)
Other operating revenues	140,429	60,156	200,585	-
Other operating expenses	(59,932)	(637,125)	(697,057)	-
Net cash provided by operating activities	<u>337,434</u>	<u>106,668</u>	<u>444,102</u>	<u>686,816</u>
Cash flows from noncapital financing activities:				
Tap-in fees	250,567	1,487,546	1,738,113	-
Net cash provided by noncapital financing activities	<u>250,567</u>	<u>1,487,546</u>	<u>1,738,113</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(58,749)	(626,797)	(685,546)	-
Issuance of notes	-	5,090,000	5,090,000	-
Bond proceeds	-	11,299,000	11,299,000	-
Special assessments	-	1,773,304	1,773,304	-
Note principal paid	-	(18,915,000)	(18,915,000)	-
Loan principal paid - OPWC	-	(8,451)	(8,451)	-
Loan principal paid - OWDA	(113,660)	-	(113,660)	-
Bond principal paid	(105,000)	(425,000)	(530,000)	-
Interest paid	(132,687)	(1,086,708)	(1,219,395)	41,636
Net cash provided by (used for) capital and related financing activities	<u>(410,096)</u>	<u>(2,899,652)</u>	<u>(3,309,748)</u>	<u>41,636</u>
Cash flows from investing activities:				
Interest	149,055	639,614	788,669	-
Net cash provided by investing activities	<u>149,055</u>	<u>639,614</u>	<u>788,669</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	326,960	(665,824)	(338,864)	728,452
Cash and cash equivalents, beginning of year	<u>2,468,749</u>	<u>10,539,129</u>	<u>13,007,878</u>	<u>386,107</u>
Cash and cash equivalents, end of year	<u>\$ 2,795,709</u>	<u>\$ 9,873,305</u>	<u>\$ 12,669,014</u>	<u>\$ 1,114,559</u>
Noncash transactions:				
Contributions of capital assets from contractors	<u>\$ 1,952,866</u>	<u>\$ 1,816,352</u>	<u>\$ 3,769,218</u>	<u>\$ -</u>

(Continued)

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO

STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2006

	Business-Type Activities - Enterprise Funds			Governmental
	Water	Sewer	Total	Internal Service Fund
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ (243,285)	\$ (1,228,124)	\$ (1,471,409)	\$ 729,455
Adjustments:				
Depreciation	461,791	1,559,358	2,021,149	-
Amortization	52,707	-	52,707	-
Changes in net assets (increase) decrease and liabilities increase (decrease)				
Accounts receivable and other	14,600	(121,700)	(107,100)	-
Accrued interest receivable	3,900	15,650	19,550	-
Due from other governments	-	48,400	48,400	-
Inventories and supplies	17,700	(9,900)	7,800	-
Prepaid and deferred expenses	-	4,500	4,500	-
Claims advance deposit	-	-	-	(12,000)
Accounts and contracts payable	20,601	(20,554)	47	361
Accrued salaries, wages, and benefits	(1,868)	(1,814)	(3,682)	-
Accrued interest payable	(300)	(122,900)	(123,200)	-
Claims payable	-	-	-	(31,000)
Due to other governments	588	(548)	40	-
Accrued leave benefits	11,000	(15,700)	(4,700)	-
Net cash provided by operating activities	\$ 337,434	\$ 106,668	\$ 444,102	\$ 686,816

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
DECEMBER 31, 2006

	<u>Agency Funds</u>
Assets	
Equity in pooled cash and equivalents	<u>\$ 1,153,427</u>
Liabilities	
Accounts and contracts payable	\$ 2,516
Accrued salaries, wages and benefits	2,450
Due to other governments	5,767
Due to others	1,142,694
Total liabilities	<u>\$ 1,153,427</u>

See accompanying notes to the basic financial statements.

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 1 DESCRIPTION OF THE CITY AND REPORTING ENTITY

The City of North Ridgeville, Ohio, was founded in 1810 and became a City in 1960. The North Ridgeville Charter was originally adopted by the voters in October, 1961, in order to secure the benefits of municipal home rule. Under the Ohio Constitution, the City may exercise all powers of local self-government to the extent not in conflict with applicable general laws. The City, under its charter, operates with an elected Council/Mayor form of government. The responsibilities for the major financial functions of the City are divided among the Council, Mayor, Auditor, and Treasurer. The Auditor, who is appointed by Council, is the City's fiscal and chief accounting officer. The Treasurer, Law Director, and other appointed officials are appointed by the Mayor with Council approval. The City's fiscal year corresponds with the calendar year.

A reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements are not misleading. The primary government of the City consists of all funds, agencies, departments and offices that are not legally separate from the City. The primary government includes the City departments and agencies that provide the following services: police protection, fire fighting and prevention, emergency rescue, street maintenance and repairs, sanitation, building inspection, parks and recreation, water and sewer.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. The City has no component units.

The City is associated with the Lorain County General Health District, a jointly governed organization, which provides health services to the members of the Health District. The City does not have any financial interest in or responsibility for the Health District. The County Auditor serves as fiscal agent. See Note 18.

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 with an aggregation program for the purchase of electricity. See Note 18.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. BASIS OF PRESENTATION

The City's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

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

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

Fund Financial Statements

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

B. FUND ACCOUNTING

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

Governmental Funds

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

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. FUND ACCOUNTING (continued)

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

Income Tax Fund – The Income Tax Fund accounts for the collection of municipal income taxes for the purpose of general governmental operations and capital improvements.

Proprietary Funds

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

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

Water Fund - The Water Fund accounts for the operation of the City's drinking water distribution system.

Sewer Fund - The Sewer Fund accounts for the operation of the City's sanitary sewer collection system and City owned wastewater treatment facility.

Internal Service Funds - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's Internal Service Fund reports on a self-insurance program for employee medical benefits.

Fiduciary Funds

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

C. MEASUREMENT FOCUS

Government-wide Financial Statements

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

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS (continued)

Fund Financial Statements

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

Amounts reported as program revenues include: charges to customers for goods, services, or privileges provided; operating grants and contributions; and capital grants and contributions including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues, as are taxes.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in accordance with the proprietary fund's principle on going operations. The principle operating revenue of the City's water fund and sewer fund are charges for services. These funds also recognize fees intended to recover the cost of connecting new customers to the City's water and sewer utility systems as operating revenue. Operating expenses for the enterprise funds include the cost of services, administrative expenses and overhead and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenue and expenses, which for the City includes interest income, gain/loss on disposal of capital assets, and interest and fiscal charges.

As with the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

D. BASIS OF ACCOUNTING

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

Revenues - Exchange and Non-exchange Transactions

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

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. BASIS OF ACCOUNTING (continued)

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

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2006, but which were levied to finance subsequent year operations, have been recorded as deferred revenue. Special assessments not received within the available period, and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

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

E. BUDGETARY PROCESS

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council by fund and within each fund by department at major object level, which includes personal services, other expenditures and transfers. Budgetary modifications may only be made by ordinance of the City Council.

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BUDGETARY PROCESS (continued)

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

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

F. CASH AND CASH EQUIVALENTS

The City pools its cash for investment and administration purposes. Deposit and investment procedures are restricted by the provisions of the Ohio Revised Code. For purposes of the statement of cash flows, the City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

G. INVESTMENTS

Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest earning investment contracts with a remaining maturity of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

During the year, the City invested funds in the State Treasury Assets Reserve (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within Ohio to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of The Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2006.

H. INVENTORIES

Inventories are valued at the lower of cost (first-in, first-out) or market. The costs of inventory items are recognized as expenses when used in the enterprise funds. Inventories consist of parts and supplies.

I. PREPAID AND DEFERRED EXPENSES

Payments made to vendors for services that will benefit periods beyond the current year-end are recorded as prepaid items. A portion of the relevant funds' balances equal to the prepaid items has been reserved to indicate that it is not available for appropriation.

J. CAPITAL ASSETS

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

CITY OF NORTH RIDGEVILLE, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2006

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. CAPITAL ASSETS (continued)

Capital assets are recorded at cost or estimated historical cost and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of twenty-five hundred dollars. The City's infrastructure consists of streets, bridges, culverts, curbs, sidewalks, storm sewers, and water and sanitary sewer systems. Improvements are capitalized, whereas the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Estimated Lives
Buildings and improvements	30 to 50 years
Infrastructure	15 to 50 years
Machinery and equipment	3 to 10 years

K. INTERFUND BALANCES

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

L. UNPAID COMPENSATED ABSENCES

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on an estimate of the amount of accumulated sick leave that will be paid as a termination benefit.

M. ACCRUED LIABILITIES AND LONG-TERM LIABILITIES

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

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

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. FUND BALANCE RESERVES

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. Accordingly, encumbrances, inventories, accounts and notes receivable, and prepaid items are recorded as a reservation of fund balance, as applicable.

O. NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

P. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services primarily for water and sanitary sewer services and self-insurance program. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

Q. CONTRIBUTIONS OF CAPITAL

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

R. INTERFUND ACTIVITY

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

S. EXTRAORDINARY AND SPECIAL ITEMS

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

T. USE OF ESTIMATES

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

CITY OF NORTH RIDGEVILLE, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2006

NOTE 3 COMPLIANCE AND ACCOUNTABILITY

Not apparent in the basic financial statements are the following deficit fund balances:

Special Revenue Funds	
Fire Levy	\$ 18,757
Police Pension	\$ 88,569
Fire Pension	\$ 82,817
Capital Projects Funds	
Capital Projects	\$ 481,758
Issue II	\$ 147,248

These deficits result from reflecting expenditures in accordance with the modified accrual basis of accounting, which are larger than amounts recognized on the budget basis. The City, in accordance with its budget basis, will appropriate such expenditures from resources of the subsequent year.

NOTE 4 BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The "Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual" is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

Revenues are recorded when received (budget basis) rather than when susceptible to accrual (GAAP basis).

Expenditures are recorded when paid or encumbered (budget basis) rather than when the liability is incurred (GAAP basis).

Proceeds from and principle payments on short-term note obligations are reported on the operating statement (budget basis) rather than balance sheet transactions (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and the Income Tax Fund.

Net Change in Fund Balance		
	General Fund	Income Tax Fund
Budget basis	\$ (91,864)	\$ 601,667
Adjustments, increase (decrease)		
Revenue accruals	(502,198)	(77,000)
Expenditure accruals	862,641	5,876
GAAP basis, as reported	\$ 268,579	\$ 530,543

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 5 POOLED CASH AND EQUIVALENTS, DEPOSITS AND INVESTMENTS

A. LEGAL REQUIREMENTS

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

Interim 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 may be invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security 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 2 percent and be marked to market daily, and 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) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio).

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

A. LEGAL REQUIREMENTS (continued)

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.

B. DEPOSITS AND CASH ON HAND

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City does not have a deposit policy for custodial credit risk. At fiscal year-end, the carrying amount of the City's deposits was \$ 4,981,200 and the bank balance was \$ 5,907,588. Of the bank balance, \$ 100,000 was covered by federal depository insurance and \$ 5,807,588 by collateral held by third party trustees in accordance with the Ohio Revised Code, in collateral pools securing all public funds on deposit with specific depository institutions, which amount is considered uncollateralized as defined by the Government Accounting Standards Board.

Cash on hand at December 31, 2006 amounted to \$ 2,475.

C. INVESTMENTS

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2006, the City had the following investments:

	Maturities	Fair Value
State Treasurer's investment pool	n/a	\$ 17,546,446

D. INTEREST RATE RISK

The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date.

E. CREDIT RISK

The City follows the Ohio Revised Code that limits its investment choices. As of December 31, 2006, the City's investments in StarOhio were rated AAA by Standard & Poor's.

F. CONCENTRATION OF CREDIT RISK

The City places no limit on the amount that may be invested in any one issuer.

CITY OF NORTH RIDGEVILLE, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2006

NOTE 6 RECEIVABLES

Receivables at December 31, 2006, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, accrued interest on investments, and accounts (billings for utility service).

No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Special assessments expected to be collected in more than one year amount to \$ 274,000 in the Special Assessment Bond Retirement Fund and \$ 3,829,400 in the Sewer Fund.

A. PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2006 for real and public utility property taxes represents collections of the 2005 taxes. Property tax payments received during 2006 for tangible personal property (other than public utility property) is for 2006 taxes.

2006 real property taxes are levied after October 1, 2006, on the assessed value as of January 1, 2006, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2006 real property taxes are collected in and intended to finance 2006.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2006 public utility property taxes became a lien December 31, 2005, are levied after October 1, 2006, and are collected in 2006 with real property taxes.

2006 tangible personal property taxes are levied after October 1, 2005 on the value as of December 31, 2005. Collections are made in 2006. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent for inventory. See also Note 19.

The full tax rate for all City operations for the collection year ended December 31, 2006 was \$ 13.36 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2006 property tax receipts were based are as follows:

	2006 Collection Year
Property valuation consisted of:	
Real property	\$ 556,194,190
Public utility property	12,533,180
Tangible personal property	18,804,216
Total valuation	<u>\$ 587,531,586</u>

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

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

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 6 RECEIVABLES (continued)

A. PROPERTY TAXES (continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of North Ridgeville. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2006 and for which there is an enforceable legal claim. In the General Fund, Street Levy, Police Levy, Police Pension, Fire Levy, Fire Pension, and Paramedic Levy (Special Revenue) Funds and General Obligation Bond Retirement (Debt Service) Fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2006 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

B. INCOME TAXES

The City levies an income tax of 1% on substantially all income earned within the City. In addition, residents are required to pay City income tax on income earned outside the City with a certain credit for income taxes paid to other municipalities. This tax is collected and administered by the City. Employers within the City are required to withhold income tax on employee compensation and remit at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated taxes at least quarterly and file a final return annually. At December 31, 2006 the Income Tax Fund balance amounted to \$ 2,966,029.

C. INTERGOVERNMENTAL RECEIVABLES

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Local government assistance	\$ 416,400
Gasoline tax	655,500
Permissive tax	236,000
Homestead and rollback	297,050
Estate tax	95,700
Ohio Public Works Commission	40,314
Miscellaneous	3,500
CDBG	37,352
CHIP Grant	111,699
Title III Grant	2,752
Total governmental activities	1,896,267
Business-type Activities	
Sanitary sewer charges	107,000
Total business-type activities	107,000
Total	\$ 2,003,267

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 7 CAPITAL ASSETS

A summary of changes in capital assets during 2006 follows:

	Balance January 1	Additions	Disposals	Balance December 31
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land	\$ 376,731	\$ 339,414	\$ -	\$ 716,145
Construction in progress	246,303	755,310	-	1,001,613
Total capital assets, not being depreciated	<u>623,034</u>	<u>1,094,724</u>	<u>-</u>	<u>1,717,758</u>
Capital assets, being depreciated				
Buildings and improvements	4,416,857	211,375	-	4,628,232
Equipment and vehicles	5,619,445	1,467,667	227,158	6,859,954
Infrastructure	63,797,172	13,949,817	-	77,746,989
Total capital assets, being depreciated	<u>73,833,474</u>	<u>15,628,859</u>	<u>227,158</u>	<u>89,235,175</u>
Less accumulated depreciation				
Buildings and improvements	1,449,960	92,125	-	1,542,085
Equipment and vehicles	4,394,547	418,187	203,068	4,609,666
Infrastructure	21,148,133	3,092,486	-	24,240,619
Total accumulated depreciation	<u>26,992,640</u>	<u>3,602,798</u>	<u>203,068</u>	<u>30,392,370</u>
Total capital assets, being depreciated, net	<u>46,840,834</u>	<u>12,026,061</u>	<u>24,090</u>	<u>58,842,805</u>
Total governmental capital assets, net	<u>\$ 47,463,868</u>	<u>\$ 13,120,785</u>	<u>\$ 24,090</u>	<u>\$ 60,560,563</u>
<u>Business-type activities</u>				
Capital assets, not being depreciated				
Land	\$ 838,417	\$ 106,524	\$ -	\$ 944,941
Construction in progress	4,243,480	387,709	4,243,480	387,709
Total capital assets, not being depreciated	<u>5,081,897</u>	<u>494,233</u>	<u>4,243,480</u>	<u>1,332,650</u>
Capital assets, being depreciated				
Buildings and improvements	401,444	35,211	-	436,655
Equipment and vehicles	9,953,692	277,638	17,775	10,213,555
Infrastructure	69,266,094	8,450,185	-	77,716,279
Total capital assets, being depreciated	<u>79,621,230</u>	<u>8,763,034</u>	<u>17,775</u>	<u>88,366,489</u>
Less accumulated depreciation				
Buildings and improvements	144,025	10,949	-	154,974
Equipment and vehicles	2,313,417	447,962	17,775	2,743,604
Infrastructure	16,490,539	1,562,238	-	18,052,777
Total accumulated depreciation	<u>18,947,981</u>	<u>2,021,149</u>	<u>17,775</u>	<u>20,951,355</u>
Total capital assets, being depreciated, net	<u>60,673,249</u>	<u>6,741,885</u>	<u>-</u>	<u>67,415,134</u>
Total business-type capital assets, net	<u>\$ 65,755,146</u>	<u>\$ 7,236,118</u>	<u>\$ 4,243,480</u>	<u>\$ 68,747,784</u>

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 7 CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental functions as follows:

Security of persons and property	\$	257,020
Public health and welfare		27,936
Leisure time activities		30,503
Transportation		3,210,437
General government		76,902
		\$ 3,602,798

NOTE 8 INTANGIBLE ASSETS

The City entered into an agreement in 1993 with the Rural Lorain County Water Authority (RLCWA) and the cities of Avon Lake and Avon, Ohio for the construction of a transmission water main and pump station. Under terms of the agreement, the water main and appurtenances are owned by Avon Lake. The continued operation, maintenance and repair of the line and pump station shall be performed by RLCWA. The City's participation entitles it to purchase a specified amount of water. The cost of intangible assets is amortized ratably on a straight-line basis over thirty years. Intangible assets at December 31, 2006 consisted of:

Enterprise	Amortization Period	Balance
Waterway rights, at cost		\$ 1,581,209
Accumulated amortization	30 years	(592,519)
Intangible assets, net of accumulated amortization		\$ 988,690

NOTE 9 NOTES PAYABLE

Notes payable during the year consisted of the following general obligation bond anticipation notes:

	Balance 12/31/05	Additions	Repayments	Balance 12/31/06
Governmental activities				
Capital Improvements				
2005, 4.00% various purpose	\$ 1,730,000	\$ -	\$ 1,730,000	\$ -
2006, 4.25% capital equipment	-	1,020,000	1,020,000	-
2006, 4.45% capital equipment	-	425,000	425,000	-
2006, 4.00% street improvements	-	700,000	-	700,000
2006, 4.00% various purpose	-	600,000	-	600,000
Business-type activities				
Sanitary sewer				
2005, 4.00% sewer improvements	13,825,000	-	13,825,000	-
2006, 4.50% sewer improvements	-	5,090,000	5,090,000	-
	\$ 15,555,000	\$ 7,835,000	\$ 22,090,000	\$ 1,300,000

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 10 LONG-TERM DEBT

The original issue date, interest rate, original issue amount and date of maturity of each of the City's bonds, loans and notes follow:

<u>Debt Issue</u>	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
<u>Governmental activities</u>				
General obligation bonds				
French Creek acquisition	1986	2008	8.13%	\$ 6,180,000
Various purpose	2001	2011	3.15 - 4.10%	1,620,000
Refunding	2003	2013	1.50 - 3.75%	1,532,000
Special assessment bonds				
Refunding	2003	2015	1.50 - 4.00%	333,000
Bond anticipation note	2005	2006	4.00%	1,730,000
Bond anticipation note	2006	2006	4.25%	1,020,000
Bond anticipation note	2006	2006	4.45%	425,000
Bond anticipation note	2006	2007	4.00%	700,000
Bond anticipation note	2006	2007	4.00%	600,000
Ohio Public Works loan	1999	2019	0.00%	143,604
Ohio Public Works loan	2000	2020	0.00%	160,029
Ohio Public Works loan	2000	2020	0.00%	176,121
Ohio Public Works loan	2001	2021	0.00%	69,587
Ohio Public Works loan	2002	2024	0.00%	123,377
Ohio Public Works loan	2003	2023	0.00%	112,684
<u>Business-type activities</u>				
General obligation bonds				
Sanitary sewer	2001	2021	3.15 - 4.90%	6,180,000
Refunding - sewer	2003	2013	1.50 - 3.65%	2,165,000
Refunding - water	2003	2013	1.50 - 3.65%	1,260,000
Bond anticipation note	2006	2006	4.50%	5,090,000
Bond anticipation note	2005	2006	4.00%	5,925,000
Bond anticipation note	2005	2006	4.00%	7,900,000
Ohio Public Works loan	2000	2020	0.00%	169,017
Ohio Water Development Authority loan	2002	2022	4.14%	2,831,547

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 10 LONG-TERM DEBT (continued)

Changes in the City's long-term obligations during 2006 were as follows:

	Outstanding 12/31/05	Additions	Reductions	Outstanding 12/31/06	Due In One Year
<u>Governmental activities</u>					
General obligation bonds					
Sewage system acquisition (1986)					
8.125% through 2008	\$ 855,000	\$ -	\$ 285,000	\$ 570,000	\$ 285,000
Various purpose (2001)					
Varying % through 2021	920,000	-	190,000	730,000	195,000
Various purpose (2003)					
Varying % through 2013	1,037,000	-	145,000	892,000	146,000
Various purpose (2006)					
Varying % through 2026	-	2,516,000	-	2,516,000	346,000
Total general obligation bonds	<u>2,812,000</u>	<u>2,516,000</u>	<u>620,000</u>	<u>4,708,000</u>	<u>972,000</u>
Special assessment bonds					
with governmental commitment					
Improvements (2003)					
Varying % through 2015	263,000	-	25,000	238,000	24,000
	<u>263,000</u>	<u>-</u>	<u>25,000</u>	<u>238,000</u>	<u>24,000</u>
Long-term notes payable	1,730,000	2,745,000	3,175,000	1,300,000	1,300,000
OPWC loans	595,567	-	39,269	556,298	39,269
Accrued leave benefits	2,596,600	704,900	438,900	2,862,600	473,900
Total governmental activities	<u>\$ 7,997,167</u>	<u>\$ 5,965,900</u>	<u>\$ 4,298,169</u>	<u>\$ 9,664,898</u>	<u>\$ 2,809,169</u>

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 10 LONG-TERM DEBT (continued)

	Outstanding 12/31/05	Additions	Reductions	Outstanding 12/31/06	Due In One Year
<u>Business-type activities</u>					
General obligation bonds					
Waterline refunding (2003)					
Varying % through 2013	\$ 945,000	\$ -	\$ 105,000	\$ 840,000	\$ 110,000
Sewer improvements (2001)					
Varying % through 2021	5,265,000	-	240,000	5,025,000	250,000
Sewer refunding (2003)					
Varying % through 2013	1,625,000	-	185,000	1,440,000	185,000
Various purpose (2006)					
Varying % through 2026	-	8,800,682	-	8,800,682	290,682
	<u>7,835,000</u>	<u>8,800,682</u>	<u>530,000</u>	<u>16,105,682</u>	<u>835,682</u>
Special assessment bonds					
with governmental commitment					
Improvements (2006)					
Varying % through 2026	-	2,498,318	-	2,498,318	78,318
	<u>-</u>	<u>2,498,318</u>	<u>-</u>	<u>2,498,318</u>	<u>78,318</u>
Long-term notes payable	13,825,000	5,090,000	18,915,000	-	-
OPWC loans	122,537	-	8,451	114,086	8,451
OWDA loan	2,517,220	-	113,660	2,403,560	118,415
Accrued leave benefits	509,500	61,800	66,500	504,800	68,700
	<u>13,825,000</u>	<u>5,090,000</u>	<u>18,915,000</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>\$ 24,809,257</u>	<u>\$ 16,450,800</u>	<u>\$ 19,633,611</u>	<u>\$ 21,626,446</u>	<u>\$ 1,109,566</u>

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for payment. The general obligation bonds are paid from the General Bond Retirement (Debt Service) Fund. The water and sewer bonds are paid from respective water and sanitary sewer enterprise fund revenues. The special assessment bonds are paid from proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City.

Of the long-term notes payable of \$ 1,300,000 under Governmental activities outstanding at December 31, 2006, \$ 700,000 will be repaid from property tax revenues generated from projects under Tax Incremental Financing (TIF) programs and the remaining \$ 600,000 will be repaid from capital projects funds.

OPWC loan payments are paid from the respective special revenue, capital project and sanitary sewer enterprise funds. OWDA loan payments are paid from the water enterprise fund.

Compensated absences will be paid from the funds from which employees' wages are paid.

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 10 LONG-TERM DEBT (continued)

The City's overall legal debt margin was \$ 65,613,555 at December 31, 2006.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2006, excluding accrued leave benefits, are as follows:

Year	Governmental Activities			
	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2007	\$ 972,000	\$ 203,235	\$ 24,000	\$ 8,114
2008	1,006,000	156,029	24,000	7,574
2009	735,000	107,003	25,000	6,974
2010	540,000	78,292	25,000	6,037
2011	485,000	57,892	25,000	5,225
2012-2016	970,000	108,970	115,000	11,355
2017-2021	-	-	-	-
2022-2023	-	-	-	-
	<u>\$ 4,708,000</u>	<u>\$ 711,421</u>	<u>\$ 238,000</u>	<u>\$ 45,279</u>

Year	Governmental Activities			Total	
	Bond Anticipation Notes		OPWC loans	Governmental Activities	
	Principal	Interest	Principal	Principal	Interest
2007	\$ 1,300,000	\$ 49,044	\$ 39,269	\$ 2,335,269	\$ 260,393
2008	-	-	39,269	1,069,269	163,603
2009	-	-	39,269	799,269	113,977
2010	-	-	39,269	604,269	84,329
2011	-	-	39,269	549,269	63,117
2012-2016	-	-	196,345	1,281,345	120,325
2017-2021	-	-	153,185	153,185	-
2022-2023	-	-	10,423	10,423	-
	<u>\$ 1,300,000</u>	<u>\$ 49,044</u>	<u>\$ 556,298</u>	<u>\$ 6,802,298</u>	<u>\$ 805,744</u>

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 10 LONG-TERM DEBT (continued)

Year	Business-Type Activities			
	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2007	\$ 835,682	\$ 684,275	\$ 78,318	\$ 109,246
2008	855,000	657,135	85,000	106,114
2009	905,000	628,200	90,000	102,714
2010	920,000	593,209	90,000	99,114
2011	965,000	558,809	95,000	95,514
2012-2016	4,245,000	2,231,806	545,000	415,614
2017-2021	4,420,000	1,321,907	670,000	287,469
2022-2026	2,960,000	-	845,000	116,975
	<u>\$ 16,105,682</u>	<u>\$ 6,675,341</u>	<u>\$ 2,498,318</u>	<u>\$ 1,332,760</u>

Year	Business-Type Activities			Total	
	OPWC Loans	OWDA Loan		Business-Type Activities	
	Principal	Principal	Interest	Principal	Interest
2007	\$ 8,451	\$ 118,415	\$ 98,294	\$ 1,040,866	\$ 891,815
2008	8,451	123,368	93,341	1,071,819	856,590
2009	8,451	128,528	88,181	1,131,979	819,095
2010	8,451	133,904	82,805	1,152,355	775,128
2011	8,451	139,505	77,204	1,207,956	731,527
2012-2016	42,255	790,092	293,452	5,622,347	2,940,872
2017-2021	29,576	969,748	113,797	6,089,324	1,723,173
2022-2026	-	-	-	3,805,000	116,975
	<u>\$ 114,086</u>	<u>\$ 2,403,560</u>	<u>\$ 847,074</u>	<u>\$ 21,121,646</u>	<u>\$ 8,855,175</u>

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

1. The Traditional Pension Plan - a cost sharing, multiple-employer defined benefit pension plan.
2. The Member-Directed Plan - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
3. The Combined Plan - a cost sharing, multiple-employer defined benefit pension plan.

Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377. The Ohio Revised Code provides statutory authority for member and employer contributions. For 2006, member and employer contribution rates were consistent across all three plans. Separate divisions for law enforcement and public safety exist only within the Traditional Pension Plan.

The 2006 member contribution rates were 9.0% for members in state, local, and public safety classifications. Members in the law enforcement classification, which consists generally of sheriffs, deputy sheriffs and township police, contributed at a rate of 10.1%. The 2006 employer contribution rate for state employers was 13.54% of covered payroll. For local government employer units, the rate was 13.70% of covered payroll. For both the law enforcement and public safety divisions, the employer contribution rate for 2006 was 16.93%.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005 and 2004 were \$ 522,600, \$ 507,000, and \$ 473,400 respectively. For 2006 \$ 453,200 (87%) has been contributed. The balance was subsequently contributed in 2007. The full amount has been contributed for 2005 and 2004.

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

B. OHIO POLICE AND FIRE PENSION FUND

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

Plan members are required to contribute 10.0% 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 OP&F for police and firefighters pensions, respectively, were \$ 276,500 and \$ 341,600 for the year ended December 31, 2006, \$ 257,100 and \$ 315,300 for the year ended December 31, 2005 and \$ 237,400 and \$ 290,400 for the year ended December 31, 2004. The full amount has been contributed for 2005 and 2004. For 2006, \$ 173,800 (63%) and \$ 227,300 (67%) has been contributed for police and firefighters pensions, respectively. The balance was subsequently paid in 2007.

NOTE 12 - POSTEMPLOYMENT BENEFITS

A. OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

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

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

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

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus OH 43215-4642, or by calling 614-222-5601 or 800- 222-7377. The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 12 – POSTEMPLOYMENT BENEFITS (continued)

A. OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (continued)

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2006, state employers contributed at a rate of 13.54% of covered payroll, local government employer units contributed at 13.70% of covered payroll, and public safety and law enforcement employer units contributed at 16.93%. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll for state and local employer units, and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2006, the employer contribution allocated to the health care plan was 4.5% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to fund postemployment benefits for the years ended December 31, 2006, 2005, and 2004 were \$ 255,700, \$ 212,300, and \$ 198,300 respectively. For 2006 \$ 149,400 (87%) has been contributed. The balance was subsequently contributed in 2007. The full amount has been contributed for 2005 and 2004.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, is effective on January 1, 2007. OPERS took additional actions to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

B. OHIO POLICE AND FIRE PENSION FUND

The Ohio Police and Fire Pension Fund (OP&F) provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. 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 Post-employment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care cost paid from the funds of OP&F shall be included in the employer's contribution rate. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll.

The Ohio Revised Code provides the statutory authority allowing OP&F's Board of Trustees to offer 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 7.75% of covered payroll in 2005 and in 2006. In addition, since July 1, 1992, most retirees and survivors were required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

CITY OF NORTH RIDGEVILLE, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2006

NOTE 12 – POSTEMPLOYMENT BENEFITS (continued)

B. OHIO POLICE AND FIRE PENSION FUND (continued)

The City's actual contributions for 2006 that were used to fund postemployment health care benefits were \$ 182,200 for police and \$ 163,000 for firefighters. OP&F's total health care expense for the year ending December 31, 2005, the date of the last actuarial valuation available, was \$108,039,449, which was net of member contributions of \$55,271,881.

The number of participants eligible to receive health care benefits as of December 31, 2005, the date of the last actuarial valuation available, are 13,922 for Police and 10,537 for Firefighters.

NOTE 13 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. There have not been any significant reductions in insurance coverage from coverage in the prior year and the amounts of settlements have not exceeded coverage for any of the prior three years.

The City has a law enforcement liability policy with the Scottsdale Indemnity Company. The limits of this coverage are \$ 1,000,000 each person, \$ 1,000,000 each wrongful act and \$ 1,000,000 annual aggregate. The deductible is \$ 10,000 each wrongful act. The City has a public officials liability policy with the Scottsdale Indemnity Company. The limits of this coverage are \$ 1,000,000 each loss and \$ 1,000,000 annual aggregate. The deductible is \$ 20,000 each loss. The City has a general liability, property and automobile policy with Selective Insurance Companies. An umbrella policy is insured with Selective Insurance Companies. The limits of this coverage are \$ 1,000,000 each occurrence, \$ 2,000,000 general aggregate limit, and \$ 2,000,000 products/completed operations aggregate. The umbrella policy adds \$10,000,000 to each incurrence and \$10,000,000 aggregate coverage.

In order to minimize the annual cost of medical insurance, the City has established a medical self-insurance fund for City employees and their covered dependents. This program is administered with the use of an outside third-party administrator. At December 31, 2006, self-insurance was in effect for losses up to \$ 75,000 per participant. Excess losses are insured by a private insurance company. At year-end, self-insurance was in effect with an annual aggregate liability limit of approximately \$ 1,760,000 and an aggregate terminal liability of approximately \$ 271,264. At December 31, 2006 the self-insurance total net assets amounted to \$ 1,247,169 and cash held in reserve by the insurer for future claims payment amounted to \$ 320,200.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Changes in the balance of claims liability during the years ended December 31, 2006 and 2005 are as follows. Incurred claims and claims payments are not segregated between events related to the current year and events related to prior years due to the impracticability of obtaining such information by separate period.

	2006	2005
Unpaid claims, beginning of year	\$ 220,000	\$ 348,000
Incurred claims	936,666	1,071,410
Claims payment	(967,666)	(1,199,410)
Unpaid claims, end of year	\$ 189,000	\$ 220,000

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 14 FEDERAL GRANTS AND ENTITLEMENTS

For the year ended December 31, 2006, the City recognized federal grants and entitlements revenue of \$ 374,869. These programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2006.

NOTE 15 CONTINGENCIES

The City of North Ridgeville, Ohio is defendant in certain lawsuits, the outcome of which cannot be determined. It is the opinion of the City's management that any judgment against the City would not have a material adverse effect on the City's financial position.

The Environmental Protection Agency notified the City of North Ridgeville in 1992 that the City's failure to protect its sanitary sewage system from infiltrations and inflows was a violation of its National Pollution Discharge Elimination Systems Permit for which it intends to pursue action against the City and seek a consent agreement setting forth a schedule of compliance which the City will be compelled to meet and assessing a fine for the City's past violations of its permit perimeters and setting a fine schedule for future violations. It was estimated the fine could be as high as \$ 349,000. As of December 31, 2006, no fine has been assessed and no consent agreement has been entered into. However, the City has proceeded with its sanitation sewer rehabilitation program to correct the infiltration and inflows deficiencies.

NOTE 16 CONTRACTUAL COMMITMENTS

As of December 31, 2006 the City had contractual commitments as follows:

Project	Projects Estimated Cost	City Share	Outstanding Commitments
Road projects	\$ 1,228,000	\$ 521,200	\$ 122,100

The City's share of the road projects is being paid from the voted street tax levy collections.

CITY OF NORTH RIDGEVILLE, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2006

NOTE 17 INTERFUND BALANCES AND TRANSFERS

At December 31, 2006 interfund balances consisted of \$ 114,272 due to the General Fund from the Federal Grants Fund (Special Revenue Fund). The General Fund advanced monies to the Federal Grants Fund which will be repaid upon collection of grant proceeds

Interfund transfers for the year ended December 31, 2006 consisted of the following:

Transferred to:	Transferred from:		
	Income Tax Fund	Nonmajor Governmental Funds	Total
General Fund	\$ 5,695,000	\$ -	\$ 5,695,000
Capital Projects Fund	1,005,000	-	1,005,000
General Obligation Bond Retirement Fund	-	422,244	422,244
	\$ 6,700,000	\$ 422,244	\$ 7,122,244

The City collects its 1% municipal income tax (see Note 6B.) in the Income Tax Fund (Special Revenue Fund) and makes transfers throughout the year to the General Fund and Capital Projects Fund in accordance with a pro rata allocation determined by City Council. Monies are transferred to the General Obligation Bond Retirement Fund from various funds for payment of bonded debt.

NOTE 18 JOINTLY GOVERNED ORGANIZATIONS

A. LORAIN COUNTY GENERAL HEALTH DISTRICT

The Lorain County General Health District, a jointly governed organization, provides health care services to the citizens within the Health District. The Health District is governed by the Board of Health which represents the area served by the Health District and oversees the operation of the Health District. The Board of Health members are appointed to staggered four year terms. One member is appointed by the City of North Ridgeville, one member is jointly appointed by the Cities of Avon and Sheffield Lake and one member is appointed jointly by the Cities of Amherst and Oberlin. The remaining four members are appointed by the various mayors of villages, chairmen of the township trustees and the County Commissioners. The City contributed \$ 79,563 during 2006 for the operation of the Health District. Financial information can be obtained by contacting the Health Commissioner, 9880 S. Murray Ridge Road, Elyria, Ohio 44035.

CITY OF NORTH RIDGEVILLE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 18 JOINTLY GOVERNED ORGANIZATIONS (continued)

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 with an aggregation program for the purchase of electricity. NOPEC is currently comprised of over 90 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. The City did not contribute to NOPEC during 2006. Financial information can be obtained by contacting the Treasurer, P.O. Box 609356, Cleveland, Ohio 44109.

NOTE 19 RECENT LEGISLATION

In June, 2005 the State of Ohio enacted legislation, portions of which take effect at various times, that phases out the taxation of tangible personal property used in business (other than certain public utility tangible personal property) over four years from tax year 2006 to tax year 2009. New manufacturing machinery and equipment first reportable after 2004 is not subject to tangible personal property taxation. To compensate local government units for the foregone revenue, the recently enacted legislation provides for State distributions from revenue generated by a newly enacted commercial activities tax. The reimbursements are to be based on the aggregate value of tangible personal property reported for the local government for tax year 2004 (based on voted levies approved by the electors by September 1, 2005). Generally, these distributions will fully reimburse the local government units at that base level through 2010 and then in declining amounts from 2011 through 2017.

NOTE 20 SUBSEQUENT EVENTS

Subsequent to December 31, 2006, the City issued \$ 2,780,000 of general obligation bond anticipation notes (BAN's), of which \$ 1,480,000 were for road and storm sewer improvements, to be ultimately repaid from general revenues of the City, and \$ 1,300,000 were for waterline replacements and improvements, to be repaid from water operating revenues of the City.

COMBINING STATEMENTS AND NONMAJOR FUND SCHEDULES
COMBINING STATEMENTS – NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for specific revenues that are restricted for a specific purpose. These resources are usually restricted by statute, City Charter or ordinance to finance specific functions or activities.

Street Construction, Maintenance and Repair Fund (SCMR) - Accounts for the portion of State gasoline tax and motor vehicle registration fees designated for maintenance and repair of roadways within the City.

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

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

Street Levy Fund – Accounts for property taxes received from a voted tax levy for the construction, reconstruction, resurfacing and repair of roads and bridges.

Surface Drainage Fund – Accounts for revenues from building permit fees for the purpose of providing and maintaining storm sewer drainage.

Police Levy Fund – Accounts for property taxes from a voted tax levy for the purpose of operating the City police department.

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

Law Enforcement Trust Fund – Accounts for confiscated monies or proceeds from the sale of confiscated property seized by law enforcement officers in the course of their work for the purpose of enhancing police services.

Drug Law Enforcement Trust Fund – Accounts for confiscated monies or proceeds from the sale of confiscated property seized by law enforcement officers in the course of their work for the purpose of enhancing police services and promoting drug education.

DUI Enforcement and Education Trust Fund – Accounts for fines imposed by the courts for the purpose of enhancing police services and promoting DUI education.

Clerk of Courts Computer Service Fund – Accounts for court fees for the purpose of the computerization of the clerk of court's office.

Court Computerization Fund – Accounts for court fees for the purpose of computerizing the court, procuring and maintaining computerized legal research services.

Fire Levy Fund – Accounts for property taxes received from a voted tax levy for the purpose of operating the City fire department.

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

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Paramedic Levy Fund – Accounts for property taxes received from a voted tax levy for the purpose of operating a paramedic program.

Ambulance Fund – Accounts for ambulance fees for the purpose of maintaining and purchasing ambulatory equipment.

State Grants Fund – Accounts for revenues and related expenditures of state grants.

Federal Grants Fund – Accounts for revenues and related expenditures of federal grants.

Cemetery Fund – Accounts for burial fees used to maintain the City's cemeteries.

Park and Recreation Trust Fund – Accounts for program revenues and expenditures for the operation and maintenance of recreation programs, services, parks and related.

Park and Recreation Improvement Fund – Accounts for building permit fees for the purpose of planning, acquisition, improvement, expansion and operation of public parks, playgrounds and recreation facilities.

Senior Citizens Title III Fund – Accounts for grant monies received for support service for older adults.

Solid Waste Management Fund – Accounts for fees charged for the payment of sanitation collections.

NONMAJOR DEBT SERVICE FUND

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

Special Assessment Bond Retirement Fund – Accounts for the accumulation of resources from special assessments levied against benefited properties for the payment of principal and interest and fiscal charges on special assessment debt.

NONMAJOR CAPITAL PROJECTS FUNDS

Capital Projects funds are used to account for the acquisition and construction of capital assets other than those financed by proprietary funds.

Capital Projects Fund – Accounts for resources used for the acquisition and construction of major capital assets.

Issue II Fund – Accounts for Ohio Public Works grant activity consisting of the grant received and the related expenditure paid by the Ohio Public Works Commission directly to the contractors on behalf of the City.

CITY OF NORTH RIDGEVILLE, OHIO
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2006

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Totals
Assets				
Equity in pooled cash	\$ 2,701,407	\$ 380,859	\$ 831,497	\$ 3,913,763
Taxes receivable - property and other	4,611,200	219,700	-	4,830,900
Special assessments receivable	-	274,000	-	274,000
Due from other governments	1,272,753	11,550	40,314	1,324,617
Accounts receivable and other	274,300	-	1,500	275,800
Total assets	\$ 8,859,660	\$ 886,109	\$ 873,311	\$ 10,619,080
Liabilities and fund balances				
Liabilities				
Accounts and contracts payable	\$ 174,731	\$ -	\$ 1,455	\$ 176,186
Accrued wages and benefits	61,944	-	-	61,944
Accrued interest payable	-	-	11,800	11,800
Due to other governments	367,774	-	187,562	555,336
Due to other funds	114,272	-	-	114,272
Deferred revenue	5,775,250	505,250	1,500	6,282,000
Note payable	-	-	1,300,000	1,300,000
Total liabilities	6,493,971	505,250	1,502,317	8,501,538
Fund balances				
Reserved for encumbrances	247,821	-	115,199	363,020
Unreserved, reported in				
Special Revenue Funds	2,117,868	-	-	2,117,868
Debt Service Funds	-	380,859	-	380,859
Capital Projects Funds	-	-	(744,205)	(744,205)
Total fund balances	2,365,689	380,859	(629,006)	2,117,542
Total liabilities and fund balances	\$ 8,859,660	\$ 886,109	\$ 873,311	\$ 10,619,080

CITY OF NORTH RIDGEVILLE, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2006

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Totals
Revenues				
Property and other local taxes	\$ 4,565,367	\$ 304,945	\$ 36,133	\$ 4,906,445
Intergovernmental	2,907,049	112,739	600,550	3,620,338
Special assessments	-	32,843	-	32,843
Charges for services	1,647,512	-	-	1,647,512
Fines, licenses and permits	119,161	-	-	119,161
Interest	154,989	45,862	35,508	236,359
Miscellaneous	330,913	-	15,550	346,463
Total revenues	9,724,991	496,389	687,741	10,909,121
Expenditures				
Current				
Security of persons and property	3,714,609	-	-	3,714,609
Public health and welfare	33,105	-	-	33,105
Leisure time activities	168,678	-	-	168,678
Basic utility services	1,947,386	-	-	1,947,386
Transportation	3,166,563	-	-	3,166,563
General government	497,490	5,941	-	503,431
Capital outlay	-	-	2,248,312	2,248,312
Debt service				
Principal	13,349	645,000	25,920	684,269
Interest and fiscal charges	-	253,285	85,575	338,860
Total expenditures	9,541,180	904,226	2,359,807	12,805,213
Excess (deficiency) of revenues over expenditures	183,811	(407,837)	(1,672,066)	(1,896,092)
Other financing sources (uses)				
Transfers-in	-	422,244	1,005,000	1,427,244
Transfers-out	-	-	(422,244)	(422,244)
Bond proceeds	-	-	2,086,000	2,086,000
Total other financing sources (uses)	-	422,244	2,668,756	3,091,000
Excess (deficiency) of revenues over expenditures and other sources (uses)	183,811	14,407	996,690	1,194,908
Fund balances, beginning of year	2,181,878	366,452	(1,625,696)	922,634
Fund balances, end of year	\$ 2,365,689	\$ 380,859	\$ (629,006)	\$ 2,117,542

CITY OF NORTH RIDGEVILLE, OHIO
 COMBINING BALANCE SHEET -
 NONMAJOR SPECIAL REVENUE FUNDS

DECEMBER 31, 2006

	<u>SCMR</u>	<u>State Highway</u>	<u>Motor Vehicle License Tax</u>	<u>Street Levy</u>	<u>Surface Drainage</u>
<u>Assets</u>					
Equity in pooled cash	\$ 263,842	\$ 52,777	\$ 151,371	\$ 471,385	\$ 351,162
Taxes receivable - property and other	-	-	-	1,073,300	-
Due from other governments	608,400	47,100	236,000	53,400	-
Accounts receivable and other	-	-	-	-	-
Total assets	<u>\$ 872,242</u>	<u>\$ 99,877</u>	<u>\$ 387,371</u>	<u>\$ 1,598,085</u>	<u>\$ 351,162</u>
<u>Liabilities</u>					
Accounts and contracts payable	\$ 1,613	\$ -	\$ 4,108	\$ 151,722	\$ -
Accrued salaries, wages, and benefits	9,868	-	2,702	-	896
Due to other governments	21,958	-	5,652	58,493	2,117
Due to other funds	-	-	-	-	-
Deferred revenue	514,400	39,500	202,400	1,126,700	-
Total liabilities	<u>547,839</u>	<u>39,500</u>	<u>214,862</u>	<u>1,336,915</u>	<u>3,013</u>
<u>Fund balances</u>					
Reserved for encumbrances	3,632	-	20,054	163,394	11,364
Unreserved	320,771	60,377	152,455	97,776	336,785
Total fund balances	<u>324,403</u>	<u>60,377</u>	<u>172,509</u>	<u>261,170</u>	<u>348,149</u>
Total liabilities and fund balances	<u>\$ 872,242</u>	<u>\$ 99,877</u>	<u>\$ 387,371</u>	<u>\$ 1,598,085</u>	<u>\$ 351,162</u>

Police Levy	Police Pension	Law Enforcement Trust	Drug Law Enforcement Trust	DUI Enforcement and Education Trust	Clerk of Courts Computer Service	Court Computerization
\$ 47,710	\$ 231	\$ 10,648	\$ 13,479	\$ 15,386	\$ 33,375	\$ 86,208
1,100,200	198,300	-	-	-	-	-
54,750	9,900	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,202,660</u>	<u>\$ 208,431</u>	<u>\$ 10,648</u>	<u>\$ 13,479</u>	<u>\$ 15,386</u>	<u>\$ 33,375</u>	<u>\$ 86,208</u>
\$ -	\$ -	\$ 487	\$ -	\$ -	\$ -	\$ -
19,912	-	-	-	-	-	-
16,611	88,800	-	-	-	-	-
-	-	-	-	-	-	-
1,154,950	208,200	-	-	-	-	-
<u>1,191,473</u>	<u>297,000</u>	<u>487</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
11,187	(88,569)	10,161	13,479	15,386	33,375	86,208
11,187	(88,569)	10,161	13,479	15,386	33,375	86,208
<u>\$ 1,202,660</u>	<u>\$ 208,431</u>	<u>\$ 10,648</u>	<u>\$ 13,479</u>	<u>\$ 15,386</u>	<u>\$ 33,375</u>	<u>\$ 86,208</u>

(Continued)

CITY OF NORTH RIDGEVILLE, OHIO
 COMBINING BALANCE SHEET -
 NONMAJOR SPECIAL REVENUE FUNDS

DECEMBER 31, 2006

(Concluded)

	Fire Levy	Fire Pension	Paramedic Levy	Ambulance	State Grants
<u>Assets</u>					
Equity in pooled cash	\$ 32,767	\$ 227	\$ 187,957	\$ 155,759	\$ 100,369
Taxes receivable - property and other	1,073,300	198,300	967,800	-	-
Due from other governments	53,400	9,900	48,100	-	-
Accounts receivable and other	-	-	-	-	-
Total assets	<u>\$ 1,159,467</u>	<u>\$ 208,427</u>	<u>\$ 1,203,857</u>	<u>\$ 155,759</u>	<u>\$ 100,369</u>
<u>Liabilities</u>					
Accounts and contracts payable	\$ -	\$ -	\$ 245	\$ -	\$ 10,294
Accrued salaries, wages, and benefits	12,783	-	14,637	-	-
Due to other governments	38,741	83,044	47,902	-	1,239
Due to other funds	-	-	-	-	-
Deferred revenue	1,126,700	208,200	1,015,900	-	-
Total liabilities	<u>1,178,224</u>	<u>291,244</u>	<u>1,078,684</u>	<u>-</u>	<u>11,533</u>
<u>Fund balances</u>					
Reserved for encumbrances	-	-	42,142	-	6
Unreserved	(18,757)	(82,817)	83,031	155,759	88,830
Total fund balances	<u>(18,757)</u>	<u>(82,817)</u>	<u>125,173</u>	<u>155,759</u>	<u>88,836</u>
Total liabilities and fund balances	<u>\$ 1,159,467</u>	<u>\$ 208,427</u>	<u>\$ 1,203,857</u>	<u>\$ 155,759</u>	<u>\$ 100,369</u>

Federal Grants	Cemetery	Park and Recreation Trust	Park and Recreation Improvement	Senior Citizens Title III	Solid Waste Management	Totals
\$ 28,975	\$ 103,923	\$ 78,612	\$ 308,578	\$ 4,923	\$ 201,743	\$ 2,701,407
-	-	-	-	-	-	4,611,200
149,051	-	-	-	2,752	-	1,272,753
154,300	-	-	-	-	120,000	274,300
<u>\$ 332,326</u>	<u>\$ 103,923</u>	<u>\$ 78,612</u>	<u>\$ 308,578</u>	<u>\$ 7,675</u>	<u>\$ 321,743</u>	<u>\$ 8,859,660</u>
\$ 5,022	\$ -	\$ 195	\$ -	\$ -	\$ 1,045	\$ 174,731
-	-	-	-	248	898	61,944
-	-	-	-	520	2,697	367,774
114,272	-	-	-	-	-	114,272
154,300	-	-	-	-	24,000	5,775,250
<u>273,594</u>	<u>-</u>	<u>195</u>	<u>-</u>	<u>768</u>	<u>28,640</u>	<u>6,493,971</u>
4,028	1,600	228	-	-	1,373	247,821
54,704	102,323	78,189	308,578	6,907	291,730	2,117,868
58,732	103,923	78,417	308,578	6,907	293,103	2,365,689
<u>\$ 332,326</u>	<u>\$ 103,923</u>	<u>\$ 78,612</u>	<u>\$ 308,578</u>	<u>\$ 7,675</u>	<u>\$ 321,743</u>	<u>\$ 8,859,660</u>

CITY OF NORTH RIDGEVILLE, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2006

	SCMR	State Highway	Motor Vehicle License Tax	Street Levy	Surface Drainage
Revenues					
Property and other local taxes	\$ -	\$ -	\$ 403,040	\$ 979,330	\$ -
Intergovernmental revenue	1,092,989	88,639	200	835,363	-
Charges for services	-	-	-	-	-
Fines, licenses, and permits	-	-	-	-	-
Interest	8,485	2,463	7,111	18,489	27,705
Miscellaneous	2,600	-	85,330	-	201,431
Total revenues	<u>1,104,074</u>	<u>91,102</u>	<u>495,681</u>	<u>1,833,182</u>	<u>229,136</u>
Expenditures					
Current					
Security of persons and property	-	-	-	-	-
Public health and welfare	-	-	-	-	-
Leisure time activities	-	-	-	-	-
Transportation	917,850	59,811	453,258	1,734,397	1,160
General government	-	-	-	-	446,846
Debt service					
Principal	-	-	6,169	-	7,180
Total expenditures	<u>917,850</u>	<u>59,811</u>	<u>459,427</u>	<u>1,734,397</u>	<u>455,186</u>
Excess (deficiency) of revenues over expenditures	<u>186,224</u>	<u>31,291</u>	<u>36,254</u>	<u>98,785</u>	<u>(226,050)</u>
Fund balances, beginning of year	<u>138,179</u>	<u>29,086</u>	<u>136,255</u>	<u>162,385</u>	<u>574,199</u>
Fund balances, end of year	<u>\$ 324,403</u>	<u>\$ 60,377</u>	<u>\$ 172,509</u>	<u>\$ 261,170</u>	<u>\$ 348,149</u>

<u>Police Levy</u>	<u>Police Pension</u>	<u>Law Enforcement Trust</u>	<u>Drug Law Enforcement Trust</u>	<u>DUI Enforcement and Education Trust</u>	<u>Clerk of Courts Computer Service</u>	<u>Court Computerization</u>
\$ 1,005,103	\$ 157,420	\$ -	\$ -	\$ -	\$ -	\$ -
136,375	21,320	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	2,144	16,930	-	12,690
11,287	686	525	734	896	311	3,822
-	-	8,000	-	-	31,487	-
<u>1,152,765</u>	<u>179,426</u>	<u>8,525</u>	<u>2,878</u>	<u>17,826</u>	<u>31,798</u>	<u>16,512</u>
1,170,758	193,903	10,018	3,127	19,458	1,365	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,170,758</u>	<u>193,903</u>	<u>10,018</u>	<u>3,127</u>	<u>19,458</u>	<u>1,365</u>	<u>-</u>
(17,993)	(14,477)	(1,493)	(249)	(1,632)	30,433	16,512
<u>29,180</u>	<u>(74,092)</u>	<u>11,654</u>	<u>13,728</u>	<u>17,018</u>	<u>2,942</u>	<u>69,696</u>
<u>\$ 11,187</u>	<u>\$ (88,569)</u>	<u>\$ 10,161</u>	<u>\$ 13,479</u>	<u>\$ 15,386</u>	<u>\$ 33,375</u>	<u>\$ 86,208</u>

(Continued)

CITY OF NORTH RIDGEVILLE, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2006

(Concluded)

	Fire Levy	Fire Pension	Paramedic Levy	Ambulance	State Grants
Revenues					
Property and other local taxes	\$ 979,330	\$ 157,420	\$ 883,724	\$ -	\$ -
Intergovernmental revenue	133,935	21,320	120,677	-	134,647
Charges for services	-	-	-	45,623	-
Fines, licenses, and permits	-	-	-	-	-
Interest	7,459	686	12,533	8,509	-
Miscellaneous	1,305	-	496	-	164
Total revenues	<u>1,122,029</u>	<u>179,426</u>	<u>1,017,430</u>	<u>54,132</u>	<u>134,811</u>
Expenditures					
Current					
Security of persons and property	1,116,408	188,147	954,632	56,793	-
Public health and welfare	-	-	-	-	-
Leisure time activities	-	-	-	-	-
Transportation	-	-	-	-	-
General government	-	-	-	-	151,432
Debt service					
Principal	-	-	-	-	-
Total expenditures	<u>1,116,408</u>	<u>188,147</u>	<u>954,632</u>	<u>56,793</u>	<u>151,432</u>
Excess (deficiency) of revenues over expenditures	<u>5,621</u>	<u>(8,721)</u>	<u>62,798</u>	<u>(2,661)</u>	<u>(16,621)</u>
Fund balances, beginning of year	<u>(24,378)</u>	<u>(74,096)</u>	<u>62,375</u>	<u>158,420</u>	<u>105,457</u>
Fund balances, end of year	<u>\$ (18,757)</u>	<u>\$ (82,817)</u>	<u>\$ 125,173</u>	<u>\$ 155,759</u>	<u>\$ 88,836</u>

<u>Federal Grants</u>	<u>Cemetery</u>	<u>Park and Recreation Trust</u>	<u>Park and Recreation Improvement</u>	<u>Senior Citizens Title III</u>	<u>Solid Waste Management</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,565,367
290,169	-	-	-	31,415	-	2,907,049
-	22,900	107,988	-	-	1,471,001	1,647,512
-	-	-	87,397	-	-	119,161
5,968	4,633	4,147	15,038	310	13,192	154,989
-	-	-	-	-	100	330,913
<u>296,137</u>	<u>27,533</u>	<u>112,135</u>	<u>102,435</u>	<u>31,725</u>	<u>1,484,293</u>	<u>9,724,991</u>
-	-	-	-	-	-	3,714,609
-	1,272	-	-	31,833	-	33,105
-	-	91,089	77,589	-	-	168,678
-	-	-	-	87	-	3,166,563
345,145	-	-	-	-	1,501,453	2,444,876
-	-	-	-	-	-	13,349
<u>345,145</u>	<u>1,272</u>	<u>91,089</u>	<u>77,589</u>	<u>31,920</u>	<u>1,501,453</u>	<u>9,541,180</u>
(49,008)	26,261	21,046	24,846	(195)	(17,160)	183,811
<u>107,740</u>	<u>77,662</u>	<u>57,371</u>	<u>283,732</u>	<u>7,102</u>	<u>310,263</u>	<u>2,181,878</u>
<u>\$ 58,732</u>	<u>\$ 103,923</u>	<u>\$ 78,417</u>	<u>\$ 308,578</u>	<u>\$ 6,907</u>	<u>\$ 293,103</u>	<u>\$ 2,365,689</u>

CITY OF NORTH RIDGEVILLE, OHIO

BALANCE SHEET -
NONMAJOR DEBT SERVICE FUNDS

DECEMBER 31, 2006

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total
Assets			
Equity in pooled cash and equivalents	\$ 266,161	\$ 114,698	\$ 380,859
Taxes receivable - property and other	219,700	-	219,700
Special assessments receivable	-	274,000	274,000
Due from other governments	11,550	-	11,550
Total assets	<u>\$ 497,411</u>	<u>\$ 388,698</u>	<u>\$ 886,109</u>
Liabilities			
Deferred revenue	\$ 231,250	\$ 274,000	\$ 505,250
Total liabilities	<u>231,250</u>	<u>274,000</u>	<u>505,250</u>
Fund balance			
Reserved for debt service	266,161	114,698	380,859
Total fund balance	<u>266,161</u>	<u>114,698</u>	<u>380,859</u>
Total liabilities and fund balance	<u>\$ 497,411</u>	<u>\$ 388,698</u>	<u>\$ 886,109</u>

CITY OF NORTH RIDGEVILLE, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES -
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total
Revenues			
Property and other local taxes	\$ 304,945	\$ -	\$ 304,945
Intergovernmental	112,739	-	112,739
Special assessments	-	32,843	32,843
Interest	39,339	6,523	45,862
Total revenues	<u>457,023</u>	<u>39,366</u>	<u>496,389</u>
Expenditures			
Current			
General government	5,359	582	5,941
Debt service			
Bond principal	620,000	25,000	645,000
Interest and fiscal charges	244,671	8,614	253,285
Total expenditures	<u>870,030</u>	<u>34,196</u>	<u>904,226</u>
Excess of revenues over expenditures	<u>(413,007)</u>	<u>5,170</u>	<u>(407,837)</u>
Other financing sources (uses)			
Transfers in	422,244	-	422,244
Total other financing sources (uses)	<u>422,244</u>	<u>-</u>	<u>422,244</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	9,237	5,170	14,407
Fund balance, beginning of year	<u>256,924</u>	<u>109,528</u>	<u>366,452</u>
Fund balance, end of year	<u>\$ 266,161</u>	<u>\$ 114,698</u>	<u>\$ 380,859</u>

CITY OF NORTH RIDGEVILLE, OHIO
 COMBINING BALANCE SHEET -
 NONMAJOR CAPITAL PROJECTS FUNDS

DECEMBER 31, 2006

	Capital Projects	Issue II	Totals
Assets			
Equity in pooled cash and equivalents	\$ 831,497	\$ -	\$ 831,497
Due from other governments	-	40,314	40,314
Accrued interest receivable	1,500	-	1,500
Total assets	\$ 832,997	\$ 40,314	\$ 873,311
Liabilities			
Accounts and contracts payable	\$ 1,455	\$ -	\$ 1,455
Accrued interest payable	11,800	-	11,800
Due to other governments	-	187,562	187,562
Unearned revenue	1,500	-	1,500
Note payable	1,300,000	-	1,300,000
Total liabilities	1,314,755	187,562	1,502,317
Fund balances			
Reserved for encumbrances	115,199	-	115,199
Unreserved	(596,957)	(147,248)	(744,205)
Total fund balances	(481,758)	(147,248)	(629,006)
Total liabilities and fund balances	\$ 832,997	\$ 40,314	\$ 873,311

CITY OF NORTH RIDGEVILLE, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2006

	Capital Projects	Issue II	Totals
Revenue			
Taxes	\$ 36,133	\$ -	\$ 36,133
Intergovernmental	-	600,550	600,550
Interest	35,508	-	35,508
Miscellaneous	15,550	-	15,550
Total revenue	<u>87,191</u>	<u>600,550</u>	<u>687,741</u>
Expenditures			
Capital outlay	1,500,514	747,798	2,248,312
Debt service			
Note principal	25,920	-	25,920
Interest and fiscal charges	85,575	-	85,575
Total expenditures	<u>1,612,009</u>	<u>747,798</u>	<u>2,359,807</u>
Excess (deficiency) of revenue over expenditures	<u>(1,524,818)</u>	<u>(147,248)</u>	<u>(1,672,066)</u>
Other financing sources (uses)			
Transfers-in	1,005,000	-	1,005,000
Transfers-out	(422,244)	-	(422,244)
Bond proceeds	2,086,000	-	2,086,000
Total other financing sources (uses)	<u>2,668,756</u>	<u>-</u>	<u>2,668,756</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	1,143,938	(147,248)	996,690
Fund balances, beginning of year	<u>(1,625,696)</u>	<u>-</u>	<u>(1,625,696)</u>
Fund balances, end of year	<u>\$ (481,758)</u>	<u>\$ (147,248)</u>	<u>\$ (629,006)</u>

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COMBINING STATEMENTS - AGENCY FUNDS

Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds. These funds are purely custodial in nature (assets equal liabilities) and therefore do not involve the measurement of results of operations.

Board of Building Standards Fund – Accounts for fees required by the State to be collected by the City and paid to the State.

Senior Citizens Multi Trust Fund – Accounts for revenue earned and expended by the Senior Citizens Center.

Mayor's Court Operating Trust Fund – Accounts for fines and fees collected for the purpose of operating the Mayor's Court.

Mayor's Court Bail Trust Fund – Accounts for bail collected.

Trust Miscellaneous Fund – Accounts for deposits held by the City from contractors, developers or individuals to ensure compliance with City Ordinances, and for other various deposits held by the City on behalf of others.

CITY OF NORTH RIDGEVILLE, OHIO
 COMBINING STATEMENT OF ASSETS AND LIABILITIES -
 AGENCY FUNDS
 DECEMBER 31, 2006

	Board of Building Standards	Senior Citizens Multi-Trust	Mayor's Court Operating
Assets			
Equity in pooled cash and equivalents	\$ 85	\$ 11,099	\$ 163,489
Liabilities			
Accounts and contracts payable	\$ 85	\$ 533	\$ 106
Accrued salaries, w ages and benefits	-	-	2,450
Due to other governments	-	-	5,767
Due to others	-	10,566	155,166
Total liabilities	\$ 85	\$ 11,099	\$ 163,489

Mayor's Court Bail Trust	Trust Miscellaneous	Total
\$ 5,785	\$ 972,969	\$ 1,153,427
\$ -	\$ 1,792	\$ 2,516
-	-	2,450
-	-	5,767
5,785	971,177	1,142,694
<u>\$ 5,785</u>	<u>\$ 972,969</u>	<u>\$ 1,153,427</u>

CITY OF NORTH RIDGEVILLE, OHIO
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2006

	Beginning Balance 1/1/2006	Additions	Reductions	Ending Balance 12/31/2006
Board of Building Standards				
Assets				
Equity in pooled cash and equivalents	\$ 54	\$ 1,987	\$ 1,956	\$ 85
Liabilities				
Accounts and contracts payable	\$ 54	\$ 1,987	\$ 1,956	\$ 85
Total liabilities	\$ 54	\$ 1,987	\$ 1,956	\$ 85

	Beginning Balance 1/1/2006	Additions	Reductions	Ending Balance 12/31/2006
Senior Citizens Multi-Trust				
Assets				
Equity in pooled cash and equivalents	\$ 9,268	\$ 68,083	\$ 66,252	\$ 11,099
Liabilities				
Accounts and contracts payable	\$ 1,829	\$ 533	\$ 1,829	\$ 533
Due to others	7,439	67,550	64,423	10,566
Total liabilities	\$ 9,268	\$ 68,083	\$ 66,252	\$ 11,099

	Beginning Balance 1/1/2006	Additions	Reductions	Ending Balance 12/31/2006
Mayor's Court Operating				
Assets				
Equity in pooled cash and equivalents	\$ 124,541	\$ 540,382	\$ 501,434	\$ 163,489
Liabilities				
Accounts and contracts payable	\$ -	\$ 106	\$ -	\$ 106
Accrued salaries, w ages and benefits	802	2,450	802	2,450
Due to other governments	3,415	5,767	3,415	5,767
Due to others	120,324	532,059	497,217	155,166
Total liabilities	\$ 124,541	\$ 540,382	\$ 501,434	\$ 163,489

	Beginning Balance 1/1/2006	Additions	Reductions	Ending Balance 12/31/2006
Mayor's Court Bail Trust				
Assets				
Equity in pooled cash and equivalents	\$ 3,089	\$ 44,678	\$ 41,982	\$ 5,785
Liabilities				
Due to others	\$ 3,089	\$ 44,678	\$ 41,982	\$ 5,785
Total liabilities	\$ 3,089	\$ 44,678	\$ 41,982	\$ 5,785

(Continued)

CITY OF NORTH RIDGEVILLE, OHIO
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2006

	(Concluded)			
	Beginning Balance 1/1/2006	Additions	Reductions	Ending Balance 12/31/2006
Trust Miscellaneous				
Assets				
Equity in pooled cash and equivalents	\$ 1,021,085	\$ 1,712,877	\$ 1,760,993	\$ 972,969
Liabilities				
Accounts and contracts payable	\$ 79	\$ 1,792	\$ 79	\$ 1,792
Due to others	1,021,006	1,711,085	1,760,914	971,177
Total liabilities	\$ 1,021,085	\$ 1,712,877	\$ 1,760,993	\$ 972,969
Total All Agency Funds				
Assets				
Equity in pooled cash and equivalents	\$ 1,158,037	\$ 2,368,007	\$ 2,372,617	\$ 1,153,427
Liabilities				
Accounts and contracts payable	\$ 1,962	\$ 4,418	\$ 3,864	\$ 2,516
Accrued salaries, wages and benefits	802	2,450	802	2,450
Due to other governments	3,415	5,767	3,415	5,767
Due to others	1,151,858	2,355,372	2,364,536	1,142,694
Total liabilities	\$ 1,158,037	\$ 2,368,007	\$ 2,372,617	\$ 1,153,427

**INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES/EXPENSES
AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 871,747	\$ 918,081	\$ 918,321	\$ 240
Intergovernmental revenue	852,815	855,329	925,611	70,282
Fines, licenses, and permits	620,000	536,000	626,069	90,069
Interest	15,000	32,432	42,214	9,782
Miscellaneous	597,168	667,320	763,567	96,247
Total revenues	<u>2,956,730</u>	<u>3,009,162</u>	<u>3,275,782</u>	<u>266,620</u>
Expenditures				
Current				
Security of persons and property				
Police				
Personal services	2,934,106	2,905,106	2,769,912	135,194
Materials and supplies	249,648	266,448	236,492	29,956
Contractual services	84,478	79,978	72,966	7,012
Capital outlay	73,100	291,200	291,049	151
Other	102,212	113,912	72,026	41,886
Total police	<u>3,443,544</u>	<u>3,656,644</u>	<u>3,442,445</u>	<u>214,199</u>
Humane officer				
Personal services	87,450	87,300	86,529	771
Materials and supplies	2,250	2,400	2,372	28
Total humane officer	<u>89,700</u>	<u>89,700</u>	<u>88,901</u>	<u>799</u>
Fire				
Personal services	1,153,210	1,148,910	1,086,782	62,128
Materials and supplies	205,480	218,980	188,619	30,361
Contractual services	18,950	20,550	18,693	1,857
Capital outlay	-	64,800	60,447	4,353
Other	4,391	6,891	4,091	2,800
Total fire	<u>1,382,031</u>	<u>1,460,131</u>	<u>1,358,632</u>	<u>101,499</u>
Street lighting				
Materials and supplies	50,000	75,000	74,996	4
Total street lighting	<u>50,000</u>	<u>75,000</u>	<u>74,996</u>	<u>4</u>
Total security of persons and property	<u>4,965,275</u>	<u>5,281,475</u>	<u>4,964,974</u>	<u>316,501</u>
Public health and welfare				
General government				
Other	75,000	80,000	79,563	437
Total general government	<u>75,000</u>	<u>80,000</u>	<u>79,563</u>	<u>437</u>
Senior citizens				
Personal services	214,105	213,005	202,790	10,215
Materials and supplies	18,649	19,749	17,097	2,652
Contractual services	7,800	7,800	7,696	104
Capital outlay	6,000	8,000	6,863	1,137
Total senior citizens	<u>246,554</u>	<u>248,554</u>	<u>234,446</u>	<u>14,108</u>
Total public health and welfare	<u>321,554</u>	<u>328,554</u>	<u>314,009</u>	<u>14,545</u>

(Continued)

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	General Fund (Continued)			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Leisure time activities				
Park and recreation				
Personal services	\$ 150,975	\$ 154,075	\$ 153,369	\$ 706
Materials and supplies	26,632	25,537	24,291	1,246
Contractual services	3,300	3,400	3,390	10
Other	12,122	13,017	12,518	499
Total leisure time activities	<u>193,029</u>	<u>196,029</u>	<u>193,568</u>	<u>2,461</u>
Community development				
Building				
Personal services	568,775	567,575	536,092	31,483
Materials and supplies	23,812	23,262	20,138	3,124
Contractual services	102,499	109,449	106,795	2,654
Capital outlay	7,300	77,300	68,175	9,125
Other	110,025	105,825	105,307	518
Total building	<u>812,411</u>	<u>883,411</u>	<u>836,507</u>	<u>46,904</u>
Engineer				
Personal services	544,550	546,350	539,979	6,371
Materials and supplies	18,424	21,424	18,545	2,879
Contractual services	40,702	41,702	39,433	2,269
Capital outlay	7,625	100,925	98,789	2,136
Other	2,950	1,750	1,168	582
Total engineer	<u>614,251</u>	<u>712,151</u>	<u>697,914</u>	<u>14,237</u>
Total community development	<u>1,426,662</u>	<u>1,595,562</u>	<u>1,534,421</u>	<u>61,141</u>
General government				
Council				
Personal services	202,900	207,680	207,443	237
Materials and supplies	7,552	6,822	6,044	778
Capital outlay	3,400	3,400	3,020	380
Other	4,893	5,043	3,561	1,482
Total council	<u>218,745</u>	<u>222,945</u>	<u>220,068</u>	<u>2,877</u>
Mayor				
Personal services	177,575	179,725	178,377	1,348
Materials and supplies	7,277	7,827	4,329	3,498
Capital outlay	6,000	6,000	2,548	3,452
Other	3,525	4,825	3,182	1,643
Total mayor	<u>194,377</u>	<u>198,377</u>	<u>188,436</u>	<u>9,941</u>
Finance				
Personal services	405,275	419,005	417,539	1,466
Materials and supplies	9,398	9,898	9,578	320
Contractual services	4,229	4,329	4,001	328
Capital outlay	6,400	8,000	5,168	2,832
Other	1,825	1,825	1,050	775
Total finance	<u>427,127</u>	<u>443,057</u>	<u>437,336</u>	<u>5,721</u>

(Continued)

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	General Fund (Continued)			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Law director				
Personal services	\$ 268,925	\$ 269,125	\$ 269,014	\$ 111
Materials and supplies	2,500	2,500	2,333	167
Contractual services	139,307	149,307	122,772	26,535
Other	4,275	4,275	2,696	1,579
Total law director	<u>415,007</u>	<u>425,207</u>	<u>396,815</u>	<u>28,392</u>
Computer services				
Personal services	134,750	137,350	136,522	828
Materials and supplies	51,630	51,530	39,730	11,800
Contractual services	69,240	67,740	61,639	6,101
Capital outlay	13,100	12,100	9,495	2,605
Other	7,617	7,617	1,807	5,810
Total computer services	<u>276,337</u>	<u>276,337</u>	<u>249,193</u>	<u>27,144</u>
Safety service director				
Personal services	169,225	171,475	169,896	1,579
Materials and supplies	3,394	4,694	2,737	1,957
Contractual services	629	629	428	201
Capital outlay	-	6,000	4,850	1,150
Other	1,575	2,275	1,862	413
Total safety service director	<u>174,823</u>	<u>185,073</u>	<u>179,773</u>	<u>5,300</u>
Civil services				
Personal services	9,400	9,405	9,399	6
Materials and supplies	34,979	34,979	23,091	11,888
Contractual services	1,000	1,000	-	1,000
Other	1,700	1,695	666	1,029
Total civil service	<u>47,079</u>	<u>47,079</u>	<u>33,156</u>	<u>13,923</u>
General government				
Personal services	18,600	19,895	17,456	2,439
Materials and supplies	1,000	1,000	615	385
Contractual services	97,037	146,237	127,755	18,482
Capital outlay	43,562	73,862	56,506	17,356
Other	391,421	332,326	272,203	60,123
Total general government	<u>551,620</u>	<u>573,320</u>	<u>474,535</u>	<u>98,785</u>
Public grounds/cemetery				
Personal services	303,700	314,200	307,002	7,198
Materials and supplies	66,720	70,320	68,638	1,682
Contractual services	4,937	4,637	4,477	160
Other	500	500	-	500
Total public grounds/cemetery	<u>375,857</u>	<u>389,657</u>	<u>380,117</u>	<u>9,540</u>
Total general government	<u>2,680,972</u>	<u>2,761,052</u>	<u>2,559,429</u>	<u>201,623</u>
Debt service				
Principal	-	425,000	425,000	-
Interest and fiscal charges	-	6,900	6,882	18
Total expenditures	<u>9,587,492</u>	<u>10,594,572</u>	<u>9,998,283</u>	<u>596,289</u>

(Continued)

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	General Fund (Concluded)			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Excess (deficiency) of revenues over expenditures	\$ (6,630,762)	\$ (7,585,410)	\$ (6,722,501)	\$ 862,909
Other financing sources (uses)				
Transfers-in	6,014,500	5,793,187	5,870,000	76,813
Advances-in	82,432	-	98,698	98,698
Note proceeds	-	425,000	425,000	-
Bond proceeds	-	430,000	430,000	-
Advances-out	(50,000)	(220,000)	(193,061)	26,939
Total other financing sources (uses)	<u>6,046,932</u>	<u>6,428,187</u>	<u>6,630,637</u>	<u>202,450</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(583,830)	(1,157,223)	(91,864)	1,065,359
Prior year encumbrances	107,891	107,891	107,891	-
Fund balances, beginning of year	<u>1,064,526</u>	<u>1,064,526</u>	<u>1,064,526</u>	<u>-</u>
Fund balances, end of year	<u>\$ 588,587</u>	<u>\$ 15,194</u>	<u>\$ 1,080,553</u>	<u>\$ 1,065,359</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Income Tax Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 7,040,000	\$ 7,140,000	\$ 7,502,057	\$ 362,057
Interest	60,000	119,000	151,357	32,357
Miscellaneous	-	1,000	1,043	43
Total revenues	<u>7,100,000</u>	<u>7,260,000</u>	<u>7,654,457</u>	<u>394,457</u>
Expenditures				
Current				
General government				
Personal services	186,775	190,775	187,774	3,001
Materials and supplies	65,040	71,040	46,920	24,120
Contractual services	28,625	28,625	13,112	15,513
Capital outlay	7,000	7,000	-	7,000
Other	181,453	181,453	104,984	76,469
Total expenditures	<u>468,893</u>	<u>478,893</u>	<u>352,790</u>	<u>126,103</u>
Excess (deficiency) of revenues over expenditures	<u>6,631,107</u>	<u>6,781,107</u>	<u>7,301,667</u>	<u>520,560</u>
Other financing sources (uses)				
Transfers-out	(6,700,000)	(6,700,000)	(6,700,000)	-
Total other financing sources (uses)	<u>(6,700,000)</u>	<u>(6,700,000)</u>	<u>(6,700,000)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(68,893)	81,107	601,667	520,560
Prior year encumbrances	10,693	10,693	10,693	-
Fund balances, beginning of year	<u>1,661,635</u>	<u>1,661,635</u>	<u>1,661,635</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,603,435</u>	<u>\$ 1,753,435</u>	<u>\$ 2,273,995</u>	<u>\$ 520,560</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Water Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 2,230,000	\$ 2,480,000	\$ 2,590,042	\$ 110,042
Tap in fees	215,000	225,000	250,567	25,567
Miscellaneous	185,000	151,000	140,429	(10,571)
Interest income	47,000	111,538	149,055	37,517
Total revenues	2,677,000	2,967,538	3,130,093	162,555
Expenses				
Personal services	867,983	867,983	823,941	44,042
Materials and supplies	495,586	475,586	341,377	134,209
Contractual services	153,985	174,484	156,027	18,457
Capital outlay	258,100	258,100	113,824	144,276
Other non-operating expenses	1,597,322	1,596,822	1,119,928	476,894
Debt service				
Note principal	-	137,150	137,150	-
Bond principal	321,709	321,709	184,559	137,150
Interest and fiscal charges	29,338	29,338	29,338	-
Total expenditures	3,724,023	3,861,172	2,906,144	955,028
Excess (deficiency) of revenues over expenses	(1,047,023)	(893,634)	223,949	1,117,583
Other financing sources (uses)				
Transfers-out	(137,150)	-	-	-
Total other financing sources (uses)	(137,150)	-	-	-
Excess (deficiency) of revenues over expenses and other financing sources (uses)	(1,184,173)	(893,634)	223,949	1,117,583
Prior year encumbrances	29,485	29,485	29,485	-
Fund balances, beginning of year	2,438,964	2,438,964	2,438,964	-
Fund balances, end of year	\$ 1,284,276	\$ 1,574,815	\$ 2,692,398	\$ 1,117,583

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Sewer Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 6,404,600	\$ 5,611,900	\$ 5,591,554	\$ (20,346)
Special assessments	700,000	1,773,304	1,773,304	-
Tap in fees	1,944,000	1,574,000	1,487,546	(86,454)
Miscellaneous	10,400	20,800	60,156	39,356
Interest income	364,000	472,035	635,007	162,972
Total revenues	<u>9,423,000</u>	<u>9,452,039</u>	<u>9,547,567</u>	<u>95,528</u>
Expenses				
Personal services	1,781,760	1,795,060	1,722,763	72,297
Materials and supplies	502,708	567,308	450,333	116,975
Contractual services	2,857,827	2,747,602	2,490,939	256,663
Capital outlay	4,391,298	3,913,188	2,251,354	1,661,834
Other	1,112,886	662,487	579,237	83,250
Debt service				
Note principal	8,600,000	13,825,000	13,825,000	-
Bond principal	425,000	425,000	425,000	-
Interest and fiscal charges	644,271	1,103,845	1,097,695	6,150
Total expenditures	<u>20,315,750</u>	<u>25,039,490</u>	<u>22,842,321</u>	<u>2,197,169</u>
Excess (deficiency) of revenues over expenses	<u>(10,892,750)</u>	<u>(15,587,451)</u>	<u>(13,294,754)</u>	<u>2,292,697</u>
Other financing sources (uses)				
Bond proceeds	7,900,000	11,299,000	11,309,987	10,987
Premium on debt issue	-	4,607	4,607	-
Total other financing sources (uses)	<u>7,900,000</u>	<u>11,303,607</u>	<u>11,314,594</u>	<u>10,987</u>
Excess (deficiency) of revenues over expenses and other financing sources (uses)	<u>(2,992,750)</u>	<u>(4,283,844)</u>	<u>(1,980,160)</u>	<u>2,303,684</u>
Prior year encumbrances	1,198,312	1,198,312	1,198,312	-
Fund balances, beginning of year	<u>9,340,667</u>	<u>9,340,667</u>	<u>9,340,667</u>	<u>-</u>
Fund balances, end of year	<u>\$ 7,546,229</u>	<u>\$ 6,255,135</u>	<u>\$ 8,558,819</u>	<u>\$ 2,303,684</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Street Construction, Maintenance and Repair Fund (SCMR)			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 909,800	\$ 1,054,350	\$ 1,080,889	\$ 26,539
Interest	3,000	6,000	8,485	2,485
Miscellaneous	-	150	2,600	2,450
Total revenues	912,800	1,060,500	1,091,974	31,474
Expenditures				
Current				
Transportation				
Streets				
Personal services	940,350	940,350	861,628	78,722
Materials and supplies	12,234	40,000	-	40,000
Other	48,400	42,234	12,234	30,000
Traffic signals				
Materials and supplies	-	71,400	53,702	17,698
Total expenditures	1,000,984	1,093,984	927,564	166,420
Excess (deficiency) of revenues over expenditures	(88,184)	(33,484)	164,410	197,894
Prior year encumbrances	12,233	12,233	12,233	-
Fund balances, beginning of year	81,954	81,954	81,954	-
Fund balances, end of year	\$ 6,003	\$ 60,703	\$ 258,597	\$ 197,894

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	State Highway Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 72,600	\$ 86,500	\$ 87,639	\$ 1,139
Interest	500	1,300	2,463	1,163
Total revenues	<u>73,100</u>	<u>87,800</u>	<u>90,102</u>	<u>2,302</u>
Expenditures				
Current				
Transportation				
Materials and supplies	82,345	82,345	59,811	22,534
Contractual services	5,000	5,000	-	5,000
Total expenditures	<u>87,345</u>	<u>87,345</u>	<u>59,811</u>	<u>27,534</u>
Excess (deficiency) of revenues over expenditures	(14,245)	455	30,291	29,836
Prior year encumbrances	10,345	10,345	10,345	-
Fund balances, beginning of year	<u>12,141</u>	<u>12,141</u>	<u>12,141</u>	<u>-</u>
Fund balances, end of year	<u>\$ 8,241</u>	<u>\$ 22,941</u>	<u>\$ 52,777</u>	<u>\$ 29,836</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Motor Vehicle License Tax Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 398,500	\$ 408,300	\$ 403,040	\$ (5,260)
Interest	5,500	5,500	7,111	1,611
Miscellaneous	1,000	82,850	85,330	2,480
Total revenues	<u>405,000</u>	<u>496,650</u>	<u>495,481</u>	<u>(1,169)</u>
Expenditures				
Current				
Transportation				
Personal services	214,712	217,417	216,224	1,193
Materials and supplies	148,969	159,064	118,968	40,096
Contractual services	71,264	57,964	49,134	8,830
Capital outlay	-	98,150	33,400	64,750
Other	84,816	68,816	66,228	2,588
Total expenditures	<u>519,761</u>	<u>601,411</u>	<u>483,954</u>	<u>117,457</u>
Excess (deficiency) of revenues over expenditures	(114,761)	(104,761)	11,527	116,288
Prior year encumbrances	18,160	18,160	18,160	-
Fund balances, beginning of year	97,522	97,522	97,522	-
Fund balances, end of year	<u>\$ 921</u>	<u>\$ 10,921</u>	<u>\$ 127,209</u>	<u>\$ 116,288</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Street Levy Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 1,013,205	\$ 981,205	\$ 979,330	\$ (1,875)
Intergovernmental revenue	97,850	140,150	133,935	(6,215)
Interest	10,000	10,000	18,489	8,489
Total revenues	<u>1,121,055</u>	<u>1,131,355</u>	<u>1,131,754</u>	<u>399</u>
Expenditures				
Current				
Transportation				
Materials and supplies	241	184,242	140,647	43,595
Contractual services	8,600	15,600	15,590	10
Capital outlay	1,405,063	1,214,062	1,114,364	99,698
Total expenditures	<u>1,413,904</u>	<u>1,413,904</u>	<u>1,270,601</u>	<u>143,303</u>
Excess (deficiency) of revenues over expenditures	<u>(292,849)</u>	<u>(282,549)</u>	<u>(138,847)</u>	<u>143,702</u>
Prior year encumbrances	119,204	119,204	119,204	-
Fund balances, beginning of year	<u>175,913</u>	<u>175,913</u>	<u>175,913</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,268</u>	<u>\$ 12,568</u>	<u>\$ 156,270</u>	<u>\$ 143,702</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Surface Drainage Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ 10,000	\$ 25,000	\$ 27,705	\$ 2,705
Miscellaneous	160,000	196,000	201,431	5,431
Total revenues	<u>170,000</u>	<u>221,000</u>	<u>229,136</u>	<u>8,136</u>
Expenditures				
Current				
Basic utility services				
Personal services	85,010	85,010	79,091	5,919
Materials and supplies	148,316	124,316	82,844	41,472
Contractual services	28,100	51,100	40,450	10,650
Capital outlay	330,349	405,349	262,286	143,063
Other	59,550	60,550	36,068	24,482
Total expenditures	<u>651,325</u>	<u>726,325</u>	<u>500,739</u>	<u>225,586</u>
Excess (deficiency) of revenues over expenditures	(481,325)	(505,325)	(271,603)	233,722
Prior year encumbrances	40,026	40,026	40,026	-
Fund balances, beginning of year	<u>571,375</u>	<u>571,375</u>	<u>571,375</u>	<u>-</u>
Fund balances, end of year	<u>\$ 130,076</u>	<u>\$ 106,076</u>	<u>\$ 339,798</u>	<u>\$ 233,722</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Police Levy Fund			Variance w with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 1,041,431	\$ 1,006,231	\$ 1,005,103	\$ (1,128)
Intergovernmental revenue	98,111	135,311	136,375	1,064
Interest	1,500	10,500	11,287	787
Total revenues	<u>1,141,042</u>	<u>1,152,042</u>	<u>1,152,765</u>	<u>723</u>
Expenditures				
Current				
Security of persons and property				
Personal services	1,207,300	1,195,600	1,159,700	35,900
Contractual services	4,300	16,000	15,990	10
Total expenditures	<u>1,211,600</u>	<u>1,211,600</u>	<u>1,175,690</u>	<u>35,910</u>
Excess (deficiency) of revenues over expenditures	(70,558)	(59,558)	(22,925)	36,633
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>70,635</u>	<u>70,635</u>	<u>70,635</u>	<u>-</u>
Fund balances, end of year	<u>\$ 77</u>	<u>\$ 11,077</u>	<u>\$ 47,710</u>	<u>\$ 36,633</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Police Pension Fund			Variance w with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 154,427	\$ 157,587	\$ 157,420	\$ (167)
Intergovernmental revenue	24,029	21,169	21,320	151
Interest	100	650	686	36
Total revenues	<u>178,556</u>	<u>179,406</u>	<u>179,426</u>	<u>20</u>
Expenditures				
Current				
Security of persons and property				
Personal services	179,600	180,200	180,200	-
Contractual services	2,400	2,600	2,503	97
Total expenditures	<u>182,000</u>	<u>182,800</u>	<u>182,703</u>	<u>97</u>
Excess (deficiency) of revenues over expenditures	(3,444)	(3,394)	(3,277)	117
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>3,508</u>	<u>3,508</u>	<u>3,508</u>	<u>-</u>
Fund balances, end of year	<u>\$ 64</u>	<u>\$ 114</u>	<u>\$ 231</u>	<u>\$ 117</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Law Enforcement Trust Fund			Variance w Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ 400	\$ 500	\$ 525	\$ 25
Miscellaneous	4,600	8,000	8,000	-
Total revenues	<u>5,000</u>	<u>8,500</u>	<u>8,525</u>	<u>25</u>
Expenditures				
Current				
Security of persons and property				
Materials and supplies	1,616	8,516	8,483	33
Capital outlay	8,200	3,300	1,651	1,649
Other	2,000	-	-	-
Total expenditures	<u>11,816</u>	<u>11,816</u>	<u>10,134</u>	<u>1,682</u>
Excess (deficiency) of revenues over expenditures	(6,816)	(3,316)	(1,609)	1,707
Prior year encumbrances	116	116	116	-
Fund balances, beginning of year	<u>11,654</u>	<u>11,654</u>	<u>11,654</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,954</u>	<u>\$ 8,454</u>	<u>\$ 10,161</u>	<u>\$ 1,707</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Drug Law Enforcement Trust Fund			Variance w with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Fines, licenses, and permits	\$ 4,600	\$ 2,200	\$ 2,144	\$ (56)
Interest	400	700	734	34
Total revenues	<u>5,000</u>	<u>2,900</u>	<u>2,878</u>	<u>(22)</u>
Expenditures				
Current				
Security of persons and property				
Materials and supplies	11,200	11,200	2,177	9,023
Other	2,500	2,500	950	1,550
Total expenditures	<u>13,700</u>	<u>13,700</u>	<u>3,127</u>	<u>10,573</u>
Excess (deficiency) of revenues over expenditures	(8,700)	(10,800)	(249)	10,551
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>13,728</u>	<u>13,728</u>	<u>13,728</u>	<u>-</u>
Fund balances, end of year	<u>\$ 5,028</u>	<u>\$ 2,928</u>	<u>\$ 13,479</u>	<u>\$ 10,551</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	DUI Enforcement and Education Trust Fund			Variance w Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Fines, licenses, and permits	\$ 3,400	\$ 16,200	\$ 16,930	\$ 730
Interest	600	600	896	296
Total revenues	<u>4,000</u>	<u>16,800</u>	<u>17,826</u>	<u>1,026</u>
Expenditures				
Current				
Security of persons and property				
Materials and supplies	17,000	19,500	19,458	42
Total expenditures	<u>17,000</u>	<u>19,500</u>	<u>19,458</u>	<u>42</u>
Excess (deficiency) of revenues over expenditures	(13,000)	(2,700)	(1,632)	1,068
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>17,018</u>	<u>17,018</u>	<u>17,018</u>	-
Fund balances, end of year	<u>\$ 4,018</u>	<u>\$ 14,318</u>	<u>\$ 15,386</u>	<u>\$ 1,068</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Clerk of Courts Computer Service Fund			Variance w with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ 130	\$ 130	\$ 311	\$ 181
Miscellaneous	26,370	26,370	29,649	3,279
Total revenues	<u>26,500</u>	<u>26,500</u>	<u>29,960</u>	<u>3,460</u>
Expenditures				
Current				
Security of persons and property				
Personal services	31,186	-	-	-
Other	-	2,086	1,365	721
Total expenditures	<u>31,186</u>	<u>2,086</u>	<u>1,365</u>	<u>721</u>
Excess (deficiency) of revenues over expenditures	(4,686)	24,414	28,595	4,181
Prior year encumbrances	86	86	86	-
Fund balances, beginning of year	<u>4,694</u>	<u>4,694</u>	<u>4,694</u>	<u>-</u>
Fund balances, end of year	<u>\$ 94</u>	<u>\$ 29,194</u>	<u>\$ 33,375</u>	<u>\$ 4,181</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Court Computerization Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Fines, licenses, and permits	\$ 9,000	\$ 8,000	\$ 12,690	\$ 4,690
Interest	2,000	3,000	3,822	822
Total revenues	<u>11,000</u>	<u>11,000</u>	<u>16,512</u>	<u>5,512</u>
Excess (deficiency) of revenues over expenditures	11,000	11,000	16,512	5,512
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>69,696</u>	<u>69,696</u>	<u>69,696</u>	<u>-</u>
Fund balances, end of year	<u>\$ 80,696</u>	<u>\$ 80,696</u>	<u>\$ 86,208</u>	<u>\$ 5,512</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Fire Levy Fund			Variance w with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 975,605	\$ 980,425	\$ 979,330	\$ (1,095)
Intergovernmental revenue	135,450	132,630	133,935	1,305
Interest	2,000	7,400	7,459	59
Miscellaneous	-	1,600	1,305	(295)
Total revenues	<u>1,113,055</u>	<u>1,122,055</u>	<u>1,122,029</u>	<u>(26)</u>
Expenditures				
Current				
Security of persons and property				
Personal services	1,136,300	1,133,700	1,109,966	23,734
Contractual services	13,000	15,600	15,590	10
Total expenditures	<u>1,149,300</u>	<u>1,149,300</u>	<u>1,125,556</u>	<u>23,744</u>
Excess (deficiency) of revenues over expenditures	(36,245)	(27,245)	(3,527)	23,718
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>36,294</u>	<u>36,294</u>	<u>36,294</u>	<u>-</u>
Fund balances, end of year	<u>\$ 49</u>	<u>\$ 9,049</u>	<u>\$ 32,767</u>	<u>\$ 23,718</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Fire Pension Fund			Variance w with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 154,427	\$ 157,387	\$ 157,420	\$ 33
Intergovernmental revenue	24,029	21,339	21,320	(19)
Interest	100	680	686	6
Total revenues	<u>178,556</u>	<u>179,406</u>	<u>179,426</u>	<u>20</u>
Expenditures				
Current				
Security of persons and property				
Personal services	179,600	180,200	180,200	-
Contractual services	2,400	2,600	2,503	97
Total expenditures	<u>182,000</u>	<u>182,800</u>	<u>182,703</u>	<u>97</u>
Excess (deficiency) of revenues over expenditures	(3,444)	(3,394)	(3,277)	117
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>3,504</u>	<u>3,504</u>	<u>3,504</u>	<u>-</u>
Fund balances, end of year	<u>\$ 60</u>	<u>\$ 110</u>	<u>\$ 227</u>	<u>\$ 117</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Paramedic Levy Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 861,112	\$ 883,635	\$ 883,724	\$ 89
Intergovernmental revenue	140,640	125,607	120,677	(4,930)
Interest	2,500	8,000	12,533	4,533
Miscellaneous	-	10	496	486
Total revenues	<u>1,004,252</u>	<u>1,017,252</u>	<u>1,017,430</u>	<u>178</u>
Expenditures				
Current				
Security of persons and property				
Personal services	910,045	924,945	903,403	21,542
Materials and supplies	33,005	33,005	20,674	12,331
Contractual services	16,000	16,100	14,072	2,028
Capital outlay	80,000	65,000	40,000	25,000
Other	25,268	25,268	15,532	9,736
Total expenditures	<u>1,064,318</u>	<u>1,064,318</u>	<u>993,681</u>	<u>70,637</u>
Excess (deficiency) of revenues over expenditures	(60,066)	(47,066)	23,749	70,815
Prior year encumbrances	1,018	1,018	1,018	-
Fund balances, beginning of year	<u>120,803</u>	<u>120,803</u>	<u>120,803</u>	<u>-</u>
Fund balances, end of year	<u>\$ 61,755</u>	<u>\$ 74,755</u>	<u>\$ 145,570</u>	<u>\$ 70,815</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Ambulance Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 35,500	\$ 44,500	\$ 45,623	\$ 1,123
Interest	4,500	4,500	8,509	4,009
Total revenues	<u>40,000</u>	<u>49,000</u>	<u>54,132</u>	<u>5,132</u>
Expenditures				
Current				
Security of persons and property				
Materials and supplies	26,348	30,348	23,595	6,753
Contractual services	3,000	3,000	2,636	364
Capital outlay	64,700	60,700	24,703	35,997
Other	16,000	16,000	6,507	9,493
Total expenditures	<u>110,048</u>	<u>110,048</u>	<u>57,441</u>	<u>52,607</u>
Excess (deficiency) of revenues over expenditures	(70,048)	(61,048)	(3,309)	57,739
Prior year encumbrances	648	648	648	-
Fund balances, beginning of year	<u>158,420</u>	<u>158,420</u>	<u>158,420</u>	<u>-</u>
Fund balances, end of year	<u>\$ 89,020</u>	<u>\$ 98,020</u>	<u>\$ 155,759</u>	<u>\$ 57,739</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	State Grants Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 106,500	\$ 143,400	\$ 143,308	\$ (92)
Miscellaneous	-	-	164	164
Total revenues	<u>106,500</u>	<u>143,400</u>	<u>143,472</u>	<u>72</u>
Expenditures				
Current				
General government				
Contractual services	209,431	226,931	163,843	63,088
Total expenditures	<u>209,431</u>	<u>226,931</u>	<u>163,843</u>	<u>63,088</u>
Excess (deficiency) of revenues over expenditures	(102,931)	(83,531)	(20,371)	63,160
Prior year encumbrances	19,431	19,431	19,431	-
Fund balances, beginning of year	<u>91,009</u>	<u>91,009</u>	<u>91,009</u>	-
Fund balances, end of year	<u>\$ 7,509</u>	<u>\$ 26,909</u>	<u>\$ 90,069</u>	<u>\$ 63,160</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Federal Grants Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 562,798	\$ 400,620	\$ 201,794	\$ (198,826)
Interest	202	202	5,968	5,766
Total revenues	<u>563,000</u>	<u>400,822</u>	<u>207,762</u>	<u>(193,060)</u>
Expenditures				
Current				
Community development				
Contractual services	563,559	385,154	365,230	19,924
Total expenditures	<u>563,559</u>	<u>385,154</u>	<u>365,230</u>	<u>19,924</u>
Excess (deficiency) of revenues over expenditures	<u>(559)</u>	<u>15,668</u>	<u>(157,468)</u>	<u>(173,136)</u>
Other financing sources (uses)				
Advances-in	-	-	193,061	193,061
Advances-out	(82,450)	(98,698)	(98,698)	-
Total other financing sources (uses)	<u>(82,450)</u>	<u>(98,698)</u>	<u>94,363</u>	<u>193,061</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(83,009)</u>	<u>(83,030)</u>	<u>(63,105)</u>	<u>19,925</u>
Prior year encumbrances	73,210	73,210	73,210	-
Fund balances, beginning of year	<u>9,820</u>	<u>9,820</u>	<u>9,820</u>	<u>-</u>
Fund balances, end of year	<u>\$ 21</u>	<u>\$ -</u>	<u>\$ 19,925</u>	<u>\$ 19,925</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Cemetery Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 18,000	\$ 21,500	\$ 22,900	\$ 1,400
Interest	2,000	4,500	4,633	133
Total revenues	<u>20,000</u>	<u>26,000</u>	<u>27,533</u>	<u>1,533</u>
Expenditures				
Current				
Public health and welfare				
Materials and supplies	9,000	9,000	2,572	6,428
Contractual services	1,000	1,000	-	1,000
Capital outlay	1,000	700	-	700
Other	-	300	300	-
Total expenditures	<u>11,000</u>	<u>11,000</u>	<u>2,872</u>	<u>8,128</u>
Excess (deficiency) of revenues over expenditures	9,000	15,000	24,661	9,661
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>77,662</u>	<u>77,662</u>	<u>77,662</u>	<u>-</u>
Fund balances, end of year	<u>\$ 86,662</u>	<u>\$ 92,662</u>	<u>\$ 102,323</u>	<u>\$ 9,661</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Park and Recreation Trust Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 98,000	\$ 101,000	\$ 107,988	\$ 6,988
Interest	2,000	3,000	4,147	1,147
Total revenues	<u>100,000</u>	<u>104,000</u>	<u>112,135</u>	<u>8,135</u>
Expenditures				
Current				
Leisure time activities				
Personal services	-	1,790	1,033	757
Contractual services	8,100	28,350	23,718	4,632
Other	83,377	92,337	67,288	25,049
Total expenditures	<u>91,477</u>	<u>122,477</u>	<u>92,039</u>	<u>30,438</u>
Excess (deficiency) of revenues over expenditures	8,523	(18,477)	20,096	38,573
Prior year encumbrances	1,777	1,777	1,777	-
Fund balances, beginning of year	<u>56,116</u>	<u>56,116</u>	<u>56,116</u>	<u>-</u>
Fund balances, end of year	<u>\$ 66,416</u>	<u>\$ 39,416</u>	<u>\$ 77,989</u>	<u>\$ 38,573</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Park and Recreation Improvement Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Fines, licenses, and permits	\$ 75,000	\$ 83,000	\$ 87,397	\$ 4,397
Interest	10,000	13,000	15,038	2,038
Total revenues	<u>85,000</u>	<u>96,000</u>	<u>102,435</u>	<u>6,435</u>
Expenditures				
Current				
Leisure time activity				
Capital outlay	58,812	188,812	77,589	111,223
Total expenditures	<u>58,812</u>	<u>188,812</u>	<u>77,589</u>	<u>111,223</u>
Excess (deficiency) of revenues over expenditures	<u>26,188</u>	<u>(92,812)</u>	<u>24,846</u>	<u>117,658</u>
Prior year encumbrances	8,811	8,811	8,811	-
Fund balances, beginning of year	<u>274,921</u>	<u>274,921</u>	<u>274,921</u>	<u>-</u>
Fund balances, end of year	<u>\$ 309,920</u>	<u>\$ 190,920</u>	<u>\$ 308,578</u>	<u>\$ 117,658</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Senior Citizens Title III Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 33,091	\$ 33,091	\$ 33,689	\$ 598
Interest	75	75	310	235
Total revenues	<u>33,166</u>	<u>33,166</u>	<u>33,999</u>	<u>833</u>
Expenditures				
Current				
Public health and welfare				
Personal services	33,100	33,100	31,804	1,296
Total expenditures	<u>33,100</u>	<u>33,100</u>	<u>31,804</u>	<u>1,296</u>
Excess (deficiency) of revenues over expenditures	66	66	2,195	2,129
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>2,728</u>	<u>2,728</u>	<u>2,728</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,794</u>	<u>\$ 2,794</u>	<u>\$ 4,923</u>	<u>\$ 2,129</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Solid Waste Management Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 1,375,000	\$ 1,451,400	\$ 1,467,001	\$ 15,601
Interest	8,000	12,000	13,192	1,192
Miscellaneous	-	100	100	-
Total revenues	<u>1,383,000</u>	<u>1,463,500</u>	<u>1,480,293</u>	<u>16,793</u>
Expenditures				
Current				
Basic utility services				
Personal services	81,900	88,400	82,132	6,268
Materials and supplies	32,195	32,195	20,808	11,387
Contractual services	1,386,320	1,382,320	1,359,260	23,060
Capital outlay	1,000	1,000	-	1,000
Other	42,900	41,900	39,928	1,972
Total expenditures	<u>1,544,315</u>	<u>1,545,815</u>	<u>1,502,128</u>	<u>43,687</u>
Excess (deficiency) of revenues over expenditures	<u>(161,315)</u>	<u>(82,315)</u>	<u>(21,835)</u>	<u>60,480</u>
Prior year encumbrances	215	215	215	-
Fund balance, beginning of year	<u>220,945</u>	<u>220,945</u>	<u>220,945</u>	<u>-</u>
Fund balance, end of year	<u>\$ 59,845</u>	<u>\$ 138,845</u>	<u>\$ 199,325</u>	<u>\$ 60,480</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	General Obligation Bond Retirement Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Local taxes	\$ 334,750	\$ 414,190	\$ 414,492	\$ 302
Intergovernmental revenue	47,147	39,047	39,325	278
Special assessments	72,040	-	-	-
Interest	6,400	21,461	22,223	762
Total revenues	<u>460,337</u>	<u>474,698</u>	<u>476,040</u>	<u>1,342</u>
Expenditures				
Debt service				
Principal	8,210,000	7,275,000	7,275,000	-
Interest and fiscal charges	282,335	441,553	440,908	645
Total expenditures	<u>8,492,335</u>	<u>7,716,553</u>	<u>7,715,908</u>	<u>645</u>
Excess (deficiency) of revenues over expenditures	<u>(8,031,998)</u>	<u>(7,241,855)</u>	<u>(7,239,868)</u>	<u>1,987</u>
Other financing sources (uses)				
Note proceeds	-	5,790,000	5,790,000	-
Premium	-	17,068	17,116	48
Transfers-in	8,483,398	1,466,225	1,441,989	(24,236)
Total other financing sources (uses)	<u>8,483,398</u>	<u>7,273,293</u>	<u>7,249,105</u>	<u>(24,188)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	451,400	31,438	9,237	(22,201)
Prior year encumbrances	-	-	-	-
Fund balance, beginning of year	<u>256,924</u>	<u>256,924</u>	<u>256,924</u>	<u>-</u>
Fund balances, end of year	<u>\$ 708,324</u>	<u>\$ 288,362</u>	<u>\$ 266,161</u>	<u>\$ (22,201)</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Special Assessment Bond Retirement Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Special assessments	\$ 32,715	\$ 32,815	\$ 32,843	\$ 28
Interest	900	6,270	6,523	253
Total revenues	<u>33,615</u>	<u>39,085</u>	<u>39,366</u>	<u>281</u>
Expenditures				
Debt service				
Principal	25,000	25,000	25,000	-
Interest and fiscal charges	10,114	10,114	9,196	918
Total expenditures	<u>35,114</u>	<u>35,114</u>	<u>34,196</u>	<u>918</u>
Excess (deficiency) of revenues over expenditures	(1,499)	3,971	5,170	1,199
Prior year encumbrances	-	-	-	-
Fund balance, beginning of year	<u>109,528</u>	<u>109,528</u>	<u>109,528</u>	<u>-</u>
Fund balances, end of year	<u>\$ 108,029</u>	<u>\$ 113,499</u>	<u>\$ 114,698</u>	<u>\$ 1,199</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Capital Projects Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ 5,000	\$ 32,600	\$ 35,226	\$ 2,626
Miscellaneous	-	14,975	15,550	575
Total revenues	<u>5,000</u>	<u>47,575</u>	<u>50,776</u>	<u>3,201</u>
Expenditures				
Capital outlay	1,468,720	1,837,070	1,652,872	184,198
Debt service				
Principal	-	2,020,000	2,020,000	-
Interest and fiscal charges	-	70,650	70,641	9
Total expenditures	<u>1,468,720</u>	<u>3,927,720</u>	<u>3,743,513</u>	<u>184,207</u>
Excess (deficiency) of revenues over expenditures	<u>(1,463,720)</u>	<u>(3,880,145)</u>	<u>(3,692,737)</u>	<u>187,408</u>
Other financing sources (uses)				
Transfers-in	1,005,000	1,005,000	1,005,000	-
Note proceeds	1,035,500	1,620,000	1,620,000	-
Bond proceeds	-	2,086,000	2,086,000	-
Premium on debt issue	-	280	282	2
Transfers-out	(695,268)	(422,268)	(422,243)	25
Total other financing sources (uses)	<u>1,345,232</u>	<u>4,289,012</u>	<u>4,289,039</u>	<u>27</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(118,488)</u>	<u>408,867</u>	<u>596,302</u>	<u>187,435</u>
Prior year encumbrances	11,288	11,288	11,288	-
Fund balances, beginning of year	<u>107,253</u>	<u>107,253</u>	<u>107,253</u>	<u>-</u>
Fund balances, end of year	<u>\$ 53</u>	<u>\$ 527,408</u>	<u>\$ 714,843</u>	<u>\$ 187,435</u>

CITY OF NORTH RIDGEVILLE, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2006

	Issue II Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 1,032,800	\$ 508,169	\$ 508,169	\$ -
Total revenues	<u>1,032,800</u>	<u>508,169</u>	<u>508,169</u>	<u>-</u>
Expenditures				
Capital outlay	1,032,800	508,169	508,169	-
Total expenditures	<u>1,032,800</u>	<u>508,169</u>	<u>508,169</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF NORTH RIDGEVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	Self-Insurance Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 2,054,500	\$ 2,073,500	\$ 2,075,602	\$ 2,102
Interest income	10,000	40,000	41,636	1,636
Total revenues	<u>2,064,500</u>	<u>2,113,500</u>	<u>2,117,238</u>	<u>3,738</u>
Expenses				
Other operating expenses	1,632,329	1,632,329	1,474,537	157,792
Total expenses	<u>1,632,329</u>	<u>1,632,329</u>	<u>1,474,537</u>	<u>157,792</u>
Excess (deficiency) of revenues over expenses	432,171	481,171	642,701	161,530
Prior year encumbrances	329	329	329	-
Fund balances, beginning of year	<u>385,778</u>	<u>385,778</u>	<u>385,778</u>	<u>-</u>
Fund balances, end of year	<u>\$ 818,278</u>	<u>\$ 867,278</u>	<u>\$ 1,028,808</u>	<u>\$ 161,530</u>

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STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S 2
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, property tax and municipal income tax.	S 10
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S 17
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	S 22
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	S 24

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of North Ridgeville, Ohio
Net Assets by Component
Last Four Years
(Accrual Basis of Accounting)

	2006	2005	2004	2003
Governmental activities				
Invested in capital assets, net of related debt	\$ 53,758,265	\$ 42,063,301	\$ 35,374,469	\$ 35,918,266
Restricted	4,285,461	4,442,278	3,585,061	3,721,616
Unrestricted	8,620,491	5,891,450	4,650,578	3,336,131
Total governmental activities net assets	\$ 66,664,217	\$ 52,397,029	\$ 43,610,108	\$ 42,976,013
Business-type activities				
Invested in capital assets, net of related debt	\$ 48,614,828	\$ 42,496,786	\$ 37,810,231	\$ 36,852,258
Unrestricted	17,189,627	13,386,101	12,473,264	11,405,636
Total governmental activities net assets	\$ 65,804,455	\$ 55,882,887	\$ 50,283,495	\$ 48,257,894
Primary government				
Invested in capital assets, net of related debt	\$ 102,373,093	\$ 84,560,087	\$ 73,184,700	\$ 72,770,524
Restricted	4,285,461	4,442,278	3,585,061	3,721,616
Unrestricted	25,810,118	19,277,551	17,123,842	14,741,767
Total primary government net assets	\$ 132,468,672	\$ 108,279,916	\$ 93,893,603	\$ 91,233,907

Notes: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.
Years 2004 and 2003 have been restated to reflect the effects of prior period adjustments recorded in 2005 and 2004.

City of North Ridgeville, Ohio
Expenses and Program Revenues
Last Four Years
(Accrual Basis of Accounting)

	2006	2005	2004	2003
Expenses				
Governmental activities				
Security of persons and property	\$ 8,370,466	\$ 7,738,519	\$ 7,131,439	\$ 7,582,912
Public health and welfare	359,493	327,045	308,054	322,691
Leisure time activities	370,128	333,742	367,623	361,321
Community environment	1,384,079	1,208,247	1,184,649	1,162,529
Transportation	4,557,368	4,516,848	4,662,454	7,186,175
General government	5,387,099	4,657,496	4,258,749	3,780,449
Interest	350,841	115,712	216,487	421,020
Other operating	-	-	91,786	-
Total governmental activities expenses	<u>20,779,474</u>	<u>18,897,609</u>	<u>18,221,241</u>	<u>20,817,097</u>
Business-type activities				
Water	3,037,610	2,828,087	2,692,597	2,674,856
Sewer	6,235,660	5,280,013	5,228,421	4,371,621
Total business-type activities expenses	<u>9,273,270</u>	<u>8,108,100</u>	<u>7,921,018</u>	<u>7,046,477</u>
Total primary government expenses	<u>\$ 30,052,744</u>	<u>\$ 27,005,709</u>	<u>\$ 26,142,259</u>	<u>\$ 27,863,574</u>
Program Revenues				
Governmental activities				
Charges for services				
Security of persons and property	\$ 343,127	\$ 862,359	\$ 156,765	\$ 368,446
Public health and welfare	46,300	22,240	22,539	28,965
Leisure time activities	195,385	239,182	214,191	193,242
Community environment	732,977	908,381	682,472	669,590
Transportation	234,274	355,950	966,005	228,378
General government	2,064,207	1,432,699	1,440,833	1,725,486
Operating grants and contributions	2,283,095	2,228,487	1,661,075	344,822
Capital grants and contributions	13,670,417	8,418,961	1,707,417	6,477,132
Total governmental activities program revenues	<u>19,569,782</u>	<u>14,468,259</u>	<u>6,851,297</u>	<u>10,036,061</u>
Business-type activities				
Charges for services				
Water	2,712,571	2,897,841	2,377,185	2,242,054
Sewer	4,148,040	4,322,741	3,727,977	3,448,258
Capital grants and contributions	11,545,108	5,956,054	3,606,568	6,846,291
Total business-type program revenues	<u>18,405,719</u>	<u>13,176,636</u>	<u>9,711,730</u>	<u>12,536,603</u>
Total primary government program revenues	<u>\$ 37,975,501</u>	<u>\$ 27,644,895</u>	<u>\$ 16,563,027</u>	<u>\$ 22,572,664</u>

Notes: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Years 2004 and 2003 have been restated to reflect the effects of prior period adjustments recorded in 2005 and 2004.

City of North Ridgeville, Ohio
Net (Expense) / Revenue, General Revenues and Total Change in Net Assets
Last Four Years
(Accrual Basis of Accounting)

	2006	2005	2004	2003
Net (expense) / revenue				
Governmental activities	\$ (1,209,692)	\$ (4,429,350)	\$ (11,369,944)	\$ (10,781,036)
Business-type activities	9,132,449	5,068,536	1,790,712	5,490,126
Total primary government net (expense) revenue	<u>7,922,757</u>	<u>639,186</u>	<u>(9,579,232)</u>	<u>(5,290,910)</u>
General revenues and other changes in net assets				
Governmental activities				
Taxes				
Property taxes	5,836,564	4,487,783	3,853,427	3,661,533
Municipal income taxes	7,820,157	7,553,084	6,769,677	6,055,356
Unrestricted grants and entitlements	1,262,355	805,251	1,314,266	2,135,898
Investment earnings	476,316	220,114	66,669	158,160
Miscellaneous	81,488	150,039	-	17,349
Total governmental activities	<u>15,476,880</u>	<u>13,216,271</u>	<u>12,004,039</u>	<u>12,028,296</u>
Business-type activities				
Investment earnings	789,119	509,592	233,774	149,702
Miscellaneous	-	21,264	1,115	-
Total business-type activities	<u>789,119</u>	<u>530,856</u>	<u>234,889</u>	<u>149,702</u>
Change in net assets				
Governmental activities	14,267,188	8,786,921	634,095	1,247,260
Business-type activities	9,921,568	5,599,392	2,025,601	5,639,828
Total primary government	<u>\$ 24,188,756</u>	<u>\$ 14,386,313</u>	<u>\$ 2,659,696</u>	<u>\$ 6,887,088</u>

Notes: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.
Years 2004 and 2003 have been restated to reflect the effects of prior period adjustments recorded in 2005 and 2004.

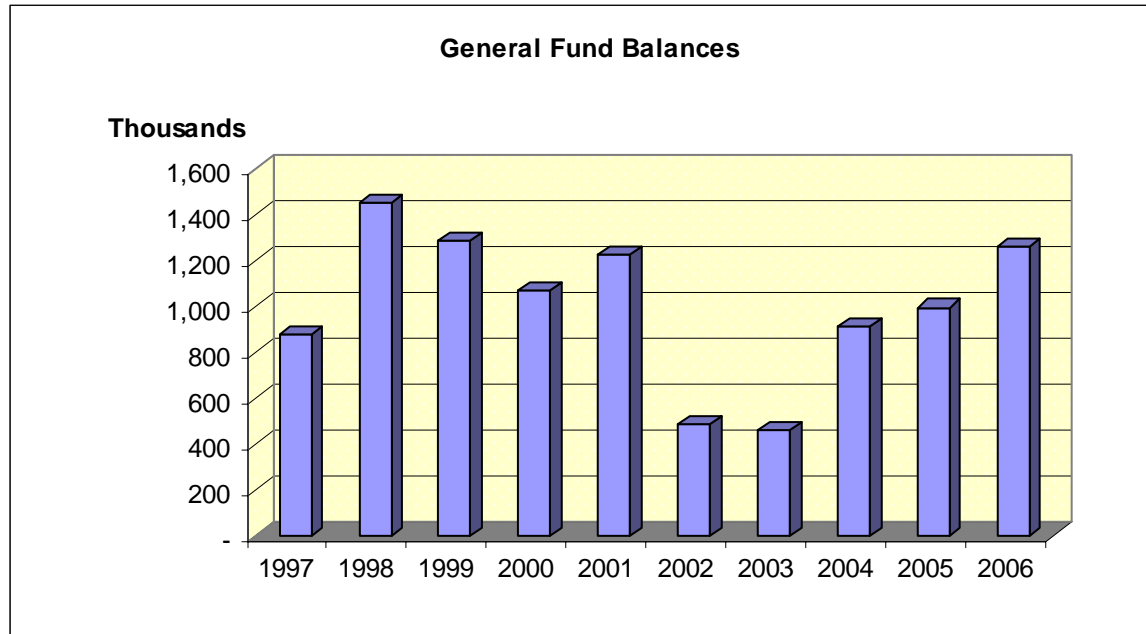
City of North Ridgeville, Ohio
 Program Revenues by Function / Program
 Last Four Years
(Accrual Basis of Accounting)

Function / program	2006	2005	2004	2003
Governmental activities				
Security of persons and property	\$ 824,129	\$ 919,120	\$ 163,550	\$ 368,446
Public health and welfare	122,541	122,017	22,539	61,468
Leisure time activities	210,635	260,432	214,191	193,242
Community environment	974,345	1,191,056	682,472	669,590
Transportation	15,254,364	10,412,894	3,724,165	6,615,510
General government	2,183,768	1,562,740	2,044,380	2,127,805
Total governmental activities	<u>19,569,782</u>	<u>14,468,259</u>	<u>6,851,297</u>	<u>10,036,061</u>
Business-type activities				
Water	4,916,004	4,871,313	3,646,274	3,964,173
Sewer	13,489,715	8,305,323	6,065,456	8,572,430
Total business-type activities	<u>18,405,719</u>	<u>13,176,636</u>	<u>9,711,730</u>	<u>12,536,603</u>
Total primary government	<u>\$ 37,975,501</u>	<u>\$ 27,644,895</u>	<u>\$ 16,563,027</u>	<u>\$ 22,572,664</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

City of North Ridgeville, Ohio
 Governmental Funds Fund Balances
 Last Ten Years
 (Modified Accrual Basis of Accounting)

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General Fund										
Reserved	\$ 341,046	\$ 180,941	\$ 212,814	\$ 140,677	\$ 166,015	\$ 91,059	\$ 240,687	\$ 162,045	\$ 160,692	\$ 251,956
Unreserved	923,655	815,181	699,322	320,729	317,379	1,136,126	832,131	1,124,148	1,292,046	626,961
Total general fund	\$ 1,264,701	\$ 996,122	\$ 912,136	\$ 461,406	\$ 483,394	\$ 1,227,185	\$ 1,072,818	\$ 1,286,193	\$ 1,452,738	\$ 878,917
All Other Governmental Funds										
Reserved	\$ 364,948	\$ 210,522	\$ 546,831	\$ 235,177	\$ 344,536	\$ 611,904	\$ 341,210	\$ 110,780	\$ 92,413	\$ 62,711
Unreserved, reported in										
Special revenue funds	5,081,969	4,406,893	3,061,846	3,012,263	2,452,331	2,175,918	2,603,044	2,771,603	2,419,962	1,893,802
Debt service funds	380,859	366,452	397,025	895,364	545,363	712,426	807,849	901,484	762,671	823,089
Capital projects funds	(744,205)	(1,625,747)	(545,039)	57,368	856,775	523,935	(898,802)	(422,943)	708,210	940,698
Total all other governmental funds	\$ 5,083,571	\$ 3,358,120	\$ 3,460,663	\$ 4,200,172	\$ 4,199,005	\$ 4,024,183	\$ 2,853,301	\$ 3,360,924	\$ 3,983,256	\$ 3,720,300



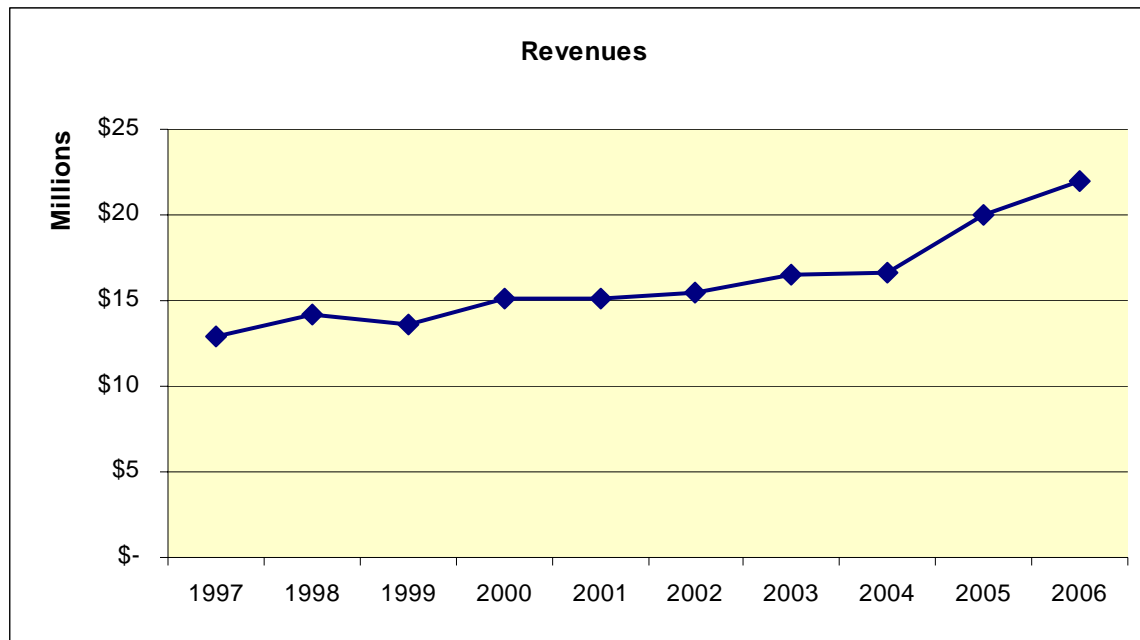
City of North Ridgeville, Ohio
 Governmental Fund Type – Revenues by Source
 Last Ten Years
 (Modified Accrual Basis of Accounting)

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Local taxes										
Municipal income tax	\$ 7,425,057	\$ 7,130,884	\$ 6,435,424	\$ 6,318,509	\$ 5,799,809	\$ 5,688,555	\$ 5,542,099	\$ 5,229,189	\$ 5,009,183	\$ 4,679,366
Property and other taxes	5,824,766	4,297,023	3,865,599	3,667,785	3,555,501	3,561,941	2,959,718	2,998,551	3,249,220	3,165,639
Intergovernmental	4,568,749	4,296,452	2,846,164	2,794,602	3,248,324	2,890,916	3,534,267	2,511,602	2,657,983	2,483,283
Special assessments	32,843	36,703	45,789	235,000	57,629	59,505	69,604	105,379	98,437	107,695
Charges for services	1,647,512	1,562,487	1,476,481	1,483,023	1,349,268	1,258,698	1,233,816	1,224,433	1,194,896	1,154,976
Fines, licenses and permits	918,930	1,243,039	987,145	888,946	775,086	592,736	652,034	600,401	878,091	788,470
Interest	429,930	205,070	67,111	130,797	109,283	270,802	390,169	331,036	364,905	276,202
Miscellaneous	1,111,073	1,185,464	883,304	936,088	621,453	810,949	710,102	650,306	686,279	264,448
	<u>\$ 21,958,860</u>	<u>\$19,957,122</u>	<u>\$16,607,017</u>	<u>\$16,454,750</u>	<u>\$15,516,353</u>	<u>\$15,134,102</u>	<u>\$15,091,809</u>	<u>\$13,650,897</u>	<u>\$14,138,994</u>	<u>\$12,920,079</u>

Table includes all Governmental Funds

Year 2003 has been restated to reflect the effects of prior period adjustments recorded in 2004.

Source: City financial records



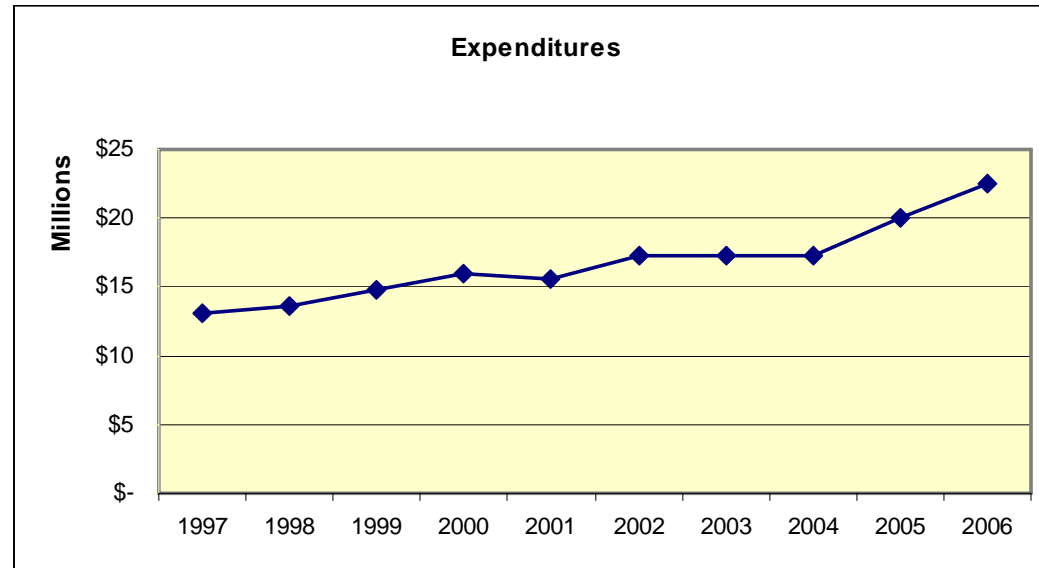
City of North Ridgeville, Ohio
 Governmental Fund Type – Expenditures by Function
 Last Ten Years
 (Modified Accrual Basis of Accounting)

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Current										
Security of persons and property	\$ 8,498,652	\$ 7,905,210	\$ 6,989,755	\$ 6,912,480	\$ 6,634,658	\$ 6,515,098	\$ 6,094,752	\$ 5,426,526	\$ 5,297,299	\$ 5,144,805
Public health and welfare	350,511	325,223	296,422	287,622	109,703	83,983	117,926	106,724	337,224	269,746
Leisure time activities	361,135	301,098	335,089	330,359	264,472	377,159	446,836	382,651	375,438	334,983
Community environment (1)	1,542,750	1,244,413	1,204,651	1,103,637	-	-	-	-	-	-
Transportation	3,166,563	3,188,942	1,874,993	2,119,863	1,832,069	1,876,313	1,499,137	1,390,157	1,159,999	1,309,403
General government	5,282,896	4,831,549	4,103,322	4,004,255	5,570,510	4,880,029	4,760,871	4,059,622	3,594,251	3,449,401
Capital outlay	2,248,312	943,131	635,548	394,446	1,696,169	871,442	1,713,481	2,026,801	1,605,618	1,293,730
Debt service										
Principal	684,269	1,056,000	1,623,987	1,706,789	771,485	523,522	957,028	916,658	853,000	823,000
Interest and fiscal charges	345,742	180,113	228,029	431,120	344,466	383,214	410,911	434,267	444,388	489,817
	<u>\$ 22,480,830</u>	<u>\$ 19,975,679</u>	<u>\$ 17,291,796</u>	<u>\$ 17,290,571</u>	<u>\$ 17,223,532</u>	<u>\$ 15,510,760</u>	<u>\$ 16,000,942</u>	<u>\$ 14,743,406</u>	<u>\$ 13,667,217</u>	<u>\$ 13,114,885</u>
Debt service as a percentage of noncapital expenditures	<u>5.09%</u>	<u>6.49%</u>	<u>11.12%</u>	<u>12.65%</u>	<u>7.19%</u>	<u>6.19%</u>	<u>9.57%</u>	<u>10.62%</u>	<u>10.76%</u>	<u>11.11%</u>

(1) Included in General government in years previous to 2003.

Table includes all Governmental Funds

Source: City financial records



City of North Ridgeville, Ohio
 Other Financing Sources and Uses and Net Change in Fund Balances - Governmental Funds
 Last Ten Years
 (Modified Accrual Basis of Accounting)

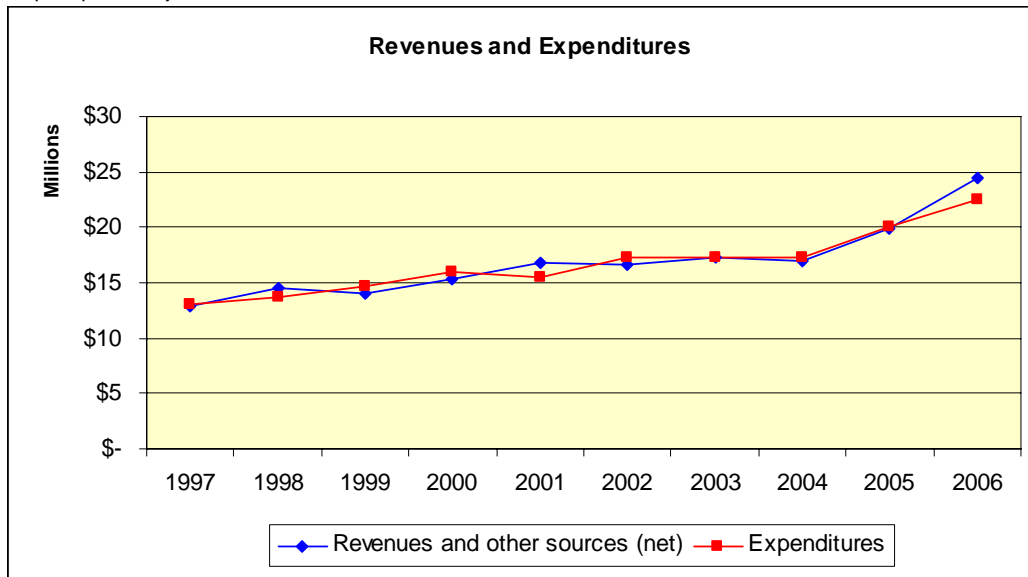
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Excess of revenues over (under) expenditures	\$ (521,970)	\$ (18,557)	\$ (684,779)	\$ (835,821)	\$ (1,707,179)	\$ (376,658)	\$ (909,133)	\$ (1,092,509)	\$ 471,777	\$ (194,806)
Other financing sources (uses)										
Transfers in	7,122,244	6,362,495	6,542,922	6,895,605	6,119,176	6,551,057	6,239,344	5,768,731	5,741,932	5,233,328
Transfers out	(7,122,244)	(6,362,495)	(6,542,922)	(6,895,605)	(6,119,176)	(6,551,057)	(6,239,344)	(5,768,731)	(5,741,932)	(5,233,328)
Loan proceeds	-	-	-	-	6,103	81,907	188,135	303,632	-	-
Capital lease proceeds	-	-	-	-	207,107	-	-	-	365,000	-
Issuance of notes	-	-	396,000	900,000	925,000	-	-	-	-	-
Issuance of bonds	2,516,000	-	-	-	-	1,620,000	-	-	-	-
Issuance of bonds, refunding	-	-	-	1,865,000	-	-	-	-	-	-
Payment to refund bonds escrow	-	-	-	(1,950,000)	-	-	-	-	-	-
	<u>2,516,000</u>	<u>-</u>	<u>396,000</u>	<u>815,000</u>	<u>1,138,210</u>	<u>1,701,907</u>	<u>188,135</u>	<u>303,632</u>	<u>365,000</u>	<u>-</u>
Net change in fund balances	<u>\$ 1,994,030</u>	<u>\$ (18,557)</u>	<u>\$ (288,779)</u>	<u>\$ (20,821)</u>	<u>\$ (568,969)</u>	<u>\$ 1,325,249</u>	<u>\$ (720,998)</u>	<u>\$ (788,877)</u>	<u>\$ 836,777</u>	<u>\$ (194,806)</u>

(1) Included in General government in years previous to 2003.

Table includes all Governmental Funds

Year 2003 has been restated to reflect the effects of prior period adjustments recorded in 2004.

Source: City financial records



City of North Ridgeville, Ohio
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Collection Year	Real Property		Public Utility Property		Tangible Personal Property		Total		Total Direct Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2006	\$ 556,194,190	\$ 1,589,126,257	\$ 12,533,180	N/AV	\$ 18,804,216 (1)	\$ 81,757,461	\$ 587,531,586	N/AV	13.36
2005	516,494,650	1,475,699,000	13,397,310	N/AV	27,187,114	118,204,843	557,079,074	N/AV	13.56
2004	479,530,600	1,370,087,429	13,468,230	N/AV	25,708,440	111,775,827	518,707,270	N/AV	13.36
2003	424,231,620	1,212,090,343	14,077,580	N/AV	29,101,850	126,529,783	467,411,050	N/AV	13.41
2002	403,689,230	1,153,397,800	13,502,700 (2)	N/AV	29,496,480	128,245,565	446,688,410	N/AV	13.41
2001	388,264,140	1,109,326,114	16,757,650 (2)	19,042,784	25,822,240	103,288,960	430,844,030	1,231,657,858	13.56
2000	333,488,470	952,824,200	17,870,720	20,307,636	25,230,804	100,923,216	376,589,994	1,074,055,052	13.71
1999	320,654,700	916,156,286	17,245,160	19,596,773	23,960,770	95,843,080	361,860,630	1,031,596,139	13.25
1998	306,872,660	876,779,029	17,371,330	19,740,148	22,726,840	90,907,360	346,970,830	987,426,537	13.45
1997	248,684,360	710,526,743	17,835,730	20,267,875	22,732,700	90,930,800	289,252,790	821,725,418	13.75

Source: County Auditor, Lorain County, Ohio

Estimated actual value is calculated by dividing the assessed value by assessment percentage. The percentages for 2006 were 35% for real property, 35% for public utility real, various % for public utility tangible and 23% for tangible personal.

(1) Decrease due to effect of State legislation enacted in June 2005 which phases out over four years from 2006 to 2009 the taxation of personal property.

(2) Decrease primarily due to effect of State legislation which, beginning with collection year 2002, reduced to 25% of true value the assessed valuation of electric utility production equipment from 100% and of natural gas property from 88%.

N/AV - not available

City of North Ridgeville, Ohio
Property Tax Rates – Direct and Overlapping Governments
(Per \$ 1,000 of Assessed Valuation)
Last Ten Years

Collection Year	City of North Ridgeville					Total Direct Tax Rate	North Ridgeville City School District	Lorain County	Lorain County Joint Vocational School	Total Direct and Overlapping Governments
	General Fund	Special Revenue Funds	Debt Service Fund	Agency Fund (1)						
2006	1.70 (2)	8.10	0.65	2.91 (3)		13.36	43.92	13.49	2.45	73.22
2005	1.70 (2)	8.30	0.65	2.91 (3)		13.56	44.04	13.19	2.45	73.24
2004	1.70 (2)	8.55	0.65	2.46 (3)		13.36	44.79	12.89	2.45	73.49
2003	1.42	8.83	0.70	2.46 (3)		13.41	46.47	12.89	2.45	75.22
2002	1.42	8.83	0.70	2.46 (3)		13.41	46.47	12.89	2.45	75.22
2001	1.42	8.83	0.85	2.46 (3)		13.56	47.25	10.79	2.45	74.05
2000	1.42	8.83	1.00	2.46 (3)		13.71	48.95	10.79	2.45	75.90
1999	1.42	9.83	1.00	1.00		13.25	49.44	10.79	2.45	75.93
1998	1.42	9.83	1.20	1.00		13.45	50.19	10.79	2.45	76.88
1997	1.42	9.83	1.50	1.00		13.75	53.19	12.69	2.45	82.08

Source: County Auditor, Lorain County, Ohio

- (1) Includes 1.00 remitted by the County Auditor directly to the Lorain County Board of Health.
- (2) Includes .28 for health previously included with Special revenue funds.
- (3) Includes 1.91 in 2005 and 1.46 in 2000 through 2003 collected and remitted to the Lorain Public Library System.

City of North Ridgeville, Ohio
Principal Taxpayers – Real Property Taxpayers
As of December 31, 2006 and December 31, 2000 (1)

December 31, 2006			
Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Valuation
FJD Properties LLC	Residential land developer	\$ 4,000,100	0.68%
Oster Construction	Residential construction	2,481,540	0.42%
Pulte Homes	Residential construction	2,323,390	0.40%
Rini Realty Company	Commercial retail property	2,126,160	0.36%
Bob Schmitt Homes, Inc.	Residential developer	1,930,470	0.33%
Invacare Corporation	Manufacturer	1,822,110	0.31%
R. W. Beckett Corporation	Manufacturer	1,748,510	0.30%
Sugar Chestnut LLC	Residential development	1,422,680	0.24%
Lake Ridge Holding Ltd.	Nursing home	1,420,830	0.24%
R. W. Beckett	Commercial property	1,362,990	0.23%

December 31, 2000			
Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Valuation
Rini Realty Company	Retail grocery store	\$ 1,874,680	0.56%
Baltes, William A,	Housing developer	1,709,630	0.51%
Lake Ridge Holding Ltd.	Nursing home	1,185,710	0.36%
R. W. Beckett Corporation	Manufacturer	1,185,260	0.36%
Vendome Associates Corp.	Apartment complex	894,820	0.27%
Altercare Inc.	Residential health care	876,020	0.26%
Eagle Properties Ltd.	Manufacturer	790,450	0.24%
Parks Trails Inc.	Mobile home park	731,510	0.22%
Taylor Woods Properties	Commercial developer	714,770	0.21%

See schedule S10, "Assessed and Estimated Actual Value of Taxable Property."

Source: County Auditor, Lorain County, Ohio

(1) Information prior to December 31, 2000 is not available.

City of North Ridgeville, Ohio
Principal Taxpayers – Tangible Personal Property Taxpayers
As of December 31, 2006 and December 31, 2000 (1)

December 31, 2006			
Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Valuation
Morris Pontiac GMC Inc.	Automobile dealer	\$ 1,582,520	0.27%
Beckett Gas, Inc.	Manufacturer	1,112,610	0.19%
R. W. Beckett Corporation	Manufacturer	1,054,610	0.18%
Beckett Air, Inc.	Manufacturer	885,530	0.15%
Norlake Manufacturing Co.	Manufacturer	543,720	0.09%
Invacare Corporation	Manufacturer	509,370	0.09%
Laser Craft, Inc.	Laser machining	498,430	0.08%
Comcast of New Hampshire, Inc.	Cable services	494,290	0.08%
Riser Foods Company	Retail grocery	488,690	0.08%
Tops Markets, LLC	Retail grocery	455,200	0.08%

December 31, 2000			
Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Valuation
R. W. Beckett Corporation	Manufacturer	\$ 2,628,590	0.79%
Morris Pontiac GMC, Inc.	Automobile dealer	1,910,840	0.57%
Dreco, Inc.	Manufacturer	1,343,680	0.40%
Invacare Corporation	Manufacturer	1,324,800	0.40%
Plastic Components, Inc.	Manufacturer	1,138,340	0.34%
Beckett Gas, Inc.	Manufacturer	1,081,560	0.32%
Riser Foods Company	Retail grocery	967,010	0.29%
MediaOne of Ohio, Inc.	Cable services	905,430	0.27%
Elyria Manufacturing Co.	Precision machine parts	709,040	0.21%
Chevron USA, Inc.	Retail parts for lift cranes	671,130	0.20%

See schedule S10, "Assessed and Estimated Actual Value of Taxable Property."

Source: County Auditor, Lorain County, Ohio

(1) Information prior to December 31, 2000 is not available.

City of North Ridgeville, Ohio
Principal Taxpayers – Public Utility
As of December 31, 2006 and December 31, 2000 (1)

December 31, 2006			
Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Valuation
Ohio Edison Company (a)	Electric	\$ 4,812,900	0.82%
Alltel Ohio	Communications	2,147,750	0.37%
Cleveland Electric Illuminating Company (a)	Electric	1,196,240	0.20%
Columbia Gas of Ohio Inc.	Natural gas	1,083,620	0.18%
Columbia Gas Transmission	Natural gas	892,550	0.15%

December 31, 2000			
Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Valuation
Ohio Edison Company (a)	Electric	\$ 6,279,140	1.88%
Alltel Ohio	Communications	3,447,020	1.03%
Columbia Gas of Ohio Inc.	Natural gas	2,447,590	0.73%
Cleveland Electric Illuminating Company (a)	Electric	1,528,660	0.46%

See schedule S10, "Assessed and Estimated Actual Value of Taxable Property."

Source: County Auditor, Lorain County, Ohio

(1) Information prior to December 31, 2000 is not available.

(a) Subsidiaries of First Energy Corp.

City of North Ridgeville, Ohio
Property Tax Levies and Collections (Real and Public Utilities)
Last Ten Years

Collection Year	Current Tax Levy	Current Tax Collections	Percent Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Collections to Current Tax Levy	Outstanding Delinquent Taxes	Percent of Outstanding Delinquent Taxes to Current Tax Levy
2006	\$ 5,849,709	\$ 5,672,994	97.0%	\$ 142,129	\$ 5,815,123	99.4%	\$ 256,930	4.4%
2005	4,074,073	3,963,648	97.3%	105,337	4,068,985	99.9%	236,931	5.8%
2004	3,559,024	3,456,740	97.1%	102,848	3,559,588	100.0%	150,257	4.2%
2003	3,334,550	3,325,229	99.7%	15,137	3,340,366	100.2%	24,049	0.7%
2002	3,200,669	3,117,059	97.4%	93,570	3,210,629	100.3%	93,570	2.9%
2001	3,189,437	3,102,778	97.3%	85,616	3,188,394	100.0%	129,772	4.1%
2000	2,737,492	2,639,713	96.4%	59,563	2,699,276	98.6%	143,521	5.2%
1999	2,655,232	2,586,839	97.4%	55,518	2,642,357	99.5%	104,178	3.9%
1998	2,640,501	2,576,827	97.6%	58,454	2,635,281	99.8%	88,257	3.3%
1997	2,487,456	2,436,552	98.0%	46,136	2,482,688	99.8%	78,853	3.2%

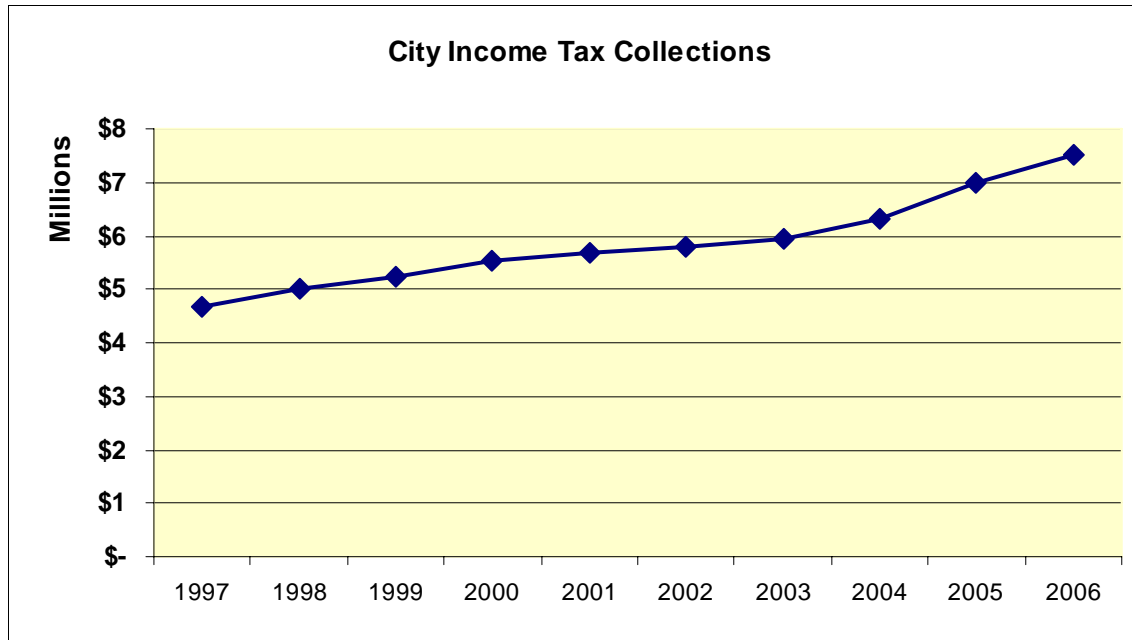
Source: County Auditor, Lorain County, Ohio

City of North Ridgeville, Ohio
City Income Tax Collections
Last Ten Years
(Cash Basis of Accounting)

Collection Year	Total Taxes Collected	From Individuals		From Withholding		From Net Profits	
		\$	%	\$	%	\$	%
2006	\$ 7,502,057	\$ 4,455,220	59.4%	\$ 2,547,098	34.0%	\$ 499,739	6.7%
2005	7,001,723	4,076,610	58.2%	2,423,650	34.6%	501,463	7.2%
2004	6,327,109	3,686,983	58.3%	2,168,591	34.3%	471,535	7.5%
2003	5,950,794	3,561,746	59.9%	2,113,574	35.5%	275,474	4.6%
2002	5,801,869	3,481,237	60.0%	2,053,852	35.4%	266,780	4.6%
2001	5,688,337	3,378,305	59.4%	2,014,192	35.4%	295,840	5.2%
2000	5,542,715	3,289,543	59.3%	1,920,700	34.7%	332,472	6.0%
1999	5,228,202	3,163,154	60.5%	1,752,715	33.5%	312,333	6.0%
1998	5,009,269	2,948,162	58.9%	1,666,184	33.3%	394,923	7.9%
1997	4,679,481	2,821,188	60.3%	1,527,278	32.6%	331,015	7.1%

Note: The City's income tax rate is 1%

Source: City Income Tax Department



City of North Ridgeville, Ohio
Ratio of Outstanding Debt by Type
Last Ten Years

Fiscal Year	Governmental Activities					Total Governmental Activities
	Bond Anticipation Notes	General Obligation Bonds	Special Assessment Bonds	Ohio Public Works Loans	Capital Lease	
2006	\$ 1,300,000	\$ 4,708,000	\$ 238,000	\$ 556,298	\$ -	\$ 6,802,298
2005	1,730,000	2,812,000	263,000	595,567	-	5,400,567
2004	1,211,000	3,447,000	288,000	634,837	-	5,580,837
2003	900,000	4,077,000	313,000	667,937	68,987	6,026,924
2002	925,000	4,590,000	520,000	577,662	215,776	6,828,438
2001	-	5,160,000	545,000	599,026	157,687	6,461,713
2000	1,200,000	3,940,000	570,000	542,846	230,482	6,483,328
1999	600,000	4,770,000	604,000	303,632	299,522	6,577,154
1998	-	5,575,000	643,000	-	365,000	6,583,000
1997	-	6,365,000	706,000	-	-	7,071,000

Fiscal Year	Business-type Activities						Total Business-type Activities	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	Bond Anticipation Notes	General Obligation Bonds	Special Assessment Bonds	Mortgage Revenue	Ohio Public Works Loans	Ohio Water Development Authority Loan				
2006	\$ -	\$ 16,105,682	\$ 2,498,318	\$ -	\$ 114,086	\$ 2,403,560	\$ 21,121,646	\$ 27,923,944	5.44%	\$ 1,250
2005	13,825,000	7,835,000	-	-	122,537	2,517,220	24,299,757	29,700,324	5.79%	1,330
2004	16,984,000	8,360,000	-	-	130,988	2,626,317	28,101,305	33,682,142	6.56%	1,508
2003	6,495,000	8,870,000	-	-	139,439	2,731,034	18,235,473	24,262,397	4.73%	1,086
2002	5,920,000	9,170,000	-	-	147,890	2,834,422	18,072,312	24,900,750	4.85%	1,115
2001	5,910,000	9,560,000	-	-	156,341	2,928,024	18,554,365	25,016,078	4.88%	1,120
2000	8,400,000	3,640,000	-	115,000	164,791	-	12,319,791	18,803,119	3.66%	842
1999	7,670,000	3,840,000	-	235,000	-	-	11,745,000	18,322,154	5.93%	850
1998	800,000	4,035,000	-	340,000	-	-	5,175,000	11,758,000	3.80%	545
1997	200,000	4,220,000	-	435,000	-	-	4,855,000	11,926,000	3.86%	553

(a) See schedule of Demographic Statistics for personal income and population data.

Source: City financial records.

City of North Ridgeville, Ohio
Ratio of Net General Obligation Bond Debt to Assessed Value
And Net General Obligation Bonded Debt per Capita
Last Ten Years

Year	Gross Debt Value (1)	Debt Service Funds Available	Debt Payable From Enterprise Revenues	Net Bonded Debt	Assessed Value (2)	Population (3)	Ratio of Net Debt to Assessed Value	Net Bonded Debt Per capita
2006	\$ 20,813,682	\$ 223,329	\$ 16,105,682	4,484,671	\$ 587,531,586	22,338	0.76%	\$ 201
2005	10,647,000	196,350	7,835,000	2,615,650	557,079,074	22,338	0.47%	117
2004	11,807,000	223,517	8,360,000	3,223,483	518,707,270	22,338	0.62%	144
2003	12,947,000	801,478	8,870,000	3,275,522	467,411,050	22,338	0.70%	147
2002	13,760,000	450,827	9,170,000	4,139,173	446,688,410	22,338	0.93%	185
2001	14,720,000	617,958	9,560,000	4,542,042	430,844,030	22,338	1.05%	203
2000	7,580,000	718,734	3,640,000	3,221,266	376,589,994	22,338	0.86%	144
1999	8,610,000	820,366	3,840,000	3,949,634	361,860,630	21,564	1.09%	183
1998	9,610,000	708,109	4,035,000	4,866,891	346,970,830	21,564	1.40%	226
1997	10,585,000	772,138	4,220,000	5,592,862	289,252,790	21,564	1.93%	259

(1) Amount excludes special assessment bonds and revenue bonds

(2) Source: County Auditor, Lorain County, Ohio; (reflects collection year)

(3) Source: U.S. Bureau of Census

City of North Ridgeville, Ohio
Direct and Overlapping Governmental Activities Debt
December 31, 2006

	General Tax Supported Debt Outstanding	Overlapping Percentage Applicable to City (1)	Amount Applicable to City	Amount Per Capita (2)	% of City's Current Assessed Valuation (3)
City of North Ridgeville	\$ 5,147,609	100.00%	\$ 5,147,609	\$ 230.44	0.77%
Lorain County (4)	\$ 41,628,196	9.28%	\$ 3,863,097	\$ 172.94	0.57%
North Ridgeville City Schools (5)	\$ 2,479,550	100.00%	\$ 2,479,550	\$ 111.00	0.37%
	<u>\$ 49,255,355</u>		<u>\$ 11,490,256</u>	<u>\$ 514.38</u>	<u>1.71%</u>

(1) Percentages were determined by dividing the assessed valuation at the political subdivision located within the boundaries of the City by the total assessed valuation of the subdivision. The City and North Ridgeville City Schools boundaries are co-terminus.

(2) Based on 2000 Census of 22,338.

(3) The City's assessed valuation was \$ 671,789,866 (collection year 2007) and \$ 587,531,586 (collection year 2006).

(4) Source: County Auditor, Lorain County, Ohio

(5) Source: North Ridgeville Board of Education

City of North Ridgeville, Ohio
Computation of Legal Debt Margin
Last Seven Years (1)

	2006	2005	2004	2003	2002	2001	2000
Assessed value (assessment year)	<u>\$ 671,789,866</u>	<u>\$ 587,531,586</u>	<u>\$ 557,079,074</u>	<u>\$ 518,707,270</u>	<u>\$ 446,688,410</u>	<u>\$ 430,844,030</u>	<u>\$ 376,589,997</u>
Legal Debt Margin:							
Debt limitation - 10.5 percent of assessed value	\$ 70,537,935	\$ 61,690,816	\$ 58,493,302	\$ 54,464,263	\$ 46,902,283	\$ 45,238,623	\$ 39,541,949
Debt applicable to limitation							
General obligation bonds	20,813,682	10,647,000	11,807,000	12,947,000	13,760,000	14,720,000	7,580,000
Special assessment bonds	2,736,318	263,000	288,000	313,000	520,000	545,000	570,000
Revenue bonds	-	-	-	-	-	-	115,000
Bond anticipation notes	<u>1,300,000</u>	<u>15,555,000</u>	<u>18,195,000</u>	<u>7,395,000</u>	<u>6,845,000</u>	<u>5,910,000</u>	<u>9,600,000</u>
Gross indebtedness							
Total Voted and Unvoted Debt	<u>24,850,000</u>	<u>26,465,000</u>	<u>30,290,000</u>	<u>20,655,000</u>	<u>21,125,000</u>	<u>21,175,000</u>	<u>17,865,000</u>
Less: Debt outside limitations							
Self-supporting GO Water	840,000	945,000	1,050,000	1,155,000	1,185,000	1,265,000	5,045,000
Self-supporting GO Sewer	15,265,682	16,532,576	20,066,013	9,550,976	9,820,976	10,130,976	6,995,000
Special assessment	2,726,709	4,435,157	4,504,744	4,459,805	4,603,657	4,618,639	569,597
Tax increment financing	870,000	900,000	590,000	800,000	800,000	-	-
Water revenue	-	-	-	-	-	-	115,000
Total Debt Outside Limitations	<u>19,702,391</u>	<u>22,812,733</u>	<u>26,210,757</u>	<u>15,965,781</u>	<u>16,409,633</u>	<u>16,014,615</u>	<u>12,724,597</u>
Total nonexempt debt	5,147,609	3,652,267	4,079,243	4,689,219	4,715,367	5,160,385	5,140,403
Less: Amount available in debt service fund to pay debt applicable to limitation	<u>223,229</u>	<u>196,350</u>	<u>223,517</u>	<u>801,478</u>	<u>450,827</u>	<u>620,124</u>	<u>718,734</u>
Net debt within 10.5% limitation	<u>4,924,380</u>	<u>3,455,917</u>	<u>3,855,726</u>	<u>3,887,741</u>	<u>4,264,540</u>	<u>4,540,261</u>	<u>4,421,669</u>
Debt leeway within 10.5% limitation	<u>\$ 65,613,555</u>	<u>\$ 58,234,899</u>	<u>\$ 54,637,576</u>	<u>\$ 50,576,522</u>	<u>\$ 42,637,743</u>	<u>\$ 40,698,362</u>	<u>\$ 35,120,280</u>
<hr/>							
Unvoted debt limitation - 5.5% of assessed valuation							
Debt limitation: 5.5% of assessed value	\$ 36,948,442	\$ 32,314,237	\$ 30,639,349	\$ 28,528,899	\$ 24,567,862	\$ 23,696,421	\$ 20,712,449
Gross indebtedness authorized by City Council	24,850,000	26,465,000	30,290,000	20,655,000	21,125,000	21,175,000	17,865,000
Less: Debt outside limitations	19,702,391	22,812,733	26,210,757	15,965,781	16,409,633	16,014,615	12,724,597
Voted debt	<u>570,000</u>	<u>855,000</u>	<u>1,140,000</u>	<u>1,420,000</u>	<u>1,700,000</u>	<u>1,980,000</u>	<u>2,260,000</u>
	<u>20,272,391</u>	<u>23,667,733</u>	<u>27,350,757</u>	<u>17,385,781</u>	<u>18,109,633</u>	<u>17,994,615</u>	<u>14,984,597</u>
Debt within 5.5% limitation	4,577,609	2,797,267	2,939,243	3,269,219	3,015,367	3,180,385	2,880,403
Less: Amount available in debt service fund to pay debt applicable to limitation	<u>101</u>	<u>93</u>	<u>30,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net debt within 5.5% limitation	<u>4,577,508</u>	<u>2,797,174</u>	<u>2,908,697</u>	<u>3,269,219</u>	<u>3,015,367</u>	<u>3,180,385</u>	<u>2,880,403</u>
Debt leeway within 5.5% unvoted debt limitation	<u>\$ 32,370,934</u>	<u>\$ 29,517,063</u>	<u>\$ 27,730,652</u>	<u>\$ 25,259,680</u>	<u>\$ 21,552,495</u>	<u>\$ 20,516,036</u>	<u>\$ 17,832,046</u>

(1) Information is not available prior to December 31, 2000.

Source: City Financial Records

City of North Ridgeville, Ohio
Pledged Revenue Coverage
Last Seven Years (1)

	Governmental Activities				Business-type Activities			
	Special Assessment Revenue	Debt Service		Coverage Ratio	Special Assessment Revenue	Debt Service		Coverage Ratio
		Principal	Interest			Principal (2)	Interest	
2006	\$ 32,843	\$ 25,000	\$ 8,614	0.98	\$ -	\$ -	\$ 29,739	-
2005	36,703	25,000	9,115	1.08	-	-	-	-
2004	45,789	25,000	9,490	1.33	-	-	-	-
2003	55,590	20,000	29,755	1.12	-	-	-	-
2002	57,629	25,000	30,105	1.05	-	-	-	-
2001	59,505	25,000	31,255	1.06	-	-	-	-
2000	69,604	34,000	33,211	1.04	-	-	-	-

(1) Information is not available prior to December 31, 2000.

(2) Special assessment bonds were issued in 2006, for which principal repayment begins in 2007.

City of North Ridgeville, Ohio
Demographic Statistics
Last Ten Years

Year	Population (1)	Per Capita Income (1)	Personal Income	School Enrollment (2)	Unemployment Rate (3)		
					County	State	Country
2006	22,338	\$ 22,971	\$ 513,126,198	3564	5.8%	5.5%	4.6%
2005	22,338	22,971	513,126,198	3,433	5.8%	5.9%	5.1%
2004	22,338	22,971	513,126,198	3,403	5.8%	6.2%	5.5%
2003	22,338	22,971	513,126,198	3,343	7.3%	6.2%	6.0%
2002	22,338	22,971	513,126,198	3,251	7.1%	5.7%	5.8%
2001	22,338	22,971	513,126,198	3,175	5.6%	4.4%	4.7%
2000	22,338	22,971	513,126,198	3,167	5.4%	4.0%	4.0%
1999	21,564	14,331	309,033,684	3,153	5.0%	4.3%	4.2%
1998	21,564	14,331	309,033,684	3,265	3.6%	4.3%	4.5%
1997	21,564	14,331	309,033,684	3,359	6.1%	4.6%	4.9%

Source: (1) U.S. Department of Census

(2) North Ridgeville Board of Education

(3) U. S. Department of Labor and Bureau of Labor Statistics

City of North Ridgeville, Ohio
Principal Employers
December 31, 2006 and December 31, 2000 (1)

December 31, 2006			
Employer	Nature of Activity or Business	Approximate Number of Employees (2)	Percent of Total
Invacare Corporation	Manufacturer of wheelchairs	500	3.2%
North Ridgeville City School District	Public education	450	2.9%
Beckett Gas, Inc.	Manufacturer of gas burners	230	1.5%
R. W. Beckett Corporation	Manufacturer of oil burners	210	1.3%
City of North Ridgeville, Ohio	Municipal government	200	1.3%
Center Ridge Nursing Home, Inc.	Skilled nursing home facility	200	1.3%
Northridge Health Center	Skilled nursing home facility	200	1.3%
Beckett Air, Inc.	Manufacturer of blowers/wheels	140	0.9%
Lake Ridge Academy	Education	120	0.8%
Norlake Manufacturing Company	Manufacturer of motor vehicle parts	100	0.6%
Total of all employees within the city		15,700	

Sources: "2007 Harris Ohio Industrial Directory" in cooperation with the Ohio Department of Development; respective employers.

December 31, 2000		
Employer	Nature of Activity or Business	Approximate Number of Employees (2)
North Ridgeville City School District	Public education	400
RELTECH, a division of Marconi	Telecommunication engineer	340
Beckett Gas, Inc.	Manufacturer of gas burners	250
Invacare Corporation	Manufacturer of wheelchairs	200
Plastic Components, Inc.	Plastic injection manufacturing	200
R. W. Beckett Corporation	Manufacturer of oil burners	200
City of North Ridgeville, Ohio	Municipal government	200
Center Ridge Nursing Home, Inc.	Skilled nursing home facility	175
Dreco, Inc.	Plastic product manufacturing	150
Norlake Manufacturing Company	Manufacturer of motor vehicle parts	150
Beckett Air, Inc.	Manufacturer of blowers/wheels	120
Total of all employees within the city		not available

Sources: "2001 Harris Ohio Industrial Directory" in cooperation with the Ohio Department of Development; respective employers.

(1) Information prior to December 31, 2000 is not available.

(2) Approximate number of employees within the City.

City of North Ridgeville, Ohio
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	Full-time-Equivalent Employees as of December 31,									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Security of persons and property										
Police department	48	45	45	45	46	45	45	43	42	40
Fire department	34	33	33	33	32	33	33	33	31	32
Mayor's court	3	2	3	3	3	3	3	3	3	2
Public health and welfare										
Public grounds maintenance	7	6	5	5	6	5 (a)	2	2	2	2
Senior center	6	5	5	4	6	6	5	5	6	5
Leisure time activities										
Parks and recreation	3	3	3	3	3	3 (a)	8	7	8	7
Transportation										
Street department	18	18	17	17	18	18	18	16	13	13
General government:										
Council	6	6	6	6	6	6	6	6	6	5
Mayor	2	2	2	2	2	2	2	2	2	2
Safety service	2	2	2	2	2	2	2	2	2	2
Legal	3	3	3	3	3	3	3	3	3	3
Finance	6	6	6	5	5	5	6	6	6	6
Income tax	3	3	3	3	3	3	3	3	3	3
Building	8	7	7	7	7	6	6	6	5	5
Engineering	7	7	6	6	5	6	6	5	5	4
Other	3	3	2	2	2	2	2	2	2	2
Sewer										
Treatment Plant	19	19	19	19	20	21	19	17	17	17
Operations	7	7	7	7	7	7	7	7	7	7
Water										
	13	14	12	13	13	13	13	12	11	12
Total	<u>198</u>	<u>191</u>	<u>186</u>	<u>185</u>	<u>189</u>	<u>189</u>	<u>189</u>	<u>180</u>	<u>174</u>	<u>169</u>

(a) In 2001, recreation maintenance employees were transferred to public grounds maintenance.

Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent of part-time employment is calculated by dividing total labor hours by 2,080.

City of North Ridgeville, Ohio
 Operating Indicators by Function / Program
 Last Ten Five Years (1)

Function/Program	2006	2005	2004	2003	2002
Police					
Dispatch, calls for service	35,810	32,051	31,869	31,827	31,822
Physical arrests	5,138	5,992	5,264	5,580	5,927
Persons incarcerated	675	825	667	654	685
Average daily population	3.3	4.0	3.3	2.8	2.7
Traffic accidents	580	609	719	634	604
Parking citations	264	210	157	274	245
Animal warden, calls for service	1,387	1,422	1,368	873	1,167
Fire / EMS					
Emergency responses - EMS	1,985	1,878	1,684	1,700	1,600
Persons treated	2,044	1,935	1,826	1,790	1,672
Emergency responses - fire	512	504	505	491	419
Fires extinguished	76	84	76	93	74
Building fires extinguished	14	23	16	13	13
Building department					
Building permits issued	2,128	2,174	2,131	1,929	1,829
Number of inspections	12,829	14,524	12,252	9,993	8,945
Estimated value of construction (thousands of dollars)					
Residential - new	\$ 47,907	\$ 72,072	\$ 61,497	\$ 50,864	\$ 48,457
Residential - other	\$ 6,915	\$ 6,469	\$ 6,374	\$ 6,015	\$ 5,278
Commercial - new	\$ 8,023	\$ 3,630	\$ 5,113	\$ 4,488	\$ 10,055
Commercial - other	\$ 3,850	\$ 3,353	\$ 2,432	\$ 4,539	\$ 1,716
Total	<u>\$ 66,695</u>	<u>\$ 85,524</u>	<u>\$ 75,416</u>	<u>\$ 65,906</u>	<u>\$ 65,506</u>

(Continued)

City of North Ridgeville, Ohio
 Operating Indicators by Function / Program
 Last Ten Five Years (1)
 (Concluded)

Function/Program	2006	2005	2004	2003	2002
Municipal income tax					
Returns filed - individuals	13,109	12,897	12,049	11,543	11,425
Returns filed - other	1,986	1,956	1,781	1,651	1,452
Park and recreation					
Program participants	4,615	3,623	3,502	3,906	3,007
Water					
New connections	450	456	528	411	339
Average daily consumption (thousands of gallons)	2,051	2,118	1,917	1,852	1,888
Water suppliers	3	3	3	3	3
Water main breaks	23	20	24	38	65
Wastewater					
Average daily flow treated (thousands of gallons)	5,762	5,593	4,979	4,391	4,258
Average daily flow treated from North Ridgeville City (thousands of gallons)	2,963	2,939	2,753	2,702	2,333
New taps - City	447	550	545	416	392

Source: Various City departments

(1) Information prior to 2002 is not available.

City of North Ridgeville, Ohio
 Capital Asset Statistics by Function / Program
 Last Ten Five Years (1)

Function/Program	2006	2005	2004	2003	2002
Police					
Police stations	1	1	1	1	1
Vehicles	44	41	38	43	43
Fire / EMS					
Fire / EMS stations	2	2	2	2	2
Fire vehicles	7	5	6	6	6
EMS vehicles	4	4	4	4	4
Building department					
Vehicles	7	6	6	6	6
Engineering department					
Vehicles	6	5	5	5	5
Transportation					
Streets (lane miles)	216	194	165	158	148
Storm sew ers (miles)	92	80	71	66	57
Service vehicles	37	34	34	35	35
Parks and recreation					
City parks	5	5	4	4	4
Acreage - parks	159	159	92	92	92
Buildings	3	3	3	3	3
Baseball / softball fields	13	13	13	13	13
Football fields	4	4	4	4	4
Soccer fields	6	6	6	6	6
City Hall					
City Hall	1	1	1	1	1
Waterlines (miles)					
Waterlines (miles)	120	114	106	99	98
Wastew ater					
Treatment plant	1	1	1	1	1
Sew erlines - City (miles)	112	106	95	91	89

Source: Various City departments
 (1) Information prior to 2002 is not available.

Front cover depicts the City's award winning "Safetyville", site of pre-school safety training.

City of **North Ridgeville, Ohio**

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Mary Taylor, CPA
Auditor of State

CITY OF NORTH RIDGEVILLE

LORAIN 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 13, 2007**